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DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Chapter 2

[Docket DARS-2016-0001]

RIN 0750-AI83

**Defense Federal Acquisition Regulation Supplement: Instructions
for the Wide Area WorkFlow Reparable Receiving Report (DFARS
Case 2016-D004)**

AGENCY: Defense Acquisition Regulations System, Department of Defense (DoD).

ACTION: Proposed rule.

SUMMARY: DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to add instructions for utilizing the Wide Area WorkFlow Reparable Receiving Report.

DATES: Comments on the proposed rule should be submitted in writing to the address shown below on or before **[Insert date 60 days after date of publication in the FEDERAL REGISTER]**, to be considered in the formation of a final rule.

ADDRESSES: Submit comments identified by DFARS Case 2016-D004, using any of the following methods:

- o Regulations.gov: <http://www.regulations.gov>. Submit

comments via the Federal eRulemaking portal by entering "DFARS Case 2016-D004" under the heading "Enter keyword or ID" and selecting "Search." Select the link "Submit a Comment" that corresponds with "DFARS Case 2016-D004." Follow the instructions provided at the "Submit a Comment" screen. Please include your name, company name (if any), and "DFARS Case 2016-D004" on your attached document.

- Email: osd.dfars@mail.mil. Include DFARS Case 2016-D004 in the subject line of the message.
- Fax: 571-372-6094.
- Mail: Defense Acquisition Regulations System, Attn: Ms. Jo Ann Reilly, OUSD(AT&L) DPAP/DARS, Room 3B941, 3060 Defense Pentagon, Washington, DC 20301-3060.

Comments received generally will be posted without change to <http://www.regulations.gov>, including any personal information provided. To confirm receipt of your comment(s), please check www.regulations.gov, approximately two to three days after submission to verify posting (except allow 30 days for posting of comments submitted by mail).

FOR FURTHER INFORMATION CONTACT: Ms. Jo Ann Reilly, telephone 571-372-6176.

SUPPLEMENTARY INFORMATION:

I. Background

DoD is proposing to revise Appendix F of the DFARS to add instructions for the use, preparation, and distribution of the Wide Area WorkFlow (WAWF) Reparable Receiving Report (RRR) that has been created to differentiate between deliveries of new Government assets (new procurements) and the return of Government property that has been repaired or overhauled. The WAWF RRR creates an acceptance transaction for use in paying for the repair service and property transfers, moving the asset back to the Government, and reporting the movement to the Item Unique Identification (IUID) registry. Without the RRR, the contractor would have to take multiple actions to comply with the DFARS clauses at 252.232-7003, Electronic Submission of Payment Requests and Receiving Reports; 252.211-7003, Item Unique Identification and Valuation; and 252.211-7007, Reporting of Government-Furnished Property. In addition, this proposed rule would improve reporting efficiency by eliminating manual intervention that is currently required to ensure accurate information flow between different Government reporting systems.

II. Discussion and Analysis

DoD is proposing to make the following changes to DFARS Appendix F to provide guidance on the use of the WAWF RRR as follows:

- F-101 - states that the WAWF RRR is the electronic equivalent of the DD Form 250 for repair, maintenance, or overhaul of Government furnished property (GFP).
- F-103 - adds new guidance on the use of the WAWF RRR as a multipurpose report. Adds a new paragraph (e) (3) to state that use of the WAWF RRR, when the contract includes DFARS 252.211-7007, Reporting of Government-Furnished Property, will capture the shipment of GFP items after acceptance of repair services and forward the data to the IUID registry.
- F-104 - adds paragraph (b) to permit use of the WAWF RRR or DD Form 250 for delivery of services for repair, overhaul, or maintenance.
- Part 3 - adds WAWF RRR to the title of part 3.
- F-301 - adds paragraphs (b) (15) (ii) (A) and (B), to provide WAWF RRR completion instructions.
- F-301(b) (18) - adds clarifying information for entering unit prices when using the WAWF RRR.
- F-303 - adds use of the WAWF RRR for consolidated shipments.
- F-304 - adds WAWF RRR correction instructions for contracts administered by the Defense Contract Management Agency and paid by the Mechanization of Contract Administration Services system.

- F-306 – provides information on printing capability when using the WAWF RRR as a packing list.

III. Applicability to Contracts at or Below the Simplified Acquisition Threshold and for Commercial Items, Including Commercially Available Off-the-Shelf Items

This case does not add any new provisions or clauses or impact any existing provisions or clauses.

IV. 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.

V. Regulatory Flexibility Act

DoD does not expect this rule to have an 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 has been performed and is summarized as follows:

DoD is proposing to revise the Defense Federal Acquisition Regulation Supplement (DFARS), Appendix F, to add the instructions for utilizing the Wide Area WorkFlow (WAWF) Reparable Receiving Report (RRR).

The objective of this rule is to provide instructions for the use, preparation, and distribution of the electronic WAWF RRR that has been created to differentiate between deliveries of new Government assets (new procurements) and the return of Government property that has been repaired or overhauled. This rule proposes to improve reporting efficiency by eliminating manual intervention that is currently required to ensure accurate information flows between different Government property reporting systems.

The number of small entities affected is unknown. However, DoD expects this rule to have a positive economic impact on contractors, including small businesses, because the proposed rule would reduce the reporting burden for Government property repair or overhaul contracts. For example, DFARS clause 252.232-7003, Electronic Submission of Payment Requests and Receiving Reports, requires the use of WAWF by contractors in preparing and submitting receiving reports; 252.211-7003, Item

Unique Identification and Valuation, requires all delivered items with an item unique identification (IUID) be reported to the IUID registry; and 252.211-7007, Reporting of Government-Furnished Property, requires Government furnished property be reported to the IUID registry, specifically the return to the Government of serially managed assets. With the proposed rule, contractors would only use the WAWF RRR system to meet the reporting requirements for Government property repair or overhaul contracts, instead of taking multiple actions to comply with the DFARS clauses above.

The projected recordkeeping and reporting is unchanged from current requirements, and only the method of submitting the reports for the return of Government property that has been repaired or overhauled has changed. Reporting and recordkeeping is limited to that required to properly record material inspection and receiving report information using the WAWF RRR under Government contracts. Preparation of these records requires clerical and analytical skills to create the electronic documents in the WAWF system.

The rule does not duplicate, overlap, or conflict with any other Federal rules.

There are no significant alternatives to the proposed rule that accomplish the stated objectives.

DoD invites comments from small business concerns and other interested parties on the expected impact of this rule on small entities.

DoD will also consider comments from small entities concerning the existing regulations in subparts affected by this rule in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C 610 (DFARS Case 2016-D004), in correspondence.

VI. Paperwork Reduction Act

The rule contains 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). However, these changes to the DFARS do not impose additional information collection requirements to the paperwork burden previously approved under OMB Control Number 0704-0248 entitled "Material Inspection and Receiving Report." The projected recordkeeping and reporting is unchanged from current requirements, and only the method of submitting the reports for the return of Government property that has been repaired or overhauled has changed.

List of Subjects in 48 CFR Appendix F to Chapter 2

Government procurement.

Jennifer L. Hawes,

Editor, Defense Acquisition Regulations System.

Therefore, 48 CFR chapter 2, subchapter I, is proposed to be amended in appendix F as follows:

CHAPTER 2—DEFENSE ACQUISITION REGULATIONS SYSTEM, DEPARTMENT OF DEFENSE

1. The authority citation for appendix F to chapter 2 continues to read as follows:

Authority: 41 U.S.C. 1303 and 48 CFR chapter 1.

2. Amend appendix F to chapter 2 by—

a. In section F-101, paragraph (a), removing “(WAWF) Receiving Report” and adding “(WAWF) Receiving Report (RR), the WAWF Reparable Receiving Report (WAWF RRR)” in its place, and adding a sentence at the end of paragraph (a);

b. In section F-103, paragraphs (a) introductory text, (a) (6), (b) introductory text, and (c) by removing “WAWF RR” and adding “WAWF RR, WAWF RRR,” in each place; in paragraph (e) introductory text, removing “WAWF RR” and adding “WAWF RR and WAWF RRR” in its place; and adding paragraph (e) (3);

c. In section F-104, redesignating paragraph (b) as paragraph (c) and adding a new paragraph (b);

d. Revising the part 3 heading;

e. In section F-301, revising paragraphs (b) (15) (ii) and (b) (18);

- f. In section F-303, by removing "WAWF RR" and adding "WAWF RR or WAWF RRR" in its place;
- g. Revising section F-304; and
- h. In section F-306, revising the introductory text and paragraph (a).

The revisions and additions read as follows:

APPENDIX F TO CHAPTER 2—MATERIAL INSPECTION AND RECEIVING REPORT

PART 1—INTRODUCTION

F-101 General.

(a) * * * The WAWF RRR is the electronic equivalent of the DD Form 250 for repair, maintenance, or overhaul of Government-furnished property.

* * * * *

F-103 Use.

* * * * *

(e) * * *

(3) Reporting of Government-Furnished Property, when the clause at DFARS 252.211-7007, Reporting of Government-Furnished Property, is used in the contract, use of the WAWF RRR will capture the shipment of Government-furnished property items after acceptance of repair services and forward the data to the IUID registry. WAWF is the only way a contractor can report the transfer of Government-furnished property items in the IUID registry.

F-104 Application.

(a) * * *

(b) WAWF RRR or DD Form 250. Use as in (a) above for delivery of services for repair, overhaul, or maintenance.

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PART 3-PREPARATION OF THE WIDE AREA WORKFLOW (WAWF) RECEIVING REPORT (RR), THE WIDE AREA WORKFLOW REPARABLE RECEIVING REPORT (WAWF RRR), AND WAWF ENERGY RR

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F-301 Preparation instructions.

* * * * *

(b) * * *

(15) * * *

(ii) For service line items, select SV for "SERVICE" in the type field followed by as short a description as is possible in the description field. Some examples of service line items are maintenance, repair, alteration, rehabilitation, engineering, research, development, training, and testing

(A) For RRRs, the "Ship To" code is the DoDAAC, MAPAC, or CAGE code from the contract or shipping instructions.

(B) For service line items not using a RRR, the "Ship To" code and the "Unit" shall be filled out. The "Ship To" code is the destination Service Acceptor Code for WAWF. If source

inspected and accepted, enter the service performance location as the "Ship To" code.

* * * * *

(18) UNIT PRICE. The contractor shall enter unit prices on all WAWF RR copies. When using the WAWF RRR, the unit price is the price of the repair, overhaul, or maintenance service from the contract.

* * * * *

F-304 Correction instructions.

Functionality for correcting a WAWF RR or WAWF RRR is available for DCMA administered contracts paid using the Mechanization of Contract Administration Services (MOCAS) system with source acceptance. Preparation instructions and training for corrections is available at <https://wawftraining.eb.mil>. The instructions are part of the Vendor Training section.

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F-306 Packing list instructions.

Contractors may also use a WAWF processed RR, including the WAWF RRR, as a packing list. WAWF provides options to print the RR. These printed RRs may also be used if a signed copy is required.

(a) WAWF provides a print capability for its RR. The WAWF printed RR can be identified by its distinctive format and by the text title at the top of each printed page "Material Inspection and Receiving Report in accordance with DFARS Appendix F. Paper DD

Form 250 is usable in lieu of this document on an exception basis." (See DFARS 252.232-7003(c).) This printed copy can be used as a packing list. If needed, the signature can be verified by reviewing the signed RR in WAWF.

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