## Change Log

<table>
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<th>Version</th>
<th>POC</th>
<th>Comments</th>
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<td>Draft Document</td>
<td>January 12, 2023</td>
<td>Draft</td>
<td>Schatten Douglas</td>
<td>Initial draft</td>
</tr>
<tr>
<td>Final Document</td>
<td>May 31, 2023</td>
<td>V1.0</td>
<td>Kris Humphrey</td>
<td>Administrative updates based on comments received during DPC coordination.</td>
</tr>
</tbody>
</table>
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1. Purpose

The purpose of this guide is to provide instructions that will assist contracting professionals in developing clearly defined line items in accordance with the Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation Supplement (DFARS) that ensure that the government buyers (hereafter “we”) know what we paid for, how much we paid for it, where it was supposed to go, and whether we received it. To accomplish this, it is critical to develop a line item structure that will accurately reflect all the listed components, easing contract lifecycle activities such as receipt, acceptance, invoicing, and closeout.

This is a guidance document. If there are any conflicts between the contents of this guide and the FAR or DFARS, the FAR or DFARS shall rule.

2. What is a Line Item and Line Item Number (LIN)?

A line item captures the information about separately identifiable goods and services that the Government needs to purchase (See FAR 2.101) and a Line Item Number (LIN) is the numeric or alphanumeric format to identify a line item. Note that DFARS 204.71 utilizes the term Contract LIN (CLIN) and historically CLIN has been used instead of LIN. Separately identifiable items are goods or services a person can identify and separate out from other items being acquired and those items can be delivered or performed individually. Those types of goods and services are captured on deliverable line items. A contract may have informational line items as well that provide additional context about the items being purchased. For example, in Table 1, when an apple and a loaf of bread are bought at a grocery store there will be a receipt issued on which the apple will be separately identified on one line and the loaf of bread will be separately identified on the next line.

<table>
<thead>
<tr>
<th>Honeyscrisp Apple</th>
<th>0.25 lbs. @ $1.00 per lb</th>
<th>$0.25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat Bread</td>
<td>1 loaf</td>
<td>$3.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$3.25</td>
</tr>
</tbody>
</table>

Table 1: Grocery Store Receipt

If the Government were purchasing the items listed above, it would look like the example in Table 2.
Table 2: Grocery Store Receipt as it would appear if adhering to the FAR

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0011</td>
<td>Apple, Honeycrisp, Small Price Lookup Code (PLU): 3468 FFP PSC: 8915 ACRN: AA</td>
<td>.25</td>
<td>Lb</td>
<td>$1.00</td>
<td>$0.25</td>
</tr>
<tr>
<td>0012</td>
<td>Wheat Bread, 16 oz, Sliced, Loaf FFP PSC: 8920 ACRN: AB</td>
<td>1</td>
<td>Loaf</td>
<td>$3.00</td>
<td>$3.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$3.25</strong></td>
</tr>
</tbody>
</table>

In Table 3, guard services are being acquired under a cost reimbursement (CR) type contract, specifically cost-plus-fixed-fee (CPFF), using unit of measure, estimated unit cost, fixed fee, and total estimated cost data elements. Because it is a CR type contract, a unit price and total price are not required data elements. See Section 3 for LIN data elements required and FAR data element exceptions.

Table 3: LIN for Guard Services (Cost Reimbursement (CR))

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Item Description</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Estimated Cost</th>
<th>Fixed Fee</th>
<th>Total Estimated Cost and Fixed Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Perimeter Guard Services, in accordance with Performance Work Statement dated 7/27/20XY</td>
<td>12</td>
<td>Months</td>
<td>$2,664,000.00</td>
<td>$125,000.00</td>
<td>$2,789,000.00</td>
</tr>
</tbody>
</table>

2.1. What are Subline Items (SLINs)?

Each line item may be subdivided into separate unique subsets, called subline items (SLIN) using a parent-child structure. SLINs are used to facilitate tracking of performance, deliverables, payment, and contract funds accounting, or for other administrative purposes associated with a LIN. The combination of LIN and SLIN, and Exhibit Line Item (ELIN), as applicable, provide all of the data elements required in FAR 4.1005-1. Required data elements are shared between the LIN and SLIN but are not duplicated. An example of the basic use of a SLIN is provided in Table 4 (0001AA and 0001AB are SLINs to the Parent LIN 0001).
Table 4: Basic Use of a Deliverable SLIN

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Widgets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FFP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSC: XXXX</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0001AA</td>
<td>Red painted widgets</td>
<td>6</td>
<td>Each</td>
<td>$10.00</td>
<td>$60.00</td>
</tr>
<tr>
<td></td>
<td>Part Number: ABC-R</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ACRN: AA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0001AB</td>
<td>Unpainted widgets</td>
<td>6</td>
<td>Each</td>
<td>$9.50</td>
<td>$57.00</td>
</tr>
<tr>
<td></td>
<td>Part number: ABC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ACRN: AB</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There are two types of SLINs:

1) Informational SLIN, and

2) Deliverable SLIN.

2.1.1. Informational Subline Items

Informational SLINs may be used by agencies for administrative purposes to identify information that relates directly to the deliverable line item and is an integral part of it (e.g., parts of an assembly, parts of a kit, or multiple accounting classifications). These subline items shall not be scheduled separately for delivery, identified separately for shipment or performance, or priced separately for payment purposes. Six numeric characters form an Informational SLIN identifier. Info SLINs are used to describe the parts of a kit in Table 5.

Table 5: Informational SLIN for a Kit

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0013</td>
<td>Bookshelf, wall mount, 36” wide x 72” tall x 12” deep, five shelves</td>
<td>200</td>
<td>Kit</td>
<td>$88.18</td>
<td>$17,636.00</td>
</tr>
<tr>
<td></td>
<td>Part Number: JN6438 FFP PSC: XXXX ACRN: AA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>001301</td>
<td>Top Rail 36” 1 per kit</td>
<td>200</td>
<td>Each</td>
<td></td>
<td></td>
</tr>
<tr>
<td>001302</td>
<td>Vertical rails 72” (2 per kit)400 Each</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>001303</td>
<td>Brackets 12” x 1” (10 per kit)2000 Each</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>001304</td>
<td>Shelves 12” x 34” (5 per kit)1000 Each</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Informational SLINs can be used to identify multiple funding sources. LIN 0001 in Table 6a is
an example of using an informational SLIN to provide multiple accounting classifications for the purchase of a satellite that is funded from different lines of accounting. Alternatively, Table 6b provides an example of LIN that has multiple accounting classifications for the purchase of a satellite that does not use informational SLIN. Both examples are correct.

Table 6a: Informational SLINs to Display Multiple Accounting Classifications

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Satellite</td>
<td>1</td>
<td>Each</td>
<td>$6,700,000.00</td>
<td>$6,700,000.00</td>
</tr>
<tr>
<td></td>
<td>Part Number:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FFP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSC: 1810</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>000101</td>
<td>ACRN: AA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$3,300,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>000102</td>
<td>ACRN: AB</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$2,000,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>000103</td>
<td>ACRN: AC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1,400,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Each SLIN has a different accounting classification citation (line of accounting) under the Supplies/Services column.

SLIN 000101 - AA:
17X150518350315069100000192B000000000000000000
SLIN 000102 – AB:
17X150518370317569100000192B000000000000000000
SLIN 000103 – AC:
17X150519350314369100000192B000000000000000000

Table 6b: LIN with Multiple Accounting Classifications

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0002</td>
<td>Satellite</td>
<td>1</td>
<td>Each</td>
<td>$6,700,000.00</td>
<td>$6,700,000.00</td>
</tr>
<tr>
<td></td>
<td>Part Number:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FFP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PSC: 1810</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ACRN: AA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$3,300,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ACRN: AB</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$2,000,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ACRN: AC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1,400,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In Tables 5 and 6a, the informational SLIN provide additional administrative insight (what parts make up a kit and how multiple accounting classifications may fund a deliverable line item in the second). In each example, the deliverable end item (i.e., what the Government is receiving) is reflected in the LIN (parent) while the informational SLIN (child) only contains additional administrative information. The informational SLIN is a non-deliverable line item simply developed to add clarity to some aspect of administration; nothing can be purchased on the Info SLIN. Table 6b provides an equally acceptable alternative to funding a deliverable LIN when multiple accounting classifications are involved.

2.1.2. Deliverable Subline Item Number

When should a deliverable SLIN be used? Deliverable SLINs fall into one of five categories illustrated in Tables 7 through 14. The last two characters of the SLIN are always alphabetical
(i.e., AA, AB, AC, AD, etc.). Deliverable SLINs should be only set up for separately identifiable items and NOT be used for administrative purposes such as identifying different funding sources or establishing incremental funding.

In Table 7, you can see the requirement of “Account support for Financial Statement” has been broken into deliverables. It is clear in each what is being purchased, and the quantity required. This allows the Government to receive two deliverables, to ensure things are on track, and the contract can be paid in two increments.

**Table 7: LIN Financial Support Services (Time and Materials (T&M))**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Period of Performance</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Account support for Financial Statement T&amp;M ACRN AA PSC R703</td>
<td>10/1/XX to 9/30/XY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0001AA</td>
<td>Financial Statement Compilation (Quarterly)</td>
<td>4</td>
<td>Each</td>
<td>$53,729.50</td>
<td>$214,918.00</td>
<td></td>
</tr>
<tr>
<td>0001AB</td>
<td>Financial Advisory and Strategic Planning Support</td>
<td>12</td>
<td>Months</td>
<td>$53,727.84</td>
<td>$644,734.08</td>
<td></td>
</tr>
</tbody>
</table>

In Table 8, there is an IT-related line item for a service with five SLINs describing the hardware and software that is provided with the service. SLINs 0001AA to 0001AE are appropriately used here to describe each of the activities, hardware, and software that will be provided in support of the data center operations service.

**Table 8: LIN IT-Related with Hardware and Software SLINs for Services**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Period of Performance</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Data Center Operations ACRN AA PSC DC01</td>
<td>10/1/XX to 9/30/XY</td>
<td></td>
<td></td>
<td></td>
<td>$1,249,875.00</td>
</tr>
<tr>
<td>0001AA</td>
<td>Server Technology Systems Refresh HW</td>
<td>125</td>
<td>Each</td>
<td>$9,999.00</td>
<td>$1,249,875.00</td>
<td></td>
</tr>
<tr>
<td>0001AB</td>
<td>HW Maintenance</td>
<td>375</td>
<td>Each</td>
<td>$2,000.00</td>
<td>$750,000.00</td>
<td></td>
</tr>
<tr>
<td>0001AC</td>
<td>Software Maintenance</td>
<td>500</td>
<td>Each</td>
<td>$1,500.00</td>
<td>$750,000.00</td>
<td></td>
</tr>
<tr>
<td>0001AD</td>
<td>Data Center Rent</td>
<td>33,000</td>
<td>Sq. Ft</td>
<td>$19.00</td>
<td>$627,000.00</td>
<td></td>
</tr>
<tr>
<td>0001AE</td>
<td>Data Center Power</td>
<td>439,000</td>
<td>KW</td>
<td>$0.05</td>
<td>$21,950.00</td>
<td></td>
</tr>
</tbody>
</table>

10
A separate delivery schedule should be established for each SLIN rather than for the contract line item. Table 9 is an example that demonstrates SLINs structured to allow identification (in Section F) of different destinations for identical items that are identically priced.

**Table 9: Identically Priced SLINs to Allow Different Destinations**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Delivery Location/Destination</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>NSN 1615-00-591-6620 Shim, Aluminum Alloy, Apbl, Rotor, Helicopter PRON a1-9-63821-M1-M1 ACRN: AA PSC 1615</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0001AA</td>
<td>A3168R-9030-4025 A2537M IPD: 2 RDD: 334 PROJ: 501</td>
<td>10</td>
<td>Each</td>
<td>DoDAAC N45678</td>
<td>$100.00</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>0001AB</td>
<td>A3168R-9030-4026 A51AXBM IPD: 2 RDD: 325 PROJ: 502</td>
<td>10</td>
<td>Each</td>
<td>DoDAAC S56789</td>
<td>$100.00</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>0001AC</td>
<td>A3168R-9030-4027 A67KBCM IPD: RDD: 349 PROJ: 503</td>
<td>15</td>
<td>Each</td>
<td>DoDAAC W56432</td>
<td>$100.00</td>
<td>$1,500.00</td>
</tr>
</tbody>
</table>

Table 10 shows identical items that have been funded separately. This structure allows those items to be delivered separately, if needed.

**Table 10: Identical Items with Different Funds**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0010</td>
<td>T-700 Turboshaft Engine PSC 1615</td>
<td></td>
<td></td>
<td>$750,000.00</td>
<td>$7,500,000.00</td>
</tr>
<tr>
<td>0010AA</td>
<td>Navy ACRN: AA</td>
<td>10</td>
<td>Each</td>
<td>$750,000.00</td>
<td>$7,500,000.00</td>
</tr>
<tr>
<td>0010AB</td>
<td>Air Force ACRN: AB</td>
<td>5</td>
<td>Each</td>
<td>$750,000.00</td>
<td>$3,750,000.00</td>
</tr>
<tr>
<td>0010AC</td>
<td>Army ACRN: AC</td>
<td>10</td>
<td>Each</td>
<td>$750,000.00</td>
<td>$7,500,000.00</td>
</tr>
<tr>
<td>0010AD</td>
<td>Marine Corps UH ACRN: AD</td>
<td>5</td>
<td>Each</td>
<td>$750,000.00</td>
<td>$3,750,000.00</td>
</tr>
</tbody>
</table>

In the Table 11, each contributor of funding is getting their own delivery of severable items.
Table 11: Identical Items with Different Sizes or Prices

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0011</td>
<td>Body Armor Ground Troops Variable Type Small Arms, Fragmentation Protective Nylon Felt Vest, Front and Back Plates, Ceramic Plate, Type I FFP ACRN: AA PSC: 8470</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0011AA</td>
<td>First Article</td>
<td>1</td>
<td>Lot</td>
<td>NSP</td>
<td></td>
</tr>
<tr>
<td>0011AB</td>
<td>8470-00-141-0935 Medium Regular</td>
<td>1936</td>
<td>Set</td>
<td>$331.77</td>
<td>$642,306.72</td>
</tr>
<tr>
<td>0011AC</td>
<td>8470-00-141-0936 Large Regular</td>
<td>625</td>
<td>Set</td>
<td>$355.77</td>
<td>$222,356.25</td>
</tr>
<tr>
<td>0011AD</td>
<td>8470-00-141-0937 Medium Long</td>
<td>1237</td>
<td>Set</td>
<td>$346.77</td>
<td>$428,954.49</td>
</tr>
</tbody>
</table>

Table 12: Individually Payable and Separately Inventoried/Issued Items

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0012</td>
<td>Insulated Boots, Cold Weather White, Type II, Class 1 FFP ACRN: AA PSC: 8430</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0012AA</td>
<td>8430-00-655-5541 Size 5N</td>
<td>50</td>
<td>PR</td>
<td>$60.00</td>
<td>$3,000.00</td>
</tr>
<tr>
<td>0012AB</td>
<td>8430-00-655-5544 Size 8N</td>
<td>70</td>
<td>PR</td>
<td>$60.00</td>
<td>$4,200.00</td>
</tr>
<tr>
<td>0012AC</td>
<td>8430-00-655-5551 Size 9N</td>
<td>30</td>
<td>PR</td>
<td>$60.00</td>
<td>$1,800.00</td>
</tr>
<tr>
<td>0012AD</td>
<td>8430-00-655-5535 Size 9R</td>
<td>200</td>
<td>PR</td>
<td>$60.00</td>
<td>$12,000.00</td>
</tr>
</tbody>
</table>
### Table 13: Multiple Delivery Destinations Using Single Funding Source

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Delivery Location/Destination</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0013</td>
<td>LED Computer Monitors 24” Class, with at least 240Hz, 1 display port, and 2 USB ports FFP PSC: ACRN: AA</td>
<td>50</td>
<td>DoDAAC: S12345</td>
<td>Each</td>
<td>$300.00</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>0013AA</td>
<td></td>
<td>50</td>
<td>DoDAAC: S12345</td>
<td>Each</td>
<td>$300.00</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>0013AB</td>
<td></td>
<td>70</td>
<td>DoDAAC: N45678</td>
<td>Each</td>
<td>$300.00</td>
<td>$21,000.00</td>
</tr>
<tr>
<td>0013AC</td>
<td></td>
<td>30</td>
<td>DoDAAC: A78912</td>
<td>Each</td>
<td>$300.00</td>
<td>$9,000.00</td>
</tr>
<tr>
<td>0013AD</td>
<td></td>
<td>200</td>
<td>DoDAAC: S98765</td>
<td>Each</td>
<td>$300.00</td>
<td>$60,000.00</td>
</tr>
</tbody>
</table>

### Table 14: Deliverable SLIN with Kits or Parts with Separate Prices

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0014</td>
<td>Toolkit Part Number</td>
<td>1</td>
<td>Each</td>
<td>$44.00</td>
<td>$44.00</td>
</tr>
<tr>
<td>0014AA</td>
<td>Toolbox PSC: 5140</td>
<td>1</td>
<td>Each</td>
<td>$44.00</td>
<td>$44.00</td>
</tr>
<tr>
<td>0014AB</td>
<td>Screwdriver – Flathead PSC: 5120</td>
<td>1</td>
<td>Each</td>
<td>$8.00</td>
<td>$8.00</td>
</tr>
<tr>
<td>0014AC</td>
<td>Screwdriver – Phillips PSC: 5120</td>
<td>1</td>
<td>Each</td>
<td>$7.00</td>
<td>$7.00</td>
</tr>
<tr>
<td>0014AD</td>
<td>Hammer PSC: 5120</td>
<td>1</td>
<td>Each</td>
<td>$12.00</td>
<td>$12.00</td>
</tr>
<tr>
<td>0014AE</td>
<td>Saw PSC: 5110</td>
<td>1</td>
<td>Each</td>
<td>$11.00</td>
<td>$11.00</td>
</tr>
<tr>
<td>0014AF</td>
<td>Pliers PSC: 5120</td>
<td>1</td>
<td>Each</td>
<td>$5.00</td>
<td>$5.00</td>
</tr>
</tbody>
</table>
Deliverable SLINs can be used whether the item is different because of size, packaging requirements, delivery date, or other characteristics. Separating these items out under one LIN with multiple deliverable SLINs can provide clarity to the administrative requirements of the items.

2.1.3. Exhibit Line Item Number (ELIN)

There are times when an acquisition may require hundreds or thousands of deliverable end items to be separately identified. If this occurs, it may be more efficient to use an exhibit line item instead of SLIN.

Exhibit Line Items are used to establish requirements for long lists of deliverables to facilitate payment. When we number Line Items in an Exhibit, they are called Exhibit Line Item Numbers (ELINs). Each Exhibit can contain lists of numerous deliverable ELINs. Each Exhibit must be tied to either a LIN or SLIN and shall only apply to that one LIN or SLIN; the LIN or SLIN must also refer to the Exhibit in the LIN description. However, any given LIN or SLIN may refer to multiple exhibits. ELINs are included in Section B of the contract, as well as sections D, E, and F, as applicable.

An example of Exhibits is shown in Table 15. Exhibits may be used as an alternative to using a long list of LINs or SLINs in the schedule. Exhibits may be advantageous when purchasing separately identifiable spare parts. The Department of Defense (DD) Form 1423, Contract Data Requirements List (CDRL), is always an exhibit, rather than an attachment.

Since a 4-digit numeric line item number allows for 9999 line items, it may be necessary to have another numbering technique that will allow for a much greater number of line items to be created. ELINs can provide that flexibility. ELINs are composed of a 4-position number comprised of either 1 or 2 alpha characters to identify the exhibit followed by 2 or 3 positions that are either an alpha or numeric character assigned sequentially. This numbering system allows for over 900,000 line items to be developed and need not be sequential. However, Exhibit Line Item Numbers shall be sequential (as described in DFARS Procedures, Guidance, and Information (PGI) 204.7105(c)(3)) within the exhibit.

As shown in Tables 15 and 16, exhibits may be advantageous when purchasing separately identifiable spare parts.

### Table 15: LIN for Spare Parts with Exhibit and ELINs

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Spare Parts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>See Exhibit A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>($1,735,171.01)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Exhibit line items can also be utilized when a CDRL (DD 1423) is used to identify which data products must be delivered by the contractor to the Government. Any time an acquisition requires a CDRL it may become an exhibit to the contract. The DD Form 1423 is used to provide a standardized way to clearly itemize the Government’s data requirements.

In Table 18, you can see the study has been broken into ELIN deliverables. It is clear each section of the study is being purchased, and the quantity required. This allows the Government to receive three deliverables for the study, to ensure things are on track, and the contract to be paid in three increments, versus one payment after 21 months.
### Table 18: Fixed Price Service (ELINs)

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Line Price Type</th>
<th>Period of Performance</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A001</td>
<td>Study of ABC Program – Initial Analysis</td>
<td>FFP</td>
<td>7 months from date of award</td>
<td>1</td>
<td>Each</td>
<td>$500,000.00</td>
<td>$500,000.00</td>
</tr>
<tr>
<td>B002</td>
<td>Study of ABC Program – Draft Report</td>
<td>FFP</td>
<td>14 months from date of award</td>
<td>1</td>
<td>Each</td>
<td>$500,000.00</td>
<td>$500,000.00</td>
</tr>
<tr>
<td>C003</td>
<td>Study of ABC Program – Final Report</td>
<td>FFP</td>
<td>21 months from date of award</td>
<td>1</td>
<td>Each</td>
<td>$1,200,000.00</td>
<td>$1,200,000.00</td>
</tr>
</tbody>
</table>

The end goal is to deploy the best combination of LIN, SLIN, and ELIN to maximize traceability, auditability, accountability as well as to reduce administrative burdens, not create them. Every acquisition is unique. LIN and SLIN are there to support capturing the unique requirements of the contract. Further, the more information that can be captured as data, rather than appended as an attachment, the better the traceability, auditability, and accountability of our procurement data is.

### 3. Data Elements Required

In order to build LINs correctly, use the data elements required at FAR 4.1005-1 and DFARS PGI 204.7103-2. See below:

1. **LIN or SLIN** established in accordance with agency procedures.

2. **Description** of what is being purchased. *See also 3.1

3. **Product or Service Code (PSC).** *See also 3.1

4. **Accounting classification** citation.
   a. Line items or deliverable subline items. If multiple accounting classifications for a single deliverable apply, include the dollar amount for each accounting classification in the schedule.
   b. Informational subline items. An accounting classification citation is not required when the Informational subline is being used to further describe something that is an integral part of the parent Line Item or Sub Line Item, but is required if the Informational subline is being used to present multiple funding sources.

5. For **fixed-price line** items:
   a. **Unit of measure.**
   b. **Quantity.**
c. **Unit price.** See also 3.1

d. **Total price.** See also 3.1

(ii) For *cost-reimbursement* line items:

a. **Unit of measure.**

b. **Quantity.**

c. **Estimated cost.**

d. **Fee** (if any)

e. **Total estimated cost** plus any fee.

(b) If a contract contains a combination of fixed-price, time-and-materials, labor-hour, or cost-reimbursable line items, *identify the contract type* for each line item in the schedule to facilitate payment.

(c) For each deliverable line item or deliverable subline item, enter *delivery schedule, destination, period of performance, or place of performance.* When a line item has deliverable subline items, the delivery schedule, destination, period of performance, or place of performance is identified at the subline item level, rather than the line item level.

(d) Terms and conditions in other sections of the contract (such as contract clauses or payment instructions) shall also specify applicability to individual line items if not applicable to the contract as a whole.

3.1. **Data Element Exceptions (FAR 4.1005-2):**

FAR and DFARS allow for limited exemptions to some of the required data elements such as for Indefinite-Delivery Contracts (IDCs):

(1) General. The following required data elements are not known at time of issuance of an IDC but shall be provided in each order at the time of issuance: accounting classification, delivery date and destination, or period and place of performance.

(2) Indefinite-delivery indefinite-quantity (IDIQ) and requirements contracts. (i) IDIQ and requirements contracts may omit the quantity at the line item level for the base award provided that the total contract minimum and maximum, or the estimate, respectively, is stated. (ii) Multiple-award IDIQ contracts awarded using the procedures at 13.106-1(a)(2)(iv)(A) or 15.304(c)(1)(ii)(A) may omit price or cost at the line item or subline item level for the contract award, provided that the total contract minimum and maximum is stated (see 16.504(a)(1)).

* Description and PSC data elements are not required in the line item if there are associated deliverable subline items that include the actual detailed identification. When this exception applies, use a general narrative description for the line item.

** Single unit price or single total price data elements at the line item level does not apply if any of
the following conditions are present: (1) There are associated deliverable subline items that are priced; (2) The line item or subline item is not separately priced; (3) The supplies or services are being acquired on a cost-reimbursement, time-and-materials, or labor-hour basis; or (4) The procurement instrument is for services and firm prices have been established for elements of the total price, but the actual number of the elements is not known until performance (e.g., a labor-hour contract for maintenance/repair). The contracting officer may structure these procurement instruments to reflect a firm or estimated total amount for each line item.

Tables 19 through 21 showcase all the required data elements for different contract types.

**Table 19: Required Data Elements - Firm Fixed Price (FFP)**

<table>
<thead>
<tr>
<th>Required LIN Data Element</th>
<th>Example of Correct Entry</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contract Type</strong></td>
<td>FFP</td>
</tr>
<tr>
<td><strong>Line Item Number</strong></td>
<td>0001</td>
</tr>
<tr>
<td><strong>Product Service Code (PSC)</strong></td>
<td>2610 – Tires and Tubes, Pneumatic, Except Aircraft</td>
</tr>
<tr>
<td><strong>Description of Supplies/Services</strong></td>
<td>High performance tires, non-directional, and all season/weather tires suitable for high-speed utilization. Speed rating shall be no less than “V”, with a traction grade of “AA” and have a temperature rating of “A”. Size: P235/55R17</td>
</tr>
<tr>
<td><strong>Accounting Classification Reference Number (ACRN)</strong></td>
<td>AA</td>
</tr>
<tr>
<td><strong>Unit of Measure</strong></td>
<td>Each</td>
</tr>
<tr>
<td><strong>Quantity</strong></td>
<td>200</td>
</tr>
<tr>
<td><strong>Unit Price</strong></td>
<td>$50.00</td>
</tr>
<tr>
<td><strong>Total Price</strong></td>
<td>$10,000.00</td>
</tr>
<tr>
<td><strong>Delivery Schedule</strong></td>
<td>25 per month for 8 months</td>
</tr>
<tr>
<td><strong>Destination</strong></td>
<td>DoDAAC R12345</td>
</tr>
<tr>
<td></td>
<td>123 Happy Lane</td>
</tr>
<tr>
<td></td>
<td>Made-up, VA 45678</td>
</tr>
<tr>
<td></td>
<td>Bldg. 1</td>
</tr>
</tbody>
</table>
Table 20: Required Data Elements - CR

<table>
<thead>
<tr>
<th>Required LIN Data Element</th>
<th>Example of Correct Entry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Type</td>
<td>Cost Reimbursement</td>
</tr>
<tr>
<td>Line Item Number</td>
<td>0002</td>
</tr>
<tr>
<td>Product Service Code (PSC)</td>
<td>AN10 – Biomedical – Basic Research</td>
</tr>
<tr>
<td>Description of Supplies/Services</td>
<td>Basic research paper regarding the biomedical understanding of gene mutations known to</td>
</tr>
<tr>
<td></td>
<td>contribute to human disease.</td>
</tr>
<tr>
<td>Accounting Classification Reference Number (ACRN)</td>
<td>AA</td>
</tr>
<tr>
<td>Unit of Measure</td>
<td>Each</td>
</tr>
<tr>
<td>Quantity</td>
<td>2</td>
</tr>
<tr>
<td>Estimated Cost</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>Fee</td>
<td>No Fee</td>
</tr>
<tr>
<td>Total Estimated Cost</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>Delivery Schedule</td>
<td>Preliminary paper due 6 months after receipt of award. Final paper due 1 year after</td>
</tr>
<tr>
<td></td>
<td>receipt of award.</td>
</tr>
<tr>
<td>Destination</td>
<td>1987 Research Road Made-up, VA 45678 Bldg. 1</td>
</tr>
</tbody>
</table>

Table 21: Required Data Elements – Cost Plus Fixed Fee (CPFF)

<table>
<thead>
<tr>
<th>Required LIN Data Element</th>
<th>Example of Correct Entry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Type</td>
<td>Cost Plus Fixed Fee</td>
</tr>
<tr>
<td>Line Item Number</td>
<td>7001</td>
</tr>
<tr>
<td>Description of Supplies/Services</td>
<td>Major System Command, Forward Operating Site, FY00, IAW Section C, Performance Work</td>
</tr>
<tr>
<td></td>
<td>Statement, paragraphs 3.1.1, 3.1.2, 3.1.3, 3.1.4, 3.1.5 (O&amp;M)</td>
</tr>
<tr>
<td>Accounting Classification Reference Number (ACRN)</td>
<td>AB</td>
</tr>
<tr>
<td>Unit of Measure</td>
<td>Each</td>
</tr>
<tr>
<td>Quantity</td>
<td>1</td>
</tr>
<tr>
<td>Estimated Cost</td>
<td>$7,500.00</td>
</tr>
<tr>
<td>Fee</td>
<td>$500.00</td>
</tr>
<tr>
<td>Total Estimated Cost</td>
<td>$8,000.00</td>
</tr>
<tr>
<td>Delivery Schedule</td>
<td>NLT 10 (Denied Approval to Operate-DATO); revision NLT 7 days after receipt of Govt</td>
</tr>
<tr>
<td></td>
<td>review.</td>
</tr>
<tr>
<td>Destination</td>
<td>2000 Research Center Made-up, VA 45678 Bldg. 55</td>
</tr>
</tbody>
</table>

3.2. How to Build Line Item Structure

There are four steps to building clear and concise line items:
1) List each of the things you want delivered or tasks you want performed. Consider the breakout of different components such as: hardware, software, and/or services.

2) Assign a quantity and unit of measure to each of the deliverables or tasks identified under step 1. Consider when and where supplies will be delivered, and how supplies will be packaged and shipped. Consider how often services will be accepted and paid for. This should include consideration of whether the services are severable or non-severable.

3) Assign a line item number to each deliverable or task in accordance with FAR, DFARS, and local procedures.

4) Work through each section of the solicitation or contract and ensure that, for each deliverable or task, you have defined the following:

- Price or cost and fee (unless not separately priced).
- For supplies, how items are to be packaged and marked.
- Where, by whom (person or organization), and against what criteria inspection and acceptance- will occur.
- Any clauses or special provisions applicable to that line item and not applicable to the entire effort.
- A delivery schedule or period of performance.
- The funding.

3.3. How to Ensure LINs Can Enable Successful Execution (What? Where? How?)

- **What?** Do the line items clearly define what is to be delivered? If Information Technology, should hardware, software and service line items be separated?

- **Where?** Does the line item data identify where the supplies are to be delivered or the services performed?

- **How?** Does the contract clearly specify how compliance will be determined and by whom? Is it clear how and when payment should occur? Are the necessary clauses included?

4. Establishing Line Item, SLIN, And ELIN Relationships

It is important to understand several key concepts when discussing line items.

(1) Every service or supply procured must have a LIN.

(2) LINs can be combined with SLIN or ELIN using a parent-child structure. There cannot be a SLIN or ELIN without an accompanying LIN (See Figure 1).

(3) All required data elements must be included to fully describe the LIN.
   a. If only a LIN is used, the LIN shall contain every data element required in FAR 4.1005-1.
b. If a combination of LIN, SLIN, ELIN are used, then every required data element will either be contained within the LIN or the SLIN/ELIN. As discussed in section 2.1, data elements are shared between the LIN and SLIN/ELIN but are not duplicated. For example, if the LIN contains the Accounting Classification Reference Number (ACRN) data element then the SLIN or ELIN cannot contain the ACRN data element.

c. An ELIN can be associated with a CLIN or a SLIN (see Figure 1).

(4) Deliverable versus Informational (Non-Deliverable) LIN.

a. Deliverable LINs contain the actual end item the Government will receive, the unit price and the accounting classification.

b. Informational LINs provide additional administrative information, but the LIN does not have a required end item to be delivered to the Government.

(5) Severable versus Non-Severable.

a. Severable means an end item can be received and the Government received a benefit from the supply or service throughout the period of performance. Example: The Government has established contracts to have grass cut on a base for 12 months. Each month the grass is cut, and the Government receives the benefit of the service each month. If the Government had to cancel or terminate, or sever, the contract at 6 months there still would have been 6 months of benefit. These are typically continuous or recurring services purchased over a period of time (e.g., hours, days, weeks, months, or year).” Severable services are often inspected, accepted, and paid for on a weekly or monthly basis, in recognition of the benefit the Government receives from each increment of work performed.

b. Non-Severable means the benefit of an end item can only be received after the full completion of the supply or service. Example: The Government issues a contract to build a satellite over a 12-month period, the satellite will be partially complete at 10 months, but the Government would not receive a benefit from a partially built satellite. Another example: The Government issues a contract for a study. Unlike the grass-cutting example, the Government will not receive benefit from a partial or incomplete study. Therefore, the service is considered non-severable. Inspection, acceptance, and payment for a non-severable service typically happens only after delivery of the completed item.
5. Describing The Deliverables

While all data elements are required when applicable, the most commonly referenced data item is probably the description of the end item being delivered. Without a quality description of the deliverable, it may be difficult to understand what exactly is being purchased. When filling in the end item description, a detailed description should be provided which is understandable to the average reader and provides insight into what the final end item is. LIN descriptions should provide:

- Insight into the features that are directly tied to the product or service being delivered,
- Sufficient detail so that the inspector or acceptor of the end item knows what they should have received,
- Detailed information about the deliverable, beyond the North American Industry Classification System (NAICS) or Product Service Code (PSC) description (See https://psctool.us/), and
- Specific references to the Performance Work Statement (PWS)/Statement of Work (SOW) sections that are applicable to the line item, especially if the PWS/SOW is too lengthy to paste in the line item description.
Table 22: Examples of Quality LIN Descriptions

<table>
<thead>
<tr>
<th>Type</th>
<th>Line Item Description</th>
<th>PSC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>Perform Procurement Data Standard (PDS) Development in accordance with paragraph 2.3.2 of the performance work statement.</td>
<td>DA01 – IT and Telecom – Business Application/Application Development Support Services (Labor)</td>
</tr>
<tr>
<td>Product</td>
<td>Water purification system capable of laboratory applications with a minimum throughput of 9000 liters/day.</td>
<td>4610 – Water Purification Equipment</td>
</tr>
<tr>
<td>Research &amp; Development (R&amp;D)</td>
<td>Perform comprehensive analysis of energy supply requirements outlined in PWS section 1.2.</td>
<td>AG11 - Energy R&amp;D Services, Energy Supply, Basic Research</td>
</tr>
</tbody>
</table>

Avoid the following mistakes as illustrated in Table 23, when developing the line item description:

- Restate the North American Industry Classification System (NAICS) or PSC description, or any other data element already input into the line item
- Use vague language such as one word descriptions like “Products”, “Supplies”, or “Spares”
- Provide unnecessary information/details to the line item

Table 23: Line Item Descriptions to Avoid

<table>
<thead>
<tr>
<th>Type</th>
<th>Description Example</th>
<th>PSC and Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>Maintenance, Repair, and Rebuilding of Equipment – Aircraft and Airframe Structural Components</td>
<td>J015 - Maintenance, Repair, and Rebuilding of Equipment – Aircraft and Airframe Structural Components</td>
</tr>
<tr>
<td>Product</td>
<td>Provide supplies</td>
<td>4610 – Water Purification Equipment</td>
</tr>
<tr>
<td>Research &amp; Development (R&amp;D)</td>
<td>R&amp;D energy solutions</td>
<td>AG11 - Energy R&amp;D Services, Energy Supply, Basic Research</td>
</tr>
</tbody>
</table>

6. Product Service Code (PSC)

A PSC is a four-digit code that describes a product, service, or research and development (R&D) activity purchased by the Federal Government. These codes are used in the contract and are reported in the Federal Procurement Data System (FPDS) to indicate what the Government bought for each contract action. A contract may have multiple line items, each with its own PSC, but FPDS will only capture the predominant product or service to be acquired as illustrated in Table 24. PSCs allow procurement systems to link contracting and financial data, as there is an association between the PSC and the Object Class Code, which is an element of the Line of Accounting (LOA). Attributes of PSCs include:
• Nature and type of services, supplies, and equipment
• Manufacturing level (raw materials to a completed end item)
• Intended use or application (air, land, sea, or space)
• Environmental attributes (energy efficient, biobased product, environmentally preferable)

Table 24: Example of Product, Service and Research & Development (R&D) codes

<table>
<thead>
<tr>
<th>Type</th>
<th>PSC</th>
<th>Description Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>1510</td>
<td>Aircraft, Fixed Wing. Note: This class includes only complete aircraft. End items, assemblies, parts, attachments, or accessories for use in or on fixed wing aircraft are classified in classes other than this class.</td>
</tr>
<tr>
<td>Service</td>
<td>DA01 – IT and Telecom – Business Application/Application Development Support Services (Labor)</td>
<td>Support services for activities involved with application development and support to root cause analysis, design, development, coding, testing, and release packaging, as well as support of off-the-shelf Business Applications.</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>AG11</td>
<td>Energy R&amp;D Services, Energy Supply, Basic Research</td>
</tr>
</tbody>
</table>

These codes broadly indicate “WHAT” was bought for each contract action reported in the Federal Procurement Data System (FPDS). The PSC list as well as a PSC manual, category list, and additional information can be found at https://psctool.us/.

PSCs should be used for proper cost segregation (i.e., dividing out of capital costs from expense). This is particularly necessary as it relates to software because the PSCs, as written, provide vague, blanket categories that do not adequately address capital vs non-capital activities and/or software types. The DoD FMR Volume 4 Chapter 27 discusses Internal Use Software specifics, including capital versus expense segregation and software types (e.g., developed, or licensed). There are several codes that include “Labor” or “Perpetual License” in the title and description. There are important distinctions in software procurement that separate capital labor vs non-capital labor, and capital licenses vs non-capital licenses. Do ensure distinctions are adequately captured in the PSC codes to sufficiently separate costs.

While there is extensive information available at the PSC Tool, there are a few important concepts to understand before digging deeper into the resources. The first is that in many cases a given contract, task order, or purchase order will include more than one product and/or service. In such cases, the Product or Service Code data element code selected for the overarching contract will be based on the predominant product or service that is being purchased (by dollar
amount, not quantity). For example, a contract for $1000 of lumber and $500 of pipe would be
coded under 5510, “Lumber & Related Wood Materials.” However, each line item will receive
the Product or Service code that is most applicable to the individual deliverable line item.
Selection of the most applicable PSC possible should result in a high-quality data element.

The second concept to understand is there are many acquisitions that are “goods-like” services, for
example a repair or refurbishment of goods. A “goods-like” service should be assigned a service PSC,
but make sure to give the line item a delivery date and other applicable information normally required
for a good. On the other hand, some things might be “service-like” goods, such as a software license.
A “service-like” good should be assigned a product PSC, but make sure to give the line item a period
of performance and other applicable information normally required for a service.

7. **Accounting Classification Reference Number (ACRN)**

The accounting classification citation, also known as the Line of Accounting (LOA), is provided
on the procurement request and will need to be referenced in the applicable LIN or informational
SLIN. The ACRN is a two-character “shorthand” for the LOA. The contract establishes one
ACRN for each LOA, and every separately deliverable LIN (excluding options and items subject
to availability of funds) will need at least one ACRN. Each unique ACRN can only reference one
LOA, and each unique LOA can only be represented by a single ACRN as shown in Table 25. If
an accounting classification citation is used on the informational sub line items (i.e., the LIN is
multiply funded), a single ACRN may only be associated with one informational SLIN under a
particular Line Item.

<table>
<thead>
<tr>
<th>ACRN</th>
<th>Accounting Classification Citation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AA</td>
<td>5713010 111 4720 119992 020100 00000 000000 503000 F03000</td>
</tr>
<tr>
<td>AB</td>
<td>5713600 111 4720 119992 020100 00000 000000 503000 F03000</td>
</tr>
<tr>
<td>AC</td>
<td>5713400 111 4720 119992 020100 00000 000000 503000 F03000</td>
</tr>
</tbody>
</table>

8. **Option Line Items**

An option line item is a special type of line item that allows contractual options for potential
increased quantities or additional periods of performance to be separately priced at the time of
award; see, for example, relevant contract clause at FAR 52.17-7, *Option for Increased
Quantity—Separately Priced Line Item.* It is important that options be clearly and accurately
expressed in contracts so that contract performance and payment can be accomplished without
unnecessary delay. Options should be expressed in terms of:

- Percentage of specific line items
- Increase in specific line items
- Additional numbered line items identified as the option
Option line items have a lifecycle. They begin as unexercised: once exercised, an option line item is then equivalent to a regular, non-option line item (i.e., cannot be further exercised). Table 26 lists a common implementation pattern for a contract with multiple option line items for increased quantities of supplies or services. Note that the use of option line items in this scenario allows for Lot 4 to be optionally ordered at a predefined quantity and with prices that differ from those on Lot 3.

### Table 26: Option Line Items

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>A-44B Attack Aircraft Lot 3 (FYXX)</td>
<td>12</td>
<td>Each</td>
<td>$55,555,000.00</td>
<td>$666,660,000.00</td>
</tr>
<tr>
<td>0002</td>
<td>Aircraft Technical Manuals (see Exhibit A)</td>
<td>1</td>
<td>Lot</td>
<td>NSP</td>
<td>NSP</td>
</tr>
<tr>
<td>0003</td>
<td>Logistics Analysis</td>
<td>1</td>
<td>Each</td>
<td>$2,500,000.00</td>
<td>$2,500,000.00</td>
</tr>
<tr>
<td>0004</td>
<td>Data for Item 0003 (see Exhibit B)</td>
<td>1</td>
<td>Each</td>
<td>NSP</td>
<td>NSP</td>
</tr>
<tr>
<td>0005</td>
<td>Initial Spares (see Exhibit C)</td>
<td>1</td>
<td>Lot</td>
<td>$1,123,546.00</td>
<td>$1,123,546.00</td>
</tr>
<tr>
<td><strong>1001</strong></td>
<td><strong>OPTION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1001</td>
<td>A-44B Attack Aircraft Lot 4 (FYXY)</td>
<td>14</td>
<td>Each</td>
<td>$55,675,000.00</td>
<td>$779,450,000.00</td>
</tr>
<tr>
<td><strong>1002</strong></td>
<td><strong>OPTION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1002</td>
<td>Aircraft Technical Manual (see Exhibit A)</td>
<td>1</td>
<td>Lot</td>
<td>NSP</td>
<td>NSP</td>
</tr>
<tr>
<td><strong>1003</strong></td>
<td><strong>OPTION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1003</td>
<td>Logistics Analysis</td>
<td>1</td>
<td>Each</td>
<td>$2,500,000.00</td>
<td>$2,500,000.00</td>
</tr>
<tr>
<td><strong>1004</strong></td>
<td><strong>OPTION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1004</td>
<td>Data for Item 0103</td>
<td>1</td>
<td>Each</td>
<td>NSP</td>
<td>NSP</td>
</tr>
<tr>
<td><strong>1005</strong></td>
<td><strong>OPTION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1005</td>
<td>Initial Spares</td>
<td>1</td>
<td>Lot</td>
<td>$2,312,452.00</td>
<td>$2,312,452.00</td>
</tr>
</tbody>
</table>

In contrast, when separate pricing is not required, options may be implemented without the need for additional option line items. Rather, in this case, quantities on existing line items can be increased (and funded) as options for increased quantities are exercised; see, for example, relevant contract clauses at FAR 52.217-6, *Option for Increased Quantity*, and FAR 52.217-8, *Option to Extend Services*. One advantage of this approach is that the quantity on any line item could be increased multiple times in response to multiple option exercises, lending simplicity to the line item structure. There are a few tradeoffs, however. First, any additional quantities ordered must be at prices consistent with the unit price on the line item. Second, contracting officers must take care to include the estimated value of additional quantities to be ordered under these option clauses in the Contract Action Report (CAR) at the time of award as part of the Federal Procurement Data System (FPDS) Element 3A, *Base and All Options Value (Total Contract Value)*.
9. **Defining Unit of Measure, Quantity, and Price/Cost**

In simple terms there are three questions to answer to determine the next three required data elements for the line item.

1. What is the optimal **unit of measure** to ensure the end items are delivered or performed and the Government can pay for them? Ex: **Each**, **Monthly**, etc.

2. What is the correct **quantity**? How many of the end items are required to be delivered or performed? Ex: **15 Each**, **12 Months**, etc.

3. What is the **unit price** or estimated **cost**? What has the Government agreed to pay for? Is it a firm, fixed price or an estimated/not to exceed amount for a cost reimbursement contract?

### 9.1 Unit of Measure

When setting up a LIN, consider how the Government will pay for the deliverable item. Will payment(s) be made:

1. On a regular recurring basis?
2. At certain milestones?
3. At the end of performance when the final end item is received?
4. Randomly as the contractor performs in response to requirements that arise?

Determining the appropriate unit of measure and quantity for each line item can be easy or complex depending on the acquisition. Historically, unit of measure has caused confusion, so it is essential to understand that the unit of measure outlines how the product or service will be performed, packaged, delivered, and accounted for by the Government. The quantity, unit of measure, and contract type will determine when the contractor gets paid. An incorrect unit of measure can result in the Government receiving a quantity less than negotiated and expected. Usually, the appropriate unit of measure is set by the commercial marketplace or is determined while performing market research about the end item being acquired. Table 27 provides some examples that illustrate correct and incorrect units of measure for basic daily goods and services.
Table 27: The Correct and Incorrect Examples of Commercial Units of Measure

<table>
<thead>
<tr>
<th>The WRONG WAY</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product or Service</strong></td>
<td><strong>Quantity</strong></td>
<td><strong>Unit of Measure</strong></td>
</tr>
<tr>
<td>Large Grade A Eggs</td>
<td>12</td>
<td>Each</td>
</tr>
<tr>
<td>Sliced Bread</td>
<td>1</td>
<td>Each</td>
</tr>
<tr>
<td>Music Subscription Service</td>
<td>300</td>
<td>Each</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The RIGHT WAY</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product or Service</strong></td>
<td><strong>Quantity</strong></td>
<td><strong>Unit of Measure</strong></td>
</tr>
<tr>
<td>Large Grade A Eggs</td>
<td>1</td>
<td>Dozen</td>
</tr>
<tr>
<td>Sliced Bread</td>
<td>1</td>
<td>Loaf</td>
</tr>
<tr>
<td>Music Subscription Service</td>
<td>12</td>
<td>Months</td>
</tr>
</tbody>
</table>

Note how the unit of measure describes how the item is going to be delivered, accepted, and paid for (if fixed price). In the second example, eggs are listed as 1 dozen eggs and bread is shown as 1 loaf of bread. This is because it is standard practice for eggs and bread to be packaged, delivered, and accounted for in the unit of measure of dozen and loaf. However, in the first example the eggs are listed as 1 each eggs and 12 each sliced bread. These examples illustrate units of measure that are inaccurate and odd ways to measure a standard commercial item that do not identify the agreed to quantity and delivery mechanism. The same is true for the music subscription service examples. It is standard for this type of service to be provided, consumed, and billed for monthly as opposed to other units of measure such as 300 songs streamed or a subscription service for 300 people.

When selecting a unit of measure:

- Think about how the end product will be delivered or how the service is going to be performed
- Consider the frequency of delivery for products and services
- Make sure to check the list of allowable units of measure at [https://www.acq.osd.mil/dpap/policy/policyvault/USA003581-16-DPAP.pdf](https://www.acq.osd.mil/dpap/policy/policyvault/USA003581-16-DPAP.pdf)
- Understand the quantity, unit of measure, and contract type will determine when the contractor gets paid
- Consider how supplies will be packaged, marked, shipped, and inventoried
- Consider how often services will be accepted and paid for
- Consider if the item is Not Separately Priced (NSP) (See section 8.3)

Avoid these common mistakes:

- Do not select a unit of measure that lump several things together as one lot, kit, or batch unless the item will be delivered, managed, and accounted for in that way
- Do not use unauthorized units of measure (e.g., dollars)
• Do not leave the unit of measure blank

The use of lots, kits, and batches as units of measure is regularly misunderstood. Ensure all items are separately identifiable, avoiding use of lot and kit unless absolutely necessary. Consider whether all the items sold in a kit have to be used at once or if they may be delivered, used, and inventoried separately. An item that can be used separately should be separately identified.

Table 28 illustrates the “wrong” and “right” way to assign units of measure. The first example utilizes a toy, a building blocks set, to demonstrate how over generalizing and lumping separate items together under one line item is not how these items would be packaged, delivered, and accounted for on a toy store receipt. Instead, these building block sets would be packaged and delivered to the customer as separate kits and the store may account for the sale of these kits under the total sale of building blocks line item.

**Table 28: The Wrong and Right Ways of Assigning Units of Measure**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Item Description</th>
<th>Quantity</th>
<th>Unit of Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Building Blocks Star Wars Death Star, X-Wing Fighter, Millennium Falcon, and a bag of assorted bricks</td>
<td>1</td>
<td>Lot</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Item Description</th>
<th>Quantity</th>
<th>Unit of Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001AA</td>
<td>Star Wars Death Star Kit</td>
<td>1</td>
<td>Kit</td>
</tr>
<tr>
<td>0001AB</td>
<td>X-Wing Fighter Kit</td>
<td>1</td>
<td>Kit</td>
</tr>
<tr>
<td>0001AC</td>
<td>Millennium Falcon Kit</td>
<td>1</td>
<td>Kit</td>
</tr>
<tr>
<td>0001AD</td>
<td>Assorted Bricks (100)</td>
<td>1</td>
<td>Bag</td>
</tr>
</tbody>
</table>

Table 29 illustrates a more realistic DoD requirement and demonstrates how placing the complete requirement for fielding an unmanned aircraft into one ‘lot’ creates a few issues. The Government can’t accept or pay for the Unmanned Aircraft in LIN 0001 until all of the efforts are completed. The correct way to identify these efforts is to assign separate LIN with the appropriate quantity and unit of measure based on how the items and services will be delivered or performed. This ensures the contractor will be paid for the separately identified items as they are delivered.
Table 29: The Wrong and Right Ways of Assigning Units of Measure (e.g., ‘Lot’)

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Item Description</th>
<th>Quantity</th>
<th>Unit of Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Unmanned Aircraft Design, develop, test, and deliver four prototypes and support Government testing</td>
<td>1</td>
<td>Lot</td>
</tr>
<tr>
<td>0002</td>
<td>Non-recurring design and development</td>
<td>1</td>
<td>Lot</td>
</tr>
<tr>
<td>0003</td>
<td>Contractor Testing</td>
<td>1</td>
<td>Lot</td>
</tr>
<tr>
<td>0004</td>
<td>Maintenance Support for Government Testing</td>
<td>6</td>
<td>Months</td>
</tr>
<tr>
<td>0005</td>
<td>Test Report</td>
<td>1</td>
<td>Each</td>
</tr>
</tbody>
</table>

9.2 Quantity

Quantity will dictate when or how often the contractor will get paid. If the quantity is 1 and unit of measure is lot, the contractor will only be able to be paid 1 time when the “lot” is delivered. For severable services, consider how many times the service will be performed/delivered and the expectation for payment. Table 30 illustrates how the combination of the wrong quantity and unit of measure will result in the contractor receiving payment for monthly services after all 12 months of effort have been performed. Table 31 illustrates the “correct” way to assign quantity and unit of measure for monthly severable services.

Table 30: Incorrectly Assigning Quantity (e.g., quantity and unit of measure)

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0013</td>
<td>Maintain grass in front of buildings outlined in PWS section 1.5 at a length of 3”- 4”</td>
<td>1</td>
<td>Lot</td>
<td>$12,000</td>
<td>$12,000</td>
</tr>
</tbody>
</table>
Table 31: Correctly Assigning Quantity (e.g., quantity and unit of measure)

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0013</td>
<td>Maintain grass in front of buildings outlined in PWS section 1.5 at a length of 3”-4”</td>
<td>12</td>
<td>Months</td>
<td>$1,000</td>
<td>$12,000</td>
</tr>
<tr>
<td></td>
<td>POP: 1 Nov XX – 31 Oct XY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ACRN: AA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Quantity cannot equal zero if the line item has a period of performance or delivery schedule, because in order for delivery to occur quantities to be delivered must exist as illustrated in Table 32.

Table 32: The Wrong and Right Ways of Assigning Quantity (e.g., cannot equal zero)

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Delivery Location/ Destination</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>The WRONG Way</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0013</td>
<td>LED Computer Monitors 24” Class, with at least 240Hz, 1 display port, and 2 USB ports</td>
<td>0</td>
<td>DoDAAC: S12345</td>
<td>Each</td>
<td>$300</td>
<td>$300</td>
</tr>
<tr>
<td>ACRN: AA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Delivery Location/ Destination</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>The RIGHT Way</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0013</td>
<td>LED Computer Monitors 24” Class, with at least 240Hz, 1 display port, and 2 USB ports</td>
<td>100</td>
<td>DoDAAC: S12345</td>
<td>Each</td>
<td>$300</td>
<td>$30,000</td>
</tr>
<tr>
<td>ACRN: AA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Quantity must be a whole number for each line item delivered, with the exception being liquids and similar things that are regularly delivered in partial quantities (e.g., gallons of fuel, square yards of concrete paving).

In Table 33, a modification to a contract can impact the established line items. When a new item is added to the contract, then a new item must be assigned. If the modification relates to existing
line items, make sure it references any existing line items. Notice how in the new line item, the original line item is referenced.

Table 33: LIN with a Modification (such as increased quantity)

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>High Performance Color Multifunctional Copier Machine</td>
<td>1</td>
<td>Each</td>
<td>$6,955.00</td>
<td>$6,955.00</td>
</tr>
<tr>
<td>0002</td>
<td>High Performance Color Multifunctional Copier Machine (Additional item added, original order on LIN: 0001)</td>
<td>1</td>
<td>Each</td>
<td>$6,955.00</td>
<td>$6,955.00</td>
</tr>
</tbody>
</table>

Table 34 provides incorrect and correct examples when assigning quantity.

Table 34: The Wrong and Right Ways of Assigning Quantity (e.g., use whole numbers)

<table>
<thead>
<tr>
<th>The WRONG Way</th>
<th>The RIGHT Way</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item No.</td>
<td>Supplies/Services</td>
</tr>
<tr>
<td>0013</td>
<td>LED Computer Monitors 24” Class, with at least 240Hz, 1 display port, and 2 USB ports ACRN: AA</td>
</tr>
<tr>
<td>0013</td>
<td>LED Computer Monitors 24” Class, with at least 240Hz, 1 display port, and 2 USB ports ACRN: AA</td>
</tr>
</tbody>
</table>

Each separate delivery constitutes a quantity of one or more and the total line item quantity is the sum of those quantities. The delivery schedule can be used to enable multiple deliveries to the Government and payments to the contractor upon delivery, inspection, and acceptance. Table 35 shows the incorrect and correct uses of a delivery schedule as the unit of measure. In this case, using each engine to identify the quantity and unit measure reflects how the Government will actually receive and pay for the engines.
## Table 35: The Wrong and Right Ways of Assigning Quantity (e.g., delivery schedule)

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Delivery Schedule</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>0010</td>
<td>T-700-701C Turboshaft Engine ACRN: AA</td>
<td>2 Engines to be delivered each month for 12 months</td>
<td>12</td>
<td>Months</td>
<td>$1,500,000</td>
<td>$18,000,000</td>
</tr>
</tbody>
</table>

**The RIGHT Way**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Delivery Schedule</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>0010</td>
<td>T-700-701C Turboshaft Engine ACRN: AA</td>
<td>2 Engines to be delivered each month for 12 months</td>
<td>24</td>
<td>Each</td>
<td>$750,000</td>
<td>$18,000,000</td>
</tr>
</tbody>
</table>

Regardless of the acquisition’s context, all deliverable LINs and SLINs shall have a quantity and unit of measure that relates to actual deliveries or performance. If part of a deliverable is separately identifiable, it should be structured into a separate line item with its own quantity and unit of measure.

### 9.3 Unit Price and Estimated Cost

FAR 4.1005-1(a)(5)(i) and (ii) outline the required data elements for two types of contracts, fixed-price and cost-reimbursement, respectively. Both types require a unit of measure and quantity as discussed earlier. However, a fixed-price contract requires two additional data elements: unit price and total price, whereas cost-reimbursement requires the data elements of estimated cost, fee (if applicable), and total cost plus any fee.

Fixed-price deliverable LINs and SLINs require a unit price and a total price which equals the total quantity multiplied by the unit price. There are some situations where a unit price is not required. These situations do not mean the unit price is entered as zero, it means that the price is included in another LIN or SLIN and thus there is no unit price data element for the LIN, SLIN or ELIN. This is the case for a “Not Separately Priced” (NSP) LIN, SLIN, or ELIN.

The requirement for a single unit price or single total price at the line item level does not apply if any of the following conditions are present in examples shown in Tables 36 through 40. Within one LIN or SLIN, there can only be one unit price. If not, the Line Item need to be broken out into two SLINs.
Table 36 shows four different engine sizes, each with a different unit price. The unit price is carried at the SLIN level, rather than at the LIN level.

**Table 36: Deliverable Sublines Items are Priced**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>0011</td>
<td>T-700 Turboshaft Engines</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0011AA</td>
<td>T-700-701A</td>
<td>10</td>
<td>Each</td>
<td>$750,000</td>
<td>$7,500,000</td>
</tr>
<tr>
<td>0011AB</td>
<td>T-700-401</td>
<td>5</td>
<td>Each</td>
<td>$800,000</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>0011AC</td>
<td>T-700-401C</td>
<td>10</td>
<td>Each</td>
<td>$810,000</td>
<td>$8,100,000</td>
</tr>
<tr>
<td>0011AD</td>
<td>T-700-701C</td>
<td>5</td>
<td>Each</td>
<td>$825,000</td>
<td>$4,125,000</td>
</tr>
</tbody>
</table>

Table 37 depicts an item that is Not Separately Priced, and therefore does not need to carry a unit price.

**Table 37: The LIN or SLIN is Not Separately Priced (NSP)**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>0011</td>
<td>Contract Data Requirements List (CDRL) see Exhibit A for T-700 Turboshaft Engines</td>
<td></td>
<td></td>
<td></td>
<td>NSP</td>
</tr>
</tbody>
</table>

Supplies or services acquired on a cost-reimbursement, time-and-materials, or labor-hour basis use an estimated cost data element in place of the amount data element. The contracting officer may structure procurement instruments using these contract types to reflect a defined or estimated total amount for each line item.

**Table 38: Services for an Unknown Quantity Not to Exceed (NTE) Total Price**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Not to Exceed Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>0013</td>
<td>Assess repair required for T-700 Turboshaft Engines in accordance with PWS section 9.0 T&amp;M ACRN: AA</td>
<td>1</td>
<td>Each</td>
<td></td>
<td>NTE $80,000.00</td>
</tr>
</tbody>
</table>

In these situations, the quantity is unknown until the assessment is accomplished. When the unit
price per hour is known but the total quantity of hours is unknown, use a not to exceed total price.

This IT-related Table 39 illustrates the use of subline items to break out components of service. The subline items break out the different components being acquired as part of the data center operation service.

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Period of Performance</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Business Automation Software (Software as a Service)</td>
<td>10/1/XX to 9/30/XY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0001AA</td>
<td>End User Licensing</td>
<td>25</td>
<td>Each</td>
<td></td>
<td>$7,500.00</td>
<td>$187,500.00</td>
</tr>
<tr>
<td>0001AB</td>
<td>Installing and Configuration Services</td>
<td>1</td>
<td>Each</td>
<td></td>
<td>$18,750.00</td>
<td>$18,750.00</td>
</tr>
<tr>
<td>0001AC</td>
<td>Training Modules: User, Admin, Dashboarding</td>
<td>3</td>
<td>Each</td>
<td></td>
<td>$750.00</td>
<td>$2,250.00</td>
</tr>
</tbody>
</table>

Cost-reimbursement (CR) LINs also do not require unit price. CR-required data elements are estimated cost, fee (if applicable), and total cost plus fee. Since the actual cost on the line items are variable in nature, these LINs use an estimated cost data element to reflect what is anticipated to be allowable costs incurred for the entire LIN and then add any applicable fees to develop the total estimated cost. The total estimated cost serves the purpose of establishing a ceiling that the contractor may not exceed without authorization by the contracting officer. In Table 40, you can see the requirement for financial services has been broken into two CR line item deliverables. If a fee is applicable, it should be included as a dollar value, often a percentage of the total estimated cost.

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Period of Performance</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Estimated Cost</th>
<th>Fixed Fee</th>
<th>Cost plus FF</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Financial Statement Compilation (Quarterly) CR</td>
<td>10/1/XX to 9/30/XY</td>
<td>4</td>
<td>Each</td>
<td>$53,729.50</td>
<td>$10,745.90</td>
<td>$225,663.90</td>
</tr>
<tr>
<td>0002</td>
<td>Financial Advisory and Strategic Planning Support CR</td>
<td>10/1/XX to 9/30/XY</td>
<td>12</td>
<td>Months</td>
<td>$53,727.84</td>
<td>$32,236.70</td>
<td>$676,970.78</td>
</tr>
</tbody>
</table>

One of the most important concepts to understand about unit price is that it must reflect the actual price for one end item to be delivered or performed. In DoD contracts, the presence of a $1 unit price often indicates an error in unit price. In the “Wrong Way” example at Table 41, the
question should be: is this deliverable really worth $1? The answer is no; this is an incorrect way to identify unit price. Table 41 illustrates this point.

Table 41: The Wrong and Right Ways of Assigning Unit Costs

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Item Description</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Service Tasks 1 – 3</td>
<td>10,500</td>
<td>Lot</td>
<td>$1.00</td>
<td>$10,500.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The RIGHT WAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item No.</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>0001</td>
</tr>
<tr>
<td>0002</td>
</tr>
<tr>
<td>0003</td>
</tr>
</tbody>
</table>

Table 42 illustrates the differences between the two types of contracts and the required data elements.

Table 42: Fixed-Price & Cost-Reimbursement Data Elements

<table>
<thead>
<tr>
<th>Fixed-Price Data Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item No.</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>0001</td>
</tr>
<tr>
<td>0001</td>
</tr>
</tbody>
</table>

The selection of the contract type for each LIN will determine whether the unit price and total price data elements or the estimated cost, fee, and total estimated cost plus fee data elements are appropriate. So, if the contract has a combination of contract types on various LINs, then the selection and identification of each LIN as either of fixed-price or cost-reimbursement is required. Which means the data element of FFP or CR must appear on each line item like in this example in Table 43.
Table 43: Combination of Contract Types Data Elements

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Type of LIN</th>
<th>Item Description</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>FFP</td>
<td>Service Task 1</td>
<td>200</td>
<td>Hours</td>
<td>$35.00</td>
<td>$7,000.00</td>
</tr>
<tr>
<td>0002</td>
<td>FFP</td>
<td>Service Task 2</td>
<td>80</td>
<td>Hours</td>
<td>$35.00</td>
<td>$2,800.00</td>
</tr>
<tr>
<td>0003</td>
<td>FFP</td>
<td>Service Task 3</td>
<td>20</td>
<td>Hours</td>
<td>$35.00</td>
<td>$700.00</td>
</tr>
<tr>
<td>0004</td>
<td>CPFF</td>
<td>Perimeter Guard Services in accordance with Performance Work Statement dated 20 July 20XY</td>
<td>12</td>
<td>Months</td>
<td>Estimated Cost $2,664,000.00, Fixed Fee $248,000.00</td>
<td></td>
</tr>
</tbody>
</table>

10. Delivery Schedule or Period of Performance

The delivery schedule is an agreement between the Government and contractor as to when and how often supplies or services will be delivered. The period of performance identifies when contract performance starts and when it ends. A delivery schedule can be comprised of multiple delivery dates. There are multiple factors, such as urgency and industry practices, which influence how the delivery or performance schedule is established. For a full list of factors to be considered reference FAR 11.402.

In Table 44, each LIN breaks out the different components of web-based training being acquired.

Table 44: Deliverable LIN with Periods of Performance

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Period of Performance</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Web-based Decision Software Subscription</td>
<td>10/1/XX to 9/30/XY</td>
<td>1</td>
<td>Each</td>
<td>$218,000.00</td>
<td>$218,000.00</td>
</tr>
<tr>
<td>0002</td>
<td>Technical Integration</td>
<td>10/1/XX to 9/30/XY</td>
<td>1</td>
<td>Each</td>
<td>$15,000.00</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>0003</td>
<td>Stakeholder Learning Sessions (Quarterly)</td>
<td>10/1/XX to 9/30/XY</td>
<td>4</td>
<td>Each</td>
<td>$2,500.00</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>0004</td>
<td>Collaboration Hardware – Computer Keyboard with Number Pad</td>
<td>10/1/XX to 9/30/XY</td>
<td>30</td>
<td>Each</td>
<td>$75.00</td>
<td>$2,250.00</td>
</tr>
</tbody>
</table>
11. Packaging and Marking (Uniform Contract Format Section D)

Packaging and marking are not required data elements in FAR 4.1005-1. However, they are required when packaging or marking instructions are necessary for delivery and are considered during inspection and acceptance. Improper packaging and marking can make delivering or inventorying items difficult or impossible, particularly for supply requirements with many items. Review the requirements already addressed in DFARS Appendix F to avoid conflicts and duplications.

12. Inspection and Acceptance (Uniform Contract Format Section E)

The Government verifies receipt of supplies and services based upon defined criteria for inspection and acceptance before issuing payment. Each LIN is required to have a defined inspection and acceptance location (commonly identified by a Department of Defense Activity Address Code (DoDAAC)), along with criteria for acceptance as illustrated in Table 45. If using a DoDAAC, ensure that the DoDAAC is accurate and registered in Wide Area Workflow (WAWF) as an acceptance location; this does not negate the need to have properly filled out WAWF clause (DFARS 252.232-7006) in the contract.

Table 45: LIN Department of Defense Activity Address Code (DoDAAC)

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Acceptance Criteria</th>
<th>Acceptor</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Task Order Management Reports</td>
<td>Acceptance will be based on routine inspection of the reports in accordance with PWS section 4.5</td>
<td>HQ1234</td>
</tr>
<tr>
<td>0002</td>
<td>Analyses</td>
<td>Acceptance of the report under 0001 will be used as a basis for acceptance of the analyses</td>
<td>N12345</td>
</tr>
<tr>
<td>0003</td>
<td>Report on monthly data from source system</td>
<td>Acceptance will be based on routine inspection of the reports in accordance with PWS section 7.8</td>
<td>S12345</td>
</tr>
<tr>
<td>0004</td>
<td>Study of process improvements</td>
<td>Acceptance will be based on routine inspection of the reports in accordance with PWS section 6.7</td>
<td>N12345</td>
</tr>
</tbody>
</table>

13. Line Item Numbering

Every item or service the Government buys will require at least one LIN. As discussed in section 2.0, a contract may include a combination of LINs, SLINs, and ELINs. Each type of line item has a distinct numbering paradigm as illustrated in Table 46.
Table 46: Proper Line Item Numbering

<table>
<thead>
<tr>
<th>Type of Line Item</th>
<th>Proper Numbering Example</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line Item Number (LIN)</td>
<td>0001</td>
<td>Alphanumeric sequence as identifier that provides end-to-end traceability of expenditures in order to support managerial and financial audit needs</td>
</tr>
<tr>
<td>Informational Subline Item (SLIN)</td>
<td>000101</td>
<td>Numeric, two digits appended to the LIN (Ex. 01)</td>
</tr>
<tr>
<td>Deliverable Subline Item (SLIN)</td>
<td>0001AA</td>
<td>Alphabetic, two characters appended to the LIN (Ex. AA)</td>
</tr>
<tr>
<td>Exhibit Line Item (ELIN)</td>
<td>A101</td>
<td>Either 1 or 2 alpha characters to identify the exhibit followed by 2 or 3 positions that are either an alpha or numeric character assigned sequentially</td>
</tr>
</tbody>
</table>

The numbering convention for developing LIN include:

(1) LINs 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. (DFARS PGI 204.7103-2(a))

(2) The LIN shall be the same as the solicitation LIN unless there is a valid reason for using different numbers. (DFARS PGI 204.7103-2(b))

(3) Once a LIN has been assigned, it shall not be assigned to another, different, line item in the same contract. (DFARS PGI 204.7103-2(c))

This leaves a lot of room for the development of an overarching LIN organizational structure that fits the needs of the particular acquisition and makes administration of the contract as simple and logical as possible. Acquisitions range from a one-LIN requirement to extremely complex requirements with hundreds or thousands of LINs/SLINs/ELINs. Structuring the end items in a logical numbered sequence can support anticipated administrative needs after contract award. The context of the acquisition plays a major role in determining the appropriate LIN structure. Table 47 is an example of a LIN and SLIN structure built to support a multi-component contract with multiple customers, each paying with a different line of accounting.
### Table 47: LIN/SLIN Structure Supporting a Multi-component Contract

<table>
<thead>
<tr>
<th>Type of LIN</th>
<th>Item No.</th>
<th>Product/Service Description</th>
<th>ACRN</th>
<th>Quantity</th>
<th>Unit of Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent LIN</td>
<td>0001</td>
<td>AN/DKT-61 Telemeters</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deliverable SLIN</td>
<td>0001AA</td>
<td>AN/DKT-61 Telemeters</td>
<td>AA</td>
<td>215</td>
<td>Each</td>
</tr>
<tr>
<td>Deliverable SLIN</td>
<td>0001AB</td>
<td>AN/DKT-61 Telemeters</td>
<td>AC</td>
<td>128</td>
<td>Each</td>
</tr>
<tr>
<td>Deliverable SLIN</td>
<td>0001AC</td>
<td>AN/DKT-61 Telemeters</td>
<td>AF</td>
<td>22</td>
<td>Each</td>
</tr>
<tr>
<td>Deliverable SLIN</td>
<td>0001AD</td>
<td>AN/DKT-61 Telemeters</td>
<td>AG</td>
<td>8</td>
<td>Each</td>
</tr>
<tr>
<td>Deliverable SLIN</td>
<td>0001AE</td>
<td>AN/DKT-61 Telemeters</td>
<td>AH</td>
<td>11</td>
<td>Each</td>
</tr>
<tr>
<td>Parent LIN</td>
<td>0005</td>
<td>First Article Test</td>
<td></td>
<td>1</td>
<td>Lot</td>
</tr>
<tr>
<td>Info SLIN</td>
<td>000501</td>
<td>Navy Funding</td>
<td>AA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Info SLIN</td>
<td>000502</td>
<td>Air Force Funding</td>
<td>AC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Info SLIN</td>
<td>000503</td>
<td>SDAF Funding</td>
<td>AF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Info SLIN</td>
<td>000504</td>
<td>FMS Country 1 Funding</td>
<td>AG</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Info SLIN</td>
<td>000505</td>
<td>FMS Country 2 Funding</td>
<td>AH</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In this example LIN 0001 is assigned to AN/DKT-61 Telemeters and then deliverable SLINs 0001AA – 0001AE are used to outline the requirement applicable to each separate customer, identifying for that customer the applicable ACRN and quantities required. LINs 0002 – 0004 are absent in the line item numbering structure as they are purposely reserved line item numbers with no current requirements. However, strategically skipping these line items when setting up the line item numbering will allow for them to be used at a later date if a future telemeter requirement arises. LIN 0005 is used for a non-severable first article test to illustrate how the informational SLINs 000501–000505 are used to identify the funding supporting the test broken down by the various components.

In Table 48, labor support services provide for supporting two activities, organizations or even two different commands, but it is not joint work. While the two methods structurally look very similar, the correct way requires use of separately identifiable SLIN allocation. Since the work between the two different entities is severable, alpha SLINs (rather than numeric Informational SLINs) should be used. SLINs 0001AA to 0001AB are appropriately used here to describe each of the labor support staff that will be provided for each of the Program Executive Officers (PEOs) throughout the period of performance.

---

1 Note that PGI 204.7103-2(s) says “Within a given contract, the item numbers shall be sequential but need not be consecutive.”
Table 48: The Wrong and Right Ways of Labor Support Services

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Labor support POP: 1 Oct XX – 31 Oct XY FFP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>000101</td>
<td>Labor support for PEO 1 ACRN: AA</td>
<td>12</td>
<td>Months</td>
<td>$75,000.00</td>
<td>$75,000.00</td>
</tr>
<tr>
<td>000102</td>
<td>Labor support for PEO 2 ACRN: AB</td>
<td>12</td>
<td>Months</td>
<td>$25,000.00</td>
<td>$25,000.00</td>
</tr>
</tbody>
</table>

The RIGHT Way

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Supplies/Services</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Unit Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Labor support POP: 1 Oct XX – 30 Sept XY FFP</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0001AA</td>
<td>Labor support for PEO 1 ACRN: AA</td>
<td>12</td>
<td>Months</td>
<td>$75,000.00</td>
<td>$75,000.00</td>
</tr>
<tr>
<td>0001AB</td>
<td>Labor support for PEO 2 ACRN: AB</td>
<td>12</td>
<td>Months</td>
<td>$25,000.00</td>
<td>$25,000.00</td>
</tr>
</tbody>
</table>

14. Destination and Place of Performance (Uniform Contract Format Section F)

Destination and place of performance define where a supply is to be delivered or where a service is to be performed. Supplies require a physical destination address or a ship to address. Service contracts require a place of performance. Some services require more detailed location information than a simple address. In these situations, identify the physical address for the particular section of the PWS/SOW.

A DoDAAC is commonly used to identify a delivery destination or place of performance. The DoDAAC is a six position alphanumeric code that uniquely identifies a DoD unit, activity, or organization that has the authority to requisition, contract for, receive, have custody of, issue or ship DoD assets, or fund and pay bills for materials and or services. Use of DoDAACs as organizational identifiers enables automated tracking and routing of data. As a result, the use of DoDAACs are the preferred method to identify delivery destinations or places of performance. If it is a physical location, the full text address should be included. Here are some examples of a line item in Table 49 having both the when and where filled in.
Table 49: LIN DoDAAC

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Period of Performance or Delivery Schedule</th>
<th>Destination or Place of Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>M795 155MM Rounds</td>
<td>10,000 per month beginning 1 month after award</td>
<td>DoDAAC: W12345 123 Abbeylane Rd. Defenseville, VA 22078</td>
</tr>
<tr>
<td>0002</td>
<td>M107 155MM Rounds</td>
<td>20,000 per month beginning 1 month after award</td>
<td>DoDAAC: HQ1234 3 Baker Street Defense, VA 20030</td>
</tr>
<tr>
<td>0003</td>
<td>XM113 155MM Rounds</td>
<td>10,000 per month beginning 6 months after award</td>
<td>DoDAAC: N12345 3 Pine Street Defense, VA 20030</td>
</tr>
</tbody>
</table>

As discussed in section 2.1, when a LIN has a separately identifiable SLIN containing a deliverable then the delivery schedule, destination, period of performance, or place of performance shall be identified at the SLIN level, rather than the LIN. Table 50 illustrates examples in this situation.

Table 50: SLIN DoDAAC

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Description</th>
<th>Period of Performance or Delivery Schedule</th>
<th>Destination or Place of Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Lawn Mowing Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0001AA</td>
<td>Lawn Mowing - Belvoir</td>
<td>March 1 – April 30 20XY</td>
<td>DoDAAC: HQ1234 123 DLA Drive Ft. Belvoir VA 22222</td>
</tr>
<tr>
<td>0001AB</td>
<td>Lawn Mowing – Ft. Meyer</td>
<td>March 1 – April 30 20XY</td>
<td>DoDAAC: HQ1244 444 Iwo Jima Ave Ft. Meyer, VA 21112</td>
</tr>
<tr>
<td>0001AC</td>
<td>Lawn Mowing – Andrews AFB</td>
<td>April 2 – September 30 20XY</td>
<td>DoDAAC: HQ1288 35 Fighter Jet Way Andrews, MD 34554</td>
</tr>
<tr>
<td>0001AD</td>
<td>Lawn Mowing – Quantico</td>
<td>April 2 – September 30 20YZ</td>
<td>DoDAAC: HQ1267 54 Semper Fi Drive Quantico, VA 22005</td>
</tr>
</tbody>
</table>

15. Where Are Line Items in a Contract Structure?

The Uniform Contract Format provides the structure guidelines for contracts and breaks them down into four parts (see FAR 15.204-1). LINs are found in Part I - The Schedule, except for Exhibit Line Item Numbers (ELINs) which are exhibits found in Part III.

- Part I The Schedule
- Part II Contract Clauses
• Part III List of Documents, Exhibits, & Other Attachments
• Part IV Representations & Instructions

The Uniform Contract Format further delineates the four parts into 13 sections. The line items are found in Sections B, D, E, and F.

• Part I The Schedule
  o Section A Solicitation/Contract Form
  o Section B Supplies or Services and Price/Costs
  o Section C Description/Specification/Statement of Work
  o Section D Packaging and Marking
  o Section E Inspection and Acceptance
  o Section F Deliveries and Performance
  o Section G Contract Administration Data
  o Section H Special Contract Requirements
• Part II Contract Clauses
  o Section I Contract Clauses
• Part III List of Documents, Exhibits, & Other Attachments
  o Section J List of Attachments
• Part IV Representations & Instructions
  o Section K Representations, Certifications, and other Statements of Offerors
  o Section L Instructions, Conditions, and Notices to Offerors
  o Section M Evaluation Factors for Award

According to the Order of Precedence Clauses (see FAR 52.215-8, 52.214-29, and 52.212-4(s)) Part I information takes precedence if conflicting information is found elsewhere in the contract. This reinforces how important it is to get line item data elements correct. Here is the exact order of precedence for quick reference.

1. The Schedule - Sections A – H excluding specifications
2. Representations & Instructions Section - K – M
3. Contract Clauses – Section I
4. Other documents, exhibits, and attachments Section J
5. The specifications – Section C

16.0 Terms and Conditions

There are times when particular terms and conditions only apply to one LIN in a contract. If this situation arises any terms and conditions in other sections of the contract, clauses for example, shall also specify applicability to individual LIN, SLIN, or ELIN if not applicable to the contract as a whole.
Appendix A – Definitions

Accounting Classification Reference Number (ACRN) reference is two-character “shorthand” for the accounting classification citation. The contract establishes one ACRN for each line of accounting, and every line item that is separately priced will need at least one ACRN. Each unique ACRN can only reference one Line of Accounting (LOA), and each unique LOA can only be represented by a single ACRN.

Contract Data Requirement List (CDRL) is comprised of either a single DD Form 1423, or a series of DD Forms 1423 containing data requirements and delivery information for those data requirements.

Deliverable line items contain the actual end item or service the Government will receive and is what the Government has exchanged funds to receive.

Delivery schedule defines when and how often supplies or services will be delivered. It can include a series of dates for delivery.

Department of Defense Activity Address Codes (DoDAAC) is a six position code that uniquely identifies a Department of Defense unit, activity, or organization that has the authority to requisition, contract for, receive, have custody of, issue or ship DoD assets, or fund and pay bills for materials and or services. It can also be used in a contract to identify destination or place of performance.

Destination or Place of Performance is the data element identifying where a supply is to be delivered or where a service is to be performed. For supplies there will need to be a physical destination address listed, also called the ship to address. For services there will need to be a place of performance listed.

Exhibit Line Item Number (ELIN) is a four-position number comprised of either one or two alpha characters to identify the exhibit followed by three or four positions that are either an alpha or numeric character which identifies the serial number. ELINs are also utilized when there is a contract data requirements list or CDRL.

Informational or Non-Deliverable line items provide additional administrative information, but the line item does not designate an end item to be delivered to the Government.

Informational subline item (InfoSLIN) is a non-deliverable line item simply developed to add clarity to some aspect of administration.

Line item (LIN) captures the information about separately identifiable goods and services that the Government needs to buy.

Option line item is a line item that captures information pertaining to contract options for additional quantities, additional performance periods, or other requirements not exercised at time of award to be placed on contract.
**Product and Service Code (PSC)** list broadly codifies all of the products, services, and research and development (R&D) purchased by the federal government. The PSC Manual provides the four-character codes to describe products, services, and R&D purchased by the Federal Government. The PSC data element code selected for the overarching contract will be based on the predominant product or service that is being purchased (by dollar amount, not quantity).

**Period of Performance (POP)** is the timeframe for performance of a CLIN, a deliverable subline, or a purchase order or contract, indicated by start date and end date.

**Non-Severable** means the benefit of an end item can only be received after the full completion of the supply or service.

**Separately identifiable** items are goods or services a person can identify and separate out from other items being acquired.

**Severable** means an end item can be received and the Government received a benefit from the supply or service throughout the period of performance.

**Subline item (SLIN)** can be broken down into two types. 1) Informational subline items and 2) Separately identifiable subline items. Both types are children of a parent LIN.

**Supply end item** is separately identifiable if there is no more than one of each of the following (as applicable): 1) National Stock Number (NSN), 2) Item Description, and/or, 3) Manufacturer’s part number.
# Appendix B – Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACRN</td>
<td>Accounting Classification Reference Number</td>
</tr>
<tr>
<td>CAGE</td>
<td>Commercial and Government Entity</td>
</tr>
<tr>
<td>CAR</td>
<td>Contract Action Report</td>
</tr>
<tr>
<td>CDRL</td>
<td>Contract Data Requirements List</td>
</tr>
<tr>
<td>CLIN</td>
<td>Contract Line Item Number</td>
</tr>
<tr>
<td>CPFF</td>
<td>Cost Plus Fixed Fee</td>
</tr>
<tr>
<td>CR</td>
<td>Cost Reimbursement</td>
</tr>
<tr>
<td>DD Form</td>
<td>Department of Defense Form</td>
</tr>
<tr>
<td>DFARS</td>
<td>Defense Federal Acquisition Regulation Supplement</td>
</tr>
<tr>
<td>DoDAAC</td>
<td>Department of Defense Activity Address Codes</td>
</tr>
<tr>
<td>DOD</td>
<td>Department of Defense</td>
</tr>
<tr>
<td>ELIN</td>
<td>Exhibit Line Item Number</td>
</tr>
<tr>
<td>FAR</td>
<td>Federal Acquisition Regulation</td>
</tr>
<tr>
<td>FFP</td>
<td>Firm Fixed Price</td>
</tr>
<tr>
<td>FMS</td>
<td>Foreign Military Sales</td>
</tr>
<tr>
<td>FPDS</td>
<td>Federal Procurement Data System</td>
</tr>
<tr>
<td>IDC</td>
<td>Indefinite Delivery Contract</td>
</tr>
<tr>
<td>IDIQ</td>
<td>Indefinite Delivery Indefinite Quantity</td>
</tr>
<tr>
<td>LIN</td>
<td>Line Item Number</td>
</tr>
<tr>
<td>LOA</td>
<td>Line of Accounting</td>
</tr>
<tr>
<td>NAICS</td>
<td>North American Industry Classification System</td>
</tr>
<tr>
<td>NTE</td>
<td>Not to Exceed</td>
</tr>
<tr>
<td>NSN</td>
<td>National Stock Number</td>
</tr>
<tr>
<td>NSP</td>
<td>Not Separately Priced</td>
</tr>
<tr>
<td>O&amp;M</td>
<td>Operations and Maintenance</td>
</tr>
<tr>
<td>PDS</td>
<td>Procurement Data Standard</td>
</tr>
<tr>
<td>PEOs</td>
<td>Program Executive Officers</td>
</tr>
<tr>
<td>PGI</td>
<td>Procedures, Guidance, and Information</td>
</tr>
<tr>
<td>PIID</td>
<td>Procurement Instrument Identifier</td>
</tr>
<tr>
<td>PLU</td>
<td>Price Lookup Code</td>
</tr>
<tr>
<td>PMO</td>
<td>Program Management Office</td>
</tr>
<tr>
<td>POP</td>
<td>Period of Performance</td>
</tr>
<tr>
<td>PSC</td>
<td>Product or Service Code</td>
</tr>
<tr>
<td>PWS</td>
<td>Performance Work Statement</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
</tr>
<tr>
<td>SLIN</td>
<td>Subline Item Number</td>
</tr>
<tr>
<td>SOW</td>
<td>Statement of Work</td>
</tr>
<tr>
<td>UOM</td>
<td>Unit of Measure</td>
</tr>
</tbody>
</table>
WAWF       Wide Area Workflow