



THE PROMISE OF WARRANTIES

Enforcing DFARS 48 CFR § 246.710.3, 252.246-7005 and 252.246-7006

Warranty Tracking of Serialized Items

COMPONENT ACTIONS REQUIRED

- Upload warranty data to EDA in electronic format
- Update instructions to meet regulations
- Educate acquisition team
- Monitor compliance
- Provide feedback for process improvement



WARRANTY PERFORMANCE SAVES \$\$

BUT

YOU HAVE TO SEE IT TO SAVE IT

MILLIONS LOST

Section 794 of the Defense Appropriations Act of 1984, Title 10 U.S.C. Section 2403, made weapon system warranties mandatory only to be repealed in 1998 after a Government Accounting Office (GAO) Report in 1996 showed that the return on investment was 5 cents for every dollar. Current regulation, FAR Subpart 46.703, requires Contracting Officers to consider a number of factors when determining if a warranty is appropriate and document that decision.

In a July 2004 Air Force audit \$46M in purchased extended warranties were identified without the ability to track for use and \$2.6M in reparable assets were sitting in a Defense Logistics Agency warehouse with questionable warranty status.

NEW TECHNOLOGY, NEW REGULATION

DFARS 252.246-7005, Notice of Warranty Tracking of Serialized Items, when the government does not specify the warranty.

DFARS 252.246-7006, Warranty Tracking of Serialized Items, when the government specifies the warranty requirements in the solicitation.

The advent of Item Unique Identifiers (IUIDs) introduced the ability to track systems with greater accuracy. The Regulations standardized requirements to collect specific warranty data.

First published to the Federal Register in 2011 and revised in 2016.

Making the invisible, visible.

Two machine readable, fillable Adobe portable document format (PDF) forms:

1. Warranty Tracking Information
2. Warranty Source of Repair Instructions

Found on the Navy Product Data Reporting and Evaluation Program (PDREP) site, hosted by Naval Sea Logistics Center, Portsmouth, NH. Uploaded to EDA or WAWF for data extraction and stored in PDREP.

Making the invisible, usable.

PDREP data is searchable and links the data to their Product Quality Deficiency Report (PQDR) module to alert users if there is warranty data associated with the Unique Item Identifier submitted.

Warranty utilization rates can provide the government with supplier quality feedback.



It all starts with the data.

\$\$ MATTERS

“...To some degree, if you spend too much time worrying about new construction but you don't worry about maintenance, then you're not maximizing that investment. If all you are doing is worrying about maintenance and not tracking the costs and trying to drive that cost down, you won't have money to modernize and build new things. (James Geurts, ASN (RD&A))” Burgess, Richard. “In and Out on Time: Navy Tackles Maintenance Backlog with New Initiatives in Contracting and at Shipyards”, SEAPOWER 30 Oct. 2019 < <https://seapowermagazine.org/in-and-out-on-time-navy-tackles-maintenance-backlog-with-new-initiatives-in-contracting-and-at-shipyards/>

THE PROMISE

Warranties hold the promise of maximizing the government's investment by:

- protecting the efficacy of that investment
- recovering costs for materiel repairs or replacements
- appropriately allocating liability to the supplier when covered systems fail
- confirming the cost effectiveness and adjusting future purchases as necessary



Currently data is not being uploaded to EDA.

It is not flowing to PDREP.

It is not visible, searchable or usable.

Status of Component Instructions

Air Force – AFMCI20-102_AFSCSUP 28 JUNE 2017, Requirements Definition and Purchase Instrument Development; 7.62. Warranty Application or Plan

Army – AR 700–139 2 FEBRUARY 2015, Logistics, Army Warranty Program (Revision expected Sep 2020)

DLA – ?

Navy: Marine Corps – ?

Navy: NAVSEA – ?

Navy: NAVAIR – ?

SENSE OF URGENCY

“Reforming the department to free up time, money, and manpower is not optional — it is a strategic imperative if we are to modernize the joint force and improve its readiness and lethality. (Defense Secretary Mark Esper referring to 2020 DoD-wide cost-cutting exercise.)” Serbu, Jared. “**Esper gives Pentagon new set of marching orders to cut lower-priority spending.**” Federal News Network 9 Jan. 2020 < <https://federalnewsnetwork.com/defense-main/2020/01/esper-gives-pentagon-new-set-of-marching-orders-to-cut-lower-priority-spending/>

ROLES & RESPONSIBILITIES

IAW DoD WARRANTY GUIDE 2009

Program Managers

Determine value, suitability and cost effectiveness, responsible for planning & selection of warranty team, specify warranty type, terms and duration, reassess throughout acquisition cycle.

Warranty Manager

Integrate using and acquisition commands performance, operational & support requirements through planning and contract development. Manage, track and administer the specific contractual warranty,

Warranty Team

Prepare the warranty plan, coordinate warranty plan with all parties (acquisition, sustainment & using commands, contracting administration office and contractor).

ROLES & RESPONSIBILITIES

IAW DoD WARRANTY GUIDE 2009

Using Command/Agencies

Participate in warranty planning efforts, identify responsible party(s) and concur methodology for administering the warranty & tracking is useable, enforceable and cost effective. (PQDR process)

Contracting Officer Representatives

Participate in warranty planning efforts, adjudicate and negotiate warranty issues and assist Program Manager with warranty tracking.

Contracting Officer

Communicate the intent and specifics of the planned warranty, document the decision to purchase, pursue coverage through RFI/RFP, gather data in solicitation about commercial warranties, confirm user & maintenance agency PQDR & warranty data link, ensure complete required information for warranted items and ensure WTI & SORI attachments are completed and uploaded to EDA.

ROLES & RESPONSIBILITIES

IAW DoD WARRANTY GUIDE 2009

Industry / Contractors

Provide the warranty, submit data in solicitations about commercial warranties, complete required information in the WTI and SORI attachments and provide warranty reporting as required.

PDREP – Warranty Database

Allow retrieval of WTI & SORI attachments, conversion of spreadsheet format into interactive PDF, collection, storage and retrieval of warranty data.

PIEE Users (WAWF, EDA & SPM)

Upload WTI and SORI interactive PDF attachments.

DoD

Monitor and enforce capture and sharing of warranty data.



Your involvement,
your data,
is important.

Thank you.

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