

Org:

Name: Robert Sigman

sectionnumber: SEC 877

Input:

Input (a)

Sec 877: Treatment of commingled items purchased by contractors as commercial items.

This should be considered significant risk to USG DOD acquisition by attempting to correlate a dollar value to the Treatment of commingled items purchased by contractors as commercial items.

For your consideration for further due diligence if items below a \$10,000 threshold are to be considered "commercial" items, then:

a. Subpart 2.1 – Definitions 2.101 -- Definitions.

“Commercial item” means --

(1) Any item, other than real property, that is of a type customarily used by the general public or by non-governmental entities for purposes other than governmental purposes.

FAR 2 definitions of Commercial items do not necessarily match the type of deliverables that may be "designated" as commercial in this effort to peel away perceived (by DoD contractors) meaningless FAR requirements for the traceability of meeting contract material requirements and direct costs.

Input (b) and (c)

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b. How will FAR -- Part 12 apply?

Acquisition of Commercial Items

12.102 -- Applicability.

(d) The definition of commercial item in section 2.101 uses the phrase “purposes other than governmental purposes.” These purposes are those that are not unique to a government.

c. How will the functional specialists verify costs incurred for progress payments based on costs if FAR 12.214 -- Cost Accounting Standards Cost Accounting Standards (CAS) do not apply to contracts and subcontracts for the acquisition of commercial items when these contracts and subcontracts are firm-fixed-price or fixed-price with economic price adjustment (provided that the price adjustment is not based on actual costs incurred). See 30.201-1 for CAS applicability to fixed-price with economic price adjustment contracts and subcontracts for commercial items when the price adjustment is based on actual costs incurred.

Inputs (d) and (e)

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d. DFARS 252.211-7003, Item Unique Identification and Valuation

(c) Unique item identifier.

(1) The Contractor shall provide a unique item identifier for the following:

(i) DFARS 252.211-7003, Item Unique Identification and Valuation for Delivered items for which the Government's unit acquisition cost is \$5,000 or more If approved; will this NOT cause much chaos for WAWF acceptance and the IUID registration requirements?

e. Another example of where we may want to reconsider the \$10k threshold for commingling is for the the procurement WARHEAD ASSY/PRODUCTION LIVE (EXPLOSIVE). Why, contractors deem upon themselves what part numbers are common and can be comingled.

This Sec 877 could present a major lack of traceability issues by contractors and an increased risk throughout the USG DoD Supply Chain.