



DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
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WASHINGTON, DC 20374-5065

IN REPLY REFER TO
ACQ 021
21 Nov 02

MEMORANDUM FOR NAVFAC ACQUISITION PERSONNEL

Subj: ACCURATE CODING OF DD FORM 350, INDIVIDUAL CONTRACTING
ACTION REPORT (ACQ FYI 02-005)

Encl: (1) NAVSUP memo of 14 Nov 02

1. Enclosure (1) is forwarded for your information and immediate implementation as appropriate.

A handwritten signature in cursive script, appearing to read "L. Slates".

LOUISE F. SLATES
Head, Acquisition Strategic Programs
& Community Management



DEPARTMENT OF THE NAVY
NAVAL SUPPLY SYSTEMS COMMAND
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TELEPHONE NUMBER
COMMERCIAL
AUTOVON
IN REPLY REFER TO:
4200
Ser 21B2/3011
03-07
SA03-06
14 NOV 02

From: Commander, Naval Supply Systems Command

Subj: ACCURATE CODING OF DD FORM 350, INDIVIDUAL CONTRACTING ACTION REPORT

Ref: (a) NAVSUP Policy Letter 00-27 dated 31 AUG 00
(b) NAVSUP Policy Letter 01-12 dated 14 MAR 01
(c) DFARS 253.204-70

Encl: (1) OUSD memo of 01 NOV 02

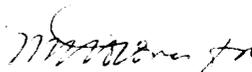
1. Enclosure (1) is forwarded for your information and action. It reminds contracting officers of the need to correctly code DD350's. Miscoding of DD350's is an on-going problem. References (a) and (b) were issued addressing the same or similar miscoding problems. Coding errors cause distortions in the statistical data from the activity level up through the Department of Defense level. Erroneous statistics also result in wasted time and effort at all levels from correcting the individual DD350 reports to legislative inquiries and investigations. Care must be taken to ensure accurate DD350 reporting.

2. Reference (c) provides detailed instructions on completing the DD Form 350. Areas that require particular attention are:

- a. Block B1C - Bundled Contracts
- b. Block B5A - Contractor Identification Number
- c. Blocks C3 - Extent Competed and Block C7 - Number of Offers Received
- d. Block C11 - Certified Cost and Pricing Data

4. Procurement Performance Management Assessment Program (PPMAP) staffs are requested to disseminate this policy letter to all contracting activities under their cognizance as appropriate.

5. Point of contact for further information is Ms. Barbara Barner, SUP 21B2, 717-605-2930, DSN 430-2930 or electronically at barbara_l_barner@navsup.navy.mil.


ALBERT FANELLI
By direction

Subj: ACCURATE CODING OF DD FORM 350, INDIVIDUAL CONTRACTING
ACTION REPORT

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ACQUISITION,
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DP/CPA

OFFICE OF THE UNDER SECRETARY OF DEFENSE

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WASHINGTON, DC 20301-3000

NOV 1 2002

MEMORANDUM FOR DIRECTORS, DEFENSE AGENCIES
ACTING DEPUTY ASSISTANT SECRETARY OF THE
ARMY (POLICY AND PROCUREMENT), ASA(RD&A)
DEPUTY FOR ACQUISITION AND BUSINESS
MANAGEMENT, ASN(RD&A)/ARM
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
EXECUTIVE DIRECTOR, LOGISTICS POLICY &
ACQUISITION MANAGEMENT (DLA)

SUBJECT: Accurate Coding of DD Form 350, Individual Contracting Action Report

My memorandum of May 30, 2002, requested a review of large dollar actions reported in Fiscal Year 2001 to the Defense Contract Action Data System (DCADS) as competitive, but with only one offer received. I asked you to ensure that these actions were properly characterized as competitive, and that the DD Form 350 reports submitted for these actions were correctly coded. Indeed, your reviews subsequently identified actions miscoded as competitive when in fact they were not available for competition.

This follows my previous request, expressed in my memorandum to you of June 28, 2002, that you initiate necessary action to correct widespread miscoding of block C11 of the DD Form 350. Block C11 identifies whether an action was subject to Truth in Negotiation Act (TINA) requirements for submittal of certified cost or pricing data, exempt from that requirement, or whether that requirement received a waiver from the Head of the Contracting Activity (HCA). The DoD Inspector General identified a 93 percent error rate in the coding of actions as waivers that were in fact exempt from TINA.

Miscoding of DD Forms 350 is more than a minor irritation. Mistakes in coding can provide a distorted picture of how the Department is doing business. Conclusions drawn from our DCADS data have even led to legislative proposals designed to address problems that we feel were based on mistaken impressions created by our own DD 350 data.

Some of you have advised me of actions taken to ensure accurate DD 350 coding. I request you initiate a more comprehensive effort to ensure that DD 350 reports are



accurate in every respect, with particular focus on areas that experience has shown are prone to miscoding. They include:

- Block B1C (Bundled Contract) - code as "Yes" only when a contract meets the definition of a "bundled contract" at FAR 2.101 and the contract value exceeds \$5 million.
- Block B5A (Contractor Identification Number) - for all contractors subject to the requirement for Central Contractor Registration (CCR) , do not enter a contractor's DUNS number unless it has been validated against the CCR database. DD350 data cannot be processed without use of a valid DUNS number.
- Entering "A" (competed action) in Block C3 (Extent Competed), while also entering "1" in Block C7 (Number of Offers Received), to reflect a competitive procurement where only one offer was received. This combination should only be used when FAR 15.403-1(c) (1)(ii) guidance is applicable. Do not use this combination if it is later determined that only one offer was received because there was not a realistic expectation of competition. Even when competitive procedures were initially used, Block C3 should be coded as "B" (not available for competition) if it is later determined that only one contractor was in a position to submit an offer.
- Block C11 (Certified Cost or Pricing Data) - do not use code "W" (waiver) unless a waiver of submittal of certified cost or pricing data was approved by the HCA, per FAR 15.403-1(c)(4). All other exceptions to TINA should be reflected by entering code "N" (not obtained) when certified cost or pricing data was not obtained for the contract action.

My staff POC for this action is Richard G. Brown. His email address is Richard.G.Brown@osd.mil and he may be reached by phone at 703-695-7197.



Deidre A. Lee
Director, Defense Procurement