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ACQUISITION
TECHNOLOGY
AND LOGISTICS

JAN 19 2005

Mr. Larry Allen
Executive Vice President
The Coalition for Government Procurement
1990 M Street, NW, Suite 400
Washington, DC 20036

Dear Mr. Allen,

I appreciate the Coalition's support of the Department of Defense (DoD) Unique Identification (UID) initiative. In your letter of December 15, 2004, you raised a number of issues concerning the application of the UID requirement to commercial item acquisitions and suppliers. Your underlying premise, however, that the original intent of the policy was to enable tracking of non-commercial items purchased by the Department is inaccurate. The objective has always been to implement a policy that will facilitate accurate life cycle management and reliable tracking in DoD business systems, of all items purchased by the Department, while relying to the maximum extent practicable on existing commercial and international standards. UID will be a cornerstone of DoD business transformation.

It is recognized, however, that situations may arise where vendors of commercial items or small business firms may not be prepared to comply with the DoD requirements within the cost constraints and/or time frame imposed by the delivery schedule. To accommodate those circumstances, the September 3, 2004 policy memorandum implemented an alternative strategy that allows DoD requiring activities to make a determination that it is more cost effective for the Department to assign, mark, and/or register the UID. This is not, however, to be interpreted to mean that an internal UID tagging capability has been implemented Department-wide. Requiring activities have several alternatives to select from, once a Determination and Finding is approved, one of which is to mark the items with the UID marking themselves, upon receipt. They may also coordinate and fund the furnishing of UID data plates, labels or other marking media that meets the MIL-STD-130 requirements to the prime contractor for application prior to delivery, or they may contract with a third party to furnish and apply the UID mark subsequent to delivery.



There are a number of small, medium and large businesses that are identifying themselves as possessing various marking and reading capabilities that are available to assist with the implementation of UID. The UID Program Management Office (PMO) is also working with the Defense Contract Management Agency (DCMA) and a number of industry partners to establish generic implementation guidelines and concepts of operation, which are being published on the UID website at: <http://www.acq.osd.mil/dpap/UID/>, to assist others in implementing the UID requirements. Finally, the UID PMO is working with the General Services Administration (GSA) to incorporate the UID requirements, to include MIL-STD-130, for DoD orders placed against their Multiple Award Schedule contracts. GSA is also exploring the possibility of establishing a schedule for solution providers of UID technology, services, and training.

Application of a strategy that globally exempts all commercial item acquisitions would not be an effective or efficient manner to implement UID for all commodities and across all sectors, and it would defeat the ultimate purpose of the policy. Therefore, the solution that allows each requiring activity or program to make an individual assessment is the preferred alternative.

The current policies and requirements are intended to address a wide range of acquisitions, while allowing some flexibility in the application of the policy and requirements for both the requiring activities and the contractors, where it makes sound business sense to do so. The alternatives that are available should adequately address the concerns you raised in your letter without the need for the additional actions you recommended. However, as the policy matures, consideration will be given to other alternatives that are discovered, provided they will accomplish the strategic goal of the policy.

Again we thank you for your support of the UID initiative and your efforts to keep us informed regarding the issues and implementation challenges you are working for your multi-industry members. If you have further questions regarding this matter, my point of contact is Ms. Lydia Dawson, 703-695-1098 or lydia.dawson@osd.mil.

Sincerely,



Deidre A. Lee
Director, Defense Procurement
and Acquisition Policy