



# Uniform Use of Line Items

A Mandatory Reference for ADS Chapter 302

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## **I. Background**

[FAR Subpart 4.10](#) requires that, beginning October 1, 2019, all solicitations and contracts (including Government-wide acquisition contracts (GWACs), Federal Supply Schedule (FSS) contracts, indefinite-delivery contracts and orders) use a uniform line item structure. The subpart prescribes policies and procedures for assigning line item numbers and establishing the line item structure.

The goal of the uniform line item structure is to improve the accuracy, traceability, and usability of procurement data. Line items may be an effective tool for contracting officers (COs) and program staff to delineate the supplies or services purchased and to track contractors' performance against discrete requirements.

The purpose of this guidance is to assist COs by clarifying and supplementing the information in FAR Subpart 4.10, identifying agency-specific requirements associated with GLAAS/Phoenix capabilities, and providing best practices and samples that can be used when establishing line items.

## **II. Summary of FAR Subpart 4.10 requirements**

The requirements for the uniform use of the line items apply to solicitations, contracts orders, and agreements that include pre-priced supplies or services, including amendments, modifications and change orders to such documents.

Pursuant to FAR 4.1001, line items *“are established to define deliverables or organize information about deliverables. Each line item describes characteristics for the item purchased, e.g., pricing, delivery, and funding information.”*

## **III. Guidance and Samples**

### **A. Numbering of Line Items**

This policy establishes the following line item numbering requirements:

Line items: All contract line items must consist of four numeric digits of 0001 through 9999. Each line item must have a unique number that cannot be used for another line item within the contract. The item numbers must be sequential but need not be consecutive.

Line items indicating options (e.g., option years): For ease of administration, a line item for options should relate to the applicable existing line item. For example, the first numerical digit of an option line item would be the number of the option itself (for example “1” for year 1, “2” for year 2 and so on); the remaining three digits would be the same as the line item it is referring to. The example below illustrates the line item numbering for option years:

Line item	Description
0001	Capacity Building
0002	Maintenance and Repairs
0003	Construction
1001	Option Year 1 - Capacity Building
1002	Option Year 1 - Maintenance and Repairs
1003	Option Year 1 - Construction
2001	Option Year 2 - Capacity Building
2002	Option Year 2 - Maintenance and Repairs
2003	Option Year 2 - Construction

The contract line item number must be the same as the solicitation line item number unless there is a valid reason to use different numbers. For example, FAR 4.1007 and the clause at FAR 52.204-22 allow offerors to propose alternative line item structure when such changes provide economic or administrative advantages to the Government. Any such additional proposals must be consistent with the FAR Subpart 4.10.

## B. GLAAS Considerations

1. Line Items in the solicitation/contract line must match the line items established in the GLAAS requisition:

All line items are created and modified in GLAAS at the requisition stage, which then carry forward to the solicitation/award stage. Since the funds are committed under the requisition line items, the Requesting Office must coordinate with the CO while they are first creating the requisition to ensure the line items are properly established for the solicitation/award that will eventually be created from that requisition. Note: both the FAR and GLAAS allow for the same accounting code to be entered on multiple line items. When this happens, the requesting office will add the same accounting code for each line item and ensure the amount of funding matches each line item total. This structure will carry forward from the requisition to the solicitation/award stage.

**If the CO determines the appropriate line item structure for the solicitation/award is different than the requisition line items, COs must coordinate the necessary changes with the requesting office to modify the requisition line items; this must be done prior to creating the solicitation/award in GLAAS.**

2. Restriction on Subline items:

FAR 4.1001 (b) allows agencies to subdivide a line item into separate subline items to ease administration. However, the financial integration between GLAAS and Phoenix does not allow for the financial information (*i.e.*, accounting classification citation) to be added at the subline item level. Therefore, **all funding must be provided at the line item level.** This means that **subline items (called “sub item number” in GLAAS) cannot be created in GLAAS, and no funding can be added to any subline item.**

3. If, during award administration, there is a need to move funds from one line item to another, GLAAS requires a contract modification to first de-obligate funds from one line item, and then a second contract modification to re-obligate funds to the target line item.

### C. Establishing line items

#### 1. General guidance

FAR 4.1003 requires COs to establish separate line items for deliverables that have any of the following characteristics:

- Are “separately identifiable” (as explained below);
- Have single unit price or total price (except when the items or services are acquired on a cost-reimbursement contract);
- Have single accounting classification citation (Note: a line item may have more than one accounting classification citation; the same accounting citation can apply to more than one line item);
- Have separate delivery schedule or destination;
- Have a separate period of performance or place of performance; *or*
- Have multiple contract pricing types (this applies to a hybrid contract where deliverables have different contract types, e.g., Cost-Plus-Fixed-Fee CPFF and Firm-Fixed-Price FFP).

Below are sample line Item screenshots from GLAAS:

Qualifier:	◆	<input type="text" value="By Dollars"/>	▼
Award Type:		<input type="text" value="Firm-fixed-price"/>	▼
Amount:	◆	<input type="text" value="10,000,000.00"/>	
Total Item Amount:		<input type="text" value="10,000,000.00"/>	

Qualifier: ◆  ▼

Award Type:  ▼

Award Fee:

Base Fee:

Total Estimated Cost:

Total Item Amount:

This section of the FAR further clarifies that for purchase of supplies, any item that has its own identification (e.g., national stock number (NSN), item description, manufacturer's part number) is considered separately identifiable and should be listed as a separate line item in the award. Below is an example of a line item structure of a supply contract.

Item No	Supplies/Services (Description)	Quantity	Unit	Unit Price	Amount
0001	ABC Camera 24-85mm f/s.5-4.5G ED VR Lens.	6	EA	\$496.95	\$2,981.70
0002	CBA Camera (Body Only)	6	EA	\$1,996.95	\$11,981.70
0003	Camera Co. 70-300mm f/4.5-6.3G ED VR Lens	2	EA	396.95	\$793.90

For service contracts, “separately identifiable” means that there is “no more than one statement of work or performance work statement.” When deliverables identified in Sections C or F of a Uniform Contract Format award do not have separate delivery schedules, periods or places of performance or other separately-identifiable elements as stated in FAR 4.1003, COs are not required to establish a line item for such a deliverable. COs should use their discretion to determine whether to establish separate line items for all or some of the award deliverables.

While separate line items may not be required pursuant to FAR Subpart 4.10, distinguishing separate performance requirements by line item can improve accountability. Line items can be a useful tool in developing results-based contract mechanisms. Separate line items should be established for deliverables requiring different payment terms or fee rates, and those deliverables that need to be carefully monitored (e.g., grants under contracts (GUCs), construction), or when there is a need to limit the amount of available funds for a specific deliverable. Line items may also be developed to capture contract milestones. Separating deliverable(s) into line items may also assist in tracking agency spending on various policy mandates (e.g., the mandatory requirement for country-by-country tracking of Ebola funding, per [GN # 07201 dated July 26, 2019](#)).

**COs must always establish a separate line item when:**

- **A deliverable has a separate delivery schedule, period or place of performance.**
- **Awarding a hybrid contract with more than one contract type.**
- **Options are contemplated.**

When developing the line item structure, COs should take into consideration the contract administration burden. If during the award administration there is a need to move funds from one line item to another, GLAAS will require a modification to first de-obligate funds and then a second modification to re-obligate funds. **When the contract or order does not contain other separately-identifiable elements per FAR 4.1003 and there is no need to separately track certain deliverables, the CO may choose not to create additional line items.**

Below are examples of a line item structure for a service contract.

Example 1, with one line item for the base award and additional line items for options:

Item No	Supplies/Services (Description)	Quantity	Unit	Unit Price	Amount
00001	Base - Technical assistance	1	LOT	\$3,500,000	\$3,500,000
Estimated Cost				\$3,500,000	\$3,500,000
Fixed Fee				\$175,000	\$175,000
Total Estimated Cost + Fee				\$3,675,000	\$3,675,000
01001	Option 1 - Technical assistance	1	LOT	\$3,500,000	\$3,500,000
Estimated Cost				\$2,500,000	2,500,000
Fixed Fee				\$125,000	\$125,000
Total Estimated Cost + Fee				\$2,625,000	\$2,625,000
02001	Option 2 - Technical assistance	1	LOT	\$2,500,000	\$2,500,000
Estimated Cost				\$125,000	\$125,000
Fixed Fee				\$2,625,000	\$2,625,000
Total Estimated Cost + Fee				\$2,500,000	\$2,500,000

Example 2, with more detailed line item breakdown:

Item No	Supplies/Services (Description)	Quantity	Unit	Unit Price	Amount
0001	Base - Direct costs.	1	LOT	\$4,498,260	\$4,498,260
Estimated Cost				\$4,498,260	\$4,498,260
Fixed Fee				\$315,000	\$315,000
Total Estimated Cost + Fee				\$4,813,260	\$4,813,260
0002	Base - Indirect Costs	1	LOT	1,342,556	\$1,500,000
Estimated Cost				\$1,312,556	\$1,312,556
Fixed Fee				\$30,000	\$30,000
Total Estimated Cost + Fee				\$1,342,556	\$1,342,556
0003	Base - GUCs	1	LOT	\$500,000	\$500,000
Total Base CPFF +GUCs					\$6,595,816
1001	Option 1 - Direct costs.	1	LOT	\$4,498,260	\$4,498,260
Estimated Cost				\$4,498,260	\$4,498,260
Fixed Fee				\$315,000	\$315,000
Total Estimated Cost + Fee				\$4,813,260	\$4,813,260
1002	Option 1 - Indirect Costs	1	LOT	1,342,556	\$1,500,000
Estimated Cost				\$1,312,556	\$1,312,556
Fixed Fee				\$30,000	\$30,000
Total Estimated Cost + Fee				\$1,342,556	\$1,342,556
1003	Option 1 - GUCs	1	LOT	\$500,000	\$500,000



Total Option 1 CPFF +GUCs	\$6,595,816
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2. Additional line item structuring:

As shown in the examples below, the line item description in GLAAS can be expanded to provide more structure while retaining the flexibility to adapt to changes during the award administration. Here is an example of line items with expanded description under a supply contract and a corresponding screenshot from GLAAS:

Item No	Supplies/Services (Description)	Quantity	Unit	Unit Price	Amount
0001	Office Furniture Standard Setup (See attachment J.1 for specifications) 3 desk chairs 2 desks 2 filing cabinets 1 book shelf	10	LOT	\$3,500	35,000
0002	Office Furniture Executive Setup (See attachment J.2 for specifications) 3 desk chairs 2 desks 2 filing cabinets 1 book shelf 1 Sofa 1 Round table	2	LOT	\$7,500	15,000

The most common information about the item is entered in this General section. Fields marked with a red asterisk are required but are available in the upper right corner of this section. To hide this guidance text, select Hide Guidance to the left of the Spell Ch

Item Number: \* 1  
 Sub Item Number:  
 User Product Code:

! Description - Public Information Only - No PII or information that could jeopardize personal safety of recipients or beneficiaries:

Office Furniture Standard Setup (See attachment J.1 for specifications)  
 3 desk chairs  
 2 desks  
 2 filing cabinets  
 1 book shelf

Number of characters left: 31,870

Supplies or Services: Supplies  
 Type of Supply: Real Property  
 Picture/Specifications: Attach  
 Accountable Property:   
 Require First Article Testing:   
 Print Detail:   
 Line Item Type:  
 Solicitation Number: (None)

Qualifier: By Quantity  
 Award Type: Firm-fixed-price  
 Quantity: 10  
 Unit of Issue: LO Lot  
 Unit Price: 3,500.00  
 Amount: 35,000.00  
 Total Item Amount: 35,000.00

The examples below demonstrate how expanding the line item description (vs establishing separate line items) can ease contract administration, as fewer contract modifications may be necessary to account for performance and other changes. However, this option does not offer the same level of detail at the disbursement level. Specifically, when the AIDAR clause 752.7003, Documentation for Payment applies, the contractor will invoice by line item for products or services provided. Amounts spent by the categories included in the line item description would be consolidated into a total for the line item. Please see the examples below for more details.

Example 1, with an expanded line item description under a services contract:

Item No	Supplies/Services (Description)	Quantity	Unit	Unit Price	Amount
0001	Base - Agricultural services CPFF Capacity building of private service providers (\$5mln); Strengthen linkages b/n research institutions and value chain stakeholders (\$3mln); Leveraging resources from private sector (\$2mln).	1	LOT	\$10,000,000	\$10,000,000
Estimated Cost				\$10,000,000	\$10,000,000
Fixed Fee				\$400,000.00	\$400,000
Total Estimated Cost + Fee				\$10,400,000	\$10,400,000
1001	Option 1 - Agricultural services CPFF Capacity building of private service providers (\$5mln); Strengthen linkages b/n research institutions and value chain stakeholders (\$3 mln); Leveraging resources from private sector ( \$2mln).	1	LOT	\$10,000,000	\$10,000,000
Estimated Cost				\$10,000,000	\$10,000,000
Fixed Fee				\$400,000	\$400,000
Total Estimated Cost + Fee				\$10,400,000	\$10,400,000
0002	Base - FFP Routine Maintenance and repair services per Sections C and J.2	12	months	\$1,300,000	\$15,600,000
1002	Option 1 - FFP Routine Maintenance and repair services per Sections C and J.2	12	months	\$1,300,000	\$15,600,000
Total					\$20,831,200

In the example above, per the AIDAR clause 752.7003, the amounts spent on “capacity building,” to “strengthen linkages” and “leverage resources” will be billed as one amount. For example, if during the current disbursement period (Option 1) the contractor spent \$20,000 on “capacity building” activities, \$20,000 to “strengthen linkages” and \$13,000 on activities “leveraging resources”, the invoice amount will show the total of \$53,000 for the Option 1 of the “Agricultural Services” line item, as shown below:

Line item No	Description	Amount vouchered to date	Amount vouchered this period
0001	Base - Agricultural services CPFF	10,000,000	0
0002	Base - FFP Routine Maintenance and repair services per Sections C and J.2	15,600,000	0
1001	Option 1 - Agricultural services CPFF	100,000	53,000
1002	Option 1 - FFP Routine Maintenance and repair services per Sections C and J.2	2,600,000	1,300,000

Example 2: More detailed line item structure that offers better accountability:

Item No	Supplies/Services (Description)	Quantity	Unit	Unit Price	Amount
0001	Infectious-disease outbreak - Ebola DRC	1	LOT	\$5,000,000	\$5,000,000
Estimated Cost				\$5,000,000	\$5,000,000
Fixed Fee				\$250,000	\$250,000
Total Estimated Cost + Fee				\$5,250,000	\$5,250,000
0002	Infectious-disease outbreak - Ebola Uganda	1	LOT	\$3,000,000	\$3,000,000
Estimated Cost				\$3,000,000	\$3,000,000
Fixed Fee				\$150,000	\$150,000
Total Estimated Cost + Fee				\$3,150,000	\$3,150,000
0003	Infectious-disease outbreak - Ebola Liberia	1	LOT	\$5,000,000	\$5,000,000
Estimated Cost				\$5,000,000	\$5,000,000
Fixed Fee				\$250,000	\$250,000
Total Estimated Cost + Fee				\$5,250,000	\$5,250,000
Total					\$13,650,000

The contractor reporting under this scenario will be as follows:

Line item No	Description	Amt. vouchered to date	Amt. vouchered this period
0001	Infectious-disease outbreak - Ebola DRC	\$3,545,123	\$45,678
0002	Infectious-disease outbreak - Ebola Uganda	\$1,564,566	\$31,211
0003	Infectious-disease outbreak - Ebola Liberia	\$3,056,789	\$76,819

**D. Other considerations:**

Per FAR 4.1005-1(d), when certain terms and conditions do not apply to the whole award, the applicable sections of the contract (e.g., certain clauses or payment instructions) must specify applicability to individual line items. For example, Section B of a hybrid contract must identify the contract type for each contract line item to facilitate appropriate payment.

**E. Contract Modifications:**

Per FAR 4.1006, when a new item (such as an increased quantity) is added to an award, a new line item number must be assigned. There is no need to add a new line item when incrementally funding an award or when there is no change in the quantity, total estimated cost, or period of performance of a line item.

Note: A new line item can have the same description as the existing one. For example, if line item 0003 is "GUCs" and this line item is being increased in a contract modification, the new line item 0006 can have the same description, in this case also "GUCs." When the new item relates to an existing line item, remember to refer to that item in the contract modification.

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