

Ownership of Offeror

Public Meeting



November 15, 2011



Problem Statement

- ❑ DoD must ensure that –
 - A capability exists to determine parent/child company legal affiliation / ownership for –
 - Internal data interrogation
 - Business intelligence
 - Legal traceability
 - A capability for identification of suppliers who may not be prime contractors for supply chain integrity and to inform cyber security
 - A capability for identification of international vendors to enable vetting in contingency/expeditionary theaters
- ❑ DoD is seeking—
 - Input from the public regarding methods to consistently, uniquely, and easily identify entities for these purposes
 - Insight on “best practices” and how such a process may affect future offerors
 - Input on specific use of Commercial And Government Entity (CAGE)/NATO CAGE (NCAGE) to satisfy the requirements



Background of CAGE Codes

- ❑ The CAGE code is a 5-character unique identifier assigned to suppliers to various Government agencies. A CAGE code for a foreign entity is often called an NCAGE
- ❑ CAGE codes provide a standardized method of identifying a given organization at a specific location.
- ❑ CAGE codes are used internationally as part of the NATO Codification System (NCS)
 - The Defense Logistics Agency assigns CAGE codes to U.S. based entities
 - Home nation or NATO assigns NCAGEs to foreign based entities
 - CAGE codes are referenced in various databases of the NCS, where they are used along with the supplier's part number to form a reference, which is held on the National Stock Number (NSN) record. This reference enables users of the NCS to determine who supplies any given part.



Use of CAGE Codes

- ❑ DoD has a wide use of CAGE for a variety of purposes including –
 - Uniquely identifying commercial entities for use in a number of functional processes (e.g., procurement, payments, property accountability, security clearances)
 - Use on the following forms (DD250; DD254; DLA Form 339; DD1155; DD1342; DD1348-6; DD1387; DD1423; DD1540; DD1662); a sample list
 - MIL-STD-3100 DoD Standard Practice: Technical Data Packages
 - MIL-HDBK-61A Configuration Management Guidance
 - MIL-STD-130 DoD Standard Practice Identification Marking of U.S. Military Property



CAGE Code Policy in DoD

- Defense Federal Acquisition Regulation Supplement (DFARS) 204.7202-1
- DoD 4000.25-5M Military Standard Contract Administration Procedures (MILSCAP)
- DoD 4100.39M Federal Logistics Information System (FLIS) Procedures Manual; Volume 7



Seeking Public Comment

- ❑ DoD is seeking public comment on-
 - Industry recommendations for identifying whether or not a particular DoD contractor is owned or controlled by another business entity.
 - Would it be meaningful, from the private sector perspective, to characterize an “immediate owner,” as the business entity, which has the most direct and proximate ownership or control of the offeror?
 - o If not, then please suggest an alternative characterization.



Seeking Public Comment

- Would it be meaningful, from the private sector perspective, to characterize the “highest-level owner” as a business entity, which owns or controls the one or more business entities that own or control the offeror?
 - If not, then please suggest an alternative characterization.

- Would it be meaningful, from the private sector perspective, to characterize an “owner” as a business entity, other than the offeror, that owns or controls the offeror, or that owns or controls other business entities that own or control the offeror?
 - An owner could then be either an immediate owner or a highest-level owner. If not meaningful, then please suggest an alternative characterization.



Seeking Public Comment

- One potential approach, as discussed, is for the offeror to provide with its offer the immediate owner CAGE code along with the legal name, and the highest-level owner CAGE code along with the legal name (if a higher-level entity exists).
 - Should CAGE codes be used to help establish company parent/child relationships?
 - If this process is considered burdensome, what are the potential ways to mitigate such burden?
 - Should parent/child relationships using CAGE codes be provided and certified by industry?
- Future considerations-
 - Should DoD solicit additional information from industry on the efficiency and effectiveness of the CAGE code issuance / management process?
 - Should use of CAGE codes be used across other Federal agencies for standardization?



Seeking Public Comment

- Are there additional factors that should be considered to accurately capture such a business environment?
 - o If so, please explain.



Questions/Comments



Backup Slides



Submission of Public Comments

- Public comments are due on or before December 9, 2011.
- You may submit written comments, using any of the following methods:
 - Regulations.gov: <http://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by selecting “Notice” under the heading “Select Document Type” and entering search terms from this notice under the heading “Enter Keyword or ID” and selecting “Search.” Select the link “Submit a Comment” that corresponds with this notice. Follow the instructions provided at the “Submit a Comment” screen. Please include your name, company name (if any), and “Ownership of Offeror” on your attached document.



Submission of Public Comments

- E-mail: dfars@osd.mil. Include “Ownership of Offeror” in the subject line of the message.
 - Fax: 703-602-0350.
 - Mail: Defense Acquisition Regulations System, Attn: Mr. Julian Thrash, OUSD(AT&L)DPAP/DARS, Room 3B855, 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).



Other Important Information

- ❑ Today's presentation, attendance list, and other related documents will be posted at <http://www.acq.osd.mil/dpap/ops/news/index.html>.