**C1. CHAPTER 1**

**INTRODUCTION**

C1.1. GENERAL

C1.1.1. Purpose. This volume provides DoD standard procedures and electronic data interchange (EDI) conventions for the interchange of post award contract data using American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 transactions.

C1.1.2. Defense Logistics Management Standard (DLMS) Volume Access. Use of this volume requires simultaneous access to the DLMS Manual Volume 1 administrative items such as the list of acronyms and abbreviations, terms and definitions, and references; instructions for acquiring access to the DLMS standards data base; DLMS to Defense Logistics Standard System (DLSS) cross-references and DoD/ASC X12 Conversion Guides; specific guidance that applies to all implementation conventions; and both functional and technical information that is relatively stable and applies to the DLMS as a whole.

C1.2. POLICY. The Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation Supplement (DFARS) provide the DoD policies governing procedures in this volume.

C1.3. APPLICABILITY. This manual applies to the Office of the Secretary of Defense, the Military Departments, the Joint Staff, the Combatant Commands, and the Defense Agencies, hereafter referred to collectively as the DoD Components. The manual applies, by agreement, to external organizations conducting logistics business operations with the Department of Defense including (a) non-Government organizations, both commercial and nonprofit; (b) Federal agencies of the U.S. Government other than DoD; (c) foreign national governments; and (d) international government organizations.

C1.4. SUPPLY PROCESS REVIEW COMMITTEE. The Supply Process Review Committee (PRC) is the forum through which the DoD Components and other participating organizations may participate in the development, expansion, improvement, maintenance, and administration of contract administration requirements for the DLMS. The chair, Supply PRC, in coordination with the Supply PRC representatives, Wide Area Workflow Program Management Office, and Director of Defense Procurement and Acquisition Policy (DPAP) is responsible for the content of this volume of the DLMS. Refer to Volume 1, Chapter 1, for a discussion of DLMS PRC functions and responsibilities.

C1.5. NONCOMPLIANCE. If reasonable attempts to obtain 1) compliance with prescribed procedures or 2) resolution of DLMS contract administration-related problems are unsatisfactory, the activity having the problem may request assistance from their DLMS Supply PRC representative. The request will include information and copies of all correspondence pertinent to the problem; including the transaction set number, the transaction number, and the date of the transaction involved. The representative will take the necessary actions to resolve the issue or problem. The actions may include requesting assistance from the Supply PRC chair.

C1.6. PROCUREMENT INSTRUMENT IDENTIFICATION

C1.6.1. Background. The Federal Acquisition Regulation (FAR) was modified by FAR Case 2012-023 to implement a uniform Procurement Instrument Identification (PIID) numbering system to standardize identification of procurement transactions across the Federal Government. This change requires use of an Activity Address Code (AAC) as the unique identifier for contracting and related offices. For DoD activities, the FAR reference to AAC is the DoD Activity Address Code (DoDAAC). The DoD Activity Address Directory (DoDAAD) is the repository for all DoDAACs; it is also the repository of all AACs for the Federal Government. DFARS Case 2015-D011 modified the Defense Federal Acquisition Regulation Supplement (DFARS) to incorporate the changes necessary to comply with the requirements of FAR Case 2012-023, as well as preserve and update necessary Department-specific policy and instructions is in the review process.[[1]](#footnote-1)

C1.6.2. DoD and Federal Government PIID formats.

C1.6.2.1 The DoD PIID format will consist of a combination of thirteen alphanumeric characters, (13/13):[[2]](#footnote-2)

* + - Positions 1 - 6 identify the department/agency and office issuing the instrument. Use the DoDAAC assigned to the issuing office for positions 1 through 6.
    - Positions 7 - 8 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.
    - Position 9 indicates the type of instrument issued.
    - For DoD: Positions 10 - 13 are a four-character alphanumeric serial number. All “0s” is prohibited.
    - The PIID may not contain special characters or spaces.

C1.6.2.2. The federal non-DoD PIID format will consist of a combination of thirteen to seventeen alphanumeric characters, (13/17):[[3]](#footnote-3)

* + - Positions 1 - 6 identify the department/agency and office issuing the instrument. Use the DoDAAC assigned to the issuing office for positions 1 through 6.
    - Positions 7 - 8 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.
    - Position 9 indicates the type of instrument issued.
    - For federal non-DoD: Positions 10 - 17 are a four- to eight-character alphanumeric serial number. All “0s” is prohibited.
    - The PIID may not contain special characters or spaces.

C1.6.3. Supplementary Numbers - Procurement Instrument Identification Number and Supplementary PIID. Prior to FAR Case 2012-023 and the DFARS changes, the Supplementary Procurement Instrument Identification (SPIIN) was used to identify calls or orders under contracts, amendments to solicitations, and modifications to contracts and agreements. Under the recent FAR changes noted, calls or orders are no longer identified under the “SPIIN” data element; instead they will be identified by a separate and unique PIID. The Supplementary PIID (6 positions) is only used for modifications to contracts and agreements and follows the six-character format DoD currently uses for modifications against contracts (e.g., P00001, A00001).

C1.6.4. Implementation Timeline. The uniform PIID timeline will be a staggered implementation and both the legacy PIIN and SPIIN, and the new PIID and Supplementary PIID will be used for some period of time until existing contracts using the legacy PIIN/SPIIN numbering are closed.

***C1.7. OTHER TRANSACTION (OT) AGREEMENTS***

***C1.7.1. Background. In 1989, Congress codified 10 United States Code (U.S.C.) 2371 to allow the DoD to carry out OT agreements. Section 2371b authorizes the DoD to carry out prototype projects using a legal instrument other than a procurement contract, grant, or cooperative agreement under the authority of section 2371. Additionally, 10 U.S.C. 2358, allows DoD to use contracts, grants, and cooperative agreements for basic research, applied research, advanced research and development projects. OT agreements do not follow the FAR and DFARS.***

***C1.7.2. OT Formats. OTs are comprised of three different types of agreements: Research, Prototype, and Production. DoD PIIDs for OT agreements follow the format identified in Section C1.6 except the type of instrument will use a numeric value.***

* ***Position 9 identifies the type of instrument under the PIID. For OT agreements, there are two viable designators.***
  + ***3 Research OTs***
  + ***9 Prototype and Production OTs***

***C1.7.3. Awarding OT Agreements. If a Production OT is awarded after a successful prototype, an Agreements Officer may issue a modification to the original prototype agreement or a new contract. A new contract is identified with a C as the instrument type in the ninth position of the PIID and would be required to follow policies identified in the FAR and DFARs. Guidance on this can be found in DLM 4000.25, Volume 7, C1.6. The FAR and DFARS govern the policies for PIID and define the type of instrument and appropriate use.***

1. [DFARS Subpart 204.16, and Procedures, Guidance and Information (PGI)](http://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html) [↑](#footnote-ref-1)
2. Federal Acquisition Regulation Subpart 4.16 – Unique Procurement Instrument Identifiers [↑](#footnote-ref-2)
3. Ibid [↑](#footnote-ref-3)