



**DEPARTMENT OF THE ARMY**  
US ARMY MEDICAL RESEARCH AND MATERIEL COMMAND  
504 SCOTT STREET  
FORT DETRICK MD 21702-5014

MCMR-AAP-A

24 May 2013

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Procurement Advisory Notice (PAN) 13-02  
Appropriate Use of the Item Unique Identification (IUID) System

1. PURPOSE. The purpose of this memorandum is to establish policy and provide guidance for the proper use of the IUID system as it relates to acquisitions executed by the United States Army Medical Research Acquisition Activity (USAMRAA).

2. REFERENCES.

a. Policy for Unique Identification (UID) of Tangible Items – New Equipment, Major Modifications, and Reprocurements of Equipment and Spares, Under Secretary of Defense (Acquisition, Technology & Logistics) (USD (AT&L)) Memo of July 29, 2003

b. Contract Pricing and Cost Accounting – Compliance with Defense Federal Acquisition Regulation Supplement (DFARS) Clause 252.211-7003, "Item Identification and Valuation," USD (AT&L) Memo of July 9, 2004

c. Department of Defense (DoD) Instruction 5000.64, Defense Property Accountability

d. DoD Directive 8320.03, UID Standards for a Net-Centric DoD, March 23, 2007

e. DoD Instruction 8320.04, "IUID Standards for Tangible Personal Property," June 16, 2008

f. DoD 4140.1-R, DoD Supply Chain Material Management Regulation

g. DFARS, Subpart 211.274, "Item Identification and Valuation Requirements," August 12, 2008

h. Military Standard (MIL-STD)-130, Identification Marking of U.S. Military Property

i. DoD Guide to Uniquely Identifying Items, September 15, 2012  
<http://www.acq.osd.mil/dpap/pdi/uid/guides.html>

SUBJECT: Procurement Advisory Notice (PAN) 13-02  
Appropriate Use of the Item Unique Identification (IUID) System

3. BACKGROUND. Historically, the Government Accountability Office and other auditors have repeatedly found that the Federal Government lacks complete and reliable information for reported inventory and other property and equipment, and cannot determine that all assets are reported, verify the existence of inventory, or substantiate the amount of reported inventory and property. These longstanding problems with visibility and accountability are a major impediment to the Federal Government achieving the goals of legislation for financial reporting and accountability. Further, the lack of reliable information impairs the Government's ability to (1) know the quantity, location, condition, and value of assets it owns, (2) safeguard its assets from physical deterioration, theft, loss, or mismanagement, (3) prevent unnecessary storage and maintenance costs or purchase of assets already on hand, and (4) determine the full costs of government programs that use these assets.

4. DEFINITIONS.

a. An item is a single hardware article or a single unit formed by a grouping of subassemblies, components, or constituent parts.

b. IUID means a system of marking items delivered to the DoD with unique item identifiers that have machine-readable data elements to distinguish an item from all other like and unlike items. It is the fundamental element of the Department's strategy for the management of its tangible items of personal property.

c. Unique Item Identifier (UII) is a set of data elements marked on an item that is globally unique and unambiguous.

d. Unique item-level traceability is defined as the requirement to trace lifecycle management events related to acquisition, property accountability, storage, operation, maintenance, safety, physical security, retirement, and disposal by each individual item, e.g., a single instance of a stock-numbered item or a single assembly/subassembly.

5. POLICY.

a. DoD Instruction 5000.64, Defense Property Accountability, requires that accountability records be established for all property (property, plant and equipment) with a unit acquisition cost of \$5,000 or more, and items that are sensitive or classified, or items furnished to third parties, regardless of acquisition cost. Property records and/or systems are to provide a complete trail of all transactions, suitable for audit. Property accountability records and systems shall contain the data elements specified in DoD Instruction 5000.64, paragraph 6.6, including part number, cost, national stock number, UII or DoD recognized IUID equivalent, and other data elements listed.

SUBJECT: Procurement Advisory Notice (PAN) 13-02  
Appropriate Use of the Item Unique Identification (IUID) System

b. DoD 4140.1-R, DoD Supply Chain Material Management Regulation, requires accountability and inventory control requirements for all secondary items of property and materiel received in the wholesale supply system.

c. Items being delivered under contract, including new equipment, major modifications, reprocurments of equipment and spares, shall include the contract clause DFARS 252.211-7003 to invoke the IUID requirement. Additionally, DFARS 252.211-7003 requires a list of embedded DoD serially managed subassemblies, components, and parts that are to be uniquely identified. The requiring activity is responsible to identify and provide to the Contracting Officer all items for the list. The IUID data are reported at the time of delivery, either as part of, or associated with, the Material Inspection and Receiving Report.

d. Both the unique identification and the value of items that shall be delivered under the contract need to be reflected in the Department's property accountability and management information systems. According to DoD Instruction 5000.64, acquisition cost shall be the basis for valuation of property. For fixed price contracts, the acquisition cost for items to be delivered is the fixed price paid by the Government. For cost type contracts, the acquisition cost for items to be delivered is the Contractor's estimated cost at the time the item is delivered. For time-and-material contracts, the acquisition cost for items to be delivered is the actual cost paid by the contractor plus indirect cost allowed by the contract.

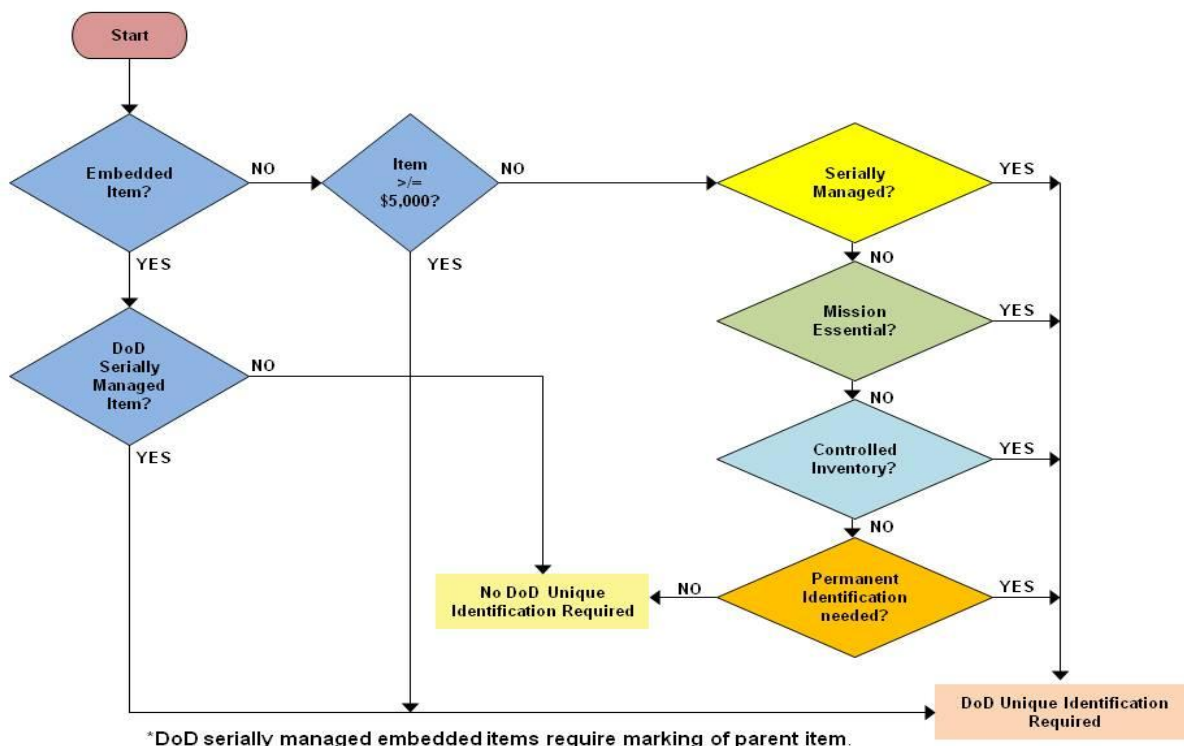
e. The implementation of IUID requirements means that qualifying items shall be marked with Machine-Readable Information (MRI). The Government requiring activity determines an item qualifies for IUID if it meets the requirements of DFARS 211.274, Item Identification and Valuation (also see Section 6, Applicability, of this PAN). The Government requiring activity identifies these qualifying items in paragraph (c)(1) of DFARS Clause 252.211-7003. The supplier shall place UII data elements in MRI media on items requiring IUID marking, based on the criteria provided in the latest revision of MIL-STD-130, Identification Marking of U.S. Military Property. The DoD minimum MRI requirement for IUID is the Data Matrix Error Correction Schema ECC 200 symbol. It is to be applied either through labeling or direct part marking.

f. The DoD IUID Registry may be accessed by the manufacturer, supplier, distributor, and shipper, as well as the DoD Components' supply chain processes, for receipt and acceptance, inventory management, maintenance, and operations. Industry representatives can register for access by following the instructions for the Business Partner Network Support Environment Registration System at <https://www.bpn.gov/BRS>.

SUBJECT: Procurement Advisory Notice (PAN) 13-02  
 Appropriate Use of the Item Unique Identification (IUID) System

g. Requiring activities shall use the DoD IUID Registry Update function to record an event that happened to a UII item. A UII item's status, or life cycle event, shall be changed in the DoD IUID Registry when an event occurs. A drop-down menu contains the possible life cycle events of: abandoned, consumed, destroyed by accident, destroyed by combat, donated, exchanged – repair, exchanged – sold, exchanged – warranty, expended – experimental/target, expended – normal use, leased, loaned, lost, reintroduced, retired, scrapped, sold – foreign government, sold – historic, sold – nongovernment, sold – other federal, sold – state/local, and stolen. When an item that is marked with a UII experiences any of the life cycle events listed above, the DoD IUID Registry shall be updated by the DoD Component or industry representative that caused the life cycle event to take place. Once the user gains access, a life cycle event to a UII item shall be updated by entering the UII and then clicking on the Add link next to Life Cycle Event. The Update IUID – Life Cycle Event, page is then displayed.

h. The following decision tree defines the business rules for determining what items should be uniquely identified (also see Section 6, Applicability, of this PAN). The DoD requiring activity is responsible for identifying items for IUID when they are under the \$5,000 threshold or are embedded items.



SUBJECT: Procurement Advisory Notice (PAN) 13-02  
Appropriate Use of the Item Unique Identification (IUID) System

i. USAMRAA personnel are responsible for ensuring they are thoroughly familiar with DFARS Subpart 211.274 and incorporating DFARS clause 252.211-7003 as appropriate. The clause is completed based on input from the requiring activity.

6. APPLICABILITY. This PAN is applicable to all acquisitions made by USAMRAA subject to the following:

a. All delivered items for which the Government's unit acquisition cost is \$5,000 or more;

b. Items for which the Government's unit acquisition cost is less than \$5,000, when identified by the requiring activity as serially managed, mission essential (i.e., sensitive, critical safety items), pilferable items, or controlled inventory;

c. Items for which the Government's unit acquisition cost is less than \$5,000, when the requiring activity determines that permanent identification is required;

d. All depot-level reparable items;

e. Regardless of value--

(1) Any DoD serially managed subassembly, component, or part embedded within a delivered item;

(2) The parent item (as defined in 252.211-7003(a)) that contains the embedded subassembly, component, or part; and

(3) Any warranted serialized item.

f. Regardless of value, any item of contractor-acquired or government-furnished special tooling as defined by Federal Acquisition Regulation 2.101(b) for a major defense acquisition program that is designated for preservation and storage in accordance with the requirements of section 815 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Pub. L. 110-417).

7. EXCEPTIONS. The Contractor will not be required to provide DoD unique item identification if:

a. 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

SUBJECT: Procurement Advisory Notice (PAN) 13-02  
Appropriate Use of the Item Unique Identification (IUID) System

b. 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 identification after delivery of an item acquired from a small business concern or a commercial item acquired under FAR part 12 or part 8.

(1) The determination and findings shall be executed by the Component Acquisition Executive for an acquisition category (ACAT) I program or the head of the contracting activity for all other programs, and

(2) The DoD Unique Identification Policy Office must receive a copy of the determination and findings. Follow the procedures at [PGI 211.274-2](#).

MCMR-AAP-A

24 May 2013

SUBJECT: Procurement Advisory Notice (PAN) 13-02  
Appropriate Use of the Item Unique Identification (IUID) System

8. PROPONENT. The proponent for this notice is the USAMRAA Policy Branch.

E-Signed by USAMRAA  
Thursday, 13 June 2013 10:39:47 



LAMONT G. KAPEC  
Acting Principal Assistant  
Responsible for Contracting

DISTRUBUTION:

A