

### 211.273-3

replacements for military or Federal specifications or standards, absent a specific determination to the contrary.

[62 FR 44224, Aug. 20, 1997, as amended at 64 FR 14399, Mar. 25, 1999; 65 FR 52952, Aug. 31, 2000; 71 FR 27641, May 12, 2006]

#### 211.273-3 Procedures.

Follow the procedures at PGI 211.273-3 for encouraging the use of SPI processes instead of military or Federal specifications and standards.

[71 FR 27641, May 12, 2006]

#### 211.273-4 Contract clause.

Use the clause at 252.211-7005, Substitutions for Military or Federal Specifications and Standards, in solicitations and contracts exceeding the micro-purchase threshold, when procuring previously developed items.

[62 FR 44224, Aug. 20, 1997]

### 211.274 Item identification and valuation requirements.

#### 211.274-1 General.

Item unique identification and valuation is a system of marking, valuing, and tracking items delivered to DoD that enhances logistics, contracting, and financial business transactions supporting the United States and coalition troops. Through item unique identification policy, which capitalizes on leading practices and embraces open standards, DoD—

- (a) Achieves lower life-cycle cost of item management and improves life-cycle property management;
- (b) Improves operational readiness;
- (c) Provides reliable accountability of property and asset visibility throughout the life cycle;
- (d) Reduces the burden on the workforce through increased productivity and efficiency; and
- (e) Ensures item level traceability throughout lifecycle to strengthen supply chain integrity, enhance cyber security, and combat counterfeiting.

[78 FR 76071, Dec. 16, 2013]

#### 211.274-2 Policy for item unique identification.

- (a) It is DoD policy that DoD item unique identification, or a DoD recognized unique identification equivalent,

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is required for all delivered items, including items of contractor-acquired property delivered on contract line items (see PGI 245.402-71 for guidance when delivery of contractor acquired property is required)—

(1) For which the Government's unit acquisition cost is \$5,000 or more;

(2) For which the Government's unit acquisition cost is less than \$5,000 when the requiring activity determines that item unique identification is required for mission essential or controlled inventory items; or

(3) Regardless of value for any—

(i) DoD serially managed item (reparable or nonreparable) or subassembly, component, or part embedded within a subassembly, component, or part;

(ii) Parent item (as defined in 252.211-7003(a)) that contains the embedded subassembly, component, or part;

(iii) Warranted serialized item;

(iv) Item of special tooling or special test equipment, as defined at FAR 2.101, for a major defense acquisition program that is designated for preservation and storage in accordance with the requirements of section 815 of the National Defense Authorization Act for Fiscal Year 2009 (Pub. L. 110-417); and

(v) High risk item identified by the requiring activity as vulnerable to supply chain threat, a target of cyber threats, or counterfeiting.

(b) *Exceptions.* The contractor will not be required to provide DoD item unique identification if—

(1) The items, as determined by the head of the agency, are to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack; or

(2) A determination and findings has been executed concluding that it is more cost effective for the Government requiring activity to assign, mark, and register the unique item identifier after delivery, and the item is either acquired from a small business concern, or is a commercial item acquired under FAR part 12 or part 8.

(i) The determination and findings shall be executed by—

(A) The Component Acquisition Executive for an acquisition category (ACAT) I program; or

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(B) The head of the contracting activity for all other programs.

(ii) The DoD Unique Identification Policy Office must receive a copy of the determination and findings required by paragraph (b)(2)(i) of this subsection. Follow the procedures at PGI 211.274-2.

[70 FR 20836, Apr. 22, 2005, as amended at 76 FR 33168, June 8, 2011; 77 FR 52257, Aug. 29, 2012; 78 FR 76071, Dec. 16, 2013]

### 211.274-3 Policy for valuation.

(a) It is DoD policy that contractors shall be required to identify the Government's unit acquisition cost for all deliverable end items to which item unique identification applies.

(b) The Government's unit acquisition cost is—

(1) For fixed-price type line, subline, or exhibit line items, the unit price identified in the contract at the time of delivery;

(2) For cost-type or undefinitized line, subline, or exhibit line items, the contractor's estimated fully burdened unit cost to the Government at the time of delivery; and

(3) For items delivered under a time-and-materials contract, the contractor's estimated fully burdened unit cost to the Government at the time of delivery.

(c) The Government's unit acquisition cost of subassemblies, components, and parts embedded in delivered items shall not be separately identified.

[70 FR 20836, Apr. 22, 2005, as amended at 78 FR 76072, Dec. 16, 2013]

### 211.274-4 Policy for reporting of Government-furnished property.

(a) It is DoD policy that all Government-furnished property be recorded in the DoD Item Unique Identification (IUID) Registry, as defined in the clause at 252.211-7007, Reporting of Government-Furnished Property.

(b) The following items are not required to be reported:

(1) Contractor-acquired property, as defined in FAR part 45.

(2) Property under any statutory leasing authority.

(3) Property to which the Government has acquired a lien or title solely

because of partial, advance, progress, or performance-based payments.

(4) Intellectual property or software.

(5) Real property.

(6) Property released as work in process.

(7) Non-serial managed items (reporting is limited to receipt transactions only).

[77 FR 52257, Aug. 29, 2012]

### 211.274-5 Policy for assignment of Government-assigned serial numbers.

It is DoD policy that contractors apply Government-assigned serial numbers, such as tail numbers/hull numbers and equipment registration numbers, in human-readable format on major end items when required by law, regulation, or military operational necessity. The latest version of MIL-STD-130, Marking of U.S. Military Property, shall be used for the marking of human-readable information.

[75 FR 59103, Sept. 27, 2010]

### 211.274-6 Contract clauses.

(a)(1) Use the clause at 252.211-7003, Item Unique Identification and Valuation, in solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial items, that require item identification or valuation, or both, in accordance with 211.274-2 and 211.274-3.

(2) Identify in paragraph (c)(1)(ii) of the clause the contract line, subline, or exhibit line item number and description of any item(s) below \$5,000 in unit acquisition cost for which DoD item unique identification or a DoD recognized unique identification equivalent is required in accordance with 211.274-2(a)(2).

(3) Identify in paragraph (c)(1)(iii) of the clause the applicable attachment number, when DoD item unique identification or a DoD recognized unique identification equivalent is required in accordance with 211.274-2(a)(3)(i) through (v).

(b) Use the clause at 252.211-7007, Reporting of Government-Furnished Property, in solicitations and contracts that contain the clause at FAR 52.245-1, Government Property.