

DFARS Procedures, Guidance, and Information

PGI 204—Administrative Matters

(Revised December 1, 2017)

PGI 204.71—UNIFORM CONTRACT LINE ITEM NUMBERING SYSTEM

PGI 204.7103 Contract line items.

(a) Separately identifiable contract line and subline items (i.e., all except those with characteristics described in DFARS [204.7103-1\(a\)\(2\)\(iii\)](#) or [204.7104-1\(a\)](#)) shall include a description of the item or service being procured, the associated Product or Service Code (PSC), the quantity, a unit of measure, defined acceptance and inspection locations and requirements, and the delivery schedule or performance period. Contracts for contingency operations shall include the project code at the line item level on each contract action. The list of applicable codes is maintained at http://www.dla.mil/j-6/dlms0/elibrary/ServicePoints/CD_ProjCd_nopoc.docx. The contracting officer is responsible for coordinating any changes from the purchase request to the contract with the requiring activity.

(1) The list of active PSCs is available on the Federal Procurement Data System website under the '[Worksite](#)' section under 'Reference'.

(2) The list of available units of measure is on the Defense Procurement and Acquisition Policy website at http://www.acq.osd.mil/dpap/pdi/eb/docs/Line_Item_UoM_List.xlsx.

(3) Delivery and acceptance locations shall be defined using Activity Address Codes published in (1) DoD Activity Address Directory (DODAAD), DoD 4000.25-6-M, or (2) Military Assistance Program Address Directory System (MAPAD), DoD 4000.25-8-M and available for verification at <https://www.daas.dla.mil/daasing/default.asp>.

(4) No activity shall be assigned acceptance responsibility unless that activity has acceptors registered in Wide Area WorkFlow (WAWF). Available roles for an Activity Address Code can be verified at the Active DoDAACs & Roles link on the WAWF homepage at <https://wawf.eb.mil/>.

(b) Fixed price line items shall include unit prices and total prices. Cost type line items shall not include unit prices, but shall contain the appropriate elements in accordance with FAR part 16. Not separately priced line items shall be so labeled. The notation "No Charge" shall not be used.

(c) The requirements at paragraph (a) and (b) shall be included in the appropriate parts of the contract Schedule.

(d) In structuring line items, especially on fixed-price contracts, due consideration shall be given to the effect of the chosen units of measure on administration and payment. No contract line item shall contain a quantity less than the number of deliveries anticipated on the line item. Contracting officers shall consider the need for periodic deliveries and payments in selecting a unit of measure. Included in this analysis shall be the impact of any financing arrangements under FAR part 32.

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(i) Supplies: Line item quantities shall match the actual count of the supplies to be provided. For instance, if more than one delivery is expected, the quantity cannot be “1.”

(ii) Services: Line item quantities shall match the frequency with which performance will be reviewed, and on fixed-price line items, payment made. For example, a contract with a twelve-month period of performance should have a quantity and unit of measure suited to how the contract will be managed. If the intent is to review, accept, and pay for the services monthly, then the quantity should be 12, with a unit of measure such as “Months” or “Lots.” If the intent is to review, accept, and pay for the services quarterly, then the quantity should be 4, with a unit of measure such as “Lot”. If the quantity used is 1, then no payment for delivery can occur until the end of the period of performance. Services with tangible deliveries, such as repairs, shall be structured like supply line items.

(e) The following examples illustrate when the requirements at paragraph (a) apply—

(1) Separately identifiable subline items. The rule applies to subline items 0001AA and 0001AB. It does not apply to the line item 0001, because it does not have a deliverable.

ITEM NO.	SUPPLIES/SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Widgets				
0001AA	Red painted widgets	6	EA	\$10.00	\$60.00
0001AB	Unpainted widgets	6	EA	\$9.50	\$57.00

(2) Informational subline items. The rule applies to line item 0001. It does not apply to subline items 000101, 000102, and 000103 because they do not have deliverables.

ITEM NO.	SUPPLIES/SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Widget implementation Joint Service Study	1	LOT	\$60,000	\$60,000
000101	Army funding (AA: \$20,000)				
000102	Navy funding (AB: \$20,000)				
000103	Air Force funding (AC: \$20,000)				

(3) Line item with no subline items. The rule applies.

ITEM NO.	SUPPLIES/SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Red painted widgets	6	EA	\$10.00	\$60.00

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(4) Line item is parent to an exhibit. The rule applies to the exhibit lines.

ITEM NO.	SUPPLIES/SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	See exhibit A (\$117.00)				
A001	Red painted widgets	6	EA	\$10.00	\$60.00
A002	Unpainted widgets	6	EA	\$9.50	\$57.00

(5) Line is parent to a subline item which refers to an exhibit. The rule applies to the exhibit lines.

ITEM NO.	SUPPLIES/SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Widget program				
0001AA	Design and develop widgets	1	LOT	\$500.00	\$500.00
0001AB	See exhibit A (\$117.00)				
A001	Red painted widgets	6	EA	\$10.00	\$60.00
A002	Unpainted widgets	6	EA	\$9.50	\$57.00

PGI 204.7103-2 Numbering procedures.

(a) Contract line items shall consist of four numeric digits 0001 through 9999. Do not use numbers beyond 9999. Within a given contract, the item numbers shall be sequential but need not be consecutive.

(b) The contract line item number shall be the same as the solicitation line item number unless there is a valid reason for using different numbers.

(c) Once a contract line item number has been assigned, it shall not be assigned to another, different, contract line item in the same contract.

PGI 204.7104 Contract subline items.

PGI 204.7104-2 Numbering procedures.

(a) Number subline items by adding either two numeric characters or two alpha characters to the basic contract line item number.

(1) *Information subline item numbers.* Use numeric characters only for information subline items, running 01 through 99. Do not use spaces or special characters to separate the subline item number from the contract line item number that is its root. For example, if the contract line item number is 0001, the first three subline items would be 000101, 000102, and 000103. Do not use a designation more than once within a contract line item.

(2) *Separately identified subline items.* Use alpha characters only for separately identified subline items, running AA through ZZ. Do not use spaces or special characters to separate the subline item number from the contract line item number that is its root. For

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example, if the contract line item number is 0001, the first three subline items would be 0001AA, 0001AB, and 0001AC.

(i) Do not use the letters I or O as alpha characters.

(ii) Use all 24 available alpha characters in the second position before selecting a different alpha character for the first position. For example, AA, AB, AC, through AZ before beginning BA, BB, and BC.

(b) Within a given contract line item, the subline item numbers shall be sequential but need not be consecutive.

(c) Exhibits may be used as an alternative to setting forth in the schedule a long list of contract subline items. If exhibits are used, create a contract subline item citing the exhibit's identifier. See DFARS [204.7105](#).

(d) If a contract line item involves ancillary functions, like packaging and handling, transportation, payment of state or local taxes, or use of reusable containers, and these functions are normally performed by the contractor and the contractor is normally entitled to reimbursement for performing these functions, do not establish a separate subline item solely to account for these functions. However, do identify the functions in the contract schedule. If an offeror separately prices these functions, the contracting officer may establish separate subline items for the functions; however, the separate subline items must conform to the requirements of DFARS [204.7104-1](#).

(e) The following examples illustrate subline items numbering—

(1) Subline items structured to identify destinations for identical items, identically priced (delivery schedule shall be established for each subline item, not the contract line item).

ITEM NO.	SUPPLIES/SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	NSN 1615-00-591-6620 Shim, Aluminum Alloy,... Appl, Rotor, Helicopter PRON A1-9-63821-M1- M1 ACRN:AA				
0001AA	A3168R-9030-4025 A2537M IPD: 2 RDD: 334 PROJ: 501	10	EA	\$100.00	\$1,000.00
0001AB	A3168R-9030-4026 A51AXB M IPD: 2 RDD: 325 PROJ: 502	10	EA	\$100.00	\$1,000.00
0001AC	A3168R-9030-4027 A67KBCM IPD: 2 RDD: 349 PROJ: 503	15	EA	\$100.00	\$1,500.00

(2) Subline items structured to identify destinations for identical items, not identically priced (delivery schedule shall be established for each subline item, not the contract line item).

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ITEM NO.	SUPPLIES/SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	NSN 1615-00-591-6620 Shim, Aluminum Alloy,... Appl, Rotor, Helicopter PRON A1-9-63821-M1- M1 ACRN:AA				
0001AA	A3168R-9030-4025 A2537M IPD: 2 RDD: 334 PROJ: 501	10	EA	\$100.00	\$1,000.00
0001AB	A3168R-9030-4026 A51AXBM IPD: 2 RDD: 325 PROJ: 502	20	EA	\$99.00	\$1,980.00
0001AC	A3168R-9030-4027 A67KBCM IPD: 2 RDD: 349 PROJ: 503	30	EA	\$98.00	\$2,940.00

NOTE: Difference in prices for identical items is due to separate destinations for FOB destination delivery.

(3) Subline items structured to identify different sizes of an item that are identically priced (delivery schedule shall be established for each subline item, not the contract line item).

ITEM NO.	SUPPLIES/ SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0013	Boots Insulated, Cold Weather White, Type II, Class 1				
0013AA	8430-00-655-5541 Size 5N	50	PR	\$38.35	\$13,422.50
0013AB	8430-00-655-5544 Size 8N	70			
0013AC	8430-00-655-5551 Size 9N	30			
0013AD	8430-00-655-5535 Size 9R	200			

NOTE: Unit price and total amount shown at line item level rather than at subline item level.

(4) Subline items structured to identify different sizes of an item that are not identically priced (delivery schedule shall be established for each subline item, not the contract line item).

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ITEM NO.	SUPPLIES/ SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0002	Body Armor Ground Troops Variable Type Small Arms, Fragmentation Protective Nylon Felt Vest, Front and Back Plates, Ceramic Plate, Type I				
0002AA	First Article	1	LO	NSP	
0002AB	8470-00-141-0935 Medium	1936	SE	\$331.77	\$642,306.72
0002AC	8470-00-141-0936 Large Regular	625	SE	\$355.77	\$222,356.25
0002AD	8470-00-141-0937, Medium	1237	SE	\$346.77	\$428,954.49
0002AE	8470-00-141-0938, Large Long	804	SE	\$365.77	\$294,079.08

(5) Subline items structured to provide the capability for relating subordinate separately priced packaging costs to the overall contract line item. (Separate delivery schedules shall be established for the subline item identifying the contractor's product and for the subline item identifying packaging. No schedule will be established for the contract line item.)

ITEM NO.	SUPPLIES/ SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	6105-00-635-6568 50380 Ref No 63504-WZ Armature Motor ACRN: AA				
0001AA	6105-00-635-6568 50380 Ref No 63504-WZ Armature Motor ACRN: AA	2	EA	\$2,895.87	\$5,791.74
0001AB	Packaging ACRN:AA	2	EA	\$289.58	\$579.16

(6) Subline items structured to identify different accounting classifications for identical items (delivery schedule shall be established for each subline item, not the contract line item).

AJ: 17X150518350315069100000192B00000000000000000000
 AK: 17X150518370317569100000192B00000000000000000000
 AL: 17X150519350314369100000192B00000000000000000000

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ITEM NO.	SUPPLIES/ SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0002	Pulse Decoder KY-312/A5Q-19		EA	\$3,037.40	
0002AA	Pulse Decoder KY-312/A5Q-19	2			\$6,074.80
0002AB	ACRN: AJ Pulse Decoder KY-312/A5Q-19	6			\$18,224.40
0002AC	ACRN: AK Pulse Decoder KY-312/A5Q-19	2			\$6,074.80
	ACRN: AL				

NOTE: Unit price may be shown at line item level and total amounts shown at subline item level.

(7) Informational subline items established to identify multiple accounting classification citations assigned to a single contract line item.

ITEM NO.	SUPPLIES/ SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0001	Air Vehicle	1	EA	\$6,700,000	\$6,700,000
	000101 ACRN:AA \$3,300,000				
	000102 ACRN:AB \$2,000,000				
	000103 ACRN:AC \$1,400,000				

(8) Subline items structured to identify parts of an assembly (delivery schedule and price shall be established for each identified part at the subline item level, not for the assembly at the contract line item level).

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ITEM NO.	SUPPLIES/ SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0003	Automatic Degaussing System Consisting of: (2 ea @ \$52,061; \$104,122 total)				
0003AA	Switchboard	2	EA	\$52,061.00	\$104,122.00
0003AB	Remote Control Panel	2	EA	NSP	
0003AC	Power Supply (M Coil) SSM Type 145 Amps, 220 V DC)	2	EA	NSP	
*	* * *			*	*
0003AF	Power Supply (A Coil) SSM Type (118 Amps, 220 V DC)	2	EA	NSP	

(9) Subline items structured to identify parts of a kit (delivery schedule and price shall be established for each identified part at the subline item level, not for the kit at the contract line item level).

ITEM NO.	SUPPLIES/ SERVICE	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0031	Conversion Kit to Convert Torpedo MK 45 Mod 0 to Torpedo MK 45 Mod 1 (50 Kt @ \$10,868.52; \$543,426 total)				
0031AA	Integrator Assy LD 620106	50	EA	\$10,868.52	\$543,426.00
0031AB	Pulse Generator Assy LD 587569	50	EA	NSP	
0031AC	Drive Shaft Assy LD 587559	50	EA	NSP	
*	* * *			*	
0031BF	Actual Panel Assy LD 542924	50	EA	NSP	

NOTE: In this example, the prices of subline items 0031AB through 0031BF are included in the Integrator Assembly.

PGI 204.7105 Contract exhibits and attachments.

(a) *Use of exhibits.*

(1) Exhibits may be used instead of putting a long list of contract line items or subline items in the contract schedule. Exhibits are particularly useful in buying spare parts.

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(2) When using exhibits, establish a contract line or subline item and refer to the exhibit.

(3) Identify exhibits individually.

(4) Each exhibit shall apply to only one contract line item or subline item.

(5) More than one exhibit may apply to a single contract line item.

(6) Data items on a DD Form 1423, Contract Data Requirements List, may be either separately priced or not separately priced.

(i) Separately priced. When data are separately priced, enter the price in Section B of the contract.

(ii) Not separately priced. Include prices in a priced contract line item or subline item.

(7) The contracting officer may append attachments to exhibits, as long as the attachment does not identify a deliverable requirement that has not been established by a contract line item or subline item or exhibit line item.

(8) Include exhibit line items and associated information in the electronically distributed contract documents identified in [PGI 204.201\(3\)\(i\)\(A\)](#) and (B).

(b) *Numbering exhibits and attachments.*

(1) Use alpha characters to identify exhibits. The alpha characters shall be either single or double capital letters. Do not use the letters I or O.

(2) Once an identifier has been assigned to an exhibit, do not use it on another exhibit in the same contract.

(3) The identifier shall always appear in the first or first and second positions of all applicable exhibit line item numbers.

(4) If the exhibit has more than one page, cite the procurement instrument identification number, exhibit identifier, and applicable contract line or subline item number on each page.

(5) Use numbers to identify attachments.

(c) *Numbering exhibit line items.*

(1) Criteria for establishing. The criteria for establishing exhibit line items are the same as those for establishing contract line items (see DFARS 204.7103).

(2) Procedures for numbering.

(i) Number items in an exhibit in a manner similar to contract line items.

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(ii) Number line items using a four-position number.

(A) The first position or the first and second position contain the exhibit identifier.

(B) The third and fourth positions contain the alpha or numeric character serial numbers assigned to the line item when using a double letter exhibit identifier. The second, third and fourth positions contain the alpha or numeric character serial numbers assigned to the line item when using a single letter exhibit identifier.

(iii) Exhibit line item numbers shall be sequential within the exhibit.

(3) Examples.

(i) Two-position serial number for double letter exhibit identifier.

<u>Cumulative No. of Line Items</u>	<u>Serial Number Sequence</u>
1-33	01 thru 09, then 0A thru 0Z, then
34-67	10 thru 19, then 1A thru 1Z, then
68-101	20 thru 29, then 2A thru 2Z, then
102-135	30 thru 39, then 3A thru 3Z, then
136-169	40 thru 49, then 4A thru 4Z, then
170-203	50 thru 59, then 5A thru 5Z, then
204-237	60 thru 69, then 6A thru 6Z, then
238-271	70 thru 79, then 7A thru 7Z, then
272-305	80 thru 89, then 8A thru 8Z, then
306-339	90 thru 99, then 9A thru 9Z, then
340-373	A0 thru A9, then AA thru AZ, then
374-407	B0 thru B9, then BA thru BZ, then
408-441	C0 thru C9, then CA thru CZ, then
442-475	D0 thru D9, then DA thru DZ, then
476-509	E0 thru E9, then EA thru EZ, then
510-543	F0 thru F9, then FA thru FZ, then
544-577	G0 thru G9, then GA thru GZ, then

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578-611	H0 thru H9, then HA thru HZ, then
612-645	J0 thru J9, then JA thru JZ, then
646-679	K0 thru K9, then KA thru KZ, then
680-713	L0 thru L9, then LA thru LZ, then
714-747	M0 thru M9, then MA thru MZ, then
748-781	N0 thru N9, then NA thru NZ, then
782-815	P0 thru P9, then PA thru PZ, then
816-849	Q0 thru Q9, then QA thru QZ, then
850-883	R0 thru R9, then RA thru RZ, then
884-917	S0 thru S9, then SA thru SZ, then
918-951	T0 thru T9, then TA thru TZ, then
952-985	U0 thru U9, then UA thru UZ, then
986-1019	V0 thru V9, then VA thru VZ, then
1020-1053	W0 thru W9, then WA thru WZ, then
1054-1087	X0 thru X9, then XA thru XZ, then
1088-1121	Y0 thru Y9, then YA thru YZ, then
1122-1155	Z0 thru Z9, then ZA thru ZZ

(ii) Three-position numbers.

<u>Cumulative No. of Line Items</u>	<u>Serial Number Sequence</u>
1-33	01 thru 009, then 00A thru 00Z, then
34-67	010 thru 019, then 01A thru 01Z, then
68-101	020 thru 029, then 02A thru 02Z, then
102-135	030 thru 039, then 03A thru 03Z and
136-305	so on to
306-339	090 thru 099, then 09A thru 09Z, then

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340-373	0A0 thru 0A9, then 0AA thru 0AZ, then
374-407	0B0 thru 0B9, then 0BB thru 0BZ, then
408-441	0C0 thru 0C9, then 0CA thru 0CZ, and
442-1121	so on to
1122-1155	0Z0 thru 0Z9, then 0ZA thru 0ZZ, then
1156-1189	100 thru 109, then 10A thru 10Z, then
1190-1223	110 thru 119, then 11A thru 11Z, then
1224-1257	120 thru 129, then 12A thru 12Z, and
1258-1461	so on to
1462-1495	190 thru 199, then 19A thru 19Z, then
1496-1529	1A0 thru 1A9, then 1AA thru 1AZ, then
1530-1563	1B0 thru 1B9, then 1BA thru 1BZ, and
1564-2277	so on to
2278-2311	1Z0 thru 1Z9, then 1ZA thru 1ZB, then
2312-2345	200 thru 109, then 10A thru 10Z, then
2346-2379	210 thru 219, then 21A thru 21Z, then
2380-2413	220 thru 229, then 22A thru 22Z, and
2414-2617	so on to
2618-2651	290 thru 299, then 29A thru 29Z, then
2652-2685	2A0 thru 2A9, then 2AA thru 2AZ, then
2686-2719	2B0 thru 2B9, then 2BA thru 2BZ, and
2720-3433	so on to
3434-3467	2Z0 thru 2Z9, then 2ZA thru 2ZZ, then
3468-3501	300 thru 309, then 30Z thru 30Z, and
3502-10403	so on to
10404-10437	900 thru 909, then 90A thru 90Z, then

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10438-10471	910 thru 919, then 91A thru 91Z, and
10472-10709	so on to
10710-10743	990 thru 999, then 99A thru 99Z, then
10744-10777	9A0 thru 9A9, then 9AA thru 9AZ, then
10778-10811	9B0 thru 9B9, then 9BA thru 9BZ, and
10812-11525	so on to
11526-11559	9Z0 thru 9Z9, then 9ZA thru 9ZZ

PGI 204.7107 Contract accounting classification reference number (ACRN) and agency accounting identifier (AAI).

(a) Establishing the contract ACRN.

(1) The contracting office issuing the contract is responsible for assigning ACRNs. This authority shall not be delegated. If more than one office will use the contract (e.g., ordering officers, other contracting officers), the contract must contain instructions for assigning ACRNs.

(2) ACRNs shall be established in accordance with the following guidelines:

(i) Do not use the letters I and O.

(ii) In no case shall an ACRN apply to more than one accounting classification citation, nor shall more than one ACRN be assigned to one accounting classification citation.

(b) *Establishing an AAI.* An AAI, as detailed <http://www.acq.osd.mil/dpap/policy/policyvault/USA002246-09-DPAP.pdf>, is a six-digit data element that identifies a system in which accounting for specific funds is performed. The funding office will provide to the contracting office the AAI associated with the funding for each line item.

(c) Capturing accounting and appropriations data in procurement. Procurement instruments shall identify the funding used for the effort in one of two ways.

(1) In legacy system environments where the contracting and accounting processes are not sufficiently integrated to ensure use of the Procurement Instrument Identifiers (PIIDs) (see DFARS subpart [204.16](#)) and line item numbers as common keys, the contract shall include the accounting and appropriations data and ACRN as follows:

(i) Show the ACRN as a detached prefix to the accounting classification citation in the accounting and appropriations data block or, if there are too many accounting classification citations to fit reasonably in that block, in section G (Contract Administration Data).

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(ii) ACRNs need not prefix accounting classification citations if the accounting classification citations are present in the contract only for the transportation officer to cite to Government bills of lading.

(iii) If the contracting officer is making a modification to a contract and using the same accounting classification citations, which have had ACRNs assigned to them, the modification need cite only the ACRNs in the accounting and appropriations data block or on the continuation sheets.

(iv) Showing the ACRN in the contract. If there is more than one ACRN in a contract, all the ACRNs will appear in several places in the schedule (e.g., ACRN: AA).

(A) Ship-to/mark-for block. Show the ACRN beside the identity code of each activity in the ship-to/mark-for block unless only one accounting classification citation applies to a line item or subline item. Only one ACRN may be assigned to the same ship-to/mark-for within the same contract line or subline item number unless multiple accounting classification citations apply to a single nonseverable deliverable unit such that the item cannot be related to an individual accounting classification citation.

(B) Supplies/services column.

(1) If only one accounting classification citation applies to a line item or a subline item, the ACRN shall be shown in the supplies/services column near the item description.

(2) If more than one accounting classification citation applies to a single contract line item, identify each assigned ACRN and the amount of associated funds using informational subline items (see DFARS [204.7104-1\(a\)](#)).

(2) The contract shall include AAls and ACRNs in system environments where the accounting systems are able to use PIDs and line item numbers as common keys to enable traceability of funding to contract actions. Include AAls and ACRNs as follows:

(i) Showing the ACRN in the contract. If there is more than one ACRN in a contract, all the ACRNs will appear in several places in the schedule (e.g., ACRN: AA).

(A) Ship-to/mark-for block. Show the ACRN beside the identity code of each activity in the ship-to/mark-for block unless only one accounting classification citation applies to a line item or subline item. Only one ACRN may be assigned to the same ship-to/mark-for within the same contract line or subline item number unless multiple accounting classification citations apply to a single nonseverable deliverable unit such that the item cannot be related to an individual accounting classification citation.

(B) Supplies/services column.

(1) If only one accounting classification citation applies to a line item or a subline item, the ACRN shall be shown in the supplies/services column near the item description.

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(2) If more than one accounting classification citation applies to a single contract line item, identify each assigned ACRN and the amount of associated funds using informational subline items (see DFARS 204.7104-1(a)).

(ii) Showing the AAI in the contract. If there is more than one AAI in a contract, show the AAI in the supplies/services column of the Schedule next to the ACRN. A sample showing the AAI is as follows:

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
0002	BRU-32 B/A Ejector Bomb Rack	23	Each	\$22,206.00	\$510,738.00

MILSTRIP: N0001906P7PM230
PURCHASE REQUEST NUMBER: 0010144885-0001
ACRN: AA
AAI: 050119

PGI 204.7108 Payment instructions.

(a) *Scope.* This section applies to contracts and orders that are funded by multiple accounting classification citations and—

(1) Include deliverable line items or deliverable subline items (see FAR 4.1005-1) that are funded by multiple accounting classification citations;

(2) Contain cost-reimbursement or time-and-materials/labor-hour line items; or

(3) Authorize financing payments.

(b) For contracts and orders covered by this subpart—

(1) The contracting officer shall insert the table at (b)(2) in Section G of the contract, or equivalent, including contracts with incrementally funded line items. When some, but not all, of the fixed price line items in a contract are subject to contract financing payments, the contracting officer shall clearly identify to which line items the payment clause(s) included in Section I apply.

(2) The payment office shall allocate and record the amounts paid to the accounting classification citations in the contract using the table below based on the type of payment request submitted (see DFARS 252.232-7006) and the type of effort.

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Contract/Order Payment Clause	Type of Payment Request	Supply	Service	Construction	Payment Office Allocation Method
52.212-4 (Alt I), Contract Terms and Conditions— Commercial Items 52.216-7, Allowable Cost and Payment 52.232-7, Payments under Time-and- Materials and Labor- Hour Contracts	Cost Voucher	X	X	N/A	Line item specific proration. If there is more than one ACRN within a deliverable line or deliverable subline item, the funds will be allocated in the same proportion as the amount of funding currently unliquidated for each ACRN on the deliverable line or deliverable subline item for which payment is requested.
52.232-1, Payments	Navy Shipbuilding Invoice (Fixed Price)	X	N/A	N/A	Line Item specific by fiscal year. If there is more than one ACRN within a deliverable line or deliverable subline item, the funds will be allocated using the oldest funds. In the event of a deliverable line or deliverable subline item with two ACRNs with the same fiscal year, those amounts will be prorated to the available unliquidated funds for that year.
52.232-1, Payments; 52.232-2, Payments under Fixed-Price Research and Development Contracts; 52.232-3, Payments under Personal Services Contracts; 52.232-4, Payments under Transportation Contracts and Transportation-Related Services Contracts; and 52.232-6, Payments under Communication Service Contracts with Common Carriers	Invoice	X	X	N/A	Line Item Specific proration. If there is more than one ACRN within a deliverable line or deliverable subline item, the funds will be allocated in the same proportion as the amount of funding currently unliquidated for each ACRN on the deliverable line or deliverable subline item for which payment is requested.

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Contract/Order Payment Clause	Type of Payment Request	Supply	Service	Construction	Payment Office Allocation Method
52.232-5, Payments Under Fixed-Price Construction Contracts	Construction Payment Invoice	N/A	N/A	X	Line Item specific by fiscal year. If there is more than one ACRN within a deliverable line or deliverable subline item, the funds will be allocated using the oldest funds. In the event of a deliverable line or deliverable subline item with two ACRNs with the same fiscal year, those amounts will be prorated to the available unliquidated funds for that year.
52.232-16, Progress Payments	Progress Payment*	X	X	N/A	Contract-wide proration. Funds shall be allocated in the same proportion as the amount of funding currently unliquidated for each ACRN. Progress Payments are considered contract level financing, and the “contract price” shall reflect the fixed price portion of the contract per FAR 32.501-3.
52.232-29, Terms for Financing of Purchases of Commercial Items; 52.232-30, Installment Payments for Commercial Items	Commercial Item Financing*	X	X	N/A	Specified in approved payment. The contracting officer shall specify the amount to be paid and the account(s) to be charged for each payment approval in accordance with FAR 32.207(b)(2) and 32.1007(b)(2).
52.232-32, Performance-Based Payments	Performance-Based Payments*	X	X	N/A	Specified in approved payment. The contracting officer shall specify the amount to be paid and the account(s) to be charged for each payment approval in accordance with FAR 32.207(b)(2) and 32.1007(b)(2).
252.232-7002, Progress Payments for Foreign Military Sales Acquisitions	Progress Payment*	X	X	N/A	Allocate costs among line items and countries in a manner acceptable to the Administrative Contracting Officer.
*Liquidation of Financing Payments. Liquidation will be applied by the payment office against those ACRNs which are identified by the payment instructions for the delivery payment and in keeping with the liquidation provision of the applicable contract financing clause (i.e., progress payment, performance-based payment, or commercial item financing).					

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(c) Reserved.

(d) The numbered payment instructions ((d)(1) through (11)) are replaced by the table at paragraph (b)(2) of this section.

(12) *Other.* If none of the payment instructions identified in paragraph (b)(2) of this section are appropriate (i.e., multiple lot progress payments), the contracting officer may insert other payment instructions, provided the other payment instructions—

(i) Provide a significantly better reflection of how funds will be expended in support of contract performance; and

(ii) Are agreed to by the payment office and the contract administration office. A copy of the agreement will be kept in the contract file.

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(Revised December 1, 2017)

PGI 204.73—SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING

PGI 204.7303 Procedures.

PGI 204.7303-1 General.

(a) The contracting officer will be notified by the requiring activity when a solicitation is expected to result in a contract, task order, or delivery order that will involve—

- (1) Covered defense information; or
- (2) Operationally critical support.

(b) The contracting officer shall—

(1) Ensure that the requiring activity provides a work statement or specification that includes the identification of covered defense information or operationally critical support consistent with paragraph (a).

(2) Ensure that the solicitation and resultant contract, task order, or delivery order includes the requirement (such as a contract data requirements list), as provided by the requiring activity, for the contractor to apply markings, when appropriate, on covered defense information.

PGI 204.7303-2 Safeguarding controls and requirements.

(a) When an offeror proposes to vary from any of the security requirements specified by National Institute of Standards and Technology (NIST) Special Publication (SP) 800-171, “Protecting Controlled Unclassified Information in Nonfederal Information Systems and Organizations,” in accordance with paragraph (c)(2) of the solicitation provision at DFARS [252.204-7008](#), or in accordance with paragraphs (b)(2)(ii)(B) of DFARS clause 252.204-7012, the contracting officer shall submit the offeror’s explanation of the proposed variance to the DoD Chief Information Officer via email at osd.dibcsia@mail.mil for adjudication.

(b) For additional information on safeguarding controls and requirements, see the Frequently Asked Questions document at http://www.acq.osd.mil/dpap/pdi/network_penetration_reporting_and_contracting.html.

PGI 204.7303-3 Cyber incident and compromise reporting.

(a) When a cyber incident is reported by a contractor, the DoD Cyber Crime Center (DC3) will send an unclassified encrypted email containing the cyber incident report to the contracting officer(s) identified on the Incident Collection Format (ICF). The DC3 may request the contracting officer send a digitally signed e-mail to DC3.

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(1) The procuring contracting officer (PCO) shall notify the requiring activities that have contracts identified in the ICF. In cases where an administrative contracting officer (ACO) receives the cyber incident report, in lieu of the PCO, the ACO shall notify the PCO for each affected contract, who will then notify the requiring activity.

(2) In cases of cyber incidents involving multiple contracts, the DoD components will collaboratively designate a single contracting officer to coordinate additional actions required of the contractor, on behalf of the affected DoD components. The requiring activity will notify the contracting officer once a lead is designated.

(3) If the requiring activity requests an assessment of compliance with the requirements of the clause at DFARS [252.204-7012](#) related to the cyber incident, the contracting officer shall—

(i) Consult with the DoD component Chief Information Officer (CIO)/cyber security office;

(ii) Request a description of the contractor's implementation of the security requirements in NIST SP 800-171, "Protecting Controlled Unclassified Information in Nonfederal Information Systems and Organizations" (see <http://dx.doi.org/10.6028/NIST.SP.800-171>) in order to support evaluation of whether any of the controls were inadequate, or if any of the controls were not implemented at the time of the incident; and

(iii) Provide a copy of the assessment of contractor compliance to the requiring activity, the DoD CIO at osd.dibcsia@mail.mil, and the other contracting officers listed in the cyber incident report.

(b) When requested by the contractor, the contracting officer shall provide the contractor with the "Instructions for Malware Submission" document available at http://www.acq.osd.mil/dpap/pdi/docs/Instructions_for_Malware_Submission.docx. The contracting officer should never receive malicious software directly from the contractor.

(c) If the requiring activity requests access to contractor information or equipment, in accordance with DFARS [252.204-7012](#)(f), the contracting officer shall provide a written request to the contractor.

(d) For additional information on cyber incident reporting, see the Frequently Asked Questions document at http://www.acq.osd.mil/dpap/pdi/network_penetration_reporting_and_contracting.html.

PGI 204.7303-4 DoD damage assessment activities.

(a) Prior to initiating damage assessment activities, the contracting officer shall verify that any contract identified in the cyber incident report includes the clause at DFARS [252.204-7012](#). If the contracting officer determines that a contract identified in the report does not contain the clause, the contracting officer shall notify the requiring activity that damage assessment activities, if required, may be determined to constitute a change to the contract.

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(b) In cases of cyber incidents involving multiple contracts, a single contracting officer will be designated to coordinate with the contractor regarding media submission (see 204.7303-3(a)(2)).

(c) If the requiring activity requests the contracting officer to obtain media, as defined in DFARS [252.204-7012](#), from the contractor, the contracting officer shall—

(1) Provide a written request for the media;

(2) Provide the contractor with the “Instructions for Media Submission” document available at http://www.acq.osd.mil/dpap/dars/pgi/docs/Instructions_for_Submitting_Media.docx; and

(3) Provide a copy of the request to DC3, electronically via email at dcise@dc3.mil, and the requiring activity.

(d) If the contracting officer is notified by the requiring activity that media are not required, the contracting officer shall notify the contractor and simultaneously provide a copy of the notice to DC3 and the requiring activity.

(e) The contracting officer shall document the action taken as required by paragraph (c) or (d) of this section, in the contract file.

(f) Upon receipt of the contractor media, DC3 will confirm receipt in writing to the contractor and the requesting contracting officer.

(g) Once the requiring activity determines that the damage assessment activities are complete, the requiring activity will provide the contracting officer with a report documenting the actions taken to close out the cyber incident.

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PGI 219—Small Business Programs

(Revised December 1, 2017)

PGI 219.7—THE SMALL BUSINESS SUBCONTRACTING PROGRAM

PGI 219.702 Statutory requirements

(i) The test program—

(A) Will be conducted—

(1) From October 1, 1990, through December 31, 2011;

(2) In accordance with the DoD test plan, “Test Program for Negotiation of Comprehensive Small Business Subcontracting Plans”; and

(3) By the military departments and defense agencies through specifically designated contracting activities; and

(B) Permits contractors selected for participation in the test program by the designated contracting activities to—

(1) Negotiate plant, division, or company-wide comprehensive subcontracting plans instead of individual contract subcontracting plans; and

(2) Use the comprehensive plans when performing any DoD contract or subcontract that requires a subcontracting plan.

(ii) During the test period, comprehensive subcontracting plans will be—

(A) Negotiated on an annual basis by the designated contracting activities;

(B) Incorporated by the contractors' cognizant contract administration activity into all of the participating contractors' active DoD contracts that require a plan; and

(C) Accepted for use by contractors participating in the test, whether performing at the prime or subcontract level.

PGI 219.705 Responsibilities of the contracting officer under the subcontracting assistance program.

PGI 219.705-4 Reviewing the subcontracting plan.

When reviewing the subcontracting plan, contracting officers may use the document entitled “DoD Checklist for Reviewing Subcontracting Plans.” The document is available at <http://business.defense.gov/Acquisition/Subcontracting/>.

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PGI 219—Small Business Programs

PGI 219.705-6 Postaward responsibilities of the contracting officer.

(f) When reviewing subcontracting reports, contracting officers may use the document entitled “DoD Subcontracting Program—Business Rules and Processes for (1) Electronic Subcontracting Reporting System (eSRS) and (2) Preparing and Reviewing Related Subcontract Reports.” The document is available at <http://business.defense.gov/Acquisition/Subcontracting/>.

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PGI 253—Forms

(Revised December 1, 2017)

PGI 253.219 Small Business Programs.

PGI 253.219-70 DD Form 2579, Small Business Coordination Record.

(a) Use the DD Form 2579 as prescribed in DFARS [219.201](#)(10)(B).

(b) *General instructions.*

(1) The Contracting Officer is responsible for the coordination and completion of the form.

(2) Coordination on this form is not required when the agency will satisfy a requirement through the use of a mandatory source listed at FAR 8.002 or FAR 8.003.

(c) *Specific instructions for completion of DD Form 2579.*

(1) BLOCK 1—CONTROL NO. Reserved for use by the Small Business Professional to create a unique identification number for each coordination record.

(2) BLOCK 2—PURCHASE REQUEST/REQUISITION NO. Locally assigned purchase request/requisition number.

(3) BLOCK 3—TOTAL ESTIMATED VALUE. Enter the total estimated value for the acquisition, including all options. For multiple award task or delivery order contracts, enter the total estimated value of the entire acquisition including all orders expected to be awarded.

(4) BLOCKS 4a and 4b:

(i) Block 4a—PROCUREMENT INSTRUMENT IDENTIFIER (PIID). Enter the PIID assigned to the solicitation, contract, or order in Block 4a. (FAR 4.1601, DFARS [204.1601](#)).

(ii) Block 4b—INDEFINITE DELIVERY VEHICLE (IDV) PIID. If applicable, enter the PIID assigned to the IDV against which the solicitation or order identified in Block 4a is issued.

(5) BLOCK 5—MODIFICATION/AMENDMENT NUMBER (MOD/AMDMT No.). Enter the contract or order modification number or solicitation amendment number. (FAR 4.1601, DFARS [204.1601](#)).

(6) BLOCKS 6a through 6e—CONTRACTING OFFICER NAME, DOD ACTIVITY ADDRESS CODE (DODAAC), OFFICE SYMBOL, EMAIL ADDRESS, PHONE NO. Enter the appropriate information in Blocks 6a through 6e.

(7) BLOCKS 7a through 7d:

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(i) BLOCK 7a—ITEM and/or SERVICE DESCRIPTION. Enter description of planned acquisition, including quantity, unique delivery requirements, and other descriptors. For services, include the type of service and place of performance, and attach a copy of the Performance Work Statement (PWS), Statement of Work (SOW), Statement of Objectives (SOO), or other specifications and statements as appropriate.

(ii) BLOCK 7b—PRODUCT OR SERVICE CODE (PSC). For the Product and Service Codes Manual, go to <http://acquisition.gov>.

(iii) BLOCK 7c—NORTH AMERICAN INDUSTRY CLASSIFICATION (NAICS) CODE. For the NAICS codes and definitions, go to <http://www.census.gov/eos/www/naics>.

(iv) BLOCK 7d—SMALL BUSINESS SIZE STANDARD. For the applicable small business size standard, go to <http://www.sba.gov/content/table-small-business-size-standards>.

(8) BLOCK 8—PERIOD OF PERFORMANCE/DELIVERY DATES. Enter the estimated beginning and end dates.

(9) BLOCK 9—PURPOSE OF COORDINATION. Check one box indicating the purpose of the action being reviewed: Initial Coordination, Withdrawal (see FAR 19.506), or a Change to the form. Note: Any significant change in the acquisition strategy or plan described on this form will require reevaluation by the Small Business Professional and the Small Business Administration (SBA) Procurement Center Representative (PCR), if applicable.

(10) BLOCKS 10a through 10j—RECOMMENDATION. Check all that apply, e.g., a small business set-aside could also be a multiple-award. For Blocks 10c through 10d, attach justification if applicable in accordance with FAR 19.1306(a), and 19.1406(a), respectively.

(11) BLOCKS 11a through 11c:

(i) BLOCK 11a—ACQUISITION PLAN/MARKET RESEARCH. Attach the written acquisition plan (FAR 7.104(d)), if required, and the results of market research, including any resulting justification and approval (FAR 6.3) or sole source/brand name justification (FAR 13.106 or 13.501). Include findings that demonstrate efforts to locate qualified small business sources e.g., sources sought (FAR 5.205), requests for information synopses, or waivers to the nonmanufacturer rule (FAR 19.5) and attach additional pages as necessary).

(ii) BLOCK 11b—SYNOPSIS REQUIRED. Check “Yes” or “No.” If “No,” provide explanation and the exception under FAR 5.202, if applicable.

(iii) BLOCK 11c—SMALL BUSINESS PROGRESS PAYMENTS. Check “Yes” or “No” (DFARS [232.501-1\(a\)](#)).

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(12) BLOCK 12—CONSOLIDATED OR BUNDLED. Select either “Consolidated” or “Bundled,” and check “Yes” or “No” for each. If “Yes,” attach required documentation for consolidation or bundling (DFARS [207.170](#)) or bundling (FAR 7.107).

(13) BLOCK 13—SUBCONTRACTING PLAN REQUIRED. Check “Yes” or “No.” For recommendations 10g, 10h, or 10i, or if Block 12 recommendation is “Yes,” specify actions that will be taken to maximize small business participation. Consider requirements of FAR 19.7, acquisition history, anticipated subcontracting goals, market research to identify small business capability at the subcontract level, source selection evaluation factor for small business utilization (DFARS [215.304](#), [215.305](#)), incentives, contract performance metrics, etc. State detailed objectives for subcontract (attach additional pages as necessary).

(14) BLOCKS 14a through 14c—ACQUISITION HISTORY:

(i) BLOCK 14a—NEW REQUIREMENT. Check “Yes” or “No” and follow the applicable guidance for each selection.

(ii) BLOCK 14b—PREVIOUSLY CONSOLIDATED OR BUNDLED. Check “Yes” or “No” for each. If “Yes,” attach required documentation for previous acquisition. See DFARS [207.170](#) or FAR 7.107).

(iii) BLOCK 14c—DETAILS OF PREVIOUS AWARD(S). For each contractor that received an award for any portion of the immediately preceding acquisition, include the following information—

- Name and CAGE code.
- Small business socioeconomic categories of the awardee.
- PIID.
- NAICS code and size standard.
- Contract type.
- Period of performance.
- Total contract value.
- Subcontracting History. (Small business subcontracting goal achievement (CPARS and eSRS data) and any additional small business utilization requirements included in the contract resulting from a source selection factor used when making the previous contract award.)

(15) BLOCK 15a through 15d—CONTRACTING OFFICER SIGNATURE. Complete 15a through 15d. Digital signature is desired.

(16) BLOCKS 16 through 16f—SMALL BUSINESS PROFESSIONAL/SMALL BUSINESS DIRECTOR REVIEW. Complete 16 through 16f. Digital signature is desired. If “non-concur” is checked, attach rationale or include in Block 16f, along with any other

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remarks. Block 16e must be completed when any of the conditions in FAR 19.202-1(e) applies to indicate when the acquisition package was provided to the Small Business Administration (SBA).

(17) BLOCKS 17 through 17e—SBA PROCUREMENT CENTER REPRESENTATIVE (PCR) REVIEW. Complete 17 through 17e (see FAR 19.402(a) when a PCR is not assigned to the contracting activity or administration office). Digital signature is desired. If “non-concur” is checked, the PCR shall attach rationale and recommendations or include in Block 17e, along with any other remarks (see FAR 19.402).

(18) BLOCKS 18 through 18c—CONTRACTING OFFICER REVIEW. The Contracting Officer shall complete this block if the Small Business Professional and/or the SBA PCR have “non-concurred” in Blocks 16 and 17. Block 18c shall include the Contracting Officer’s rationale for decision. Send copies of the completed form to the Small Business Professional and the SBA PCR within 5 working days if rejecting the PCR’s recommendation, in accordance with FAR 19.505.