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DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 2 and 4

[FAC 2005-77; FAR Case 2012-023; Item III; Docket 2012-0023, Sequence 1]

RIN 9000-AM60

Federal Acquisition Regulation; Uniform Procurement Identification

AGENCIES: Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Final rule.

SUMMARY: DoD, GSA, and NASA are issuing a final rule amending the Federal Acquisition Regulation (FAR) to implement a uniform Procurement Instrument Identification (PIID) numbering system, which will require the use of Activity Address Codes (AACs) as the unique identifier for contracting offices and other offices, in order to standardize procurement transactions across the Federal Government.

DATES: Effective: [INSERT 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER.]

FOR FURTHER INFORMATION CONTACT: Mr. Edward Loeb, Procurement Analyst, at 202-501-0650, for clarification of

content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat at 202-501-4755. Please cite FAC 2005-77, FAR Case 2012-023.

SUPPLEMENTARY INFORMATION:

I. Background

DoD, GSA, and NASA published a proposed rule in the Federal Register at 78 FR 34020 on June 6, 2013, to implement recommendation number 3 of the Government Accountability and Transparency Board (GAT Board). Recommendation number 3 was to implement a uniform award identification system among various financial transactions conducted across the Federal Government by a number of communities, e.g., procurement, grants, and finance. This final FAR rule is consistent with the goals of GAT Board recommendation 3 for the procurement community. Application of the GAT Board recommendation for the other communities is not the subject of this rule. Four respondents submitted comments on the proposed rule. Three of these respondents were representatives of Federal agencies.

II. Discussion and Analysis

The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (the Councils)

reviewed the public comments in the development of the final rule. A discussion of the comments and the changes made to the rule as a result of those comments are provided as follows:

A. Summary of significant changes from the proposed rule

1. At FAR 4.1601 the implementation deadline for new unique procurement instrument identifiers has been rescheduled and will now be no later than October 1, 2017. In the proposed rule there was a FAR multistep transition process being proposed, but the Councils have delayed the implementation date and deleted what was identified at FAR 4.1601 as the "transition" requirement, so that all agencies will be responsible for completing the transition to the PIID procedures of this rule by October 1, 2017.

2. At FAR 4.1601 the "End state" requirement is modified to read "No later than October 1, 2017, agencies shall comply with paragraph (a) of this section and use the requirements in 4.1602 and 4.1603 for all new solicitations and awards." This clarifies that the rule does not intend to modify the identifiers for existing solicitations or contracts.

B. Analysis of public comments

1. System compatibility

Comment: One respondent expressed concern that this rule will require expensive modifications to agency contracting writing software and financial systems. The respondent also indicated that the changes required by the rule could cause problems interacting with other Government systems. The respondent also expressed concern about the requirement to convert all contract actions already in effect to the new structure by October 1, 2016, and the effects this will have across other enterprise systems as well as effects on maintaining historical and legacy information.

Response: The final rule has been changed so it only applies to new solicitations and contracts, and with a modified implementation deadline of October 1, 2017 (see FAR 4.1601(b)(2)). This does not preclude agencies from implementing the changes in advance (see FAR 4.1601(b)(2)). Agencies are being provided additional time to comply with the new requirements to be sure that all systems compatibility issues can be resolved.

2. Applicability

Comment: One respondent recommended not applying the new requirements to historical documents due to the major system changes and cross referencing issues that would result. Another respondent considered the prospect of

modifying existing awards to be infeasible due to the changes that would be necessary across other systems such as SAM, FPDS-NG, FAADS Plus/USASpending.gov, FedBizOpps, and Grants.gov.

Response: The final rule only applies the new requirements to new solicitations and contracts, with an implementation deadline of October 1, 2017 (see FAR 4.1601(b)(2)).

3. Contract modifications

Comment: One respondent raised concerns regarding how systems would be able to handle modifying current actions to the new paradigm and how this would affect historical data on these actions. The respondent was also concerned with the number of contract modifications being limited to 1,000. Another respondent noted that moving from a two character modification number to a four character modification number would not be possible due to system constraints.

Response: The prescribed numbering format for supplementary PIIDs, at FAR 4.1603(b), allows for up to 9,999 solicitation amendments and 99,999 contract modifications. In addition, the final rule has been modified to allow agencies until October 1, 2017, to comply

with the new requirements, giving agencies additional time to modify existing systems.

4. Implementation

Comment: One respondent detailed a number of specific, significant, and costly changes to current systems to comply with the proposed changes. The respondent also noted that there would be costs associated with necessary training of staff to use the new system. The respondent projected the cost of this rule to their agency as \$4,155,000 for labor and systems and an additional \$80,000 for training. Another respondent asked what mitigation strategies are in place in the event that one or several of the integration partner's systems are not ready to support the proposed changes.

Response: It is understood that this rule may have a significant cost for implementation; however, the GAT Board, Office of Management and Budget (OMB) and the FAR Council have determined that in order to achieve the noted accountability and transparency goals of the rule, the changes must be made. Office of Federal Procurement Policy (OFPP) will monitor agency progress in implementing this rule to ascertain if any changes are required.

5. FAR 4.1602(c), clarification concerning "additional agency information"

Comment: One respondent requested clarification of what is meant by the language at FAR 4.1602(c) regarding "Additional agency specific identification information."

Response: This language is included in the rule to make it clear that agencies will likely establish additional requirements at their FAR supplement level.

6. FAR 4.1603, clarification concerning "until it has been determined"

Comment: One respondent requested clarification of what is meant by the language at FAR 4.1603(b)(2)(iii) regarding "until it has been determined."

Response: This language is included in the rule to make it clear that modification numbers should not be created in advance of the need for the modification.

7. Impact on contractor systems

Comment: One respondent noted that many contractors have structured their award numbering system to mirror the Government's, and will need to make associated revisions to their systems, which could have associated cost implications.

Response: If a contractor chose to structure their contract management system to mirror an agency's contract writing system, then they may find it necessary to modify

their system capabilities to match the new contract identification requirements.

8. Impacts on assistance awards

Comment: One respondent stated that assistance actions are not covered by the FAR, but should this proposed rule become final, for consistency purposes, it will be critical that parallel efforts be taken to ensure that assistance actions follow a similar numbering format.

Response: Assistance actions are outside of the scope of this rule. However, this comment has been provided to OMB for consideration.

9. Address activity codes

Comment: One respondent noted that for Address Activity Codes (AAC), DoD agencies begin with an alpha character and non-DoD agencies begin with a two-digit number. The respondent asked if there is a consistent hierarchy for the remaining positions.

Response: The FAR does not prescribe a hierarchy for the remaining positions in an AAC, as this is left to agency procedures in accordance with the Federal supply program. Information on locating an existing AAC or obtaining a new AAC is located at FAR 4.1603(a)(1).

III. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

IV. Regulatory Flexibility Act

DoD, GSA, and NASA have prepared a Final Regulatory Flexibility Analysis (FRFA) consistent with the Regulatory Flexibility Act, 5 U.S.C. 601, et seq. The FRFA is summarized as follows:

This rule is needed to further the President's commitment to make the Federal Government transparent and accountable to the American people. The rule requires use of a standardized procurement instrument identification (PIID) number configuration across the federal procurement community. The numbering configuration will contain an Activity Address Code unique to each contracting office. This change will lead to increases in data traceability and transparency, thereby broadening the Government's ability to report procurement data accurately and to provide more effective oversight of reporting responsibilities.

The final rule is internal to the Government procedures and does not directly impose any requirements on the vendor community. However, the rule may affect certain entities if those entities have arranged any of their business systems to utilize, accept, or otherwise recognize the PIID of agencies they interact with, if those agencies do not currently use the PIID configuration of this rule. In FY11 awards were made to 67,280 unique vendors, of which 48,281 were small businesses. These small businesses likely interact with agencies that do not currently use the proposed uniform procurement identification configuration.

One respondent stated that small businesses that do the majority of their business with the Government will be adversely affected by changes to the Government systems as they have structured their systems to mirror the Government. The final rule extends the implementation deadline for agencies to allow for a more efficient transition; however, contractors with system limitations may incur some cost to adapt to the changes.

Interested parties may obtain a copy of the FRFA from the Regulatory Secretariat. The Regulatory Secretariat has submitted a copy of the FRFA to the Chief Counsel for Advocacy of the Small Business Administration.

V. Paperwork Reduction Act

The rule does not contain any information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35).

List of Subjects in 48 CFR Parts 2 and 4

Government procurement

Dated: September 30, 2014

William Clark,
Acting Director,
Office of Government-wide
Acquisition Policy,
Office of Acquisition Policy,
Office of Government-wide Policy.

Therefore, DoD, GSA, and NASA amend 48 CFR parts 2 and 4 as set forth below:

1. The authority citation for 48 CFR parts 2 and 4 continues to read as follows:

AUTHORITY: 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 51 U.S.C. 20113.

PART 2—DEFINITIONS OF WORDS AND TERMS

2. Amend section 2.101 in paragraph (b) (2) by adding, in alphabetical order, the definition "Activity Address Code (AAC)" to read as follows:

2.101 Definitions.

* * * * *

(b) * * *

(2) * * *

Activity Address Code (AAC) means a distinct six-position code consisting of a combination of alpha and/or numeric characters assigned to identify specific agency offices, units, activities, or organizations by the General Services Administration for civilian agencies and by the Department of Defense for defense agencies.

* * * * *

PART 4—ADMINISTRATIVE MATTERS

3. Amend section 4.605 by—

a. Removing from paragraph (a) "4.1601," and adding "4.601 to 4.1603," in its place; and

b. Adding paragraph (e).

The addition reads as follows:

4.605 Procedures.

* * * * *

(e) Office codes. Agencies shall by October 1, 2015—

(1) Use the Activity Address Code (AAC), as defined in 2.101, assigned to the issuing contracting office as the contracting office code, and

(2) Use the AAC assigned to the program/funding office providing the predominance of funding for the contract action as the program/funding office code.

4. Revise section 4.1601 to read as follows:

4.1601 Policy.

(a) Establishment of a Procurement Instrument Identifier (PIID). Agencies shall have in place a process that ensures that each PIID used to identify a solicitation or contract action is unique Governmentwide, and will remain so for at least 20 years from the date of contract award. The PIID shall be used to identify all solicitation and contract actions. The PIID shall also be used to identify solicitation and contract actions in designated support and reporting systems (e.g., Federal Procurement

Data System, System for Award Management), in accordance with regulations, applicable authorities, and agency policies and procedures.)

(b) Transition of PIID numbering. No later than October 1, 2017, agencies shall comply with paragraph (a) of this section and use the requirements in 4.1602 and 4.1603 for all new solicitations and contract awards. Until an agency's transition is complete, it shall maintain its 2013 PIID format that is on record with the General Services Administration's Integrated Award Environment Program Office (which maintains a registry of the agency unique identifier scheme). The 2013 PIID format consisted of alpha characters in the first positions to indicate the agency, followed by alpha-numeric characters; the 2017 format instead has the AAC in the beginning 6 positions.

(c) Change in the Procurement Instrument Identifier after its assignment. (1) Agencies shall not change the PIID unless one of the following two circumstances apply:

(i) The PIID serial numbering system is exhausted. In this instance, the contracting officer may assign a new PIID by issuing a contract modification.

(ii) Continued use of a PIID is administratively burdensome (e.g., for implementations of new agency contract writing systems). In this instance, the

contracting officer may assign a new PIID by issuing a contract modification.

(2) The modification shall clearly identify both the original and the newly assigned PIID. Issuance of a new PIID is an administrative change (see 43.101).

5. Amend section 4.1602 by revising paragraph (c) to read as follows:

4.1602 Identifying the PIID and supplementary PIID.

* * * * *

(c) Additional agency specific identification information. If agency procedures require additional identification information in solicitations, contracts, or other related procurement instruments for administrative purposes, separate and clearly identify the additional information from the PIID.

6. Add section 4.1603 to read as follows:

4.1603 Procedures.

(a) Elements of a PIID. The PIID consists of a combination of thirteen to seventeen alpha and/or numeric characters sequenced to convey certain information. Do not use special characters (such as hyphens, dashes, or spaces).

(1) Positions 1 through 6. The first six positions identify the department/agency and office issuing the

instrument. Use the AAC assigned to the issuing office for positions 1 through 6. Civilian agency points of contact for obtaining an AAC are on the AAC Contact list maintained by the General Services Administration and can be found at http://www.gsa.gov/graphics/fas/Civilian_contacts.pdf. For Department of Defense (DoD) inquiries, contact the service/agency Central Service Point or DoDAAC Monitor, or if unknown, email DODAADHQ@DLA.MIL for assistance.

(2) Positions 7 through 8. The seventh and eighth positions are the last two digits of the fiscal year in which the procurement instrument is issued or awarded. This is the date the action is signed, not the effective date if the effective date is different.

(3) Position 9. Indicate the type of instrument by entering one of the following upper case letters in position nine. Departments and independent agencies may assign those letters identified for department use below in accordance with their agency policy; however, any use must be applied to the entire department or agency.

Instrument	Letter Designation
(i) Blanket purchase agreements.	A
(ii) Invitations for bids.	B
(iii) Contracts of all types except	C

indefinite-delivery contracts (see subpart 16.5).	
(iv) Indefinite-delivery contracts (including Federal Supply Schedules, Governmentwide acquisition contracts (GWACs), and multi-agency contracts).	D
(v) Reserved for future Federal Governmentwide use.	E
(vi) Task orders, delivery orders or calls under— <ul style="list-style-type: none"> • Indefinite-delivery contracts (including Federal Supply Schedules, Governmentwide acquisition contracts (GWACs), and multi-agency contracts); • Blanket purchase agreements; or • Basic ordering agreements. 	F
(vii) Basic ordering agreements.	G
(viii) Agreements, including basic agreements and loan agreements, but excluding blanket purchase agreements, basic ordering agreements, and leases. Do not use this code for contracts or agreements with provisions for orders or calls.	H
(ix) Do not use this letter.	I
(x) Reserved for future Federal Governmentwide use.	J
(xi) Reserved for departmental or agency use.	K
(xii) Lease agreements.	L
(xiii) Reserved for departmental or agency use.	M
(xiv) Reserved for departmental or agency use.	N
(xv) Do not use this letter.	O

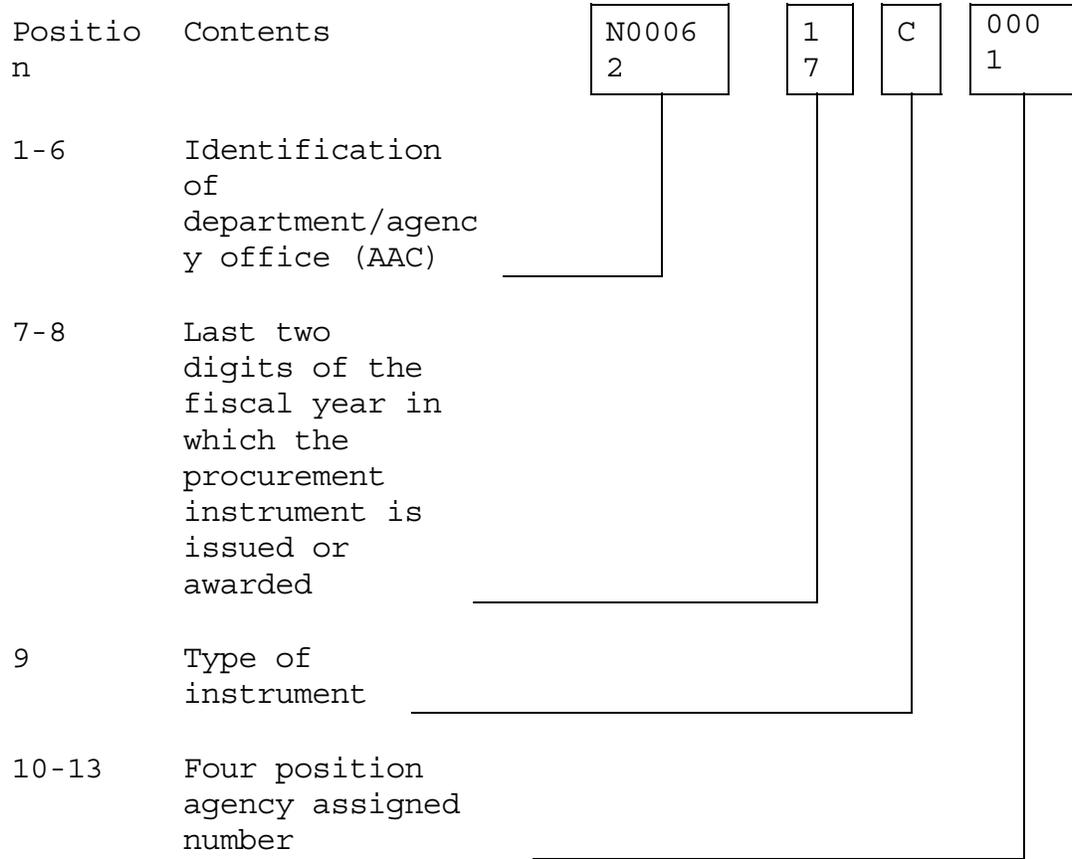
(xvi) Purchase orders (assign V if numbering capacity of P is exhausted during a fiscal year).	P
(xvii) Requests for quotations (assign U if numbering capacity of Q is exhausted during a fiscal year).	Q
(xviii) Requests for proposals.	R
(xix) Reserved for departmental or agency use.	S
(xx) Reserved for departmental or agency use	T
(xxi) See Q, requests for quotations.	U
(xxii) See P, purchase orders.	V
(xxiii) Reserved for future Federal Governmentwide use.	W
(xxiv) Reserved for future Federal Governmentwide use.	X
(xxv) Imprest fund.	Y
(xxvi) Reserved for future Federal Governmentwide use.	Z

(4) Positions 10 through 17. Enter the number assigned by the issuing agency in these positions.

Agencies may choose a minimum of four characters up to a maximum of eight characters to be used, but the same number of characters must be used agency-wide. If a number less than the maximum is used, do not use leading or trailing zeroes to make it equal the maximum in any system or data transmission. A separate series of numbers may be used for any type of instrument listed in paragraph (a)(3) of this

section. An agency may reserve blocks of numbers or alphanumeric numbers for use by its various components.

(5) Illustration of PIID. The following illustrates a properly configured PIID using four characters in the final positions:



(b) Elements of a supplementary PIID. Use the supplementary PIID to identify amendments to solicitations and modifications to contracts, orders, and agreements.

(1) Amendments to solicitations. Number amendments to solicitations sequentially using a four position numeric

serial number added to the 13-17 character PIID beginning with 0001.

(2) Modifications to contracts, orders, and agreements. Number modifications to contracts, orders, and agreements using a six position alpha or numeric, or a combination thereof, added to the 13-17 character PIID. For example, a modification could be numbered P00001. This would be added to the end of the 13-17 character PIID illustrated in (a)(5) of this section.

(i) Position 1. Identify the office issuing the modification. The letter P shall be designated for modifications issued by the procuring contracting office. The letter A shall be used for modifications issued by the contract administration office (if other than the procuring contracting office).

(ii) Positions 2 through 6. These positions may be alpha, numeric, or a combination thereof, in accordance with agency procedures.

(iii) Each office authorized to issue modifications shall assign the supplementary identification numbers in sequence (unless provided otherwise in agency procedures). Do not assign the numbers until it has been determined that a modification is to be issued.

[BILLING CODE 6820-EP]

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