



DEFENSE SECURITY COOPERATION AGENCY

WASHINGTON, DC 20301-2800

JAN 24 2005

In reply refer to:
I-05/000229-P2

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Unique Identification (UID) For Security Assistance Programs
(DSCA 05-04)

REFERENCES: Office of the Under Secretary of Defense for Acquisition,
Technology, and Logistics Memoranda on Unique Identification
(UID) of Tangible Items

This memorandum provides information on the Department of Defense's Unique Identification (UID) policy and its relationship to security assistance programs. On July 29, 2003, the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (OUSD(AT&L)) signed the first of a series of policy memoranda. This first memorandum mandates UID for all DoD solicitations issued on or after January 1, 2004. Follow-on memoranda clarified the policy and extended it to all legacy items, including Government Furnished Property, and to existing contracts. This policy is contractually implemented by the Defense Federal Acquisition Regulation Supplement (DFARS) Clause 252.211-7003, which contains the rule for identification and valuation. DoD contracting officers must include this DFARS clause on all solicitations issued on or after January 1, 2004. For legacy items, Program/Item Managers must prepare UID Implementation Plans to meet the requirements of the policy memoranda. More information on UID is available at: <http://www.acq.osd.mil/dpap/UID/>.

There have been queries from the security assistance community regarding the requirement for UID on DoD contracts for security assistance programs. My staff met with the UID point of contact at OUSD(AT&L) to confirm that the DFARS clause is mandatory for all DoD contracts that require the delivery of items, including those for foreign customers. Some of the benefits the security assistance community will derive from UID are identified in the attached information on UID for security assistance.

We recognize there could be rare circumstances where UID of security assistance material may not be deemed possible. In such a case, the specific details, including rationale and possible alternatives, should be provided to DSCA for review.

The DSCA points of contact for UID policy are Ms. Kathy Robinson, DSCA/P3-Policy and Processes Division, (703) 601-4368, kathy.robinson@dsc.mil, and Mr. Steve Harris, DSCA/P3-Policy and Processes Division, (703) 604-6611, steve.harris@dsc.mil.

A handwritten signature in blue ink that reads "Richard J. Millies". The signature is written in a cursive style with a large, looping initial "R".

Richard J. Millies
Deputy Director

Attachment:
As Stated

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Information on Unique Identification (UID) for Security Assistance

UID is a set of data for tangible assets that is globally unique, ensures data integrity and data quality throughout the life of the item, and supports versatile business applications and users. Industry suppliers and manufacturers assign and apply unique item identifier (UII) data elements to each individual item to ensure the uniqueness of the combined component data. The UII distinguishes each particular item, similar to a Vehicle Identification Number. This is different from a National Stock Number (NSN) or a manufacturer's part number in that NSNs and part numbers are assigned to groups of like items versus each separate item. It uses a two-dimensional (2D) data matrix (ECC 200) barcode that can store from one to approximately 2,000 characters, readable only by a 2D Automatic Identification Technology device; it is not readable by satellite. The data matrix contains the minimum essential data required to uniquely identify that individual item from all others as described in the UID policy. Additional "pedigree" data is captured through Wide Area Workflow during the acquisition process and is stored in a password-protected UID registry managed and maintained by the Defense Logistics Information Service in Battle Creek, MI.

The UID program began as one of DoD's solutions for addressing non-compliance issues associated with the Chief Financial Officers' Act of 1990. This act calls for improved financial management, item accountability and cost reduction, and emphasizes results-oriented management. UID provides DoD with the capability for enhanced total asset visibility, improved lifecycle item management and accountability, and clean financial audits. In summary, it allows the DoD to identify individual assets at any time throughout the lifecycle and provides the means to relate them to their historical engineering and logistics support data.

The July 29, 2003 OUSD(AT&L) policy memorandum and subsequent memoranda mandate UID on all DoD solicitations issued on or after January 1, 2004. This is enforced by the Defense Federal Acquisition Regulation Supplement (DFARS) Clause 252.211-7003, which contains the rule for identification and valuation. DoD contracting officers must include this DFARS clause on all solicitations issued on or after January 1, 2004, including those for security assistance requirements. An item meeting any one of the following four criteria requires UID:

- 1) All delivered items for which the Government's unit acquisition cost is \$5,000 or more;
- 2) 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, or controlled inventory;

3) When the Government's unit acquisition cost is less than \$5,000 and the requiring activity determines that permanent identification is required.

4) Regardless of value, (i) any DoD serially managed subassembly, components, or part embedded within a delivered item and, (ii) the parent item (as defined in DFARS 252.211-7003(a)) that contains the embedded subassembly, component or part.

NOTE: Any item purchased for a security assistance customer could potentially become part of the DoD inventory; for example, direct exchange, supply discrepancy returns, and repair and return programs.

There are many benefits that UID offers to security assistance programs. To name a few:

1) Improves item availability and visibility, and reduces the possibility for frustrated, lost and/or misdirected freight;

2) Improves long-term inventory management and long-term purchasing practices;

- Permits the monitoring of systemic failures of each item.
- For example, if fan blades on multiple types of aircraft are failing, rather than grounding an entire fleet across all systems until the faulty part is identified, DoD will know specifically which fan blades apply and only those aircraft with that particular fan blade will be affected.

3) Provides for economies of scale with the rest of DoD, thereby reducing costs for FMS customers.

- Through UID, DoD will know which parts provide the highest reliability, availability, and maintainability.
- By increasing production of those items that are less prone to problems, costs will be lowered for both DoD and security assistance customers.

4) Decreases potential for item theft and diversion through its visibility and traceability aspects, which complements our End Use Monitoring (EUM) efforts.

- UID allows total asset visibility from source of supply through disposal.
- UID can capture serial numbered data, as well as many other types of identification information, which will augment our EUM program.