



ACQUISITION  
AND SUSTAINMENT

## OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

MEMORANDUM FOR COMMANDER, UNITED STATES CYBER  
COMMAND (ATTN: ACQUISITION EXECUTIVE)  
COMMANDER, UNITED STATES SPECIAL OPERATIONS  
COMMAND (ATTN: ACQUISITION EXECUTIVE)  
COMMANDER, UNITED STATES TRANSPORTATION  
COMMAND (ATTN: ACQUISITION EXECUTIVE)  
DEPUTY ASSISTANT SECRETARY OF THE ARMY  
(PROCUREMENT)  
DEPUTY ASSISTANT SECRETARY OF THE NAVY  
(PROCUREMENT)  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(CONTRACTING)  
DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS

SUBJECT: Required Conventions and Electronic Data Capture for Exhibit Line Items

Exhibit Line Items (ELINs) are especially useful in major systems acquisition and sustainment scenarios when tens, or even tens of thousands, of spare parts need to be separately identified for pricing, delivery, inspection, acceptance, entitlement, inventory management, financial accounting, and reporting purposes. However, when not captured and shared with other DoD systems as discrete data elements, ELINs can introduce errors and limit transparency in these processes. These errors cause a significant amount of manual resources to be expended throughout the Procure-to-Pay environment in order to separately re-enter information in downstream systems.

Defense Federal Acquisition Regulation Supplement (DFARS) 204.7105 requires contracting officers to follow certain conventions when including exhibit line items in the contract. This memorandum emphasizes and clarifies the conventions and expectations that are set forth at DFARS Policy, Guidance, and Instructions (PGI) 204.7105. Compliance is crucial for financial auditability, business system interoperability, and efficient conduct of business across the Department and with industry. Further, this memorandum requires the Defense Contract Management Agency and/or Defense Finance and Accounting Service to issue Contract Deficiency Reports to contracting officers when required compliance items are not met.

The Department's modern, target contract writing systems (including Department of the Air Force's CON-IT, Army Contract Writing System (ACWS), Department of the Navy's electronic Procurement System (ePS), and the Fourth Estate's Enterprise Contract Writing Module (ECWM)) have been designed and developed to enable contracting officers to comply with this policy effectively and efficiently. Therefore, contracting officers issuing new awards and/or modifications in these systems shall observe the requirements at DFARS PGI 204.7105, as clarified and emphasized in this memorandum. Contracting officers issuing awards and/or modifications in legacy/other contract writing systems are also expected to follow these

requirements when the structure and capabilities of the contract writing system support them. When legacy/other contract writing systems do not enable compliance, contracting officers shall only use line items and subline items to separately identify deliverables.

Specific points of emphasis and clarification for DFARS PGI 204.7105 are listed as follows:

1. Contracting officers shall electronically capture all data elements for ELINs to satisfy the same rules for separately identifiable line items detailed at FAR 4.10 and DFARS 204.7103. *Contracting officers shall provide ELIN data electronically using the Procurement Data Standard (PDS) or the American National Standards Institute X12 Electronic Data Interchange standard transaction set equivalents.* The inclusion of ELIN elements within miscellaneous/free-form text and/or attachments in formats such as a spreadsheet or portable document format (PDF) document does not satisfy the requirement listed at DFARS PGI 204.7105(a)(8) and FAR 53.105(a)(2). Electronic data capture is required for auditability and the Procure-to-Pay process.
2. When invoking an exhibit to instantiate ELINs, contracting officers shall establish a line item or a subline item to tie to the exhibit. Contracting officers shall observe numbering rules at DFARS 204.7103-2 or 204.7104-2 when establishing the line item or subline item.
3. Contracting officers may assign more than one exhibit to a given line item or subline item, but one exhibit shall not be referred to by more than one line item or subline item. For example, contracting officers may use line item 0001 to invoke exhibits A and B, but they shall not tie exhibit A to both line items 0001 and 0002.
4. Contracting officers shall number ELINs using rules provided at PGI 204.7105. Simply put, ELINs are comprised of a one or two-digit exhibit identifier (alpha character(s)) and followed by a serial number. ELIN numbers shall not exceed four characters. For example, if an exhibit is identified as “BB,” an ELIN can be serialized as BB01, BB02, BB03, etc. Additional examples of this construct are located at DFARS PGI 204.7103(e)(4) and the DoD Line Item guide at <https://www.acq.osd.mil/asda/dpc/ce/p2p/docs/transparency/DoD%20Line%20Item%20Guide.pdf>. Deliverable and informational subELINs are not supported by the DFARS.
5. Contracting officers may append attachments to exhibits, but such attachments shall not be used to separately identify deliverable requirements not already established by a line item, subline item, or ELIN.
6. Contract Data Requirements Lists (CDRLs) are exempt from electronic data capture until contract writing systems are sufficiently developed to support input and output of CDRL data elements in the PDS extensible markup language format, which is already resident the PDS schema.

Contracting officers shall observe DFARS PGI 204.7103(d), which states, “...No contract line item shall contain a quantity less than the number of deliveries anticipated on the line item...”

(i) Supplies: Line item quantities shall match the actual count of supplies to be provided. For instance, if more than one delivery is expected, the quantity cannot be ‘1.’” Listing a quantity of 1 with any unit of measure, including but not limited to, “lot,” “each,” “job,” or “lump sum,” is not an acceptable alternative to separately identifying multiple deliverables or a single delivery with a quantity greater than one using line items, subline items, or exhibit line items.

We encourage contracting officers to work with requiring offices to provide necessary discrete data for ELINs as part of their procurement packages. We request that component senior leaders require that emphasis be placed on these requirements during pre-award business clearance/policy/contracting officer reviews; and also make this a point of emphasis during Procurement Management Reviews, as applicable. Questions and comments may be directed to my action officer, Mr. Jay Olson, at [osd.pentagon.ousd-a-s.mbx.dpc-cb@mail.mil](mailto:osd.pentagon.ousd-a-s.mbx.dpc-cb@mail.mil).

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