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DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 2 and 4

FAR Case 2012-023; 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: Proposed rule.

SUMMARY: DoD, GSA, and NASA are proposing to amend 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. This proposed rule continues and strengthens efforts at standardization accomplished under a previous FAR case.

DATES: Interested parties should submit written comments to the Regulatory Secretariat at one of the addressees shown below on or before **[Insert 60 days after publication in the FEDERAL REGISTER]** to be considered in the formation of the final rule.

ADDRESSES: Submit comments in response to FAR Case 2012-023 by any of the following methods:

- Regulations.gov: <http://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by searching for "FAR Case 2012-023". Select the link "Submit a Comment" that corresponds with "FAR Case 2012-023". Follow the instructions provided at the "Submit a Comment" screen. Please include your name, company name (if any), and "FAR Case 2012-023" on your attached document.
- Fax: 202-501-4067.
- Mail: U.S. General Services Administration, Regulatory Secretariat Division (MVCB), ATTN: Hada Flowers, 1800 F Street, NW, 2nd Floor, Washington, DC 20405-0001.

Instructions: Please submit comments only and cite FAR Case 2012-023, in all correspondence related to this case. All comments received will be posted without change to <http://www.regulations.gov>, including any personal and/or business confidential information provided.

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 FAR Case 2012-023.

SUPPLEMENTARY INFORMATION:

I. Background

In July of 2011, DoD, GSA, and NASA published a final FAR rule, Unique Procurement Instrument Identifier, FAR Case 2009-023, which began the process of standardizing the use of unique Procurement Instrument Identifiers (PIIDs) beyond the Federal Procurement Data System (FPDS) to encompass the overall Federal procurement community. FAR case 2009-023 provided policy and instructions at FAR subpart 4.16 for agencies to assign and utilize unique PIIDs and supplementary PIIDs in procurement transactions. A number of public comments received during the rulemaking process expressed positive feedback and reaction to the concept of standardizing PIIDs across Government. Several respondents offered encouragement and suggestions for furthering the effort, in particular by establishing a standard, Governmentwide scheme that identifies actions to the office level, not just to the agency level.

In June of 2011, the President created the Government Accountability and Transparency Board (GAT Board) and tasked the board to, among other things, recommend ways to improve tracking of Federal spending data. The GAT Board submitted its report with three specific recommendations to the President in December of 2011. Recommendation number 3 of this report is 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. The goal of this recommendation is to ensure uniformity and consistency of data, thereby enhancing the transparency to the public of Federal spending data. This proposed FAR rule is consistent with GAT Board recommendation three.

Currently, agencies and contracting offices within agencies have PIIDs of varying lengths, which may or may not contain spaces or hyphens. The disparate numbering systems in use today impede successful achievement of transparency and accountability in the following ways:

- o The ability to trace transactions across electronic interfaces is difficult and at times impossible. In some cases paper processing or tracking is the only available means.
- o The collection, review, and validation of data are labor intensive and inefficient.
- o The inconsistencies in reporting and collection of data increase the uncertainty of data validity.
- o The ability to reconcile data as reported by the vendor community with the data reported and certified by agencies is impacted.

- o The effectiveness of the oversight community's efforts is questioned due to data quality concerns.

With this proposed rule the Federal procurement community continues to improve standardization of a unique instrument identifier moving the procurement community in the direction of the GAT Board recommendation of uniformity and consistency of data. This, in turn, will promote achievement of rigorous accountability of procurement dollars and processes and compliance to regulatory and statutory acquisition requirements such as those of the Federal Funding Accountability and Transparency Act of 2006. The GAT Board recommendation, as it applies to other financial transactions, (e.g., grants, loans, financial payments) is not addressed by this proposed rule.

II. Proposed Changes to FAR Parts 2 and 4

At FAR 2.101 Definitions, AAC is defined to mean a distinct six-position code consisting of a combination of alpha and/or numeric characters assigned to identify agency specific offices, units, activities, or organizations.

At FAR 4.605, Contract Reporting Procedures, a paragraph is added to direct the use of AACs as the contracting office code and as the program/funding office code for purposes of FPDS reporting.

Changes are proposed to FAR subpart 4.16, Unique Procurement Instrument Identifiers, to prescribe policies and procedures for the assignment of unique PIIDs containing AACs. Agencies will initially use the new unique PIID structure for all new solicitations and awards, and their associated amendments and modifications, beginning not later than October 1, 2014. Not later than October 1, 2016, agencies shall use the required structure for all contract actions (including for all contract actions already in effect). At FAR 4.1602 Policy, paragraphs (a) through (c), instructions are provided delineating that which is applicable before, during and after the transition period.

A new procedural section, FAR 4.1604 is added to provide instruction on the construct and configuration of the basic PIID and the supplementary PIID. The basic PIID is made up of 13 to 17 alpha and/or numeric characters configured to convey certain information. Positions one through six of the PIID are the AAC Activity Address Code. Positions seven and eight are the last two digits of the fiscal year of the date the procurement instrument is signed, i.e., issued or awarded. Position nine is an alpha character that will indicate the type of instrument or action. Positions 10 through 17 are the serial numbering of the PIID and are issued sequentially. Positions 10

through 17 are the agency-assigned numbers. Positions 10 through 17 may be alpha-numeric, but shall not contain special characters (such as hyphens and dashes) or spaces.

Supplementary PIIDs are used to identify amendments and modifications. Amendment supplementary PIIDs for solicitations are numeric, four positions, and are issued sequentially beginning with 0001. Supplementary PIIDs for modifications to contracts or agreements may be alpha and/or numeric. Modifications issued by an administering contracting office shall begin with the letter A. Modifications issued by a procuring contracting office shall begin with the letter P. Supplementary identification numbers shall be assigned in sequence and not until it has been determined that a modification is to be issued.

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 do not expect this proposed rule to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq. However, an Initial Regulatory Flexibility Analysis (IRFA) has been prepared and is summarized as follows:

Although this proposed rule is directed at internal Government processes and procedures and does not impose any requirements on the vendor community, it may affect some entities if those entities have arranged certain of their business systems to recognize PIIIDs of agencies they interact with, and those agencies do not currently mirror the PIID configuration of this proposed rule. The proposed rule would provide a predictable standardized format vendors may use in interactions with the Federal government. In FY 2012 awards were made to 67,785 unique vendors that likely interact with agencies that do not currently use the proposed PIID configuration, of these, 45,353 were small business vendors.

The Regulatory Secretariat has submitted a copy of the IRFA to the Chief Counsel for Advocacy of the Small Business Administration. A copy of the IRFA may be obtained from the Regulatory Secretariat. DoD, GSA, and NASA invite comments from small business concerns and other interested parties on the expected impact of this rule on small entities.

DoD, GSA, and NASA will also consider comments from small entities concerning the existing regulations in subparts affected by this rule in consistent with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 610 (FAR case 2012-023) in correspondence.

V. Paperwork Reduction Act

The proposed 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: May 30, 2013

Laura Auletta,
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Office of Acquisition Policy,
Office of Governmentwide Policy.

Therefore, DoD, GSA, and NASA propose amending 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 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) to read as follows:

4.605 Procedures.

* * * * *

(e) Office Codes. Agencies shall—

(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.) The PIID requirements will transition from

existing procedures beginning not later than October 1, 2014 as outlined in paragraph (b) of this section.

(b) Transition of PIID numbering. (1) Existing requirements. Applicable prior to October 1, 2014—

(i) Agencies must submit their proposed PIID format to the General Services Administration's Integrated Acquisition Environment Program Office, which maintains a registry of the agency-unique identifier scheme; and

(ii) The PIID shall consist of alpha characters in the first positions to indicate the agency, followed by alpha-numeric characters according to agency procedures.

(2) Transition. Not later than October 1, 2014, agencies shall comply with paragraph (a) of this section and use the requirements in 4.1602 and 4.1603 for identifying all new solicitations and new awards and their associated amendments and modifications.

(3) End state. Not later than October 1, 2016, agencies shall comply with paragraph (a) of this section and use the requirements in 4.1602 and 4.1603 for all amendments to solicitations and modifications to awards issued using previous PIID numbering procedures.

(c) Change in the Procurement Instrument Identifier. (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 not possible or not in the Government's best interest solely for administrative reasons (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.

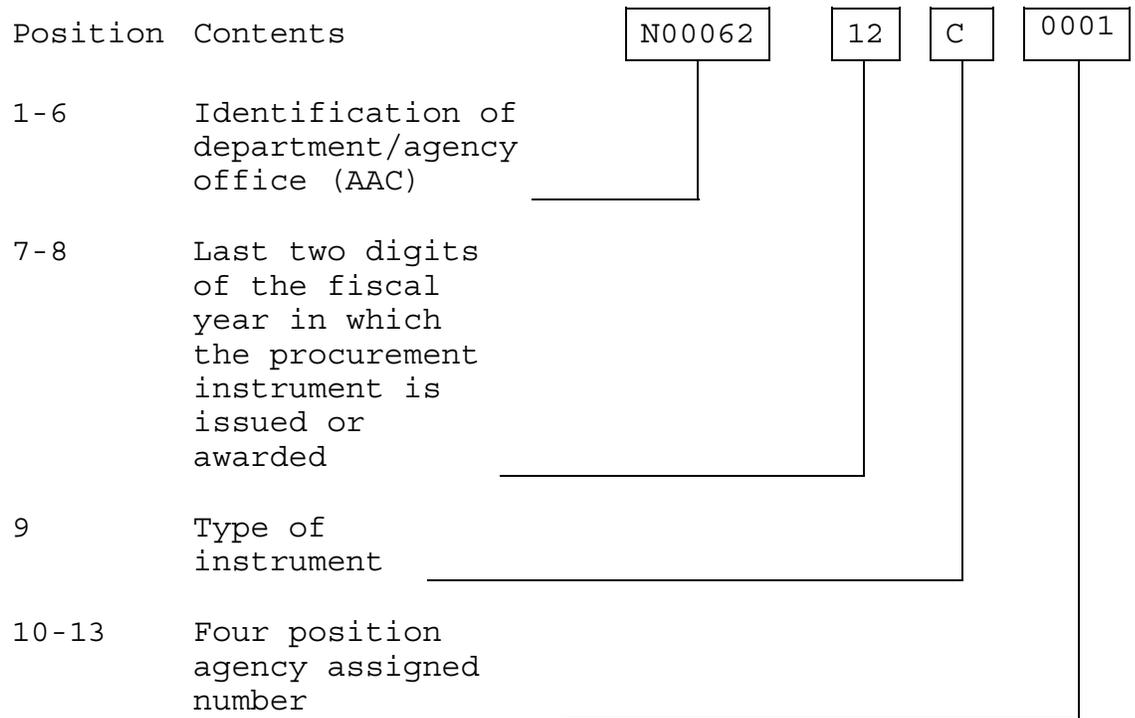
Instrument	Letter Designation
(i) Blanket purchase agreements.	A.
(ii) Invitations for bids.	B.
(iii) Contracts of all types except indefinite-delivery contracts (see subpart 16.5).	C.
(iv) Indefinite-delivery contracts (including Federal Supply Schedules, Governmentwide acquisition contracts (GWACs), and multi-agency contracts).	D.
(v) Reserved for future Federal Governmentwide use.	E.
(vi) Task orders, delivery orders or calls under 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 use.	K.
(xii) Lease agreements.	L.
(xiii) Reserved for departmental use.	M.

(xiv) Reserved for departmental 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 quotation (assign U if numbering capacity of Q is exhausted during a fiscal year).	Q.
(xviii) Requests for proposals.	R.
(xix) Reserved for departmental use.	S.
(xx) Reserved for departmental use	T.
(xxi) See Q, requests for quotation.	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) Position 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 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 and agreements.

Number modifications to contracts and agreements using a six position alpha or numeric, or a combination thereof, added to the 13-17 character PIID.

(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 officer).

(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. Do not assign the numbers until it has been determined that a modification is to be issued.

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