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Update of the Navy Contract Writing Guide Phase III

30 June 2005

by

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UPDATE OF THE NAVY
CONTRACT WRITING GUIDE PHASE III

ABSTRACT

The purpose of this MBA Project is the finalization and completed comprehensive update of the Navy Contract Writing Guide that focuses on payment problems and issues throughout the United States Navy. The project was conducted with the sponsorship and assistance of the Office of the Assistant Secretary of the Navy for Research, Development, and Acquisition. The now out of date guide was originally written in 1996 in an effort to reduce problem disbursements as related to contract wording and organization. Since then it has been updated in 2003 and again in 2004 in an effort to provide organization and clear and concise solutions to current contract issues. Extensive research, incorporating interviews, and websites, was employed to make the guide relevant in today's acquisition environment. It has been reorganized to address and be in alignment with the best practices of current contracting organizations. The guide was made more "user friendly" by the use of checklists and hyperlinks to references used throughout the guide. Additionally, outside research conducted on contract deficiencies (i.e., contract errors) is incorporated into the guide.

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NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

MBA PROFESSIONAL REPORT

Update of the Navy Contract Writing Guide Phase III

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Jose L. Sanchez and
Leslie S. Beltz

June 2005

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EXECUTIVE SUMMARY

The purpose of this MBA Project is to provide a comprehensive update of the Navy Contract Writing Guide that focuses on payment problems and issues in the United States Navy. The project was conducted with the sponsorship and assistance of the Office of the Assistant Secretary of the Navy for Research, Development, and Acquisition. The first version of the guide was written in 1996 in an effort to reduce problem disbursements as related to contract wording and organization. In an effort to make the guide more "user friendly" and applicable, the Office of the Assistant Secretary of the Navy for Research, Development, and Acquisition proposed a three phase update to the guide beginning in December 2003. The first phase focused on reorganization of the guide. The second phase focused on improving the content and value of the guide by adding a payment section, addressing current contract writing issues (as observed from Defense Finance Accounting Service - DFAS and Defense Contract Management Agency - DCMA), and re-emphasizing various regulatory clauses that have not been consistently followed in the writing of contracts. Additionally, the guide was organized to address new issues and solutions in the same order in which the forms used by contracting officers and administrators have them listed. The final phase of the update focused on completing the guide, while continuing to improve the organization, applicability, and providing a tool to help avoid common mistakes within the Department of the Navy by comparing and aligning the guide to practices already in place by the largest contracting activities. Extensive research, discussions with working groups, coordination with key acquisition activities, incorporating interviews, websites, periodicals, and texts, were employed to make this update current.

In addition an extensive scrub of all regulations was conducted to ensure the most recent guidance had been applied. The research continually highlighted new issues, but confirmed that old issues had not been resolved since the original distribution of the guide. Individuals new to Naval contracting or those who have decades of experience will find the information provided useful to the efficient and effective writing and administration of government contracts.

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I. BACKGROUND

> Contracting officers are responsible for ensuring performance of all necessary actions for effective contracting, ensuring compliance with the terms of the contract, and safeguarding the interests of the United States in its contractual relationships. In order to perform these responsibilities, contracting officers should be allowed wide latitude to exercise business judgment.[1]

Additionally, according to the Federal Acquisition Regulation (FAR) performance standards, the Federal Acquisition System will minimize administrative operating costs.[2] In keeping with these guiding principles and responsibilities stated by the FAR, the contracting officer must ensure that contracts are written clearly and concisely in order to facilitate their administration and payment.

The Defense Finance Accounting Service-Columbus (DFAS-Columbus) is responsible for the payment of all Defense Contract Management Agency (DCMA) monitored contracts. In an audit of DFAS-Columbus, the Department of Defense Inspector General (DODIG)[3] reported that during October 1994 to September 1995, the value of overdisbursed contracts increased from $1.19 billion to $1.59 billion and the number of contracts overdisbursed increased from 2,629 contracts to 3,029 during the same period. As a result, program offices, contracting offices, and DFAS are expending significant amounts of time, and program dollars on contracted support to fix payment problems and reconcile problem disbursements.

Problem disbursements include overpayments, violation of the "prompt payment" act (contractors are paid late due to improperly written contracts and/or billing documents submitted incorrectly), or any issue that causes DFAS to withhold payments.

In an effort to improve the contract closeout process and reduce problem disbursements, the Department of Navy published a contract writing guide. The Navy

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1 Federal Acquisition Regulation, 1.602-2

2 Federal Acquisition Regulation, 1.102(b)

3 Overdisbursed and Unreconciled Contracts… 4 Jun. 1996

Contract Writing Guide (NCWG), originally distributed in 1996, was not intended to be directive in nature, but rather to be used as a reference by contracting professionals when writing contracts. In 1999, the DODIG submitted a report that showed that between June 1996 and June 1998 problem disbursements at DFAS-Columbus decreased from $13 billion to $11.1 billion, a fifteen percent decrease. While the NCWG may have contributed to the decrease, problem disbursements and contract closeout problems still exist.

After the release of the first version in 1996 of the NCWG, numerous General Accounting Office (GAO) reports have continued to report on the problems that exist within the Department of Defense. In February and April 1997 in a study conducted at DFAS-Columbus, the GAO reported[4] that there were three major factors contributing to payment processing problems: (1) nonintegrated computer systems often require data to be entered manually; (2) multiple documents must be matched before contractors are paid; (3) payments are allocated among numerous accounting classifications. The GAO also stated that other factors that contributed to payment problems were the complexity of contracting requirements for major weapons systems.

In August 2003, the GAO submitted a report that highlighted the continued payment problems at DFAS Columbus.[5] The GAO reported that in an analysis of two major weapons system contracts, $1 of every $4 in contract payment actions was for adjustments to contracts. The GAO reported that the adjustments were due to complex payment instructions as a result of (1) legal and DOD requirements to track and report on the funds used to finance the contract; (2) substantial number of contract modifications that added goods and/or services; and (3) different pricing provisions for goods and services. Based on this report, it was clear that the NCWG needed to be updated to address this issue. DFAS reports all contract discrepancies to the contracting office on the DD1716 form. This form identifies the discrepancy and the action to be taken by the

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4 Contract Management… GAO Report GAO/NSIAD-97-37
Defense Contract Management… GAO Report GAO/HR-97-4

5 GAO Report GAO-03-727

contracting office. In the monthly report in March 2004[6], DFAS reported 269 outstanding DD1716s for the Department of the Navy. This comprised 31 percent of all DD1716s at DFAS-Columbus. DFAS reported that the top five Navy deficiencies through March 2004, which accounted for 59 percent of Navy's total, were:

1. Long line of accounting invalid (28%).
2. Contract and supporting documents are late (10%).
3. Contract Line Item Numbers (CLINS) and Sub Contract Line Item Numbers (SLIN) not structured in accordance with regulations (10%).
4. Contract and supporting documents missing pages (6%).
5. Contractor name/address conflicts with CAGE data (6%).

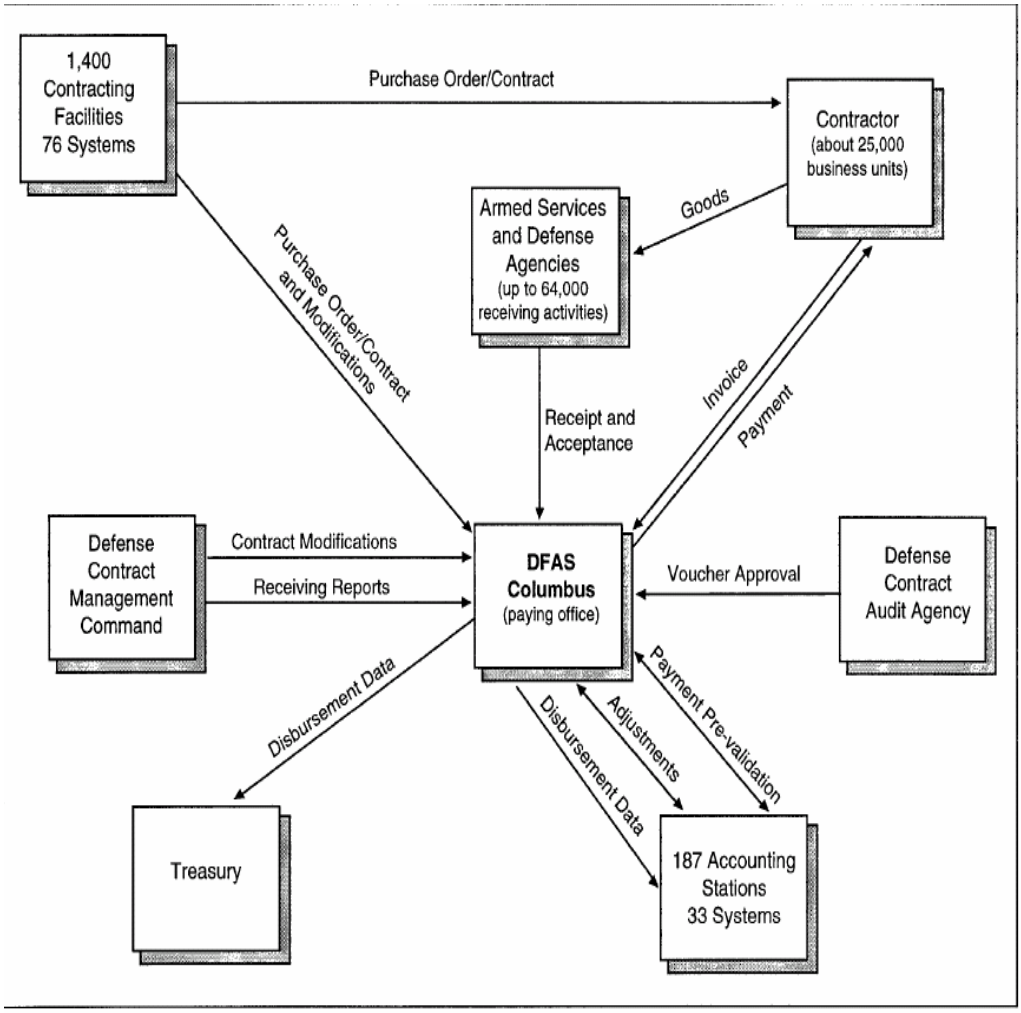
A more detailed analysis of the contract deficiencies was conducted in conjunction with this final update to the NCWG.[7] This analysis examined the period from 1 January 2004 until 21 October 2004 and the findings were very similar and were as follows:

1. Long line of accounting invalid (27%).
2. Contract and supporting documents are late (13%).
3. Contract Line Item Numbers (CLINS) and Sub Contract Line Item Numbers (SUBCLINS) not structured in accordance with regulations (8%).
4. Contractor name/address conflicts with CAGE data (5%).
5. Contract and supporting documents missing pages (4%).

These deficiencies are representative of the reasons payment and contract closeout problems exist at DFAS. As highlighted in numerous GAO and DODIG reports, the complex process created due to nonintegrated computer systems is illustrated in Figure 1. As shown in Figure 1, many of the inputs to DFAS Columbus come from Defense contracting and accounting activities. Due to the inability of computer systems to interface, many of these inputs are entered manually creating a possibility for input errors.

6 DFAS March 2004 Report

7 Naval Postgraduate School MBA Professional Project, Kevin Schlegel, December 2004



Source: GAO.

Figure 1. Contract Administration Process From: GAO

In December 1998, the Under Secretary of Defense issued Department of Defense Reform Initiative Directive #47 – End to End Procurement Process (DRID #47).[8] It directed the formation of a Department of Defense (DOD) Working Integrated Process Team (WIPT). The WIPT was tasked to develop an end-to-end contract payment process model which resulted in the creation of the Defense Procurement Payment System (DPPS) and was designed to address the problems associated with nonintegration of the various systems. The DPPS was to interface with the Standard Procurement System (SPS) and replace the Mechanization of Contract Administration Services

8 DRID #47

(MOCAS) system. SPS is used by contracting offices for the input of contracts. MOCAS is used by DFAS-Columbus to compute contractor payments, by vendors to view status of their invoice processing, and by DCMA to maintain contract administration and payment data on its contracts. The one major flaw with MOCAS is invoice data must be entered manually, which can lead to inputting errors and eventually problem disbursements.

However, in April 2003, the Department of Defense cancelled the implementation of DPPS citing schedule problems. With the cancellation of DPPS, the integration will be delayed until a new system can be developed. In February 2003, the Under Secretary of Defense Acquisitions, Technology and Logistics issued a memorandum for the implementation of WAWF (Wide Area Work Flow).[9] In March 2003 DFARS clause 252.232-7003 electronic submission of payment request was written paving the way for WAWF to move forward. It is a web-enabled application that allows Government contractors to create and send electronic receiving reports and/or invoices to Government inspectors/acceptors for approval. Figure 2 shows how WAWF works. Using the system reduces paperwork and the time associated with it. Acceptance to payment cycle time averages are reduced from 10 days to 20 hours in the distribution process, 27 days to 23 days in the DFAS process and 23 days to 23 minutes with regards to misrouted documents. This timesavings translates into $5.2 million for CY03 through DFAS electronic vs. non-electronic billing rate, elimination of manual entry of invoices by DFAS and Prompt Payment Act interest avoidance.[10] The main advantage of WAWF is in the administration of contracts with the elimination of manual entry of data reducing human errors. It also provides visibility to all concerned parties in an electronic format.

9 OSD Memorandum February 2003

10 WAWF presentation DCMA September 2004

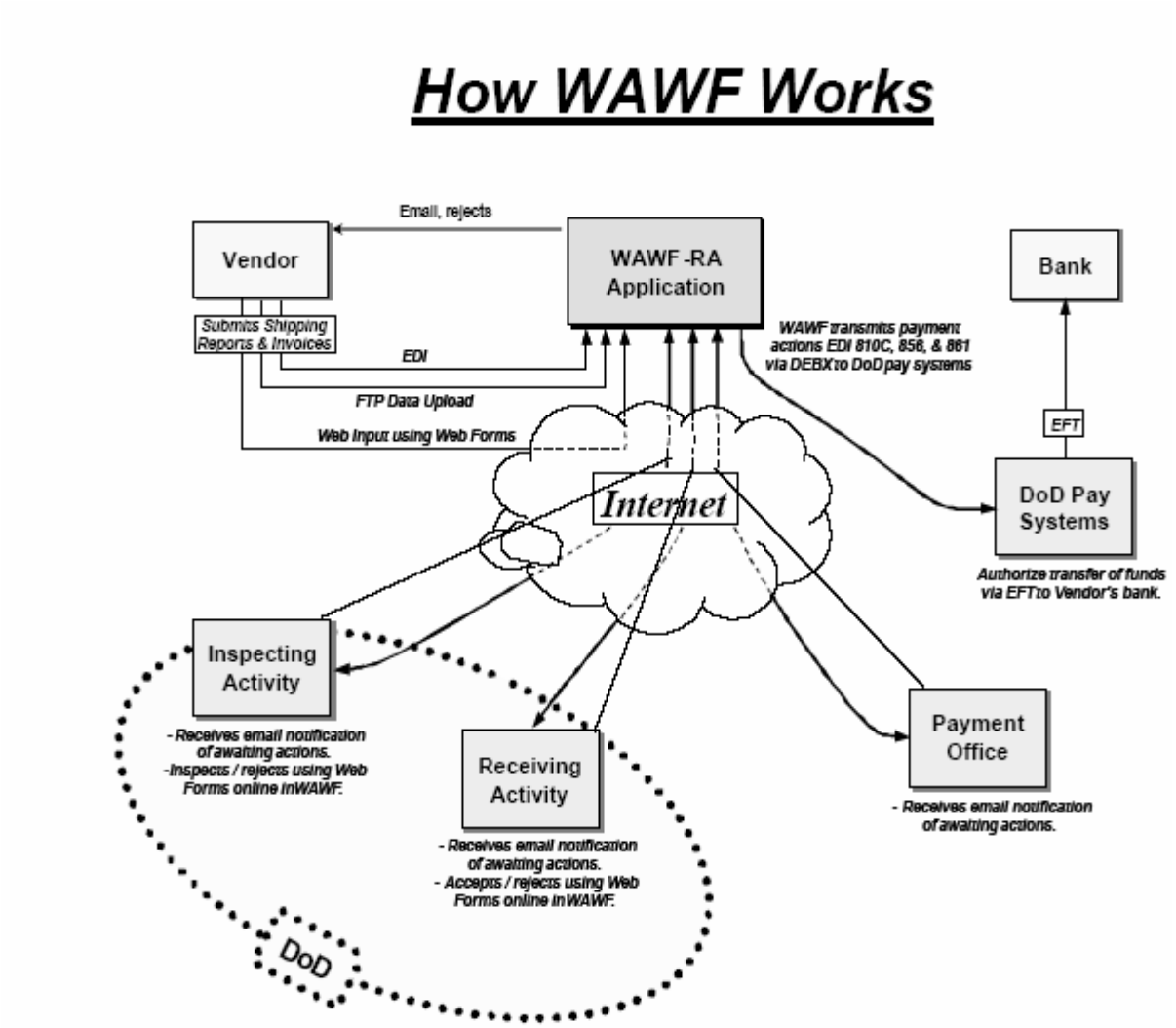


Figure 2. WAWF-RA Source: DCMA

Though contract administration has moved into an electronic arena the total elimination of problems that relate to the manual processing in the current system falls on the contracting office, which must be proactive in the contract writing process. The first edition of the NCWG has been proven to be an invaluable tool.

Since the inception of the first version of the NCWG, numerous regulations and laws have changed in the acquisition community. The NCWG, while a valuable tool in the acquisition process, was outdated and provided solutions that were no longer applicable or correct. This revision not only updates regulatory and legal issues, but also reorganizes the guide in a more presentable format for the contracting professional. This

final version of the NCWG has been formatted to allow the contracting professional to quickly use as a reference while writing a contract. This should promote an even more widespread use of the guide and result in contracts that are easily understood and paid by DFAS.

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II. RESEARCH METHODS

A. OBJECTIVE

The overarching goal of this project is to complete a thorough update of the Navy Contract Writing Guide to better aide those individuals who write and administer contracts daily. To help these contracting professionals, a significant amount of time has been spent researching those issues, problems, and concerns that are most prevalent today. Our research concentrated on those issues that have been identified by the Defense Finance and Accounting Service (DFAS), Defense Contract Management Agency (DCMA), and Assistant Secretary of the Navy for Research, Development and Acquisition (ASN(RD&A)) as crucial to successful contracting in the Navy and throughout the Department of Defense. This includes factors that have already been addressed in the previous versions of the guide but still remain as problems, and new issues that have been identified as technological advancements that have changed the way in which contracting is done. The benefits resulting from well-written contracts cannot be overemphasized, as this aspect of the military directly correlates to the success of the warfighter. It is with the warfighter in mind that this research has been conducted. Well-written contracts can be executed more efficiently, helping to keep programs on target with regard to cost, schedule, and performance. This project will provide the reader with an understanding of the scope of this undertaking in addition to a reorganized and updated guide.

B. RESEARCH QUESTIONS

1. Primary Research Question

The primary research question shaping the outcome of this project was: What are the current payment and financial issues that need to be addressed in the NCWG? This broad question provided the latitude needed to update the guide with more relevant information and issues. Using a variety of research methods, data was collected that aided in effectively addressing issues that plague contracting personnel.

2. Secondary Research Questions

Several secondary research questions were identified at the outset of the project to address several smaller, but still important issues. These questions are:

In what way can the NCWG be better organized, in an effort to increase its use by contracting personnel?

What information contained in the guide is out of date and needs to be removed?

What are some general lessons learned during the update of the guide that would be important to convey to future users?

How can updating the NCWG, and the knowledge gained from that process contribute to the contracting that takes place in other services and other departments of the federal government?

C. SCOPE AND ORGANIZATION

This project was conceived with the intention of completely updating the Navy Contract Writing Guide (NCWG). It is with this overarching goal in mind that the scope of the project is defined. In fact, the scope of this project is identified in the title with the word *update*. To the reader, this should mean that the guide will retain the majority of the information that it originally contained. The changes made as result of the work performed will include: 1) an organization that mirrors that of the forms used by contracting professionals; 2) removal of information that has been overcome by events, or has been determined to provide no value; 3) addition of information that has been necessitated by technological advances; 4) addition of hyperlink to ease the navigation throughout the electronic version of the NCWG and to applicable tools and references; 5) and addition of information that has been identified as important by defense finance contracting professionals.

The organization of this project follows the progression of the work completed. Using several chapters and one attachment, the reader will be able to gain an appreciation for the research conducted, the determinations and findings based on this data, and finally see the changes recommended by referencing the updated version of the NCWG.

This project is intended for readers of all experience levels. Assuming little background knowledge, but also writing for those who have a very broad background in

government contracting, this project should bring a wide variety of individuals to a common understanding and knowledge level regarding the writing of contracts in the U.S. Navy.

An introduction to the project will be found in Chapter I. This provides the reader an overview to the project detailing the research performed and the information conveyed.

In Chapter II, the reader will be provided with a greater understanding of the research objective, scope, and methodology that was employed in the completion of this project.

Chapter III will provide the reader with recommendations for future action to be taken on any future rewrites of the NCWG. Further, based on the research conducted, conclusions will be drawn about how to better write and administer government contracts. When the entire process is complete, the Navy Contract Writing Guide should become an indispensable item on every contracting professional's desk.

D. METHODOLOGY

The following steps comprised the methodology used to complete this project:

1. Extensive literature research consisting of Internet sources, periodicals, briefing slides, government publications, and other information obtained from the library such as various GAO reports.
2. Conducted comprehensive interviews in person and via e-mail with several individuals representing a cross-section of the Navy and Department of Defense contracting professional community.
3. Consolidated all of the data acquired, the analysis conducted, and contracting and acquisition principles to form well-reasoned recommendations and conclusions in addition to a completely updated guide.

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III. FINDINGS AND RECOMMENDATIONS

A. THE GUIDE

Numerous GAO reports published since the initial 1996 writing of the Navy Contract Writing Guide (NCWG) have reported continual payment problems experienced by personnel at Defense Finance and Accounting Service – Columbus (DFAS). In response to the primary research question, "What are the current issues that need to be addressed," the following recurring problems were identified: (1) nonintegrated computer systems often require data to be entered manually; (2) multiple documents must be matched before contractors are paid; (3) payments are allocated incorrectly among numerous accounting classifications.

In developing this update to the NCWG, research focused on the latter two problems identified by the GAO. The first problem, dealing with nonintegrated computer systems, is not an issue that can be resolved with a contract writing guide. However, this issue does affect the outcome of poorly written contracts due to the lack of automation resulting in an increased human element within the process.

The second issue addressing matching multiple documents was an issue addressed in the first writing of the NCWG. This involves matching the correct CLINS/SLINS with the appropriate accounting data. In response to inquiries, DFAS personnel provided examples of contracts that were not in the correct format and required DFAS personnel to consume an enormous amount of labor to match documents within the contract. The FAR and DFARS provide adequate instruction on the proper contract format. This format, if used, can easily correct any discrepancies or differences between DFAS and contracting professionals. Local contracting offices often develop their own standard operating procedures (SOP) in writing contracts. However, there is a risk that these SOPs may contradict regulations or neglect the potential adverse affects on the payment and closeout processes.

The allocation of payments among numerous accounting classifications is another issue that was addressed in the first NCWG. Numerous GAO reports and responses from

DFAS still show that contracting offices continue to allocate in this manner. Regulations specifically state that each CLIN/SLIN will be allocated to only one ACRN. Additionally, the allocation must be stated clearly and concisely. However, payment problems still arise as a result of incorrect allocation of payments.

The implementation of an Electronic Data Access system will address many of the issues related to payment problems. However, with the cancellation of DPPS, it is imperative that contracting professionals proactively work with DFAS to write clear and concise contracts to facilitate timely payment and closeout.

In its initial version (1996), the NCWG appeared to be constructed at random. Issues, problems and their corresponding solutions were grouped according to the type of problem, not the order in which a contracting officer or administrator might encounter them. The guide was made more complex by a myriad of other format issues, all of which needed to be addressed in order to make the guide more user friendly. The first update (December 2003) highlighted the existing deficiencies and naturally brought forth a method of organization that would greatly assist contracting professionals in their use of the guide. The second update (June 2004) further simplified the organization of the guide and added valuable content in the areas of payment instructions and DFAS and DCMA contract writing issues.

Additionally, all government forms frequently used when writing contracts were added to the guide with information on when to use each form. It is the nature of government forms to label each block in which action may be required. Using the numbering of the blocks as an outline, the June 2004 version of the NCWG directly mirrors the layout of the forms. Additionally, other contracting forms that are not as frequently used are also detailed in the guide.

Many of the issues identified in the original guide are still pertinent to the writing of contracts today. Old and new issues alike were then organized based on their relationship to the information blocks on the government forms. In some cases an issue would apply to both documents and/or more than one block in the same document. In such cases the issues were cross referenced to the issues section of the guide under each

block to make the guide easier to use – allowing the user to continue with the instructions for filling out each block. The intention of the new layout of the guide is that one can easily follow along, block-by-block and issue-by-issue, while filling out one of the required forms.

B. COMMUNICATION

Communication is a term that, many times, is overused when discussing organizational behavior. Research into contract writing and administration problems led to the finding that increased levels of communication between contracting officers and DFAS personnel would contribute greatly to facilitating the efficient administration of government contracts. Complaints from contract administrators almost always could be traced back to some form of miscommunication. The primary form of communication between contract writers and administrators is the written words that comprise the contract itself. Sometimes the clarity of the language used to detail the instructions contained in the contract is vague. This can easily lead to misunderstandings and difficulties for administrators. Further, the intent of the contracting officer needs to be adequately conveyed to all parties involved in the execution of the contract. This includes, but is not limited to government personnel, the contractor, and subcontractors. Occasionally, with large or complex contracts, it may be beneficial for the contracting officer to contact those who will be overseeing the administration of the contract. This one-on-one communication will help establish a professional relationship, allowing the contracting professionals to communicate any difficulties they may have *before* a major problem occurs.

C. REGULATIONS

In some instances the FAR is vague in its description or explanation of a specific clause. With this in mind, the June 2004 guide added valuable examples to various clauses to further explain the intent of the specific clause. The clauses selected were identified by DFAS and DCMA as the ones most often misunderstood or misinterpreted.

This was done in an effort to minimize or prevent inventive and creative acquisition and contracting practices that often resulted in problem disbursements to contractors. As stated earlier, the guiding principals of the FAR detail the responsibilities of the contracting officer. Included in these responsibilities is the duty to follow the regulations outlined in the FAR. With this in mind, all contracting personnel should remember that following FAR guidelines serves two parallel and equally important goals: (1) standardization throughout the acquisition community, and (2) minimization of errors and, in turn, the reduction of administrative burden placed on other acquisition professionals. Based on the time and workload demands placed on the contracting community, one can understand why frequent and clear communication may be difficult to achieve. It is because of this that FAR guidelines must be adhered to strictly. The FAR then provides the common language of the community, allowing individuals separated by great distances the luxury of understanding each other's contract actions clearly.

D. STANDARDIZATION

A great amount of flexibility has been given to contracting officers to write the best contract for the government and the contractor for a specific situation. With this said, some contracting offices begin to "speak their own language." Individuals are able to effectively communicate their intentions in a language that is unique to their situation. While this is good for the individual contracts written at that particular office, it may create problems for those personnel assigned to administer the contract from another location. Some of these local differences can be understood, as they may directly relate to the contract purpose, but other differences are only in place based on habit. Increased communication cannot remedy the problems caused by such habitual "mistakes" and/or deviations on the part of a particular contracting office. Rather, the contracting officers must refresh their knowledge of the regulations detailed in the FAR and DFARS in order to standardize their contracts with those written by others in their service. Not only will such efforts reduce problem disbursements, but they will also contribute to a reduced workload for individuals assigned to DFAS.

E. RECOMMENDATIONS

1. Future Research

Laws enacted by Congress govern the acquisition community and are constantly being updated to address new, pressing issues in the government. Such changes in the laws and regulations have a direct impact on the conduct of acquisitions and contracting in the government. While this revision of the Navy Contract Writing Guide (NCWG) is contemporary, there are already proposals passed within the Fiscal Year 2005 Defense Appropriations bill that will again alter the conduct of business. As stated earlier, the Defense Procurement Payment System (DPPS) was intended to automate the procurement process. The cancellation of this system will undoubtedly have a significant impact on the procurement payment function. The mandate of an Electronic Data Access (EDA) system will bring about another automated program with the intention of reducing or eliminating paperwork now required in the contracting process. The new Wide Area Work Flow (WAWF) initiative will take the place of DPPS and add even more change.

In light of the expected changes and the constantly evolving environment, continued research and revision of the NCWG is necessary. In order to keep contracting professionals aware of the impact their actions can have on Defense Finance and Accounting Service (DFAS) personnel, it is recommended that the NCWG be reviewed and revised on a consistent basis. Such updates will not only keep the NCWG current, but also ensure that it remains a useful, relevant document to facilitate effective contract writing and management.

2. Joint Applicability

Interoperability and joint endeavors are the future of the Department of Defense. The Navy Contract Writing Guide (NCWG) should be no exception. While it is important to provide Navy specific guidance to resolve particular problems and issues, further research could be conducted to determine what translates to other services. This guide should be analyzed to find 'best practices' universally applicable to different agencies. Additional research would also be required to discover contracting problems that other agencies encounter. These discoveries could lead to a more comprehensive and

joint contract writing guide as well as the possibility of resolving the problem of one agency with a commonly used practice from another.

3. General Recommendations

The Defense Finance and Accounting Service (DFAS) is comprised of accounting and finance professionals with little or no experience in the intricacies associated with the acquisition of products or services for the government. Additionally, contracting offices are comprised of contracting professionals with little or no financial or accounting experience. Therefore, problems arise in the payment of contracts because there exists a lack of understanding and shared knowledge between both professional groups. When writing contracts, particularly the payment instructions, contracting professionals should assume that DFAS personnel have no knowledge of the contracting process. If this assumption is made, the contract language will be simpler and easier to understand. Moreover, DFAS personnel must assume that contracting professionals have no accounting experience. When making a judgment on payment of contract, DFAS personnel should not guess as to what the contracting office is instructing. In order to prevent further problems, clarification should be made before the disbursement of any government funds.

In order to bridge the gap between contracting professionals and DFAS personnel, seminars and conferences should be held that combine the two groups and allow for the discussion of professional issues, problems, and concerns. These meetings should not only be a chance to voice concerns, but also an educational experience whereby DFAS personnel can gain some insight into the contracting community and vice versa. Furthermore, attendance at introductory level schools for both or completion of web based courses should be encouraged by senior managers in an effort to increase the professional knowledge of their team. Both DFAS and contracting professionals share a common goal: to efficiently and effectively procure services and supplies for the men and women serving our country. A greater understanding of the challenges faced by their government acquisition counterparts, should streamline contract administration, payment, and closeout.

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THE NAVY CONTRACT WRITING GUIDEBOOK

June 2005

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THE CONTRACT WRITING GUIDE QUESTIONNAIRE

Comments on the usefulness of this publication are appreciated. Contracting officers, negotiators and contract administrators are particularly encouraged to provide their comments since we anticipate that they will be the primary users of the guide. Please fill out the following questionnaire and mail or fax it to: **ASN(RD&A)ABM, 1000 Navy Pentagon Washington, DC 20350-1000, (703) 602-4643 (fax)**

1.) Which sections of the guide did you find most helpful?

_____
_____
_____

2.) Which sections of the guide did you find least helpful?

_____
_____
_____

3.) Were there any areas that were omitted that you would like to see covered in future editions? If so, please list them._____

_____
_____
_____

4.) Were there any areas omitted that would clarify or reinforce current policies or practices regarding problem disbursements? If so, which ones?

_____
_____
_____

5.) How can this guide be improved?

_____
_____
_____
_____
_____
_____

6.) Other comments.

_____
_____
_____

* Please feel free to include any publication or reference material that could be used to improve or expand upon areas in this publication.

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BACKGROUND

In September 1996, the first edition of the Navy Contract Writing Guide was distributed to help contracting personnel structure contracts and modifications to avoid payment problems. These problems not only lead to problem disbursements, but also delay the contract closeout process.

Problem disbursements are divided into two major categories: (1) negative unliquidated obligations and (2) unmatched disbursements.

A negative unliquidated obligation (NULO) is basically the same as an overdrawn checking account. Contractor invoices are paid by DFAS Columbus and later, when they are posted by the DFAS accounting office to the Standard Accounting and Reporting System (STARS), the payments match an obligation but the cumulative disbursements exceed the obligation.

An unmatched disbursement (UMD) occurs when an invoice is paid by DFAS Columbus and does not match an obligation when it is posted to STARS. For example, if an invoice was paid at DFAS Columbus and the payment clerk made a typographical error on the accounting classification reference number (ACRN), the payment would not post in STARS.

From 1997 to 2003, the General Accounting Office (GAO) and Department of Defense Inspector General (DODIG) reported that problem disbursements continue to degrade the contract payment process and the contract closeout process. In May 2002, GAO reported that the primary reason for payment discrepancies was progress payment liquidation errors. Additionally, contract administration actions were the primary reason for the $488 million that contractors were overpaid in FY2001 and this trend was likely to continue because of the complex contract management and payment processes. (Ref: GAO-02-635)

In August 2003, GAO reported that during FY2002 DFAS Columbus showed that $1 of every $4 in contract payment transactions was for adjustments to previously recorded payments. DFAS Columbus reported that 35% of the $97 million spent on contract pay services was for research of payment allocation problems. Some of these problems were the result of errors in accounting for obligations and recording errors on contracts due to complex and changing payment instructions. (Ref: GAO-03-727)

DoD and the Department of Navy remain committed to improving the processes for contract payment and closeout. Working groups have been formed to develop standard methods on how to improve the processes for contract payment and contract closeout.

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INTRODUCTION

In December, 1992, and later in June 1993, the General Accounting Office (GAO) reported that the Navy's primary accounting system, the Standard Accounting and Reporting System (STARS), contained billions in unmatched disbursements which could possibly conceal violations of law, duplicate payments or fraudulent activity. (Ref: GAO/AIMD-95-7)

At that time, the original version of this Contract Writing Guide was designed, in large part, to instruct and educate contracting personnel on how to write contracts that prevent problem disbursements from occurring. Although this problem may appear to belong solely to the Defense Finance and Accounting Service (DFAS), the Navy's contracting community plays a significant role in stemming the tide of new problem disbursements and resolving existing problems.

There still exists a need for this guide and the information it provides. This version represents a comprehensive update. A reorganization of the guide, incorporating changes in the Federal Acquisition Regulation (FAR), the Defense Federal Acquisition Regulation Supplement (DFARS), and input from various federal and Navy organizations, has resulted in a more comprehensive guide that will be useful to contracting officers and administrators alike.

This guide was originally conceived with two intended purposes: (1) to reduce problem disbursements, and (2) to maintain consistency between Navy agencies. Problem disbursements are caused by a number of factors that have been occurring in contract formation, contract administration and the payment process for years. This guide's main objective is to improve our contract writing procedures so that future problem disbursements can be prevented.

Until a standard contract writing system is fully implemented and utilized in the Navy there will be a real need to write our contracts and modifications with some degree of consistency so that we prevent the occurrence of problem disbursements. A consistent contract format will allow DFAS to quickly enter contract data into Mechanization of Contract Administration Services (MOCAS) with a higher degree of accuracy.

Currently, DFAS payment technicians encounter many differences in Navy contracts that can be confusing. Although Navy contracts are generally written in a format consistent with DFARS and Navy Marine Corps Acquisition Regulation Supplement (NMCARS) requirements, there remain substantial differences among the various System Commands (SYSCOM). Since DFAS' payment technicians are untrained in contracting, they are unable to find certain payment related information if it is not in a consistent format.

Maintaining consistency in contract writing:

1) Reduces rework for Navy, Contract Administration Office (CAO), DFAS and contractor personnel
2) Reduces rejected DD Forms 250
3) Reduces late or erroneous shipments
4) Facilitates timely contract close-out.

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TERMS TO KNOW

Accounting Classification Reference Number - A two position alpha or alpha/numeric control code used as a method of relating the accounting classification citation to detailed line item information contained in the schedule.

Allocation - Assigning the obligated amount to Contract Line Item Numbers (CLIN)/ Supplemental Line Item Number (SLIN).

Automated Payment of Invoices (API) - An automated Mechanization of Contract Administration Services (MOCAS) process that calculates payment based on the unliquidated obligation amounts of contract's Accounting Classification Reference Numbers (ACRN). This is also known as proration or proportional payments.

Base Contract Administration Services (BCAS) - Supports the operational contracting community with its small purchase contract writing capability.

Bureau Voucher Notice (BVN) - Also goes by the name of interim vouchers or SF1034, *Public voucher for Purchases and Services Other Than Personal*. They are submitted to Defense Finance and Accounting Service (DFAS) for interim financing/payment on cost reimbursement contracts and for final payment when the service has been completed and accepted.

Central Contractor Registration (CCR) - A database that is the primary repository for contractor information. Entry into this database is required for contractors to conduct business with the Government. http://www.ccr.gov/

Closed Account - Funds no longer available for new obligations or available for disbursement. With the exception of Ship building and Construction Navy (SCN) funding, funds close five years after their period of availability for obligation purposes.

Commitment - Funds are committed in Standard Accounting and Reporting System (STARS) prior to obligation which occurs at the time of contract award. This term is used to describe an internal accounting procedure only. It should not be used in a contract.

Contract Line Item Number (CLIN) – Used to identify the separate items or services within a contract as delineated in DFARS 204.7103. They consist of four characteristics: a single unit price, separately identifiable, a separate delivery schedule and a single accounting classification citation.

Defense Contract Management Agency (DCMA) – The activity available for pre and post contract award services. These services include advice in the development of solicitations, identifying potential risks, monitor contractor performance and assist in contract closeout. http://www.dcma.mil/

Defense Finance and Accounting Service (DFAS) - The Activity responsible for accounting and payments for Department of Defense (DoD) services. DFAS - Columbus is the primary payment center for contracts that are administered by Defense Contract Management Agency (DCMA). All other contracts are paid locally at the installation's servicing DFAS site via a vendor pay system. http://www.dfas.mil/

Defense Procurement Payment System (DPPS) – A system which was to replace MOCAS but was terminated due to various factors.

Deobligation - Decreases the amount available for disbursement -- "Takes money off the contract".

Disbursement - The amount of funds paid out to a contractor.

Electronic Data Access (EDA) - An internet tool implemented by DFAS to allow on-line access to contracts and other documents. http://www.dfas.mil/ecedi/edstar/

Electronic Data Interchange (EDI) - The computer to computer exchange of routine business information in a standard format. The EDI transaction sets eliminate the need to re-enter critical contract data in the contract pay system and financial data in DFAS administered accounting systems.

Financial Management Regulation (FMR) - The DoD FMR is a compendium of financial management and payment information covering all aspects of military and civilian financial matters. http://www.dtic.mil/comptroller/fmr/

MOCAS - Mechanization of Contract Administration Services software. Defense Logistics Agency (DLA) uses it for contract administration and DFAS uses it for payments.

Navy Air Force Interface (NAFI) – An internet tool to store contracts and to perform workflow processes such as the DD 1716, Contract Deficiency Report, process. NAFI sends links to EDA so when a contract is in NAFI it will be visible in EDA. The Navy and Air Force require all activities to post their contracts into NAFI to facilitate the quick resolution of contract deficiencies.

Negative Unliquidated Obligation (NULO) - A NULO is basically the same as an overdrawn checking account. Contractor invoices are paid by DFAS Columbus and later, when they are posted by the DFAS accounting office to STARS, the payments match an obligation but the cumulative disbursements exceed the obligation.

Obligation - Amount authorized for disbursement -- "Puts the money on the contract."

Reallocation - Moving money from one CLIN/SLIN to another CLIN/SLIN.

Standard Procurement System (SPS) - The successor to the existing legacy contract writing systems and it is expected to consolidate such functions as electronic filing, creating electronic forms, and query capabilities in order to standardize the procurement process across the DoD..

STARS - Standard Accounting and Reporting System is the Navy's accounting and reporting system. STARS One-Pay, now known as One-Pay, is used only for bill paying whereas STARS HQ (Headquarters) and FL (Field Level) are accounting systems used for SYSCOM headquarters activities and field activities, respectively.

Supplemental Line Item Number (SLIN) – To provide flexibility to further identify elements within a contract line item for tracking performance or simplifying administration. There are only two kinds of SLINs: those which are informational in nature and those which consist of more than one item that requires separate identification.

Unliquidated Obligation (ULO) - Represents the unexpended funds on a contract.

Unmatched disbursement (UMD) - A UMD occurs when an invoice is paid by DFAS Columbus and does not match an obligation when it is posted to STARS.

Wide Area Work Flow (WAWF) - A web-enabled application that allows Government contractors to create and send electronic receiving reports and/or invoices to Government inspectors/acceptors for approval.

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ACRONYMS

ACO	Administrative Contracting Officer
ACRN	Accounting Classification Reference Number
API	Automated Payment of Invoices
ARO	After Receipt of Order
BCAS	Base Contract Administration Services
BOA	Basic Ordering Agreement
BVN	Bureau Voucher Numbers
CAGE	Commercial and Government Entity
CAO	Contract Administration Officer
CAS	Contract Administrative Services
CCR	Central Contractor Registration
CDRL	Contract Data Requirements Lists
CLIN	Contract Line Item Number
CMS	Contract Management System
COTS	Commercial Off The Shelf
CQA	Contract Quality Assurance
DAR	Defense Acquisition Regulation
DCMA	Defense Contract Management Agency (formerly DCMC)
DCMC	Defense Contract Management Command (currently DCMA)
DD	Defense Department
DFARS	Defense Federal Acquisition Regulations Supplement
DFAS	Defense Finance and Accounting Service
DID	Data Item Descriptions
DLA	Defense Logistics Agency
DLAM	Defense Logistics Agency Manual
DLIS	Defense Logistics Information System
DOC	Department of Commerce
DoD	Department of Defense
DODAAC	Department of Defense Activity Address Code
DODAAD	Department of Defense Activity Address Directory
DoN	Department of the Navy
DPAS	Defense Priority and Allocation System
DPPS	Defense Procurement Payment System
EDA	Electronic Data Access
EFT	Electronic Funds Transfer
EDI	Electronic Data Interchange
ELIN	Exhibit Line Item Number
FAD	Financial Accounting Data
FAR	Federal Acquisition Regulation
FMR	Financial Management Regulation
FMS	Foreign Military Sales
GAO	General Accounting Office
IDIQ	Indefinite Deliveries/Indefinite Quantities

ACRONYMS cont.

IPT	Integrated Product Team
LLACN	Long Line of Accounting Classification Number
LOA	Line of Accounting
LT	Letter of Transmittal
MAPAD	Military Assistance Program Address Directory
MBDS	Milestone Based Delivery Schedule
MILSCAP	Military Standard Contract Administration Procedures
MILSTRIP	Military Standard Requisitioning and Issue Procedures
MOCAS	Mechanization of Contract Administration Services
NAFI	Navy Air Force Interface
NAPS	Navy Acquisition Procedures Supplement
NATEC	Naval Air Technical Data & Services Command
NMCAG	Navy Marine Corps Acquisition Guide
NMCARS	Navy Marine Corps Acquisition Regulation Supplement
NDI	Non-Developmental Item
NSN	National Stock Number
NULO	Negative Unliquidated Obligation
OPLOC	Operating Location
OSD	Office of the Secretary of Defense
PAT	Process Action Team
PBP	Performance Based Payment
PCO	Procuring Contracting Officer
PIIN	Procurement Instrument Identification Number
POC	Point of Contact
PRON	Procurement Request Order Number
QA	Quality Assurance
R&D	Research and Development
SACN	Supplementary Accounting Classification Number
SB	Small Business
SDB	Small Disadvantaged Business
SF	Standard Form
SLIN	Supplemental Line Item Number
SPIIN	Supplementary Procurement Instrument Identification Number
SPS	Standard Procurement System
STARS	Standard Accounting and Reporting System
TAC	Transportation Accounting Classification
TCN	Transportation Code Number
TIN	Taxpayer Identification Number
UCF	Uniform Contract Format
ULO	Unliquidated Obligation
UMD	Unmatched Disbursement
WAWF	Wide Area Work Flow
WIP	Work In Progress

ABOUT THIS GUIDE

This guide was developed and organized for use by contracting professionals. It is organized to provide fundamental instructions in completing basic contracting forms block by block. Issues that relate to a specific section in the contract will list associated issues, problem statements, and recommended courses of action. Many issues pertain to more than one section and therefore will be found in all sections which it pertains.

The guide has been organized in this manner to allow the contracting professional to either follow along with the guide as the contract is written or for ease of finding issues related to a specific section of the contract or modification. Additionally, all acronyms have been condensed into one list for easy reference and a comprehensive website table has been included at the end. This guide is not directive in nature but intended to be a desktop reference to enhance the payment and contract closeout processes.

There are many internal and external links throughout the guide to help the user research related topics or issues. It is recommended that the user activate the Web toolbar in Microsoft® Word to make navigation between topics easier. This can be accomplished by clicking ‘View’ then ‘Toolbars’ and finally ‘Web’.

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CONTRACT FORMS

This section contains a listing of the more frequently used contract forms and a brief description of their purpose. Each form is hyperlinked to the respective section that contains a picture of the actual form and detailed block by block descriptions of how to complete each form.

A contracting office may procure goods or services through the use of one of the following legal instruments:

- Standard Form 26: Award/Contract
  - Shall be used in the award of new contracts although the SF 33, Solicitation, Offer and Award, is also authorized for award of new contracts and may be preferable for competitive awards.

- Standard Form 30: Amendment of Solicitation/Modification of Contract
  - Shall be used in the following situation:
    - Amending solicitations, whether advertised or negotiated.
    - Modifying purchase and delivery orders.
    - Modifying contracts (See FAR 53.243).**
    - Used in connection with novation and change of name agreements (See FAR 53.242-1).

****NOTE: The SF 30 is the only approved form for use in modifying contracts based on FAR 53.243.**

- Standard Form 33: Solicitation, Offer and Award
  - Can be used for solicitations, purchase and delivery orders, and contracts.

- Standard Form 1447: Solicitation/Contract
  - Shall be used for firm-fixed-price or fixed-price with economic price adjustment acquisitions of supplies and services; the contracting officer may use the simplified contract format in lieu of the uniform contract format.
  - SPS users cannot select this particular form but can choose to use the SF 1449 Solicitation/Contract/Order for Commercial Items

- Standard Form 1449: Solicitation/Contract/Order for Commercial Items
  - Shall be used for the purchase of commercial items or services.
  - This form must be used for commercial items expecting to exceed the simplified acquisition threshold and is highly encouraged for items below the threshold.

- Department of Defense 250: Material Inspection and Receiving Report
  - This is a government multipurpose report and shall be used for the

following:
    - The contractor's invoice for payment;
    - Acceptance of equipment/data by the Government (i.e. title transferred to the Government);
    - A packing list for shipping and receiving;
    - Evidence of Government quality inspection.
  - It is important that all items listed meet ALL acceptance criteria before signed therefore only the Procuring Contracting Officer (PCO) or Administrative Contracting Officer(ACO) may authorize acceptance of deficient items.
  - The contractor prepares this form and is responsible for distribution.
  - DD 250 acceptance authority (signer) is designated in Contract Section E – Inspection and Acceptance.

- Department of Defense 1423: Contract Data Requirements List (CDRL)
  - Shall be used for listing "Deliverable Data Requirements" and shall identify specific Data Item Descriptions (DID) as per MIL-HDBK-512.
  - It is important that the CDRL identifies data requirements prior to the contract being awarded and that the requirements are clearly understood by both parties to the contract; to solidify customer expectations and supplier responsibilities.
  - The CDRL is the primary vehicle for acquiring documentation from the contractor. It lists all deliverable data items, provides a delivery schedule, and refers to applicable DIDs.
  - Data Item Descriptions provide preparation instructions and formats for data items. DIDs should be tailored to reflect true data delivery needs for any Commercial off the Shelf (COTS) and Non-Developmental Item (NDI) components.

- Department of Defense Form 1155: Order for Supplies or Services
  - Shall be used for the following:
    - Purchase order or blanket purchase agreement;
    - Deliver order or task order;
    - Receiving and inspection report;
    - Property voucher;
    - Document for acceptance by the supplier;
    - Public voucher, when used as:
      - A delivery order;
      - The basis for payment of an invoice against blanket purchase agreements or basic ordering agreements when a firm-fixed-price has been established;
      - A purchase order for acquisitions using simplified acquisition procedures.
    - Orders placed in accordance with FAR Subparts 8.4 (Federal Supply Schedules), 8.6 (Acquisition for Federal Prison Industries), 8.7 (Acquisition from Non-profit Agencies employing people who are

Blind or Severely Disabled), and 16.5 (Indefinite Delivery Contracts);

- Classified acquisitions when the purchase is made within the United States, its possessions, and Puerto Rico. Attach the DD Form 254, Contract Security Classification Specification, to the purchase order.

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SF 26 - AWARD/CONTRACT

AWARD/CONTRACT

1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350) ▶ RATING | PAGE OF PAGES

2. CONTRACT *(Proc. Inst. Ident.)* NO.

3. EFFECTIVE DATE

4. REQUISITION/PURCHASE REQUEST/PROJECT NO.

5. ISSUED BY CODE

6. ADMINISTERED BY *(If other than Item 5)* CODE

7. NAME AND ADDRESS OF CONTRACTOR *(No., street, county, State and ZIP Code)*

CODE FACILITY CODE

8. DELIVERY

☐ FOB ORIGIN ☐ OTHER *(See below)*

9. DISCOUNT FOR PROMPT PAYMENT

10. SUBMIT INVOICES *(4 copies unless otherwise specified)* TO THE ADDRESS SHOWN IN ▶ ITEM

11. SHIP TO/MARK FOR CODE

12. PAYMENT WILL BE MADE BY CODE

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:

☐ 10 U.S.C. 2304(c)) ☐ 41 U.S.C. 253(c) ( )

14. ACCOUNTING AND APPROPRIATION DATA

15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D.UNIT	15E. UNIT PRICE	15F. AMOUNT

15G. TOTAL AMOUNT OF CONTRACT ▶ $

16. TABLE OF CONTENTS

(X)	SEC.	DESCRIPTION	PAGE(S)	(X)	SEC.	DESCRIPTION	PAGE(S)
		PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES	
	A	SOLICITATION/CONTRACT FORM			I	CONTRACT CLAUSES	
	B	SUPPLIES OR SERVICES AND PRICES/COSTS				PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.	
	C	DESCRIPTION/SPECS./WORK STATEMENT			J	LIST OF ATTACHMENTS	
	D	PACKAGING AND MARKING				PART IV - REPRESENTATIONS AND INSTRUCTIONS	
	E	INSPECTION AND ACCEPTANCE			K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	
	F	DELIVERIES OR PERFORMANCE					
	G	CONTRACT ADMINISTRATION DATA			L	INSTRS., CONDS., AND NOTICES TO OFFERORS	
	H	SPECIAL CONTRACT REQUIREMENTS			M	EVALUATION FACTORS FOR AWARD	

CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. ☐ CONTRACTOR'S NEGOTIATED AGREEMENT *(Contractor is required to sign this document and return copies to issuing office.)* Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. *(Attachments are listedc herein.)*

18. ☐ AWARD *(Contractor is not required to sign this document.)* Your offer on Solicitation Number , including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above andon any condition sheets. this award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.

19A. NAME AND TITLE OF SIGNER *(Type or print)*

20A. NAME OF CONTRACTING OFFICER

19B. NAME OF CONTRACTOR

BY _____
(Signature of person authorized to sign)

19C. DATE SIGNED

20B. UNITED STATES OF AMERICA

BY _____
(Signature of Contracting Officer)

20C. DATE SIGNED

NSN 7540-01-152-8069
Previous edition is unusable

STANDARD FORM 26 (REV. 4-85)
Prescribed by GSA - FAR (48 CFR) 53.214(a)

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STANDARD FORM 26

AWARD/CONTRACT

BLOCK 1: Defense Priority and Allocation Rating

Four-position code based on the Defense Priority and Allocation System. (FAR 11.6)

Defense Priority and Allocation System (DPAS): Under Title I of the Defense Production Act of 1950, as amended (50 U.S.C. app. 2061, *et seq*.), the President is authorized-

- To require that contracts in support of the national defense be accepted and performed on a preferential or priority basis over all other contracts, and
- To allocate materials and facilities in such a manner as to promote the national defense.

(a) There are two levels of priority for rated orders established by the DPAS, identified by the rating symbols "DO" and "DX." All DO rated orders have equal priority with each other and take preference over unrated orders. All DX rated orders have equal priority with each other and take preference over DO rated and unrated orders. DX ratings are used for special defense programs designated by the President to be of the highest national priority.
(b) Department of Commerce (DOC) may issue a Directive to compel a contractor or supplier to accept a rated order, to rearrange production or delivery schedules, or to improve shipments against particular rated orders. Directives issued by DOC take precedence over all rated and unrated orders as stated in the Directive.
(c) In addition to any other contractual requirements, a valid rated order must contain the following (see 15 CFR 700.12):

(1) A priority rating consisting of the appropriate DO or DX rating symbol and a program or identification symbol to indicate the authorized program (see Schedule I of the DPAS).
(2) A required delivery date or delivery dates.
(3) The signature of an individual authorized by the agency to sign rated orders.

(d) The DPAS has the following three basic elements which are essential to the operation of the system:

(1) Mandatory acceptance of rated orders. A rated order shall be accepted by a contractor or supplier unless rejected for the reasons provided for mandatory rejection in 15 CFR 700.13(b), or for optional rejection in 15 CFR 700.13(c).
(2) Mandatory extension of priority ratings throughout the acquisition chain. Contractors and suppliers receiving rated orders shall extend priority ratings to subcontractors or vendors when acquiring items to fill the rated orders (see 15 CFR 700.15).

(3) Priority scheduling of production and delivery. Contractors and suppliers receiving rated orders shall give the rated orders priority over other contracts as needed to meet delivery requirements (see 15 CFR 700.14).

(e) Agencies shall provide contracting activities with specific guidance on the issuance of rated orders in support of agency programs.

(f) Contracting officers shall follow agency procedural instructions concerning the use of rated orders in support of agency programs.

(g) Contracting officers, contractors, or subcontractors at any tier, that experience difficulty placing rated orders, obtaining timely delivery under rated orders, locating a contractor or supplier to fill a rated order, ensuring that rated orders receive preferential treatment by contractors or suppliers, or require rating authority for items not automatically ratable under the DPAS, should promptly seek special priorities assistance in accordance with agency procedures (see 15 CFR 700.50-55).

(h) Contracting officers shall report promptly any violations of the DPAS to DOC in accordance with agency procedures.

(i) Contracting officers shall insert the provision at FAR 52.211-14, Notice of Priority Rating for National Defense Use, in solicitations when the contract to be awarded will be a rated order.

(j) Contracting officers shall insert the clause at FAR 52.211-15, Defense Priority and Allocation Requirements, in contracts that are rated orders.

BLOCK 2: Contract Number (Procurement Instruction Identifier.)

Contract identification number. Ensure contract number is per regulations. (DFARS 204.70)

BLOCK 3: Effective Date

Enter date in the following manner: (YYMMDD).

*** Special Note:** If contractor does not sign the signature date block, then this effective date (block 3) will be assumed for the contracting officer's signature date.

In SPS: The effective date is input using the MM/DD/YYYY format and is displayed as the DDMMMYYYY format on printed documents.

Delaying contract distribution can cause payment transactions to be rejected.
(ISSUE 1 - Timely Distribution on page 177)
Contracts and supporting documents are late.
(Common DD-1716 Code AAA discrepancy on page 136)

BLOCK 4: Requisition/Purchase Request/Project Number

Internally assigned number unique to the particular organization.

BLOCK 5: Issued By

DODAAC (Issuing) code. This code can be obtained from the original contract or order. Also, for contract modifications, identify the name and telephone number of the contracting officer or purchasing office point of contact (see DFARS 204.101).

BLOCK 6: Administered By

DODAAC (Admin Office). This block is applicable only for modifications of contracts/orders. The contract administration activity's name, address, and code can be obtained from the original contract or order.

Production Surveillance Code: identifies the degree of surveillance to be performed by Defense Contract Management Agency (DCMA). Codes can be found in DLAM 7000.5.

Insert complete address and DODAAC for issuing, administration, and payment offices. Check the most recent Cost Accounting Standard (CAS) Component Manual issued by Defense Logistics Agency (DLA) in order to ensure that the most recent payment office is identified on SF26.

BLOCK 7: Name and Address of Contractor

Commercial and Government Entity (CAGE) Code. Check Central Contractor Registration (CCR) for current address information.
Facility Code - another CAGE code if there is a second place of performance (see DFARS 204.7201).
Insert contractor name, address, Taxpayer Identification Number (TIN), CAGE code & facility code (if applicable). Contracting officers should identify the contractor's proper address for the CAGE code identified and not just the "bid and proposal" address.

Verify a contractor's CAGE code to avoid rejection by DFAS
(ISSUE 3 - Incorrect contractor CAGE on page 177)
Contractor's name or address conflict with CAGE data
(Common DD-1716 Code B4C discrepancy on page 140)

BLOCK 8: Delivery

Delivery - Origin - Other.

BLOCK 9: Discount for Prompt Payment

The government passed the Prompt Payment Act in the 1982, which requires the government to pay contractors within 30 days upon completion of the contract. However, the clock starts upon receipt of a correct and accurate invoice. If the invoice is not correct, it should be returned for correction. Therefore, the definition of "prompt" under this Act is directly tied to the accuracy of the contractor's invoice.

New contractors should be informed of this requirement during solicitation conferences and post award orientations.

The contractor will specify the size of any discounts offered for payment of an invoice prior to the payment due date. An example is 2/10 net 30 meaning a 2% discount if paid within 10 days but the payment is due no later than 30 days from receiving the accurate invoice from the contractor. After 30 days, interest accrues on the outstanding payment unnecessarily increasing the government's total cost.

BLOCK 10: Submit Invoices

Invoices - Where the review/check occurs - ACO/PCO.

Maximum use of electronic invoicing is highly encouraged to avoid delayed or erroneous payments
(ISSUE 25 - Increase use of Electronic Invoicing on page 190)

BLOCK 11: Ship To/Mark For

Ship to/Mark for - Code (DODAAC). See Contract Section F for additional information.

Ensure delivery schedule information is consistently stated throughout the contract and the same information is included in contract Section F
(ISSUE 4 - Ship to/Mark for codes not standardized on page 178)

BLOCK 12: Payment Will Be Made By

Payment - DODAAC Code. DFAS Columbus (MOCAS Payment Divisions). All New DCMA Administered Contracts. This includes all new international contracts (administered by DCMA - International) effective after September 1, 1995, which are to be paid in U.S. currency. However, this does not include orders issued against existing international Basic Ordering Agreements (BOAs).

BLOCK 13: Authority For Using Other Than Full And Open Competition

Check appropriate block.

BLOCK 14: Accounting and Appropriation Data

The Contracting Officer should annotate that all such information will be noted in Section G. It is **highly recommended** that the contracting officer NOT try to type info herein this block.

Accounting/Appropriation Data - "See Financial Accounting Data (FAD) Sheet in Section G" (FAR 14.201-2(g) and 15.406-2). Although it is highly encouraged to put the

FAD sheet in Section G, the contracting officer still has the option to add it as an attachment to the contract. The main reason for including it in Section G is to standardize the location of the FAD and lessen the likelihood that the FAD will be removed from the contract document while en route to DFAS for entry into MOCAS.

NOTE: SPS does not allow users to enter data directly into this block. SPS users are forced to enter appropriation data in Section G.

For clarity purposes, all financial and accounting data must be consolidated in one location, contract Section G.
(ISSUE 16 - Dispersed accounting data on page 186)

BLOCK 15A-15F: Item No., Supplies/Services, Quantity, Unit, Unit Price, and Amount

Fill in as appropriate. Refer to Contract Section B.

BLOCK 15G: Total Amount of Contract

Total dollar amount of the all CLINs/SLINs/ELINs.

BLOCK 16: Table of Contents

Clearly identify what the contents are in terms of the subject contract. This helps to ensure all parties have all pertinent issues related to the contract file.

BLOCK 17 & 18: Contractor's negotiated agreement & Award

Contracting Officer will complete as applicable

BLOCK 19: Name and Title of Signer

In accordance with FAR 4.102(c), if the contract is with a corporation, the contract should be signed in the corporate name, followed by the word "by" and the signature and title of the person authorized to sign in block 19.

BLOCK 20A: Name of Contracting Officer

Contracting Officer's name

BLOCK 20B: United States of America

Must be signed.

BLOCK 20C: Date signed.

DDMMYY format.

*** Special Note:** If contractor does not sign the signature date block, then this effective date (block 3) will be assumed for the contracting officer's signature date.

In SPS: This date is displayed in the DDMMYYYY format.

Delaying contract distribution can cause payment transactions to be rejected.
(ISSUE 1 - Timely Distribution on page 177)
Contracts and supporting documents are late.
(Common DD-1716 Code AAA discrepancy on page 136)

SF 30 - AMENDMENT OF SOLICITATION/MODIFICATION

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE

PAGE OF PAGES

2. AMENDMENT/MODIFICAITON NO.

3. EFFECTIVE DATE

4. REQUISITION/PURCHASE REQ. NO.

5. PROJECT NO. (If applicble)

6. ISSUED BY CODE

7. ADMINISTERED BY (If other than Item 6) CODE

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)

CODE FACILITY CODE

(X) 9A. AMENDMENT OF SOLICIATION NO.

9B. DATED (SEE ITEM 11)

10A. MODIFICATION OF CONTRACT/ORDER NO.

10B. DATED (SEE ITEM 11)

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a)By completing items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted;

or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment your desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPIRATION DATA (If required)

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS.
IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE

A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:

D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☐ is not, ☐ is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)

16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)

15B. CONTRACTOR/OFFEROR

(Signature of person authorized to sign)

15C. DATE SIGNED

16B. UNITED STATES OF AMERICA

(Signature of Contracting Officer)

16C. DATE SIGNED

NSN 7540-01-152-8070
Previous edition unusable

STANDARD FORM 30 (REV. 10-83)
Prescribed by GSA FAR (48 CFR) 53.243

SF 30 - REVERSE

INSTRUCTIONS

Instructions for items other than those that are self-explanatory, are as follows:

(a) Item 1 (Contract ID Code). Insert the contract type identification code that appears in the title block of the contract being modified.

(b) Item 3 (Effective date).

(1) For a solicitation amendment, change order, or administrative change, the effective date shall be the issue date of the amendment, change order, or administrative change.

(2) For a supplemental agreement, the effective date shall be the date agreed to by the contracting parties.

(3) For a modification issued as an initial or confirming notice of termination for the convenience of the Government, the effective date and the modification number of the confirming notice shall be the same as the effective date and modification number of the initial notice.

(4) For a modification converting a termination for default to a termination for the convenience of the Government, the effective date shall be the same as the effective date of the termination for default.

(5) For a modification confirming the contacting officer's determination of the amount due in settlement of a contract termination, the effective date shall be the same as the effective date of the initial decision.

(c) Item 6 (Issued By). Insert the name and address of the issuing office. If applicable, insert the appropriate issuing office code in the code block.

(d) Item 8 (Name and Address of Contractor). For modifications to a contract or order, enter the contractor's name, address, and code as shown in the original contract or order, unless changed by this or a previous modification.

(e) Item 9, (Amendment of Solicitation No. - Dated), and 10, (Modification of Contract/Order No. - Dated). Check the appropriate box and in the corresponding blanks insert the number and date of the original solicitation, contract, or order.

(f) Item 12 (Accounting and Appropriation Data). When appropriate, indicate the impact of the modification on each affected accounting classification by inserting one of the following entries.

(1) Accounting classification _____
Net increase $_____

(2) Accounting classification _____
Net decrease $_____

NOTE: If there are changes to multiple accounting classifications that cannot be placed in block 12, insert an asterisk and the words "See continuation sheet".

(g) Item 13. Check the appropriate box to indicate the type of modification. Insert in the corresponding blank the authority under which the modification is issued. Check whether or not contractor must sign this document. (See FAR 43.103.)

(h) Item 14 (Description of Amendment/Modification).

(1) Organize amendments or modifications under the appropriate Uniform Contract Format (UCF) section headings from the applicable solicitation or contract. The UCF table of contents, however, shall not be set forth in this document

(2) Indicate the impact of the modification on the overall total contract price by inserting one of the following entries:

(i) Total contract price increased by $———

(ii) Total contract price decreased by $———

(iii) Total contract price unchanged.

(3) State reason for modification.

(4) When removing, reinstating, or adding funds, identify the contract items and accounting classifications.

(5) When the SF 30 is used to reflect a determination by the contracting officer of the amount due in settlement of a contract terminated for the convenience of the Government, the entry in Item 14 of the modification may be limited to --

(i) A reference to the letter determination; and

(ii) A statement of the net amount determined to be due in settlement of the contract.

(6) Include subject matter or short title of solicitation/contract where feasible.

(i) Item 16B. The contracting officer's signature is not required on solicitation amendments. The contracting offier's signature is normally affixed last on supplemental agreements.

STANDARD FORM 30 (REV. 10-83) BACK

STANDARD FORM 30

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

NOTE: The following instructions are in addition to the instructions on the back of the SF 30.

BLOCK 1: Contract ID Code

The contract type identification code can be found under DFARS 253.204-70(c)(4)(v) or in block C5 of the DD Form 350. Page X of Y - helps to ensure the package is complete when received.

BLOCK 2: Amendment/Modification No.

DFARS 204.7004 provides information on the numbering of solicitation amendments, contract modifications, delivery orders, modifications to delivery orders, etc.

The modification number for delivery orders only should be two digits, i.e., PCO mod = 01 and ACO mod = 1A. The delivery order number should be inserted in block 10A with the contract number on any SF30 modifying a delivery order.

NOTE: When designating a contract modification number, be sure it is sequentially tracked to avoid later duplication and to clarify future audit trails.

Pay careful attention when dealing with definitization modifications
(ISSUE 7 - Unclear definitization modifications on page 179)

BLOCK 3: Effective Date

Enter date in the following manner: (YYMMDD).
*** Special Note:** If contractor does not sign the signature date block, then this effective date (block 3) will be assumed for the contracting officer's signature date.

In SPS: The effective date is input using the MM/DD/YYYY format and is displayed as the DDMMMYYYY format on printed documents.

Delaying contract distribution can cause payment transactions to be rejected.
(ISSUE 1 - Timely Distribution on page 177)
Contracts and supporting documents are late.
(Common DD-1716 Code AAA discrepancy on page 136)

BLOCK 4 & 5: Requisition/Purchase Request/Project Number

Internally assigned number unique to the particular organization.

BLOCK 6: Issued By

DODAAC (Issuing) code . This code can be obtained from the original contract or order. Also, for contract modifications, identify the name and telephone number of the contracting officer or purchasing office point of contact (see DFARS 204.101).

BLOCK 7: Administered By

DODAAC (Admin Office). This block is applicable only for modifications of contracts/orders. The contract administration activity's name, address, and code can be obtained from the original contract or order.

Production Surveillance Code: identifies the degree of surveillance to be performed by Defense Contract Management Agency (DCMA). Codes can be found in DLAM 7000.5.

Insert complete address and DODAAC for issuing, administration, and payment offices. Check the most recent Cost Accounting Standards Component Manual issued by Defense Logistics Agency (DL)A in order to ensure that the most recent payment office is identified on SF26.

BLOCK 8: Name and Address of Contractor

Commercial and Government Entity (CAGE) Code. Check Central Contractor Registry (CCR) for current address information.
Facility Code - another CAGE code if there is a second place of performance (see DFARS 204.7201).
Insert contractor name, address, Taxpayer Identification Number (TIN), CAGE code & facility code (if applicable). Contracting officers should identify the contractor's proper address for the CAGE code identified and not just the "bid and proposal" address.

Verify a contractor's CAGE code to avoid rejection by DFAS
(ISSUE 3 - Incorrect contractor CAGE on page 177)
Contractor's name or address conflict with CAGE data
(Common DD-1716 Code B4C discrepancy on page 140)

BLOCK 9/10: Amendment of Solicitation No. & Modification of Contract/Order No. and Dates

Original Solicitation and/or Contract number and effective dates.

BLOCK 11: Solicitation Amendment

This block must be filled out if Block 9 is checked. In the blank (___copies), identify the number of signed copies of the amendment you want returned.

BLOCK 12: Accounting and Appropriation Data

The Contracting Officer should annotate that all such information will be noted in Section G. It is **highly recommended** the contracting officer NOT try to type info herein this block.

Accounting/Appropriation Data - "See Financial Accounting Data (FAD) Sheet in Section G" (FAR 14.201-2(g) and 15.406-2). Although it is highly encouraged to put the FAD sheet in Section G, the contracting officer still has the option to add it as an attachment to the contract. The main reason for including it in Section G is to standardize the location of the FAD and lessen the likelihood that the FAD will be removed from the contract document while en route to DFAS for entry into MOCAS.

NOTE: SPS does not allow users to enter data directly into this block. SPS users are forced to enter appropriation data in Section G.

This block is applicable only to modifications of contracts/orders.

In accordance with DFARS 217.7405 and 243.171, all modifications shall contain one of the following statements and a summary table as follows:

"This modification reflects the total value of the P-mods and increases/decreases the total obligated value as follows:"

or if the value of the A-mods is known,

"This modification reflects the total value of P-mods and A-mods and increases/decreases the total obligated value as follows:"

In SPS: This statement is automatically generated and reads "As a result of this modification the total funded amount for this document was increased/decreased by (amount), from (amount), to (amount)."

SUMMARY TABLE

Item	From	By	To	
0001	$500	$100	$600	INCREASE
0002	$500	($100)	$400	DECREASE

In SPS: This table is organized in a By-From-To format.

"The value of this contract is increased/decreased by $_____ resulting in a total obligated value of $_____."

"This modification results in no obligation/deobligation of funds and/or reallocation of funds between CLINS/SLINS"

In SPS: If there is no funding change then this statement is not displayed and must be manually entered by the user.

If funds are reallocated, a summary table as shown above must be provided. Great care should be taken to ensure that the correct and most current information is reported. Although the summary table only includes those contract line items that are affected, the total obligated value of the contract after the changes are made should be indicated.

Include clarifying statements to indicate how funds are being moved
(ISSUE 14 - Inaccurate appropriation data on page 184)
For clarity purposes, all financial and accounting data must be consolidated in one location, contract Section G.
(ISSUE 16 - Dispersed accounting data on page 186)
Long line of accounting invalid
(Common DD-1716 Code B10A discrepancy on page 132)

BLOCK 13: Modifications of Contracts/Orders

This block must be filled out if Block 10 is checked. In addition to the SF 30 instructions, the following information is provided:

Block 13.A. This is the block to use for a unilateral change order; however, be aware:

1. NMCARS 5243.201 states that the policies of DFARS 217.74 are applicable to the issuance of undefinitized change orders.
2. A unilateral change order that the contracting officer considers definitive (e.g., no-cost) may not be considered so by the contractor. The result could be either: an unexpected proposal for equitable adjustment, a potential dispute, and/or a possible violation of the Anti-Deficiency Act.

Block 13.B. FAR 43.101 defines administrative change as "a unilateral contract change that does not affect the substantive rights of the parties."

Block 13.C. This block is used for:

1. New procurement. Cite the appropriate U.S. Code and "mutual agreement" as the authority.
2. Changes to the contract under the authority of a contract requirement that also include changes that require bilateral agreement, e.g., a change order in which price and delivery schedule changes have been negotiated. Cite the requirement and "mutual agreement" as the authority.

Block 13.D. This block is used for changes to the contract that are incorporated unilaterally under the authority of a contract requirement. Examples are funding provided pursuant to the "Limitation of Funds" clause, or exercising a priced option under an option clause.

BLOCK 14: Description of Amendment/Modification

Notwithstanding the sentence pre-printed on the form concerning what remains unchanged in the contract, this sentence or similar language should be included separately at the end of every contract modification.

Clearly state the purpose of the modification and any effect on funds
(ISSUE 5 - Unclear modification purpose on page 178)
Execute modification numbers in numerical sequence
(ISSUE 6 - Out of sequence modifications on page 179)
Pay careful attention when dealing with definitization modifications
(ISSUE 7 - Unclear definitization modifications on page 179)
Consistently and correctly use financial terms within a contract
(ISSUE 8 - Incorrect use of terms on page 182)
State clearly whether funds are to obligated of committed
(ISSUE 9 - Unclear modifications for Provisioned Items Order on page 182)

BLOCK 15/16: Signature and Date Blocks

Must be signed and dated. However, a signature is not required on a solicitation amendment.

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SF 33 - SOLICITATION, OFFER AND AWARD

SOLICITATION, OFFER AND AWARD

1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) — RATING — PAGE OF PAGES

2. CONTRACT NUMBER	3. SOLICITATION NUMBER	4. TYPE OF SOLICITATION	5. DATE ISSUED	6. REQUISITION/PURCHASE NUMBER
		☐ SEALED BID (IFB) ☐ NEGOTIATED (RFP)		

7. ISSUED BY — CODE

8. ADDRESS OFFER TO *(If other than Item 7)*

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

SOLICITATION

9. Sealed offers in original and _____ copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in _____ until _____ *(Hour)* local time _____ *(Date)*

CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL:	A. NAME	B. TELEPHONE *(NO COLLECT CALLS)*			C. E-MAIL ADDRESS
		AREA CODE	NUMBER	EXT.	

11. TABLE OF CONTENTS

(X)	SEC.	DESCRIPTION	PAGE(S)	(X)	SEC.	DESCRIPTION	PAGE(S)
		PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES	
	A	SOLICITATION/CONTRACT FORM			I	CONTRACT CLAUSES	
	B	SUPPLIES OR SERVICES AND PRICES/COSTS				PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.	
	C	DESCRIPTION/SPECS./WORK STATEMENT			J	LIST OF ATTACHMENTS	
	D	PACKAGING AND MARKING				PART IV - REPRESENTATIONS AND INSTRUCTIONS	
	E	INSPECTION AND ACCEPTANCE			K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	
	F	DELIVERIES OR PERFORMANCE					
	G	CONTRACT ADMINISTRATION DATA			L	INSTRS., CONDS., AND NOTICES TO OFFERORS	
	H	SPECIAL CONTRACT REQUIREMENTS			M	EVALUATION FACTORS FOR AWARD	

OFFER *(Must be fully completed by offeror)*

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days *(60 calendar days unless a different period is inserted by the offeror)* from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT *(See Section I, Clause No. 52.232-8)*	10 CALENDAR DAYS (%)	20 CALENDAR DAYS (%)	30 CALENDAR DAYS (%)	CALENDAR DAYS (%)

14. ACKNOWLEDGMENT OF AMENDMENTS *(The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated):*	AMENDMENT NO.	DATE	AMENDMENT NO.	DATE

15A. NAME AND ADDRESS OF OFFEROR — CODE — FACILITY

16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER *(Type or print)*

15B. TELEPHONE NUMBER			15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE.	17. SIGNATURE	18. OFFER DATE
AREA CODE	NUMBER	EXT.			

AWARD *(To be completed by Government)*

19. ACCEPTED AS TO ITEMS NUMBERED	20. AMOUNT	21. ACCOUNTING AND APPROPRIATION

22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:
☐ 10 U.S.C. 2304(c) ( ) ☐ 41 U.S.C. 253(c) ( )

23. SUBMIT INVOICES TO ADDRESS SHOWN IN *(4 copies unless otherwise specified)* — ITEM

24. ADMINISTERED BY *(If other than Item 7)* — CODE

25. PAYMENT WILL BE MADE BY — CODE

26. NAME OF CONTRACTING OFFICER *(Type or print)*

27. UNITED STATES OF AMERICA *(Signature of Contracting Officer)*

28. AWARD DATE

IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

AUTHORIZED FOR LOCAL REPRODUCTION
Previous edition is unusable

STANDARD FORM 33 (REV. 9-97)
Prescribed by GSA - FAR (48 CFR) 53.214(c)

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STANDARD FORM 33

SOLICITATION, OFFER AND AWARD

BLOCK 1: Defense Priority and Allocation Rating

Four-position code based on the Defense Priority and Allocation System. (FAR 11.6)

Defense Priority and Allocation System (DPAS): Under Title I of the Defense Production Act of 1950, as amended (50 U.S.C. app. 2061, *et seq*.), the President is authorized-

- To require that contracts in support of the national defense be accepted and performed on a preferential or priority basis over all other contracts, and
- To allocate materials and facilities in such a manner as to promote the national defense.

(a) There are two levels of priority for rated orders established by the DPAS, identified by the rating symbols "DO" and "DX." All DO rated orders have equal priority with each other and take preference over unrated orders. All DX rated orders have equal priority with each other and take preference over DO rated and unrated orders. DX ratings are used for special defense programs designated by the President to be of the highest national priority.
(b) Department of Commerce (DOC) may issue a Directive to compel a contractor or supplier to accept a rated order, to rearrange production or delivery schedules, or to improve shipments against particular rated orders. Directives issued by DOC take precedence over all rated and unrated orders as stated in the Directive.
(c) In addition to any other contractual requirements, a valid rated order must contain the following (see 15 CFR 700.12):

(1) A priority rating consisting of the appropriate DO or DX rating symbol and a program or identification symbol to indicate the authorized program (see Schedule I of the DPAS).
(2) A required delivery date or delivery dates.
(3) The signature of an individual authorized by the agency to sign rated orders.

(d) The DPAS has the following three basic elements which are essential to the operation of the system:

(1) Mandatory acceptance of rated orders. A rated order shall be accepted by a contractor or supplier unless rejected for the reasons provided for mandatory rejection in 15 CFR 700.13(b), or for optional rejection in 15 CFR 700.13(c).
(2) Mandatory extension of priority ratings throughout the acquisition chain. Contractors and suppliers receiving rated orders shall extend priority ratings to subcontractors or vendors when acquiring items to fill the rated orders (see 15 CFR 700.15).

(3) Priority scheduling of production and delivery. Contractors and suppliers receiving rated orders shall give the rated orders priority over other contracts as needed to meet delivery requirements (see 15 CFR 700.14).

(e) Agencies shall provide contracting activities with specific guidance on the issuance of rated orders in support of agency programs.

(f) Contracting officers shall follow agency procedural instructions concerning the use of rated orders in support of agency programs.

(g) Contracting officers, contractors, or subcontractors at any tier, that experience difficulty placing rated orders, obtaining timely delivery under rated orders, locating a contractor or supplier to fill a rated order, ensuring that rated orders receive preferential treatment by contractors or suppliers, or require rating authority for items not automatically ratable under the DPAS, should promptly seek special priorities assistance in accordance with agency procedures (see 15 CFR 700.50-55).

(h) Contracting officers shall report promptly any violations of the DPAS to DOC in accordance with agency procedures.

(i) Contracting officers shall insert the provision at FAR 52.211-14, Notice of Priority Rating for National Defense Use, in solicitations when the contract to be awarded will be a rated order.

(j) Contracting officers shall insert the clause at FAR 52.211-15, Defense Priority and Allocation Requirements, in contracts that are rated orders.

BLOCK 2: Contract Number

Contract identification number. Ensure contract number is per regulations. (DFARS 204.70) The government will not fill in this number until it awards the contract. The numbering will be similar to the number in Block 3, the Solicitation Number, but it will have a "C" instead of an "R" in the number sequence.

BLOCK 3: Solicitation Number

This will identify the specific solicitation throughout the life of the buying action. Any amendments to the solicitation will use this number plus the amendment number as the identifier.

EXAMPLE:

SP0700-06-Q-HE22 is a sample of a solicitation number.

SP0700, the first six alpha/numeric sequence, identifies the buying office where the order originates.

The second grouping, 06, is the fiscal year the solicitation was issued.

The single alpha character Q indicates what type of solicitation it is. For example, B = Invitation for Bid, P = Purchase Order, C = Contract, Q = Request for Quote, R = Request for Proposal.

The last alpha/numeric sequence, HE22, is the sequential order number for that particular solicitation.

Delaying contract distribution can cause payment transactions to be rejected.
(ISSUE 1 - Timely Distribution on page 177)
Contracts and supporting documents are late.
(Common DD-1716 Code AAA discrepancy on page 136)

BLOCK 4: Type of Solicitation

This block will identify whether this solicitation is a Sealed Bid IFB (Invitation for Bid) or a Negotiated RFP (Request for Proposal).

BLOCK 5: Date Issued

This is the date the contract becomes effective.

BLOCK 6: Requisition/Purchase Number

This is an internal document number used for tracking the item or service to be purchased. This is the original number for the requirement and there could be multiple requisition numbers against a single solicitation number.

BLOCK 7: Issued By

DODAAC (Issuing) code. This code can be obtained from the original contract or order. Also, for contract modifications, identify the name and telephone number of the contracting officer or purchasing office point of contact (see DFARS 204.101).

Identifies the government office that is doing the buying. Contractors should make special note of the information here because they may be dealing with a "buying agency" that is physically located very far from the actual end user.

Verify a contractor's CAGE code to avoid rejection by DFAS
(ISSUE 3 - Incorrect contractor CAGE on page 177)
Contractor's name or address conflict with CAGE data
(Common DD-1716 Code B4C discrepancy on page 140)

BLOCK 8: Address Offer To

Provides the contractor information on where to submit their offer.

BLOCK 9: Additional Info

This block will tell the contractor how many additional copies of the offer for evaluation purposes and where to bring the offer if he/she hand-carries it to the buying office. This block also tells the contractor the time and date when the offer is required to be submitted.

BLOCK 10: For Information Call:

Identifies the person that the contractor will contact for information on this specific solicitation, including phone number and e-mail address.

BLOCK 11: Table of Contents

Set up the same as the Uniform Contract Format, this should match the "TOC" page but without the "Appendices."
This section will also provide the page counts for each section. Ensure all pages are present and are accurately stated in this block. Keep in mind that the sections of Block 11, when taken together, make up the whole solicitation and resulting contract.

Ensure delivery schedule information is consistently stated throughout the contract and the same information is included in contract Section F
(ISSUE 4 - Ship to/Mark for codes not standardized on page 178)

BLOCK 12: Acceptance Period

This block gives contractors the opportunity to mark how long their bid will be good for. If a specific number is not indicated here, it will automatically default to 60 days.

BLOCK 13: Discounts for Prompt Payment

The government passed the Prompt Payment Act in the 1982, which requires the government to pay contractors within 30 days upon completion of the contract. However, the clock starts upon receipt of a correct and accurate invoice. If the invoice is not correct, it should be returned for correction. Therefore, the definition of "prompt" under this Act is directly tied to the accuracy of the contractor's invoice.

New contractors should be informed of this requirement during solicitation conferences and post award orientations.

The contractor will specify the size of any discounts offered for payment of an invoice prior to the payment due date. An example is 2/10 net 30 meaning a 2% discount if paid within 10 days but the payment is due no later than 30 days from receiving the accurate invoice from the contractor. After 30 days, interest accrues on the outstanding payment unnecessarily increasing the government's total cost.

BLOCK 14: Acknowledgments of Amendments

Used to inform the government that all amendments sent out have been received by the contractor.

For clarity purposes, all financial and accounting data must be consolidated in one location, contract Section G.
(ISSUE 16 - Dispersed accounting data on page 186)

BLOCK 15A: Name and Address of Offeror

Commercial and Government Entity (CAGE) Code. Check Central Contractor Registration (CCR) for current address information.
Facility Code - another CAGE code if there is a second place of performance (see DFARS 204.7201).
Insert contractor name, address, Taxpayer Identification Number (TIN), CAGE code & facility code (if applicable). Contracting officers should identify the contractor's proper address for the CAGE code identified and not just the "bid and proposal" address.

BLOCK 15B: Telephone Number

Enter the appropriate contractor phone number.

BLOCK 15C: Remittance Address

Indicates address that government should send payment to if different from address provided in Block 15A. Mark this box and enter the address on the schedule.

Maximum use of electronic invoicing is highly encouraged to avoid delayed or erroneous payments
(ISSUE 25 - Increase use of Electronic Invoicing on page 190)

BLOCK 16: Name and Title of Person Authorized To Sign Offer

Enter the name and title of the person authorized to sign the contracts. Person signing should be listed in CCR as the "authorized signor."

BLOCK 17: Signature

Authorized person identified in Block 16 must sign the contract here.

BLOCK 18: Offer Date

Date on which offer is sent in DDMMYY format.

BLOCK 19: Accepted as to Items Numbered

Government will identify specific items awarded in this block

BLOCK 20: Amount

Dollar amount of the contract award

BLOCK 21: Accounting and Appropriation

The Contracting Officer should annotate that all such information will be noted in Section G. It is **highly recommended** that the contracting officer NOT try to type info herein this block.

Accounting/Appropriation Data - "See Financial Accounting Data (FAD) Sheet in Section G" (FAR 14.201-2(g) and 15.406-2). Although it is highly encouraged to put the FAD sheet in Section G, the contracting officer still has the option to add it as an attachment to the contract. The main reason for including it in Section G is to standardize the location of the FAD and lessen the likelihood that the FAD will be removed from the contract document while en route to DFAS for entry into MOCAS.

NOTE: SPS does not allow users to enter data directly into this block. SPS users are forced to enter appropriation data in Section G.

BLOCK 22: Authority for Using Other Than Full and Open Competition

Check appropriate block.

BLOCK 23: Submit Invoice to Address Shown in

Used to inform contractor of appropriate address to submit invoice.

Maximum use of electronic invoicing is highly encouraged to avoid delayed or erroneous payments
(ISSUE 25 - Increase use of Electronic Invoicing on page 190)

BLOCK 24: Administered By

DODAAC (Admin Office). This block is applicable only for modifications of contracts/orders. The contract administration activity's name, address, and code can be obtained from the original contract or order.

Production Surveillance Code: identifies the degree of surveillance to be performed by Defense Contract Management Agency (DCMA). Codes can be found in DLAM 7000.5.

Insert complete address and DODAAC for issuing, administration, and payment offices. Check the most recent Cost Accounting Standards Component Manual issued by Defense Logistics Agency (DLA) in order to ensure that the most recent payment office is identified on SF26.

BLOCK 25: Payment Will Be Made By

Payment - DODAAC Code. DFAS Columbus (MOCAS Payment Divisions). All New DCMA Administered Contracts. This includes all new international contracts (administered by DCMA International) effective after September 1, 1995, which are to be paid in U.S. currency. However, this does not include orders issued against existing international Basic Ordering Agreements (BOAs).

BLOCK 26: Name of Contracting Officer

Contracting Officer's name

BLOCK 27: United States of America

Must be signed.

BLOCK 28: Award Date

DDMMYY format.

*** Special Note:** If contractor does not sign the signature date block, then this effective date (block 3) will be assumed for the contracting officer's signature date.

In SPS: This date is displayed in the DDMMYYYY format.

Delaying contract distribution can cause payment transactions to be rejected.
(ISSUE 1 - Timely Distribution on page 177)
Contracts and supporting documents are late.
(Common DD-1716 Code AAA discrepancy on page 136)

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STANDARD FORM 1447 - SOLICITATION/CONTRACT

SOLICITATION/CONTRACT
BIDDER/OFFEROR TO COMPLETE BLOCKS 11, 13, 15, 21, 22, & 27

1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350) | RATING | PAGE OF OF

2. CONTRACT NO. | 3. AWARD/EFFECTIVE DATE | 4. SOLICITATION NUMBER | 5. SOLICITATION TYPE ☐ SEALED BIDS (IFB) ☐ NEGOTIATED (RFP) | 6. SOLICITATION ISSUE DATE

7. ISSUED BY CODE

NO COLLECT CALLS

8. THIS ACQUISITION IS
☐ UNRESTRICTED
☐ SET ASIDE: % FOR
☐ SMALL BUSINESS
☐ LABOR SURPLUS AREA CONCERNS
☐ COMBINED SMALL BUSINESS & LABOR SURPLUS AREA CONCERNS
☐ OTHER
SIC: SIZE STANDARD:

9. (AGENCY USE)

10. ITEMS TO BE PURCHASED *(BRIEF DESCRIPTION)*
☐ SUPPLIES ☐ SERVICES

11. IF OFFER IS ACCEPTED BY THE GOVERNMENT WITHIN _____ CALENDAR DAYS (60 CALENDAR DAYS UNLESS OFFEROR INSERTS A DIFFERENT PERIOD) FROM THE DATE SET FORTH IN BLK 9 ABOVE, THE CONTRACTOR AGREES TO HOLD ITS OFFERED PRICES FIRM FOR THE ITEMS SOLICITED HEREIN AND TO ACCEPT ANY RESULTING CONTRACT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN.

12. ADMINISTERED BY CODE

13. CONTRACTOR OFFEROR CODE FACILITY CODE

TELEPHONE NO. DUNS NO.
☐ CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER

14. PAYMENT WILL BE MADE BY CODE

SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK:

15. PROMPT PAYMENT DISCOUNT

16. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION ☐ 10 U.S.C. 2304 ( ) ☐ 41 U.S.C. 253 ( )

17. ITEM NO.	18. SCHEDULE OF SUPPLIES/SERVICES	19. QUANTITY	20. UNIT	21. UNIT PRICE	22. AMOUNT

23. ACCOUNTING AND APPROPRIATION DATA

24. TOTAL AWARD AMOUNT (FOR GOVT. USE ONLY)

25. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY CONTINUATION SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.

26. AWARD OF CONTRACT: YOUR OFFER ON SOLICITATION NUMBER SHOWN IN BLOCK 4 INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:

27. SIGNATURE OF OFFEROR/CONTRACTOR

28. UNITED STATES OF AMERICA *(SIGNATURE OF CONTRACTING OFFICER)*

NAME AND TITLE OF SIGNER *(TYPE OR PRINT)* | DATE SIGNED | NAME OF CONTRACTING OFFICER | DATE SIGNED

NSN 7540-01-218-4386

STANDARD FORM 1447 (5-88)
Prescribed by GSA - FAR (48 CFR) 53.215-1(g)

SF 1447 (REVERSE)

NO RESPONSE FOR REASONS CHECKED			
	CANNOT COMPLY WITH SPECIFICATIONS		CANNOT MEET DELIVERY REQUIREMENT
	UNABLE TO IDENTIFY THE ITEM(S)		DO NOT REGULARLY MANFACTURE OR SELL THE TYPE OF ITEMS INVOLVED
	OTHER *(Specify)*		
	WE DO		WE DO NOT, DESIRE TO BE RETAINED ON THE MAILING LIST FOR FUTURE PROCUREMENT OF THE TYPE OF ITEM(S) INVOLVED

NAME AND ADDRESS OF FIRM *(Include ZIP Code)*	SIGNATURE
	TYPE OR PRINT NAME AND TITLE OF SIGNER

FROM:

AFIX
STAMP
HERE

TO:

SOLICITATION NO. _____

DATE AND LOCAL TIME _____

STANDARD FORM 1447 (5-88) **BACK**

STANDARD FORM 1447

SOLICITATION/CONTRACT

BLOCK 1: Defense Priority and Allocation Rating

Four-position code. (FAR 11.6)

BLOCK 2: Contract Number

Contract identification number. Ensure contract number is per regulations. (DFARS 204.70)

BLOCK 3: Effective Date

Enter date in the following manner: (YYMMDD).
*** Special Note:** If contractor does not sign the signature date block, then this effective date (block 3) will be assumed for the contracting officer's signature date.

Delaying contract distribution can cause payment transactions to be rejected.
(ISSUE 1 - Timely Distribution on page 177)
Contracts and supporting documents are late.
(Common DD-1716 Code AAA discrepancy on page 136)

BLOCK 4: Requisition/Purchase Request/Project Number

Internally assigned number unique to the particular organization.

BLOCK 5: Solicitation Type

Check the appropriate block.

BLOCK 6: Solicitation Issue Date

Use YYMMDD format.

BLOCK 7: Issued By

DODAAC (Issuing) code. This code can be obtained from the original contract or order. Also, for contract modifications, identify the name and telephone number of the contracting officer or purchasing office point of contact (see DFARS 204.101).

BLOCK 8: This Acquisition is

Check the appropriate block.

BLOCK 9: (Agency Use)

BLOCK 10: Items to be purchased

Check the appropriate block and provide a short description.

BLOCK 11: Contractor agreement

If left blank, 60 calendar days is the default period.

BLOCK 12: Administered By

DODAAC (Admin Office). This block is applicable only for modifications of contracts/orders. The contract administration activity's name, address, and code can be obtained from the original contract or order.

Production Surveillance Code: identifies the degree of surveillance to be performed by Defense Contract Management Agency (DCMA). Codes can be found in DLAM 7000.5.

Insert complete address and DODAAC for issuing, administration, and payment offices. Check the most recent Cost Accounting Standards Component Manual issued by Defense Logistics Agency (DLA) in order to ensure that the most recent payment office is identified on SF26.

BLOCK 13: Name and Address of Contractor

Commercial and Government Entity (CAGE) Code. Check Central Contractor Registry (CCR) for current address information.
Facility Code - another CAGE code if there is a second place of performance (see DFARS 204.7201).
Insert contractor name, address, Taxpayer Identification Number (TIN), CAGE code & facility code (if applicable). Contracting officers should identify the contractor's proper address for the CAGE code identified and not just the "bid and proposal" address.

Verify a contractor's CAGE code to avoid rejection by DFAS
(ISSUE 3 - Incorrect contractor CAGE on page 177)
Contractor's name or address conflict with CAGE data
(Common DD-1716 Code B4C discrepancy on page 140)

BLOCK 14: Payment will be made by

Payment - DODAAC Code. DFAS Columbus (MOCAS Payment Divisions). All New

DCMA Administered Contracts. This includes all new international contracts (administered by DCMA International) effective after September 1, 1995, which are to be paid in U.S. currency. However, this does not include orders issued against existing international Basic Ordering Agreements (BOAs).

BLOCK 15: Discount for Prompt Payment

The government passed the Prompt Payment Act in the 1982, which requires the government to pay contractors within 30 days upon completion of the contract. However, the clock starts upon receipt of a correct and accurate invoice. If the invoice is not correct, it should be returned for correction. Therefore, the definition of "prompt" under this Act is directly tied to the accuracy of the contractor's invoice.

New contractors should be informed of this requirement during solicitation conferences and post award orientations.

The contractor will specify the size of any discounts offered for payment of an invoice prior to the payment due date. An example is 2/10 net 30 meaning a 2% discount if paid within 10 days but the payment is due no later than 30 days from receiving the accurate invoice from the contractor. After 30 days, interest accrues on the outstanding payment unnecessarily increasing the government's total cost.

BLOCK 16: Authority for using other than full and open competition

Check the appropriate block.

BLOCK 17 – 22: Item description

BLOCK 23: Accounting and Appropriation Data

The Contracting Officer should annotate that all such information will be noted in Section G. It is **highly recommended** that the contracting officer NOT try to type info herein this block.

Accounting/Appropriation Data - "See Financial Accounting Data (FAD) Sheet in Section G" (FAR 14.201-2(g) and 15.406-2). Although it is highly encouraged to put the FAD sheet in Section G, the contracting officer still has the option to add it as an attachment to the contract. The main reason for including it in Section G is to standardize the location of the FAD and lessen the likelihood that the FAD will be removed from the contract document while en route to DFAS for entry into MOCAS.

NOTE: SPS does not allow users to enter data directly into this block. SPS users are forced to enter appropriation data in Section G.

For clarity purposes, all financial and accounting data must be consolidated in one location, contract Section G.
(ISSUE 16 - Dispersed accounting data on page 186)

BLOCK 24: Total Amount of Contract

Total dollar amount of all CLINs/SLINs/ELINs.

BLOCK 25 & 26: Contractor & Award of Contract

Check blocks as appropriate. Contracting Officer determines how many copies are required.

BLOCK 27: Signature of contractor

Name and Title of Signer

In accordance with FAR 4.102(c), if the contract is with a corporation, the contract should be signed in the corporate name, followed by the word "by" and the signature and title of the person authorized to sign in block 19.

BLOCK 28: United States of America

Must be signed.

SF 1449 – SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS
OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30

		1. REQUISITION NUMBER		PAGE 1 OF
2. CONTRACT NO.	3. AWARD/EFFECTIVE DATE	4. ORDER NUMBER	5. SOLICITATION NUMBER	6. SOLICITATION ISSUE DATE
7. FOR SOLICITATION INFORMATION CALL:	a. NAME		b. TELEPHONE NUMBER *(No collect calls)*	8. OFFER DUE DATE/ LOCAL TIME

9. ISSUED BY — CODE

10. THIS ACQUISITON IS
☐ UNRESTRICTED OR ☐ SET ASIDE: % FOR:
☐ SMALL BUSINESS ☐ EMERGING SMALL BUSINESS
☐ HUBZONE SMALL BUSINESS
NAICS:
SIZE STANDARD:
☐ SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS ☐ 8(A)

11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED
☐ SEE SCHEDULE

12. DISCOUNT TERMS

☐ 13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)

13b. RATING

14. METHOD OF SOLICITATION
☐ RFQ ☐ IFB ☐ RFP

15. DELIVER TO — CODE

16. ADMINISTERED BY — CODE

17a. CONTRACTOR/ OFFEROR — CODE — FACILITY CODE

TELEPHONE NO.

18a. PAYMENT WILL BE MADE BY — CODE

☐ 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER

18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED ☐ SEE ADDENDUM

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
	(Use Reverse and/or Attach Additional Sheets as Necessary)				

25. ACCOUNTING AND APPROPRIATION DATA

26. TOTAL AWARD AMOUNT *(For Govt. Use Only)*

☐ 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4. FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA ☐ ARE ☐ ARE NOT ATTACHED
☐ 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA ☐ ARE ☐ ARE NOT ATTACHED

☐ 28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN _____ COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED

☐ 29. AWARD OF CONTRACT: REF. _____ OFFER DATED _____ . YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:

30a. SIGNATURE OF OFFEROR/CONTRACTOR

31a. UNITED STATES OF AMERICA *(SIGNATURE OF CONTRACTING OFFICER)*

30b. NAME AND TITLE OF SIGNER *(Type or print)* — 30c. DATE SIGNED

31b. NAME OF CONTRACTING OFFICER *(Type or print)* — 31c. DATE SIGNED

AUTHORIZED FOR LOCAL REPRODUCTION
PREVIOUS EDITION IS NOT USABLE

STANDARD FORM 1449 (REV. 3/2005)
Prescribed by GSA - FAR (48 CFR) 53.212

SF 1449 (REVERSE)

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT

32a. QUANTITY IN COLUMN 21 HAS BEEN

☐ RECEIVED ☐ INSPECTED ☐ ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED: _____

32b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32c. DATE	32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE
32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE		32f. TELPHONE NUMBER OF AUTHORZED GOVERNMENT REPRESENTATIVE 32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE

33. SHIP NUMBER	34. VOUCHER NUMBER	35. AMOUNT VERIFIED CORRECT FOR	36. PAYMENT	37. CHECK NUMBER
☐ PARTIAL ☐ FINAL			☐ COMPLETE ☐ PARTIAL ☐ FINAL	
38. S/R ACCOUNT NO.	39. S/R VOUCHER NUMBER	40. PAID BY		

41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT		42a. RECEIVED BY *(Print)*	
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER	41c. DATE	42b. RECEIVED AT *(Location)*	
		42c. DATE REC'D *(YY/MM/DD)*	42d. TOTAL CONTAINERS

STANDARD FORM 1449 (REV. 3/2005) **BACK**

STANDARD FORM 1449

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS

BLOCK 1: Requisition Number

Internally assigned number unique to the particular organization

BLOCK 2: Contract Number

Contract identification number. Ensure contract number is per regulations. (DFARS 204.70)

BLOCK 3: Effective Date

Enter date in the following manner: (YY/MM/DD).

*** Special Note:** If contractor does not sign the signature date block, then this effective date (block 3) will be assumed for the contracting officer's signature date.

Delaying contract distribution can cause payment transactions to be rejected.
(ISSUE 1 - Timely Distribution on page 177)
Contracts and supporting documents are late.
(Common DD-1716 Code AAA discrepancy on page 136)

BLOCK 4: Order Number

Utilized to place an order under an existing Blanket Purchase Agreement (BPA).

BLOCK 5: Solicitation Number

This will identify the specific solicitation throughout the life of the buying action. Any amendments to the solicitation will use this number plus the amendment number as the identifier.

BLOCK 6: Solicitation Issue Date

Use YYMMDD format.

BLOCK 7a: Name

Insert full name of point of contact for solicitation.

BLOCK 7b: Telephone Number

Insert commercial telephone number of point of contact for solicitation.

BLOCK 8: Offer Due Date/Local Time

Enter due date of responsive solicitation. Use YYMMDD/TTTT format.

BLOCK 9: Issued By

Activity Name; Address; Zip Code and DODAAC (Issuing) code. This code can be obtained from the original contract or order. Include a POC, phone number and email address. The DODAAC goes in the block marked "code". The DODAAC must be in this block on all orders. Ensure that the phone number is the commercial number and not the DSN. Also, for contract modifications, identify the name and telephone number of the contracting officer or purchasing office point of contact (see DFARS 204.101).

BLOCK 10: This Acquisition Is

Check the appropriate block if applicable.

BLOCK 11: Delivery For FOB Destination

Check if appropriate.

BLOCK 12: Discount Terms

Enter the discount for prompt payment in terms of percentages and corresponding days. Express the percentages in whole numbers and decimals, e.g., 3.25% - 10 days; 0.50% - 20 days.

BLOCK 13a/b: This contract is a rated order under DPAS (15 CFR 700)

"X", if DPAS rating is required by the activity, otherwise leave blank.
If (a) is marked, indicate the associated rating as required by the agency, otherwise leave blank.

BLOCK 14: Method of solicitation

Check appropriate box if applicable.

BLOCK 15: Deliver to

No APO or P.O. Boxes allowed. Include DODAAC, Street Address, City, State, Zip Code, and/or Building Number, Room number, POC and Phone Number. Ensure that the

phone number is the commercial number and not the DSN. The DODAAC goes in the block marked "Code". For multiple ship to locations: print "See Schedule" and list in Block 20 or on a continuation sheet.

BLOCK 16: Administered by

Enter the name and address of the contract administration activity. On purchase orders retained by purchasing offices for administration, mark this block, "See block 9." Enter in the code block the DODAAD code of the contract administration activity. In the lower right or left-hand corner, enter the criticality designator code from FAR 42.1105.

BLOCK 17a: Contractor/Offeror

Commercial and Government Entity (CAGE) Code. Check Central Contractor Registry (CCR) for current address information.
Facility Code - another CAGE code if there is a second place of performance (see DFARS 204.7201).
Insert contractor name, address, Taxpayer Identification Number (TIN), CAGE code & facility code (if applicable). Contracting officers should identify the contractor's proper address for the CAGE code identified and not just the "bid and proposal" address.

Verify a contractor's CAGE code to avoid rejection by DFAS
(ISSUE 3 - Incorrect contractor CAGE on page 177)
Contractor's name or address conflict with CAGE data
(Common DD-1716 Code B4C discrepancy on page 140)

BLOCK 17b:

Check if appropriate.

BLOCK 18a: Payment will be made by

Payment - DODAAC Code. DFAS Columbus (MOCAS Payment Divisions). All New DCMA Administered Contracts. This includes all new international contracts (administered by DCMA International) effective after September 1, 1995, which are to be paid in U.S. currency. However, this does not include orders issued against existing international Basic Ordering Agreements (BOAs).

BLOCK 18b:

Check if appropriate.

BLOCK 19: Item No.

Use the CLIN from the contract or a sequential item No. The entry cannot be longer than 6 characters: 4 numeric and 2 alpha. No CLIN or Item No. can be listed more than once

in Block 19.

BLOCK 20: Schedule of supplies/services

When using CLINs in Block 19, the description is the first thing listed. If sequential Item Nos. are used in Block 19, the CLIN is listed first in the block

BLOCK 21: Quantity

Self explanatory

BLOCK 22: Unit

Unit of Issue. A list of abbreviated units of measure can be found in DOD Instruction 4000.25-1-M Appendix 2.6 or the end of this guide.

BLOCK 23: Unit Price

Item Unit Price

BLOCK 24: Amount

Item Extended Amount

BLOCK 25: Accounting and Appropriation Data

ACRN followed by Accounting & Appropriation data, or if using multiple fund cites reference where located in continuation page. The Contracting Officer should annotate that all such information will be noted in Section G. It is **highly recommended** that the contracting officer NOT try to type info herein this block.

Accounting/Appropriation Data - "See Financial Accounting Data (FAD) Sheet in Section G" (FAR 14.201-2(g) and 15.406-2). Although it is highly encouraged to put the FAD sheet in Section G, the contracting officer still has the option to add it as an attachment to the contract. The main reason for including it in Section G is to standardize the location of the FAD and lessen the likelihood that the FAD will be removed from the contract document while en route to DFAS for entry into MOCAS.

NOTE: SPS does not allow users to enter data directly into this block. SPS users are forced to enter appropriation data in Section G.

For clarity purposes, all financial and accounting data must be consolidated in one location, contract Section G.
(ISSUE 16 - Dispersed accounting data on page 186)

BLOCK 26: Total Award Amount

Total dollar amount of all CLINs/SLINs/ELINs.

BLOCK 27a & b:

Check blocks as appropriate.

BLOCK 28 & 29: Contractor & Award of Contract

Check blocks as appropriate. Contracting Officer determines how many copies are required.

BLOCK 30a & 30b: Signature of offeror/contractor & Name and Title of signer

Name and Title of Signer

In accordance with FAR 4.102(c), if the contract is with a corporation, the contract should be signed in the corporate name, followed by the word "by" and the signature and title of the person authorized to sign in block 19.

BLOCK 31a: United States of America

Must be signed.

BLOCK 31b: Name of Contracting Officer

BLOCK 31c: Date signed

DDMMYY format.

*** Special Note:** If contractor does not sign the signature date block, then this effective date (block 3) will be assumed for the contracting officer's signature date.

In SPS: This date is displayed in the DDMMYYYY format.

Delaying contract distribution can cause payment transactions to be rejected.
(ISSUE 1 - Timely Distribution on page 177)
Contracts and supporting documents are late.
(Common DD-1716 Code AAA discrepancy on page 136)

BLOCKS 32 - 42: To be completed at time of delivery and receipt inspection

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DD250 – MATERIAL INSPECTION AND RECEIVING REPORT

MATERIAL INSPECTION AND RECEIVING REPORT

Form Approved
OMB No. 0704-0248

The public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0248), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE ABOVE ADDRESS.
SEND THIS FORM IN ACCORDANCE WITH THE INSTRUCTIONS CONTAINED IN THE DFARS, APPENDIX F-401.

1. PROCUREMENT INSTRUMENT IDENTIFICATION (CONTRACT) NO.	ORDER NO.	6. INVOICE NO./DATE	7. PAGE	OF	8. ACCEPTANCE POINT

2. SHIPMENT NO.	3. DATE SHIPPED	4. B/L TCN	5. DISCOUNT TERMS

9. PRIME CONTRACTOR CODE	10. ADMINISTERED BY CODE

11. SHIPPED FROM *(if other than 9)* CODE / FOB:	12. PAYMENT WILL BE MADE BY CODE

13. SHIPPED TO CODE	14. MARKED FOR CODE

15. ITEM NO.	16. STOCK/PART NO. DESCRIPTION *(Indicate number of shipping containers - type of container - container number.)*	17. QUANTITY SHIP/REC'D*	18. UNIT	19. UNIT PRICE	20. AMOUNT

21. CONTRACT QUALITY ASSURANCE

a. ORIGIN

☐ CQA ☐ ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.

DATE — SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE

TYPED NAME:

TITLE:

MAILING ADDRESS:

COMMERCIAL TELEPHONE NUMBER:

b. DESTINATION

☐ CQA ☐ ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.

DATE — SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE

TYPED NAME:

TITLE:

MAILING ADDRESS:

COMMERCIAL TELEPHONE NUMBER:

22. RECEIVER'S USE

Quantities shown in column 17 were received in apparent good condition except as noted.

DATE RECEIVED — SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE

TYPED NAME:

TITLE:

MAILING ADDRESS:

COMMERCIAL TELEPHONE NUMBER:

** If quantity received by the Government is the same as quantity shipped, indicate by (X) mark; if different, enter actual quantity received below quantity shipped and encircle.*

23. CONTRACTOR USE ONLY

DD FORM 250, AUG 2000 PREVIOUS EDITION IS OBSOLETE.

Reset

THIS PAGE INTENTIONALLY LEFT BLANK

DEPARTMENT OF DEFENSE FORM 250

MATERIAL INSPECTION & RECEIVING REPORT

BLOCK 1: Contract Number

Contains the Procurement Instrument Identification Number (PIIN) commonly referred to as the contract number. It consists of a 13-digit alpha/numeric designation in the following format.

N00016-97-C-XXXX

1. The first 6 digits (Unit Identification Code (UIC)) represent the contracting activity (i.e. NAVAIR is N00019).
2. The next two digits represent the fiscal year (97 for 1997).
3. The third digit is a letter indicating the contract type (i.e. C for all contracts except indefinite delivery, facilities or contracts placed with other Government organizations). Refer to DFARS 204.7003(a)(3) for all contract type code examples.
4. The last 4 digits are a sequential serial number assigned by the contracting activity.

BLOCK 2: Shipment No.

Contains a 7-character alpha/numeric designation. The first thee digits are an alpha designation assigned by the Contractor, followed by a four digit serial number, also assigned by the Contractor. The numbers are in sequence with the final contract delivery ending in Z

BLOCK 3: Date Shipped

The ship date the contractor enters the date the shipment is released to the carrier or the date services are completed. If shipment will be released after the CQA and/or acceptance enter the estimated release date. The shipment date shall be in the following 7-digit format:

Year (2 digits), Month (3 Letters) and Day (2 digits), 'E' is entered after date for estimated dates. For example 97Apr30E.

BLOCK 4: B/L and TCN

The commercial or Government Bill of Lading (B/L) number is entered after B/L and the Transportation Control Number (TCN) is entered after TCN.
The B/L number is contractor provided and the TCN is used for stock numbered items and corresponds with the requisition number.

BLOCK 5: Discounted Terms

The contractor may insert their discount terms, for prompt payment, if offered. This is not mandatory.

BLOCK 6: Invoice No. /Date

The contractor may insert their company's invoice number and date (actual or estimated), insertion is not mandatory. This data is not the same as that in blocks 2 and 3.

BLOCK 7: Page/Of

The Contractor inserts the consecutive page number and total page numbers of the DD 250.

BLOCK 8: Acceptance Point

The contractor inserts the acceptance point 'S' for Source or 'D' for destination. The acceptance point is normally designated in Contract Section E - Inspection and Acceptance. (For CDRL Exhibits, the acceptance point will be listed in Block 7 of the CDRL.)

BLOCK 9: Prime Contractor

The Contractor's Name address and CAGE code are inserted here.

BLOCK 10: Administered By

The Contractor inserts the Contract Administration Office (CAO) cited in Contract Section G.

BLOCK 11: Shipped From/Code/FOB

The shipped from location is usually the same as the Prime Contractor, therefore the contractor should enter "See Block 9". If not the same then the actual ship from address and code should be entered. FOB stands for "Freight On Board" and is cited in Contract Section F. The contractor should insert an ‘S’ for Origin (Source) or ‘D’ for Destination.

BLOCK 12: Payment will be made by/Code

The Contractor enters the payment office cited in the "Payment will be made by" block of the contract award form (This is the first page of the contract, and is signed by the Contractor and Government).

The word “Code” for Blocks 12, 13 and 14 refer to Department of Defense Address Activity Codes (DoDAACs).

BLOCK 13: Shipped To/Code

The Contractor enters the ship to address for the assets listed in Block 15. This address is usually the receiving station at the site.

BLOCK 14: Marked For/Code

The Contractor enters the final destination at the site that is to receive the equipment. This data will be in the shipping instructions.
Blocks 15 to 20 will contain information on the items being delivered:

BLOCK 15: Item No

Contractor inserts the CLIN(s) under which the delivery(s) is/are made.

BLOCK 16: Stock/Part No./Description

The contractor lists the items, which are offered for acceptance. They are to be listed by National Stock Number (NSN) if available. The contractor's part number and Government assigned nomenclature.

Note: The Government adds their comment(s) if any, to this block.

BLOCK 17: Quantity shipped

Self explanatory.

BLOCK 18: Abbreviated unit of measure

The Contractor lists the quantity and unit (i.e. LOT, Each) for the items listed in block 16. A list of abbreviated units of measure can be found in DOD Instruction 4000.25-1-M Appendix 2.6 or the end of this guide

BLOCK 19: Unit Price

Self explanatory.

BLOCK 20: Extended amount

The Contractor lists the product of the quantity and unit price for the items listed in block 16.

BLOCK 21: Contract Quality Assurance (CQA)

CODE	INSPECTION	ACCEPTANCE
SS	Source (DD Form 250)*	Source (DD Form 250)*
DD	Destination (DD Form 250)	Destination (DD Form 250)
SD	Source (DD Form 250)*	Destination (DD Form 250)
DS	Destination (DD Form 250)	Source (DD Form 250)*

* Source indicates contractor's facility
This is where the Government by signing in Block A or B (the signee is designated in Contract Section E) accepts the items listed in block 16. (For CDRL Exhibits, the signee will be the first addressee listed in Block 14, of the CDRL.)

When inspection and acceptance is at the origin (source), or SS, both the CQA and Acceptance boxes in 21 A are "X" the block dated and signed by the Government representative. When inspection is at the origin (source) and acceptance is at the destination, or SD, then the CQA box in 21A is "X" the block dated and signed by the Government representative. When the shipment arrives at the destination the Acceptance Block in 21B "X" the block dated and signed.

When inspection and acceptance is at the destination, or DD, both the CQA and Acceptance boxes in 21B are "X" the block dated and signed by the Government representative.

BLOCK 22: Receiver's Use

The receiving activity dates and signs this block on receipt of the assets

BLOCK 23: Contractor Use only

This block is reserved for the contractor to add their comments. They may list any items not being shipped that are part of the items listed in block 16.

Situations may arise when a DD 250 is to be accepted, (i.e. to meet a ship deployment) with known deficiencies, such as missing hardware/software or failed/out of spec tests that the Contractor will correct within a specific time frame. In these cases, Block 16 of the DD 250 shall be annotated with the deficiencies and when/how the Contractor will make the necessary corrections.

DD1423 - CONTRACT DATA REQUIREMENTS LIST

CONTRACT DATA REQUIREMENTS LIST

Form Approved
OMB No. 0704-0188

The public reporting burden for this collection of information is estimated to average 440 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. Please DO NOT RETURN your form to the above address. Send completed form to the Government Issuing Contracting Officer for the Contract/PR No. listed in Block E.

A. CONTRACT LINE ITEM NO.	B. EXHIBIT	C. CATEGORY: TDP _____ TM _____ OTHER _____
D. SYSTEM/ITEM	E. CONTRACT/PR NO.	F. CONTRACTOR

1. DATA ITEM NO.	2. TITLE OF DATA ITEM			3. SUBTITLE				17. PRICE GROUP
4. AUTHORITY *(Data Acquisition Document No.)*		5. CONTRACT REFERENCE		6. REQUIRING OFFICE				18. ESTIMATED TOTAL PRICE
7. DD 250 REQ	9. DIST STATEMENT REQUIRED	10. FREQUENCY	12. DATE OF FIRST SUBMISSION	14. DISTRIBUTION				
8. APP CODE		11. AS OF DATE	13. DATE OF SUBSEQUENT SUBMISSION	a. ADDRESSEE	b. COPIES Draft	Final Reg	Final Repro	
16. REMARKS								
				15. TOTAL →				

1. DATA ITEM NO.	2. TITLE OF DATA ITEM			3. SUBTITLE				17. PRICE GROUP
4. AUTHORITY *(Data Acquisition Document No.)*		5. CONTRACT REFERENCE		6. REQUIRING OFFICE				18. ESTIMATED TOTAL PRICE
7. DD 250 REQ	9. DIST STATEMENT REQUIRED	10. FREQUENCY	12. DATE OF FIRST SUBMISSION	14. DISTRIBUTION				
8. APP CODE		11. AS OF DATE	13. DATE OF SUBSEQUENT SUBMISSION	a. ADDRESSEE	b. COPIES Draft	Final Reg	Final Repro	
16. REMARKS								
				15. TOTAL →				

1. DATA ITEM NO.	2. TITLE OF DATA ITEM			3. SUBTITLE				17. PRICE GROUP
4. AUTHORITY *(Data Acquisition Document No.)*		5. CONTRACT REFERENCE		6. REQUIRING OFFICE				18. ESTIMATED TOTAL PRICE
7. DD 250 REQ	9. DIST STATEMENT REQUIRED	10. FREQUENCY	12. DATE OF FIRST SUBMISSION	14. DISTRIBUTION				
8. APP CODE		11. AS OF DATE	13. DATE OF SUBSEQUENT SUBMISSION	a. ADDRESSEE	b. COPIES Draft	Final Reg	Final Repro	
16. REMARKS								
				15. TOTAL →				

1. DATA ITEM NO.	2. TITLE OF DATA ITEM			3. SUBTITLE				17. PRICE GROUP
4. AUTHORITY *(Data Acquisition Document No.)*		5. CONTRACT REFERENCE		6. REQUIRING OFFICE				18. ESTIMATED TOTAL PRICE
7. DD 250 REQ	9. DIST STATEMENT REQUIRED	10. FREQUENCY	12. DATE OF FIRST SUBMISSION	14. DISTRIBUTION				
8. APP CODE		11. AS OF DATE	13. DATE OF SUBSEQUENT SUBMISSION	a. ADDRESSEE	b. COPIES Draft	Final Reg	Final Repro	
16. REMARKS								
				15. TOTAL →				

G. PREPARED BY	H. DATE	I. APPROVED BY	J. DATE

DD FORM 1423, AUG 96 (EG) PREVIOUS EDITION MAY BE USED. Page ____ of ____ Pages

Designed using Perform Pro, WHS/DIOR, Aug 96

DD1423 – REVERSE

INSTRUCTIONS FOR COMPLETING DD FORM 1423

(See DoD 5010.12-M for detailed instructions.)

FOR GOVERNMENT PERSONNEL

Item A. Self-explanatory.

Item B. Self-explanatory.

Item C. Mark (X) appropriate category: TDP - Technical Data Package; TM - Technical Manual; Other - other category of data, such as "Provisioning,""Configuration Management," etc.

Item D. Enter name of system/item being acquired that data will support.

Item E. Self-explanatory (to be filled in after contract award).

Item F. Self-explanatory (to be filled in after contract award).

Item G. Signature of preparer of CDRL.

Item H. Date CDRL was prepared.

Item I. Signature of CDRL approval authority.

Item J. Date CDRL was approved.

Item 1. See DoD FAR Supplement Subpart 4.71 for proper numbering.

Item 2. Enter title as it appears on data acquisition document cited in Item 4.

Item 3. Enter subtitle of data item for further definition of data item (optional entry).

Item 4. Enter Data Item Description (DID) number, military specification number, or military standard number listed in DoD 5010.12-L (AMSDL), or one-time DID number, that defines data content and format requirements.

Item 5. Enter reference to tasking in contract that generates requirement for the data item (e.g., Statement of Work paragraph number).

Item 6. Enter technical office responsible for ensuring adequacy of the data item.

Item 7. Specify requirement for inspection/acceptance of the data item by the Government.

Item 8. Specify requirement for approval of a draft before preparation of the final data item.

Item 9. For technical data, specify requirement for contractor to mark the appropriate distribution statement on the data (ref. DoDD 5230.24).

Item 10. Specify number of times data items are to be delivered.

Item 11. Specify as-of date of data item, when applicable.

Item 12. Specify when first submittal is required.

Item 13. Specify when subsequent submittals are required, when applicable.

Item 14. Enter addressees and number of draft/final copies to be delivered to each addressee. Explain reproducible copies in Item 16.

Item 15. Enter total number of draft/final copies to be delivered.

Item 16. Use for additional/clarifying information for Items 1 through 15. Examples are: Tailoring of documents cited in Item 4; Clarification of submittal dates in Items 12 and 13; Explanation of reproducible copies in Item 14.; Desired medium for delivery of the data item.

FOR THE CONTRACTOR

Item 17. Specify appropriate price group from one of the following groups of effort in developing estimated prices for each data item listed on the DD Form 1423.

a. Group I. Definition - Data which is not otherwise essential to the contractor's performance of the primary contracted effort (production, development, testing, and administration) but which is required by DD Form 1423.

Estimated Price - Costs to be included under Group I are those applicable to preparing and assembling the data item in conformance with Government requirements, and the administration and other expenses related to reproducing and delivering such data items to the Government.

b. Group II. Definition - Data which is essential to the performance of the primary contracted effort but the contractor is required to perform additional work to conform to Government requirements with regard to depth of content, format, frequency of submittal, preparation, control, or quality of the data item.

Estimated Price - Costs to be included under Group II are those incurred over and above the cost of the essential data item without conforming to Government requirements, and the administrative and other expenses related to reproducing and delivering such data item to the Government.

c. Group III. Definition - Data which the contractor must develop for his internal use in performance of the primary contracted effort and does not require any substantial change to conform to Government requirements with regard to depth of content, format, frequency of submittal, preparation, control, and quality of the data item.

Estimated Price - Costs to be included under Group III are the administrative and other expenses related to reproducing and delivering such data item to the Government.

d. Group IV. Definition - Data which is developed by the contractor as part of his normal operating procedures and his effort in supplying these data to the Government is minimal.

Estimated Price - Group IV items should normally be shown on the DD Form 1423 at no cost.

Item 18. For each data item, enter an amount equal to that portion of the total price which is estimated to be attributable to the production or development for the Government of that item of data. These estimated data prices shall be developed only from those costs which will be incurred as a direct result of the requirement to supply the data, over and above those costs which would otherwise be incurred in performance of the contract if no data were required. The estimated data prices shall not include any amount for rights in data. The Government's right to use the data shall be governed by the pertinent provisions of the contract.

DD FORM 1423-2 (BACK), AUG 96

DEPARTMENT OF DEFENSE FORM 1423

CONTRACT DATA REQUIREMENTS LIST

Ensure appropriate contract line item number (CLIN) and Statement of Work (SOW) paragraphs are referenced.

Use DDMMYY for all due dates to the greatest extent possible.

If separately priced, insert the price in Block 18.

Refer to Section J for further details on the definition of data.

1. Introduction

These instructions identify procedures applicable for both Government personnel and Contractor personnel for completing the DD form 1423.

a. **Government Personnel.** Assistance in preparing, evaluating, and negotiating CDRL data may be obtained from the Technical Data Management Officer (TDMO) or Data Manager (DM), as appropriate.

b. **Contractors.** CDRLs should be prepared as directed by Section L of the applicable Government solicitation. If authorized or otherwise not specified, another similar electronic reproduction of the DD Form 1423 may be used.

NOTE: Deletion of Data by Government Personnel.
If a data item number has previously appeared in a contract and is deleted, retain all information in lettered blocks (except for updated Blocks G, H, I, and J) and Block 1 and 2 data item number and title, and delete all other block entries. Then enter "DELETED" in Block 16.

2. Detailed Lettered Block Information

BLOCK A: Contract Line Item No.

Optional - Use only with prior approval from the Contract Specialist.

BLOCK B: Exhibit

Enter exhibit identifier. Exhibits shall be identified by a single capital letter (A-Z) then, as required, using double alpha designators. The letters "I" and "O" shall not be used. Include the lot number for multiple lot procurements (e.g., Lot I, Lot II). Omit lot number if only one lot.

BLOCK C: Category

Put an "X" next to the category of data being procured (Technical Data Package or Technical Manual). If neither of these categories applies, type the name of the category in the other block.

BLOCK D: System/Item

Identify the item for which data is being procured (i.e., DV 2F140(T)#5, or DV 2C72). In cases where the device designation exceeds the space available, state "See Block 16" and state item designation in Block 16. For data procurements not keyed to an item, some other appropriate project name or entry should be made.

BLOCK E: Contract/PR

- **Government Personnel.** Enter the actual contract number; if unknown, enter the project identification (PID) number of the acquisition.
- **Contractors.** Enter the solicitation number.

BLOCK F: Contractor

Place the Contractor's name or identification code in this field when known.

BLOCKs G and H, Prepared By/Date

- **Government Personnel:** Enter the person's name and functional acronym for the office(s) responsible for preparing/verifying the data item(s) and the date of preparation. This should be the same office acronym as that entered in Block 6 (see below).
- **Contractors:** Enter the person's name and office responsible for preparing/verifying the CDRL and the date of preparation. This should **NOT** be the same office acronym as that entered in Block 6 (see below).

BLOCKs I and J, Approved By/Date

- **Government Personnel:** Enter the name of the applicable Approval Authority (AA) and the approval date. For acquisitions valued at $5,000,000 or over the AA is the Chairperson of the Data Requirements Review Board (DRRB). For acquisitions under $5,000,000 the AA is the appropriate Program Director (PD) or their Deputy.
- **Contractors:** Leave blank. To be completed at contract award.

3. Detailed Numbered Block Information

BLOCK 1: Data Item Number

Data line items within an exhibit will be assigned a four position alphanumeric identifier. The applicable exhibit identifier is used for the first position. The remaining three positions are designated as follows:

CUMULATIVE NUMBER OF LINE ITEMS	SERIAL NUMBER SEQUENCE
1 - 33	001 thru 009, then 00A thru 00Z*
34 - 67	010 thru 019, then 01A thru 01Z*
68 - 101	020 thru 029, then 02A thru 02Z*
102 - 135	030 thru 039, then 03A thru 03Z*
(and so on)	

*The letters "I" and "O" are not to be used.
(Refer to DFARS 204.7105 for guidance for more than 135 exhibit items or for exhibits with two letters in the identifier.)

BLOCK 2: Title of Data Item

Enter the exact title as it appears on the Data Item Description (DID).

BLOCK 3: Subtitle of Data

If the title requires further identification, enter a subtitle.

BLOCK 4: Authority (DID Identification Number)

Enter the DID identification number, including the revision letter. Each line item of data specified on the DD Form 1423 shall be supported with a DID, except for technical manuals which may be supported by a Technical Manual Contract Requirements (TMCR) document. DIDs shall be selected from the DOD ASSIST Database and used as is, or have non-applicable requirements tailored out (i.e., data requirements cannot be added to, only tailored out of a DID). Tailoring instructions (i.e., "BLK 4: Delete paragraphs . . . ") are entered in the remarks section (Block 16). It is also permissible to clarify DID requirements for a particular acquisition. If more than one data item is used to construct a specific data requirement, each data item will be separately listed on a CDRL, and Block 16 may be used to indicate the relationship (i.e., "Combine with data item A004 for submission").

BLOCK 5: Contract Reference

Enter the specific paragraph number of the SOW that identifies the task generating the data requirement authorized by Block 4.

BLOCK 6: Requiring Office

Enter the functional acronym for the Training Systems Division (TSD) office known or proposed as having primary responsibility for reviewing the data deliverable and recommending acceptance/rejection of the data.

BLOCK 7: DD Form 250 (Material Inspection Receiving Report Requirement)

- **Government Personnel.** Designate the location (contractor's facility or destination) for performance of Government inspection and acceptance by entering the applicable code as shown below:

CODE	INSPECTION	ACCEPTANCE
SS	Source (DD Form 250)*	Source (DD Form 250)*
DD	Destination (DD Form 250)	Destination (DD Form 250)
SD	Source (DD Form 250)*	Destination (DD Form 250)
DS	Destination (DD Form 250)	Source (DD Form 250)*
LT**	Letter of Transmittal only	
NO**	No inspection or acceptance required	
XX	Inspection and acceptance requirements specified else-where in contract	

* Source indicates contractor's facility
** Use of these symbols is not authorized for high cost data such as drawings, specifications, and technical manuals.

- **Contractors.** Leave blank. To be completed prior to contract award.

BLOCK 8: Approval Code

- **Government Personnel.** Use this block to identify requirements for advance written approval by the Requiring Office, Block 6. The following codes will be inserted as appropriate:

CODE	DESCRIPTION
"A"	The data item is critical and requires advance written approval by the procuring agency before the contractor can proceed; i.e., selected design freeze documents, software design freeze documents, documents where acceptance of hardware is contingent on data approval, etc. The scope and depth of approval must be explained in Block 16. Use to be held to a minimum.
"D"	Distribution statement required (distribution will be explained in Block 16).
"AD"	Approval and distribution statements required.
BLANK	Approval (written) is not required. However, the data item will be reviewed and accepted/rejected, based on its conforming to the requirements of the DID, and within the review time specified in Block 16.

- **Contractors.** Leave blank. To be discussed prior to contract award.

BLOCK 9: Distribution Statement Required

Enter one of the following codes. See DoD Directive 5230.24 Distribution Statements on Technical Documents for definitions.

CODE	DESCRIPTION
A	Unlimited distribution
B	US Government agencies only
C	US Government agencies and their contractors
D	DoD and DoD contractors only
E	DoD components only
F	Only as directed by controlling office
X	US Government agencies, private individuals, or enterprises eligible to obtain export-controlled technical data
TBD	To Be Determined. Use block 16 to explain when it will be determined.

BLOCK 10: Frequency

Enter the appropriate frequency code as indicated below and use Blocks 12 and 13, as appropriate, for submission due date(s). If data is of a recurring type, it will be submitted at the end of the report period established in this field unless otherwise indicated in Block 10, Preparation Instructions of the DID, or in Block 11 or 16 of the DD Form 1423. Use of less specific codes (i.e., ONE/R, ASREQ, and CP/RQ) must be further explained in either Block 13 and/or 16 to define their conditions. This is not always self-evident and ambiguity could result if it is not defined. Requirement for revision(s) should be used when it is known (or definitely anticipated) that changes to the data will/could occur during the contract. Requirement for revision is NOT appropriate for the sole purpose of incorporating Government comments/rejection.

DAILY - Daily	ANNLY - Annually
WEKLY - Weekly	SEMIA - Each six months
BI-WE - Each two weeks	OTIME - One time
MTHLY - Monthly	ONE/R - One time and revisions
BI-MO - Each two months	ASREQ - As required
QRTLY - Quarterly	CP/RQ - Change pages as required when procuring (used change pages only)
2/MTH - Semimonthly	2TIME - Two separate submittals
XTIME - X separate	*DFDEL - Deferred delivery (rarely used)

submittals	
2TIME/R - 2 separate submittals	ONE/P - One time preliminary & revisions(s)draft

*Deferred Delivery (per DFARS 227.7103-8) refers to the practice of timing the delivery of technical data or computer software specified in a contract to a firm operational need. It should be used only when the need for technical data is determined and specified on DD Form l423s but time or place of delivery is not firm.

BLOCK 11: As of Date

Specify as-of-data item, when applicable.

BLOCK 12: Date for First Submission

Enter initial data submission date as follows: year/month/day (for example, "1999 March 5"). If date is keyed to a specific event or milestone, enter "See Block 16" and explain this further in the remarks section (i.e., BLK 12: Due 30 days prior to first review conference). If contract start date is not known, indicate the number of days/weeks/months after contract (DAC/WAC/MAC) or option (DAEO/WAEO/MAEO) award that the data is due (i.e., "15 DAC", "3 MAC"). If deferred delivery is involved, insert "DFDEL".

NOTE: Do not insert classified dates.

BLOCK 13: Date of Subsequent Submissions/Event Identification

If data is submitted more than once, enter the date(s) of subsequent submission(s) and last submission. If date is keyed to a specific event or milestone, enter "See Block 16" and explain/define this further in the remarks section; for example, "NLT 15 days after device acceptance." If this information is classified, leave blank.

BLOCK 14: Distribution and Addresses

Enter the known or proposed functional office acronym for addressees and the number of copies (draft, regular, and/or reproducible) each is to receive.

- **Government personnel** should input addresses for the acronyms into Section F of the contract schedule.

- **Contractors** should submit the addresses on a separate paper with the CDRLs. Reproducible requirements are shown in the reproducible column. If reproducible copy(s) are required, the type of reproducible must be defined in Block 16 unless the DID specifies reproducible form (e.g., data storage disk, CD, DVD, electronic transmission, etc.).

BLOCK 15: Total

Enter the total number of draft, regular, and reproducible copies. Software programs may automatically do this.

BLOCK 16: Remarks

Entries in this block should be numbered. Enter in this field all pertinent data item information not specified elsewhere on the form and any required amplification of the other block inputs, including media and format for reproducible deliveries indicated in Block 14. Also, tailoring of Block 4 DID requirements is entered here. Block references should be annotated at the start of each Block 16 statement. (For example, if Block 12 cites "See Block 16", the Block 16 statement applicable to Block 12 should read: "BLK 12: Due 30 days prior to . . . ") The Government time for review and acceptance/rejection shall be specified in Block 16 (i.e., "The Government shall have __days for review and acceptance/rejection." (Add "of each submission" for multiple submissions). If additional space is required, continuation of Block 16 may be added as an annex to the exhibit. The statement "See Annex to Exhibit __." should be shown in Block 16 in this case and should be the last entry in Block 16. The annex should identify the specific data item number(s) that the annex text is addressing.

BLOCKs 17 Price Group and 18: Estimated Total Price

Leave blank. Contractor proposed prices for data (if applicable) will be submitted separately as indicated by Section L of the solicitation.

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DD 1155 – ORDER FOR SUPPLIES OR SERVICES

ORDER FOR SUPPLIES OR SERVICES

PAGE 1 OF

1. CONTRACT/PURCH ORDER/AGREEMENT NO.	2. DELIVERY ORDER/CALL NO.	3. DATE OF ORDER/CALL *(YYYYMMMDD)*	4. REQUISITION/PURCH REQUEST NO.	5. PRIORITY

6. ISSUED BY	CODE	7. ADMINISTERED BY *(If other than 6)*	CODE	8. DELIVERY FOB
				☐ DESTINATION ☐ OTHER *(See Schedule if other)*

9. CONTRACTOR	CODE	FACILITY	10. DELIVER TO FOB POINT BY *(Date)* *(YYYYMMMDD)*	11. X IF BUSINESS IS
• NAME AND ADDRESS •		• •	12. DISCOUNT TERMS	☐ SMALL ☐ SMALL DISAD-VANTAGED ☐ WOMEN-OWNED
			13. MAIL INVOICES TO THE ADDRESS IN BLOCK	

14. SHIP TO	CODE	15. PAYMENT WILL BE MADE BY	CODE	MARK ALL PACKAGES AND PAPERS WITH IDENTIFICATION NUMBERS IN BLOCKS 1 AND 2.

16. TYPE OF ORDER			
	DELIVERY/CALL	☐	This delivery order/call is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract.
	PURCHASE	☐	Reference your furnish the following on terms specified herein.

ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.

NAME OF CONTRACTOR	SIGNATURE	TYPED NAME AND TITLE	DATE SIGNED *(YYYYMMMDD)*

☐ If this box is marked, supplier must sign Acceptance and return the following number of copies:

17. ACCOUNTING AND APPROPRIATION DATA/LOCAL USE

18. ITEM NO.	19. SCHEDULE OF SUPPLIES/SERVICES	20. QUANTITY ORDERED/ ACCEPTED*	21. UNIT	22. UNIT PRICE	23. AMOUNT
					$0.00
					$0.00
					$0.00

**If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and encircle.*	24. UNITED STATES OF AMERICA BY: CONTRACTING/ORDERING OFFICER	25. TOTAL	$0.00
		26. DIFFERENCES	

27a. QUANTITY IN COLUMN 20 HAS BEEN

☐ INSPECTED ☐ RECEIVED ☐ ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED:

b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE	c. DATE *(YYYYMMMDD)*	d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE	
e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE	28. SHIP. NO.	29. D.O. VOUCHER NO.	30. INITIALS
f. TELEPHONE NUMBER / g. E-MAIL ADDRESS	☐ PARTIAL ☐ FINAL	32. PAID BY	33. AMOUNT VERIFIED CORRECT FOR
	31. PAYMENT		34. CHECK NUMBER
36. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT. a. DATE *(YYYYMMMDD)* / b. SIGNATURE AND TITLE OF CERTIFYING OFFICER	☐ COMPLETE ☐ PARTIAL ☐ FINAL		35. BILL OF LADING NO.

37. RECEIVED AT	38. RECEIVED BY *(Print)*	39. DATE RECEIVED *(YYYYMMMDD)*	40. TOTAL CON-TAINERS	41. S/R ACCOUNT NUMBER	42. S/R VOUCHER NO.

DD FORM 1155, DEC 2001 PREVIOUS EDITION IS OBSOLETE. Reset

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DEPARTMENT OF DEFENSE FORM 1155

ORDER FOR SUPPLIES OR SERVICES

BLOCK 1: Contract/Purch. Order/Agreement No.

Enter the Procurement Instrument Identification (PII) number and, when applicable, the supplementary identification number for contracts, purchase orders, and agreements as prescribed in DFARS Subpart 204.70.

BLOCK 2: Delivery Order/Call No.

-Enter the PII number for delivery orders/calls, when applicable, as prescribed in DFARS Subpart 204.70.

BLOCK 3: Date of Order/Call

Enter the four position numeric year, three position alpha month, and two position numeric day. (YYYYMMMDD)

BLOCK 4: Requisition/Purch. Request No.

Enter the number authorizing the purchase. When the number differs by line item, list it in the schedule and annotate this block, "See Schedule."

BLOCK 5: Priority

Enter the appropriate Program Identification Code as identified in Schedule I to the Defense Priorities and Allocations System (DPAS) Regulation.

BLOCK 6: Issued By

Enter the name and address of the issuing office. In the code block, enter the DODAAD code, as per DOD Instruction 4000.25-6-M, for the issuing office. Directly below the address, enter: "Buyer/Symbol:" followed by the buyer's name and routing symbol. Directly below the buyer/symbol, enter: "Phone:" followed by the buyer's phone number and extension.

BLOCK 7: Administered By

Enter the name and address of the contract administration activity. On purchase orders retained by purchasing offices for administration, mark this block, "See block 6." Enter in the code block the DODAAD code of the contract administration activity. In the lower right or left-hand corner, enter the criticality designator code from FAR 42.1105.

BLOCK 8: Delivery FOB

Check the applicable box.

BLOCK 9: Contractor

(1) Enter the full business name and address of the contractor. Enter in the first code block, the Commercial and Government Entity (CAGE) code of the contractor.
(2) If it is known that all the work covered by the order is to be performed at an address different from the address represented by the contractor's code, and any contract administration function will be required at that facility, enter in the facility code block the organizational entity code for that facility (i.e., H8-1/H8-2 code for a non-Government entity or DODAAD code for a Government entity.) Use DODAAD codes only to indicate "performed at" locations for orders specifying services at a Government location.

If it is known that multiple facilities are involved, enter the codes for all facilities at which work is to be performed, including the contractor's code if work is performed at that address, in the Optional Form 336 Continuation Sheet and mark the facility code block with "See Schedule."

BLOCK 10: Deliver to FOB Point By (Date)

If a single date of delivery applies to the entire order, enter the date in this block. List multiple delivery dates in the schedule and mark this block "See Schedule."

In SPS: This block is automatically input with "See Schedule" regardless of the number of delivery dates.

BLOCK 11: Mark if Business

Check all applicable blocks.

BLOCK 12: Discount Terms

Enter the discount for prompt payment in terms of percentages and corresponding days. Express the percentages in whole numbers and decimals, e.g., 3.25% - 10 days; 0.50% - 20 days.

BLOCK 13: Mail Invoices to the Address in Block

Enter a reference to the block number containing the address to which invoices are to be mailed. When not in Block 6, 7, 14, or 15, insert in Block 13, "See Schedule."

Maximum use of electronic invoicing is highly encouraged to avoid delayed or erroneous payments
(ISSUE 25 - Increase use of Electronic Invoicing on page 190)

BLOCK 14: Ship To

If a single ship-to point applies to the entire order, enter the name and address of that point in this block and a DODAAD code in the code block. For Foreign Military Sales (FMS) shipments, enter the Military Assistance Program Activity Directory (MAPAD) code in the code block and an instruction for the contractor to contact the transportation office of the administering activity to obtain a name and a shipping address. Enter multiple ship-to points in the schedule and mark this block, "See Schedule."

BLOCK 15: Payment Will be Made By

Enter the name and address of the activity making payment. Enter in the code block, the DODAAD code of the paying activity.

BLOCK 16: Type of Order

Check the appropriate box. If a purchase order:
(1) Identify the type of quotation, i.e., oral, letter or email, on which the order is based.
(2) Check the box when acceptance of the purchase order is required and enter the number of copies of the order to be returned to the issuing office.

BLOCK 17: Accounting and Appropriation Date/Local Use

Enter the accounting classification and the accounting classification reference number(s) in accordance with DFARS 204.7107.

BLOCK 18: Item No.

Enter an item number for each item of supply or service in accordance with DFARS Subpart 204.71.

BLOCK 19: SCHEDULE OF SUPPLIES/SERVICES

The schedule contains several elements of data. The order and arrangement of data in the schedule is mandatory for purchase and delivery orders assigned to Defense Contract Management Agency (DCMA) and is encouraged for all orders.
(1) National Stock Number (NSN)--Total item quantity for the line or subline item number followed by the appropriate national stock number or the word "none" if an NSN has not been assigned. On the same line and adjacent to NSN, enter the words "Total Item Quantity." This phrase is used in conjunction with the total quantity, unit of issue, unit price, and dollar amount of the stock number or item cited (see entries for Blocks 20, 21, 22, and 23).
(2) Item Identification--Enter first the most descriptive noun or verb of the supplies or services to be furnished, supplemented by additional description as required. If multiple accounting classifications apply to the contract, enter the accounting classification reference number.

(3) Quantity Variance--Enter the quantity variance permitted for the line item in terms of percentages, indicating whether the percentage is plus or minus and if applicable to each destination.
(4) Inspection/Acceptance--Enter the point at which inspection/acceptance will take place.
(5) Preservation and Packaging--Enter the preservation requirements for the item described. These requirements may be expressed in terms of MIL-STD-2073-1, DoD Material Procedures for Development and Application of Packaging Requirements, and MIL-STD-2073-2, Packaging Requirements, codes. They may also be expressed by reference to applicable specifications.
(6) Packing--When required, enter the packing level designator and specification, standard or document in which the requirements are stated or state the specific requirements.
(7) Palletization--When desired by the requiring activity, a requirement for cargo palletization for a particular destination should be specified for shipments involving two or more shipping containers having an aggregate total of not less than 20 cubic feet or 200 pounds.
(8) Ship To--Enter the DODAAD or MILSCAP H8-1/H8-2 (CAGE) as appropriate for the entity code of the ship-to point on the first line and the corresponding name and address on succeeding lines. If multiple accounting classifications apply to the same line or subline item, enter the accounting classification reference number. When several items are to be shipped to the same point, the code will be listed; but it will not be necessary to repeat the address.
(9) Delivery Date--When multiple delivery dates apply, enter the required date of delivery on the same line with ship-to code.
(10) Mark For--Enter the DODAAD or MILSCAP H8-1/H8-2 (CAGE) as appropriate for the entity code on the first line and name and address of the ultimate recipient of the supplies and services on succeeding lines.

BLOCK 20: QUANTITY ORDERED/ACCEPTED

Enter the total quantity ordered for the line item. If applicable, enter the breakdown on quantities for each ship-to point within the line item.

BLOCK 21: UNIT

Enter the unit of measure applicable to the line item.

BLOCK 22: UNIT PRICE

Enter the unit price applicable to the line item.

BLOCK 23: AMOUNT

Enter the extended dollar amount (quantity x unit price) for each line item.

BLOCK 24: CONTRACTING/ORDERING OFFICER

Enter the contracting/ordering officer's signature.

BLOCK 25: TOTAL AMOUNT

Enter the total dollar amount for all line items on the order.

BLOCKS 26 thru 42: These blocks are used in the receiving and payment functions. Procedures for making entries are prescribed by the respective departments.

In SPS: Block 19 is automatically input with the phrase “See Schedule”. Additionally, Blocks 20-24 are left blank and cannot be edited and Block 25 is automatically filled in by the system.

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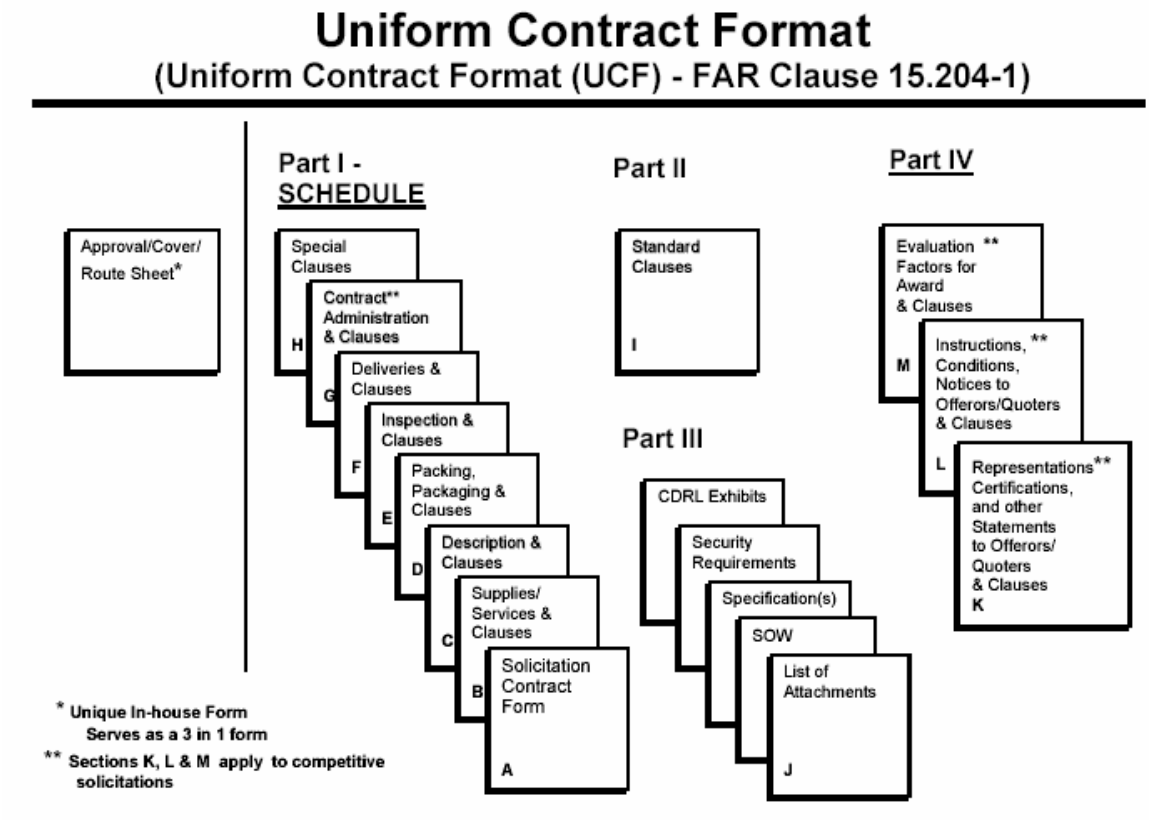
CONTRACT SECTIONS

After the basic forms, there are contract sections that are attached to the legal documents. Contract sections include:

Section A –The Solicitation/Contract Form
Section B –Supplies or Services and Prices/Costs
Section C –Description/Specs/Work Statements
Section D –Packaging and Marking
Section E – Inspection and Acceptance
Section F – Deliveries or Performance
Section G – Contract Administration Data
Section H – Special Contract Requirements
Section I – Contract Clauses
Section J – List of Attachments
Section K – Representations, Certifications and Other Statements of Offerors
Section L – Instructions, Conditions, and Notices to Offerors
Section M – Evaluation Factors for Awards.

This guide has identified some issues for consideration by the contracting officer when preparing legal documents. Recommendations are noted per section. Also, there are some sections in which DFAS and DCMA have noted issues to aid in preparing such contractual sections.

UNIFORM CONTRACT FORMAT (UCF)



SECTION B: SUPPLIES OR SERVICES AND PRICES/COSTS

ITEM NUMBER	CONTRACT TYPE	SUPPLIES/ SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT	DESCRIPTION
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

(1) CLINs should be numbered in accordance with DFARS 204.7103 and 204.7104. Ensure CLIN numbers are not duplicated. One ACRN per CLIN/SLIN relationship should be used, if at all possible. Where this is not possible, please include specific payment instructions in Section G. See DFARS 204.7103-1 and 204.7104-1.

NOTE: SPS users are not able to assign more than one ACRN to an individual CLIN/SLIN. However, an individual ACRN can be assigned to more than one CLIN/SLIN

SLINs to be established IAW DFARS 204.7104-1.

Don't Use "XXX" - write in "intentionally left blank".

List of Spares and CDRLs are Exhibits not Attachments.

List CLINs or SLINs for each deliverable item, different delivery schedule, different source (if contract is with multiple vendors/contractors) and different requirement

(2) Avoid mixing contract types, if at all possible.

(a) If more than one type of contract is used, include a table identifying each line item and its contract type.

"Contract Type Summary for the Payment Office: THIS ENTIRE CONTRACT IS COST TYPE."

(b) If the entire contract is fixed price add:

"Contract Type Summary for the Payment Office: THIS ENTIRE CONTRACT IS FIXED PRICE."

(3) Insert Units of Measure after QTY; 2 position data code (IAW Unit of Measure list from DOD 4000.25-1-M APPENDIX 2.6)
Qty must be a whole number.
Qty x Unit Cost/Price must = Total Cost/Price.

CLINs should be numbered in accordance with DFARS 204.7103 and 204.7104. Ensure CLIN numbers are not duplicated.

Ensure the sum of all CLINs/SLINs/ELINs = total cost/price.

Option items should not be included as part of the total price until they are exercised and the funds are obligated.

Prices should be in whole dollars. Include ACRN and (for FMS) MILSTRIP # in description.

If NTE or Option Item, clearly state as such.

If CDRLs or Spares priced by ELIN:

- Leave Qty, block (4), blank.
- Insert “See Exhibit X” under unit and total price, blocks (5) and (6).
- Show total price for all CDRLs attributable to that CLIN in parentheses in description, block (8).

If CDRLs or Spares priced by LOT, show "1 LO" and unit & total amounts. Also, the billing instructions in Section G should direct the contractor to bill by LOT and not by ELIN.

In SPS: Units of measure are not abbreviated and will be shown as the full proper name.

If CDRLs are not separately priced, the quantity should still be identified as "1 LO" (1 Lot) NSP.

Rule: Dollars reside at deliverable level (CLIN, SLIN, ELIN).

Numeric SLINs do not get entered into MOCAS - established for informational purposes only; they are not to be scheduled separately for delivery or priced separately for payment purposes. Only to be used to identify information that relates directly to the contract line item -- parts of any assembly or kit. (See DFARS 204-7104-1a.)

Separately identified SLINs can have different unit prices (see DFARS 204.7104-1b).

State contract type summary in Section B
(ISSUE 10 - Contract type confusion on page 182)
Segregate clauses by contract type and CLIN to minimize confusion
(ISSUE 11 - Matching CLINs to clauses in hybrid contracts on page 184)

SECTION C: DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

Each Contract Line Item Number (CLIN) listed in Section B must be defined and described in detail in Section C so that both government and contractor personnel fully understand the work to be accomplished. Ensure all CLINs/Subline Item Numbers (SLINs)/Exhibit Line Item Numbers (ELINs) are addressed.

When specifications are referenced, you must ensure inclusion of the latest changes. Specifications must be cited by title, number and revision number, if applicable, and the latest date.

When an item must meet certain requirements to be approved or accepted, these requirements will be stated in this section. Those items which are provisioned (items that a Contracting Officer will place subsequent orders and execute supplemental agreements against) must be identified as provisioned items. Provisioned items and provisioned data items are listed separately and the appropriate clause should be referenced in Section H.

SEQUENCING OF ITEMS

CLINs are entered in the same numerical sequence as in Section B. In those instances where an item is listed in Section B and is further identified by alpha suffix SLINs, a separate Section C paragraph is not required for the SLINs because the description or specifications are always identical. When an item description applies to more than one item, all applicable CLINs will be entered in numerical order before the description. All requirements which apply to the CLINs being described will be entered before continuing to the succeeding CLINs. All priced items will be described before the provisioned, unpriced items and the option items.

Technical Data

Technical data is usually required for end items and will be priced at time of contract award. Therefore, technical data should be identified as a CLIN immediately after the associated hardware item. The description or specification of the data requirements will be cited in the CDRL. The option technical data line items, if any, may be included in the same description as the corresponding firm technical data line items, however, separate exhibits must be provided.

Examples:

Data – shall be prepared in accordance with CDRL.
Hardware – item shall be designed, developed, manufactured, and produced, in accordance with statement of work, specification, and product baseline.
Services – services shall be provided in accordance with Statement of Work.

(Also see Section C Checklist at end of this guide on page 198)

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SECTION D: PACKAGING AND MARKING

Section D will be prepared based on the inputs of various members of the Integrated Product Team (IPT). Each IPT member is responsible for ensuring that packaging and marking requirements specified elsewhere in the procurement package, such as Specifications, Statement of Work (SOW), etc., are reviewed and any duplication or conflict with Section D eliminated. All packaging and marking requirements will be in Section D; however, as a minimum, the specific attachments where additional requirements are found will be identified by attachment, chapter and paragraph number.

Section D describes the packaging, preservation and packing requirements for all CLINs listed in Section B.

The CLINs from Section B will be entered in numerical sequence. When a packaging or marking requirement applies to more than one line item, all the other applicable CLINs will be entered before the description of the packaging and marking requirement. All requirements which apply to the designated CLIN will be entered before progressing to the next CLIN.

The requirements for packaging and marking of supplies can generally be defined in terms of specifications, packaging levels or containerization. Requirements for preservation, packaging and packing requirements are contained in MIL-STD-2073/1D.

When major items are being procured for another service or for an FMS sale, any unique packaging and marking requirements of the customer service or FMS host country will apply.

Packaging instructions for provisioning and unpriced items will be specified by the Contracting Officer in conjunction with Contract modifications issued under the Section H special contract requirements clause entitled, "Ordering-Provisioned Items."

If packaging and marking does not apply, then state: “Packaging and marking requirements do not apply.”

EXAMPLE

Items 0001, 0002 and Option Items 0101 and 0103 - The supplies to be furnished hereunder shall be packaged and packed in government furnished containers in accordance with MIL-X-XXXX, dated XXXX, and chapter_____ of Attachment xxxx entitled, "Statement of Work for Weapon/Section/Component," dated_____.

Items 0003 and Option Item 0105 - The supplies to be furnished hereunder shall be packaged and packed in accordance with MIL-X-XXXX, dated XXXX, and chapter

_____of Attachment xxxx entitled, "Statement of Work for Weapon/Section/ Component," dated_____.

Ensure all CLINs/SLINs/ELINs are addressed; state if packaging and marking instructions do not apply.

Hardware - Items shall be:

1. Packaged and packed so as to ensure safe delivery, or
2. In accordance with best commercial practices, or
3. Packaging and marking requirements do not apply.

SECTION E: INSPECTION AND ACCEPTANCE

Section E of the schedule specifies the place where the government will inspect and accept each contract line item number (CLIN), subline item number (SLIN) and exhibit line item number (ELIN). It also identifies the location where the government will perform quality assurance actions for all contract line items.

Inspection consists of examining or testing supplies or services to determine whether they conform to contract requirements. If the Defense Contract Management Agency (DCMA) has contract administration responsibilities, source inspection should be done by the Administrative Contracting Officer (ACO).

Acceptance is the act of an authorized government representative whereby the government assumes ownership of supplies tendered, or approves specified services rendered as partial or complete with regards to performance of the contract by the contractor. Acceptance of supplies or services is the responsibility of the contracting officer.

When this responsibility is assigned to a cognizant Contract Administration Office or to another agency (see FAR 42.102(c)), acceptance by that office or agency is binding on the government. Acceptance is accomplished after the government has performed all quality assurance functions and has determined that the contractor has fulfilled his contract obligations concerning quality and quantity.

SEQUENCING OF LINE ITEMS

The CLINs from Section B will be entered in numerical sequence, the same as in previous sections. When a requirement applies to more than one item, all the applicable CLINs will be entered before the description of the requirement. All requirements which apply to the designated CLINs will be entered before continuing to the next CLIN.

INSPECTION AND ACCEPTANCE LOCATIONS

Use the words "Source" or "Destination" in the beginning of each CLIN and SLIN description. Define what constitutes inspection. Inspections will usually be made at source, and acceptance will normally be made at destination when supplies are delivered Free-On-Board (F.O.B.) to a specified destination.

Inspection and acceptance at source, however, has certain advantages for both the government and the contractor. Government acceptance of title at source permits payment to the contractor provided his invoice is supported by a signed Commercial Bill of Lading (CBL) or by other appropriate evidence of shipment. Acceptance of services will usually be made at the location where the services are performed. Do not use "designated representative" for source inspection and acceptance on any contract for which DCMA has contract administration responsibility.

EXAMPLE

Items 0001, 0002, 0003, 0005 and Option Items 0101, 0103 and 0105
- Source inspection and acceptance of the supplies, services and First Articles to be furnished hereunder will be performed at the contractor's plant, _____(Address), by the cognizant Contract Administration Office (CAO) via a DD 250 or as designated by the Administrative Contracting Officer (ACO).

The cognizant CAO is authorized to accept any given lot hereunder premised on the test samples for the lot having satisfactorily passed testing per specification XXXX, dated _____, and any other requirements specified herein. The cognizant CAO designated herein will perform administrative functions for the government.

Ensure each CLIN/SLIN/ELIN is addressed in this section.

Use words "Origin" or "Destination" in beginning of each CLIN description.

SECTION F: DELIVERY/PERFORMANCE

Ensure each CLIN/SLIN/ELIN is addressed in this section.

Specify F.O.B. Destination or Origin for each CLIN/SLIN/ELIN.

Use specific dates (DDMMYY) for deliveries, including services. It would be very helpful if the total quantity for each item is identified on the schedule along with the individual deliveries and dates.

In SPS: These dates are displayed as DDMMYYYY but the user must enter it as a MMDDYY or MMDDYYYY format.

Use specific dates for CDRLs wherever possible, unless tied to a milestone (e.g. critical design review or a specific test).

Provide DODAAC and complete address for shipping and marking instructions (Military Assistance Program Address Code (MAPAC) and complete address for FM shipments).

SECTION F Example -

Item 0001 - Delivery of the supplies to be furnished hereunder shall be F.O.B. origin in accordance with the following schedule:

Yr.	31 Jan	28 Feb	31 Mar	30 Apr	31 May
1996	1	3	2	5	8

Ship and Mark for the following address:
SHIP TO: N00109
Naval Weapons Station
Yorktown, VA 23692-5000
MARK FOR: Code _____ (this should be a valid six digit DODAAC code.)
WEAPONS FY__ PRODUCTION

Items 0002, 0003 and 0004 - The data to be furnished hereunder shall be delivered F.O.B. destination in accordance with Exhibit A (Item 0002), Exhibit B (Item 0003), and Exhibit C (Item 0004), Contract Requirements List, DD Form 1423.

Progress payments for long term contracts is encouraged
(ISSUE 29 - Period of performance too long on page 191)
Ensure delivery schedule information is consistently stated throughout the contract and the same information is included in contract Section F
(ISSUE 4 - Ship to/Mark for codes not standardized on page 178)
Provide firm delivery dates instead of "as required"
(ISSUE 13 - State specific delivery dates on page 184)

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SECTION G: CONTRACT ADMINISTRATION DATA

To ensure contracts get paid timely and accurately, Contracting Officers need to be very mindful about the following issues in relation to Section G: 1) required summary financial statements, 2) the recommended usage of the Financial Accounting Data Sheet, 3) ACRN issues and 4) financing issues (progress payments and performance based payments). To ensure clarity, all financing issues have been discussed in detail in the "Financing" section under special issues in this guide. Therefore, this section will focus on the other issues: the summary statements, the FAD sheet issues and the ACRN issues.

1) In accordance with DFARS 217.7405 and 243.171, all modifications shall contain one of the following statements and a summary table as follows:

> "This modification reflects the total value of the P-mods and increases/decreases the total obligated value as follows:" or if the value of the A-mods is known, "This modification reflects the total value of P-mods and A-mods and increases/decreases the total obligated value as follows:"
>
> SUMMARY TABLE

Item	From	By	To	
0001	$500	$100	$600	INCREASE
0002	$500	($100)	$400	DECREASE

In SPS: This table is organized in a By-From-To format.

> "The value of this contract is increased/decreased by $_____ resulting in a total obligated value of $_____.
>
> "This modification results in no obligation/deobligation of funds and/or reallocation of funds between CLINS/SLINS."
>
> If funds are reallocated, a summary table as shown above must be provided. Great care should be taken to ensure that the correct and most current information is reported. Although the summary table only includes those contract line items that are affected, the total obligated value of the contract after the changes are made should be indicated.
>
> **Include clarifying statements to indicate how funds are being moved**
> **(ISSUE 14 - Inaccurate appropriation data on page 184)**
> **Long line of accounting invalid**
> **(Common DD-1716 Code B10A discrepancy on page 132)**

2) Financial Accounting Data Sheet (FAD sheet). The Navy fund managers have used the financial accounting data sheets for years but in 1996, the Navy Financial Management Office highly encouraged the Navy community to attach the FAD Sheets to the contracts and note that such has been attached in Section G. The main reason for including it in Section G is to standardize the location of the FAD sheet and lessen the likelihood that the FAD sheet will be removed from the contract document while enroute to DFAS for entry into MOCAS. (See FAR 14.201-2(g) and 15.406-2)
There are two FAD sheets. One is for Navy (Navy money only) and the other is non-Navy (i.e., Army and Air Force lines of accounting). Both are required to be in the service specific format, (i.e., do not try to force another Service's accounting classification into the fields on the Navy's FAD).

Pay careful attention when using unfamiliar lines of accounting
(ISSUE 15 - Use of other Service's lines of accounting on page 185)
For clarity purposes, all financial and accounting data must be consolidated in one location, contract Section G.
(ISSUE 16 - Dispersed accounting data on page 186)

Copies of the FAD sheets are attached to this guide. It is highly recommended that the procurement offices help ensure the fund managers provide their name, title, telephone number and email addresses on such sheets so when a funding issues develops, DFAS has a financial manager POC to contact.

(3) **Note: See Regulatory Clauses under the "Special Clauses" section of this guide (pg. 170) for ACRN issues (Regulatory Clause 1, 2, and 4):**

Additionally, review the following issues:

Segregate clauses by contract type and CLIN to minimize confusion
(ISSUE 11 - Matching CLINs to clauses in hybrid contracts on page 184)
CLIN/SLIN/ELIN not formatted properly increase payment and administration problems
(ISSUE 12 - Improperly structured CLIN/SLIN/ELIN on page 184)
Provide firm delivery dates instead of "as required"
(ISSUE 13 - State specific delivery dates on page 184)
For clarity purposes, all financial and accounting data must be consolidated in one location, contract Section G.
(ISSUE 16 - Dispersed accounting data on page 186)
Accounting Classification Reference Number (ACRN) must be assigned to each line of accounting
(ISSUE 17 - Missing ACRNs on citations on page 186)
Do not cite more than one ACRN and line of accounting for each CLIN
(ISSUE 18 - Multiple ACRNs per CLIN/SLIN on page 187)
Include most current Transportation Accounting Classification (TAC) clauses
(ISSUE 19 - Use of current TAC codes on page 187)
Clearly state what money is withheld because it will be prorated across all

ACRNs otherwise
(ISSUE 20 - Specify most current ACRN for money withheld on page 188)
Options for additional requirements must have a different CLIN from the basic requirement
(ISSUE 21 - Separate CLIN/SLIN for options on page 188)
Do not use more than one financing method per contract
(ISSUE 27 - Multiple financing methods on page 190)
Performance Based Payment (PBP) events should not include the actual delivery of the product
(ISSUE 28 - Performance Based Payment provisions on page 191)
Clear payment instructions must be included if proration is not desired
(ISSUE 31 - DFAS prorates many payments on page 192)
Ensure contractors use Bureau Voucher Numbers (BVN) for invoicing on cost type contracts
(ISSUE 32 - Commercial Invoices versus BVN on page 193)

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SECTION H: SPECIAL CONTRACT REQUIREMENTS

Include any contractual requirements that are not included in other parts of the contract, including special clauses that only pertain to this particular acquisition.

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SECTION I: CONTRACT CLAUSES

This Contracting Officer shall include in this section the clauses required by law or by this regulation and any additional clauses that are expected to apply to any resulting contract. (See FAR 14.201-3)

Check the FAR Matrices to determine which clauses are required. (See FAR 52.301)

Ensure clauses are located in the contract IAW the FAR Matrices
(ISSUE 22 - Consolidation and proper placement of clauses on page 189)
Consistently order clauses to reduce administration and payment time
(ISSUE 23 - Proper order of clauses on page 189)
Include the Electronic Funds Transfer (EFT) clause in all contracts
(ISSUE 24 - EFT clause on page 190)
Maximum use of electronic invoicing is highly encouraged to avoid delayed or erroneous payments
(ISSUE 25 - Increase use of Electronic Invoicing on page 190)

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SECTION J: LIST OF ATTACHMENTS

If applicable, ensure warranty periods and related CLINs are clearly stated.

If applicable, ensure government property is listed including dates for delivery and use.

Ensure proper payment clauses and clauses related to the contract type are checked.

Check Electronic Funds Transfer (EFT) clause (required except for foreign businesses).

Ensure all Exhibits and Attachments are included in the contract or modification including items such as the Statement of Work (SOW) and Contract Data Requirements List (CDRL) (exhibits are for deliverable items, attachments are for information).

If applicable, attach Small Business/Small Disadvantaged Business (SB/SDB) subcontracting plan.

If applicable, attach DD Form 254.

Note: DD Form 254 (DOD Contract Security Classification Specification): A copy and instructions for filling out this form is located at the following website.**

http://www.classmgmt.com/about_NCMS/index_page_DD254.htm

An important responsibility of all DoD employees is to safeguard the release of classified information. DoD publications that relate to the release of classified information are:

- DoD 5220.22-4, Industrial Security Regulation
- National Industrial Security Program Operating Manual (NISPOM)

The contracting officer must determine if any classified materials will be provided in the RFP or contract, or if the RFP or contract will require the offeror/contractor to have access to classified information from other agencies, or to develop any classified hardware, software, or material under the contract. Examples include access to information on:

- Classified Hardware or Software Related to the Operational System
- Classified Mission Scenario Materials
- Classified Weapon System Procedures Handbooks

DEFINITION OF DATA

When a procurement includes a requirement for data to be provided to the government by the contractor, the data will be identified and listed on the CDRL. Data, as discussed in this guide, means all recorded information, regardless of form or characteristic, which is needed by the government to accomplish life cycle management of the item(s) to be procured. The three types of data that must be considered for inclusion in the procurement are discussed below.

The first two, Administrative/Management and Financial data, are not mandatory when the total amount of the resultant contract will be less than $1,000,000. A Data Requirements Review Board (DRRB) should be convened for procurements over $5 million. The DRRB ensures that all data ordered are required in accordance with the statement of work and that any unnecessary data are not procured. (As described in the Naval Air Systems Command (NAVAIR) Procurement Initiation Document Guide.)

Administrative/Management Data

Administrative/Management Data includes data used to administer, manage and enforce contractual requirements and is designed to provide visibility. This data is also for project management reporting and for status, milestones, problems and plans that are not functionally oriented. This data excludes financial and technical documentation although such data may be secondary within management reporting.

Financial Data

Financial data includes data such as dollar expenditures, forecasts, status and other cost information, whether or not manpower, accounting, performance or contract administration information is included.

Technical Data

This data consists of recorded information, regardless of form or characteristic, of a scientific or technical nature. It includes computer software documentation; research documentation; experimental, developmental or engineering information; and design or process definition. This data can be used to procure, support, maintain or operate hardware/material. It may be graphic or pictorial in nature, such as drawings or photographs, text in specifications, related performance tapes, computer memory printouts and it may be provided in an acceptable format for retention in computer memory.

Examples of technical data include research and engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications and related documents.

SECTION K: REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS

Include in this section those solicitation provisions that require representations, certifications, or the submission of other information by bidders/offerors.

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SECTION L: INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS

Section L is only included in solicitations and includes solicitation provisions and other information and instructions not required elsewhere to guide offerors in preparing proposals or quotations.

Maximum use of electronic invoicing is highly encouraged to avoid delayed or erroneous payments
(ISSUE 25 - Increase use of Electronic Invoicing on page 190)
Promote electronic commerce through use of the Central Contractor Registration (CCR)
(ISSUE 26 - Contractors must be in CCR on page 190)

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SECTION M: EVALUATION FACTORS FOR AWARD

This section is required for competitive solicitations and identifies all factors, including price or cost, and any significant subfactors that will be considered in awarding the contract. It contains the evaluation criteria listed in order of importance and other factors for contract award.

Guidelines for establishing evaluation factors can be found in FAR 15.304.

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NAVY AIR FORCE INTERFACE (NAFI) OVERVIEW

The Navy Air Force Interface (NAFI) is a contract repository for Navy, Air Force and Coast Guard. NAFI provides a means to eliminate the costly and cumbersome system of distributing paper contracts to Defense Finance Accounting System (DFAS). NAFI enables web based interface via Universal Interface (UI) to Electronic Document Access (EDA) and Wide Area Work Flow Receipt & Acceptance (WAWF R/A).

NAFI provides document retrieval and query for all contracts and documents uploaded into the system. NAFI also provides a tool set for DD 1716, Contract Deficiency Report, resolution for any observed deficiencies or other requirements which will provide more effective operations or eliminate unnecessary costs.

The contract to DD 1716 work flow is represented below in Figure A. Contracting activities provide DFAS with a contract for payment via NAFI. If a contract has a deficiency and DFAS cannot make payment, DFAS will issue a DD 1716 via the Contract Inquiry System for Tracking and Reporting (CISTR) which will interface with NAFI.

The DD 1716 will be indexed into NAFI and an email will be sent to PCO (Procuring Contracting Officer)/ACO (Administrative Contracting Officer) for notification and resolution. PCO/ACO will issue a contract modification (MOD) to resolve deficiencies reported in the DD 1716. Status of all DD 1716s is tracked and viewable in NAFI along with statistical reports which are downloadable in spreadsheet format.

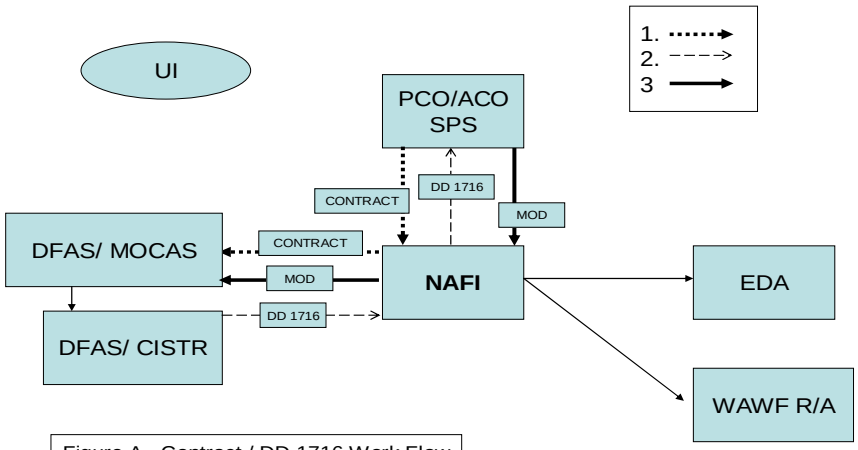


Figure A. Contract / DD 1716 Work Flow

NAFI is a tool contracting officers should exploit for their benefit. NAFI stores and distributes executed contracts electronically to stakeholders in the contracting process efficiently and securely. Contracts and modifications can be easily searched retrieved and viewed, increasing the convenience to contract specialists. Supporting documents such as drawings can also be uploaded into NAFI.

Additionally, contractors can obtain documents via the NAFI Contract Notification System by direction of the contracting officer. Documents can be automatically uploaded from SPS using automated interface (preferred) or manually if so desired.

The NAFI home page is located at https://www.nafi.navy.mil/. Any questions or inquiries to NAFI can be made to NAFI support by calling (703) 519-2500 or emailing nafi.support@nafi.navy.mil.

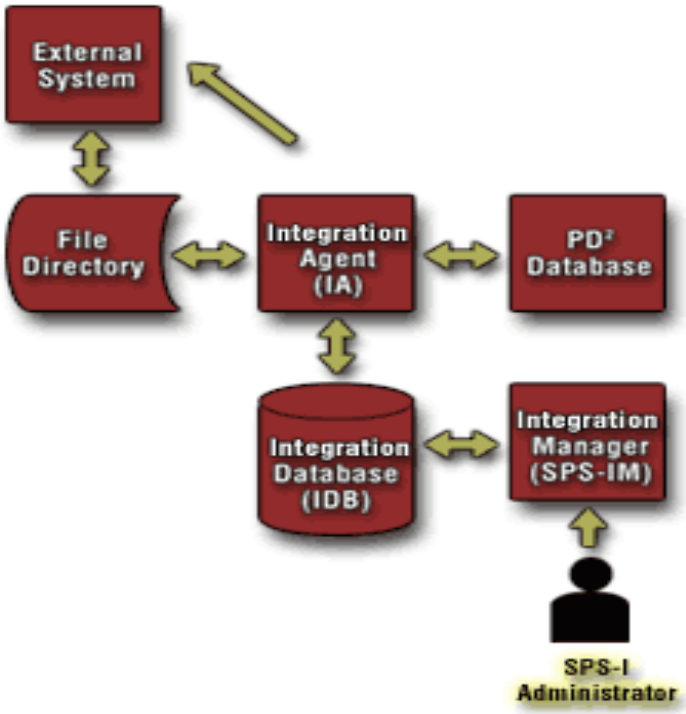
STANDARD PROCUREMENT SYSTEM (SPS) OVERVIEW

The Standard Procurement System (SPS) is an automated contracting system that standardizes procurement processes across the Department of Defense (DoD). SPS is a major acquisition program, which develops, tests and deploys a suite of software products to automate and standardize the procurement process for approximately 43,000 (currently used by 23,000) procurement professionals throughout the DoD. SPS was developed to replace over 70 legacy diverse contracting-writing systems throughout DOD with one standard system.

Because of the vast contracting functions found throughout DoD, it was recognized that a reasoned strategy was required to standardize procurement of diverse products and services and to address constantly changing technologies. In August of 1996, a competitive award was made to AMS of Fairfax, VA, for the incremental development of SPS. The incremental deployment plan of SPS primarily targets the four services plus the Defense Logistics Agency.

The AMS core SPS software application is known as Procurement Desktop-Defense (PD^2). This major automated information system is managed by a dedicated government program office located in Fairfax, VA.

****NOTE:** PD^2 has so closely become associated with the SPS program that many people use the two terms interchangeably. However, it's helpful to distinguish between SPS, which is the formal program fulfilling the DoD vision for standardized procurement automation, and PD^2, which is the name of the core software application currently in use.



The figure above graphically illustrates the SPS-I architecture which consists of five distinct components

1. PD^2 Database
2. Integration Database (IDB)
3. Integration Agent (IA)
4. SPS-Integration Manager (SPS-IM)
5. And one or more file directories

SPS-I - PD^2 Database

A Sybase relational database that stores data entered or accessed by the PD^2 product. The PD^2 database is the source or final destination of data transmitted in interface files. This database serves as the repository for business data such as requisitions, awards and modifications.

SPS-I - Integration Database (IDB)

A rules Sybase relational database that stores formats, formulas, procedures and parameters that govern the execution of each interface. IDB also stores data generated as each interface is executed in order to track the success or failure of processing. The IDB contains interface Metadata (data about data) only.

SPS-I - Integration Agent (IA)

As an executable the IA cannot be seen visually or manipulated directly. It serves as the processing engine or workhorse that executes each interface (i.e., builds or downloads interface files) in accordance with the rules stored in IDB.

SPS-I - Integration Manager (IM)

SPS-I interfaces are administered through the graphical user interface (GUI). SPS-IM allows the SPS-I Administrator to specify and modify how interfaces are executed by adding or editing the data in IDB. SPS-IM also displays tracking data generated during interface execution. It consists of the following components

- Collections
- Collection Sets
- Directories
- PD^2 Databases
- External Systems
- Sites
- Interfaces
- Statistics
- Scheduler Software

SPS-I - File Directory

The storage location of the incoming and outgoing interface files. A different file directory can be selected for each interface file. Directories are located in mapped drives on the IA machine or on the IA machine itself.

The file directory is a repository for incoming and outgoing file-based data. In that regard it may be understood as a "newsstand" to store data for processing by the external systems in the case of PD^2 outbound files, or processing by SPS-I in the case of inbound PD^2 files. External systems drop-off and pick-up interface files at the file directory.

The SPS home page is located at http://www.spscoe.sps.eis.army.mil/. Any questions or inquiries to SPS can be made to:

Joint Program Management Office (JPMO)
4114 Legato Road
Fairfax, VA 22033
703.460.1490

SPS User Satisfaction Manager
703.460.1155

SPS Help Desk Contact Information:

Hours of Operation:
9pm Sunday to 9pm Friday EST

Via Phone:
Toll Free: 1-800-234-7453
Local: 1 -703-679-6300

Via Fax:
Fax Number: 1-800-981-3253
Local Fax Number: 1-703-679-6400

Via e-Mail:
sps.helpdesk@caci.com

Other useful websites include:

http://kb.caci.com/spskb.nsf (The SPS Knowledge Base)

http://www.navsup.navy.mil/npi/our_team/hq/org/02/sps/index.jsp (NAVSUP)

LINE OF ACCOUNTING

The following describes the breakdown of a Line of Accounting (LOA) using Naval Air Systems Command (NAVAIR) as an example. This is intended to provide non-Financial Managers with a basic familiarity of the elements that make up an LOA. This is not in any way intended to substitute for the knowledge and experience of the Financial Manager and they should be consulted for any line of accounting information.

The Line of Accounting provides the procurement office the appropriation, program and/or project on which funds are being expended. The following is a detailed description of a line of accounting using a competency of Naval Air Systems Command (NAVAIR) as an example.

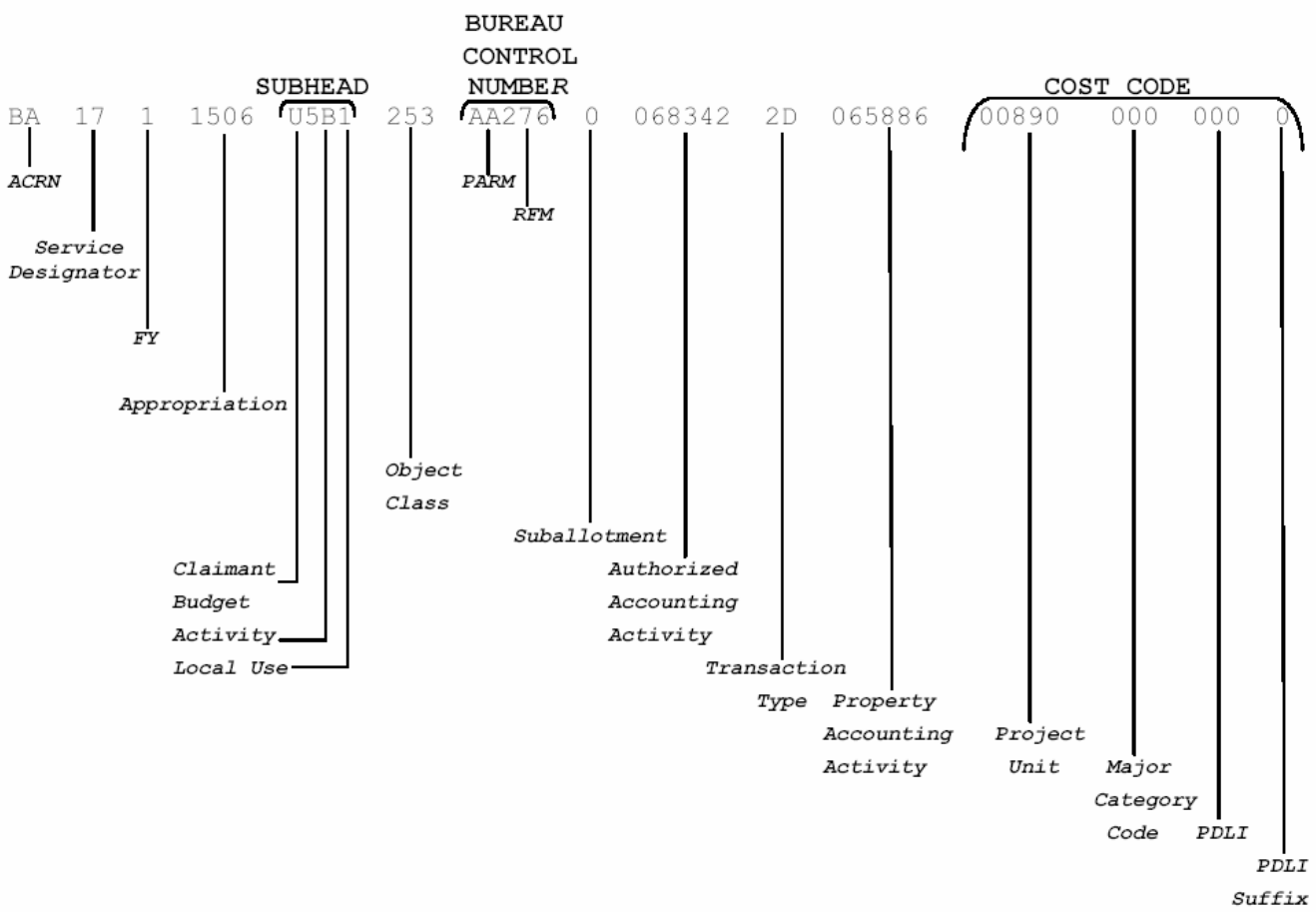


FIGURE 3.6, LINE OF ACCOUNTING

a. **ACRN** – The Accounting Classification Reference Number (ACRN) is used for recording initiations, commitments and obligations. At NAVAIR, ACRNs are assigned as

follows: (Excluding the letters “I” and “O” to avoid confusion with the numerals “1” and “0”)

ACRN	COGNIZANT AIR CODE	APPROPRIATION
BA thru KZ	AIR-10.2	APN, WPN, OPN
SA thru VZ	AIR-10.2	Other Customer Funds
WA thru ZZ	AIR-10.2	FMS
LA thru MZ	AIR-10.4	O&MN, O&MN,R
NA thru QZ	AIR-10.3	RDT&E,N
3A thru 39	Naval Air Technical Data & Engineering Services Command (NATEC)	All Types

NOTE: Appropriation acronyms can be found below under the APPROPRIATION section.

For example: **BA** – A two digit code that identifies the entire line of accounting is inserted by AIR-10.2.

BA

b. **SERVICE DESIGNATOR –** Is the first two digits of the Appropriation field. The service designator identifies which branch of DOD is responsible for the information contained in the line of accounting.

For example: 17 indicates Department of the Navy
21 indicates Department of the Army
57 indicates Department of the Air Force
97 indicates Office of the Secretary of Defense

BA 17

c. **BEGINNING FISCAL YEAR** – Is the third digit of the Appropriation field and indicates the last digit of the beginning fiscal year. In this example, the fiscal year would be 2001.

BA 17 1

d. **APPROPRIATION –** Is the last four digits of the Appropriation field. This field provides a four-digit code identifying the appropriations (also known as Treasury Symbol). NAVAIR executes funding from a wide variety of appropriations. Each appropriation has unique requirements and limitations.

For example: 1506 – Aircraft Procurement, Navy (APN)
1507 – Weapons Procurement, Navy (WPN)
1508 – Procurement Ammunition, Navy and Marine Corps (PAN&MC)

. 1810 – Other Procurement, Navy (OPN)
1319 – Research, Development, Test and Evaluation, Navy (RDT&E,N)
1804 – Operations and Maintenance, Navy (O&M,N)
1806 – Operations and Maintenance, Navy Reserves (O&M,NR)
0400 – Research, Development, Test and Evaluation, Defense Agencies (RDT&E,DA)
0300 – Procurement, Defense Agencies (PDA)
0380 – Coastal Defense Augmentation, Navy (CDA,N)
0350 – National Guard and Reserve Equipment (NG&RE)

BA 17 1 <u>1506</u>

e. **SUBHEAD –** The four digits identify the major claimant or sub claimant, the major program (budget activity, activity group), and the specific budget line item for which the funds are designated. Provides funds control and reporting below the appropriation level.

BA 17 1 1506 <u>UB51</u>

f. **OBJECT CLASS** – These three digits identify the nature of services, articles, or other items. A list of object codes is found in NAVCOMPT Manual, Vol. 2.

For example: 210 – Travel and transportation of persons
251 – Advisory and assistance services (This class requires the use of Major Category Codes (MCC) which are MSS, SAE or ETS as explained in the Cost Code section of the Accounting Classification definition.)
252 – Other Services
253 - Purchases of goods and services from government agencies
255 – Research and development contracts
311 – Equipment ($100K or less)
312 – Equipment ($100K or more)

BA 17 1 1506 UB51 <u>253</u>

g. **BUREAU CONTROL NUMBER** – The first two letters are the Participating Manager (PARM), a supporting office or activity responsible for administering a portion of the Requiring Financial Manager's (RFM) funding.

The last three digits are the RFM, the NAVAIR program office responsible for administering and executing the funds allocated for that office.

The RFM or PARM is responsible for executing requirements.

BA 17 1 1506 UB51 253 <u>AA276</u>

h. **SUBALLOTMENT** – This is always 0. It identifies a performing activity that is receiving an allotment from a requiring activity.

BA 17 1 1506 UB51 253 AA276 <u>0</u>

i. **AUTHORIZED ACCOUNTING ACTIVITY** – Identifies the activity performing the accounting for the operating budget holder. For NAVAIR appropriations the Authorized Accounting Activity (AAA) is always 068342, which represents Standard Accounting Reporting System (STARS) as the accounting activity.

BA 17 1 1506 UB51 253 AA276 0 <u>068342</u>

j. **TRANSACTION TYPE** – this is a two-character code used to provide easy determination of:

- Stores account purchases
- Plant property account purchases
- Other special suspense type accounts
- Formal and other special obligation accounting
- Successor appropriations
- Register and listing identification
- Other transactions of special interest

Frequently used codes:
6A – per diem for travel
6C – transportation cost for carrier for travel
2B – end use purchases, formal departmental obligations
2D – transactions not included as any other transaction type

BA 17 0 1506 UB51 253 AA276 0 068342 <u>2D</u>

k. **PROPERTY ACCOUNTING ACTIVITY** – This field is used differently depending on the appropriation. The following is a breakdown by appropriation on how this field is used within NAVAIR.

The procurement accounts i.e., APN, WPN, OPN and PANMC, and the operations and maintenance accounts, i.e., O&M,N and O&M,NR use this field to identify the UNIT IDENTIFICATION CODE (UIC) of the receiving or performing activity. EXAMPLE: 065886

Research, Development, Test and Evaluation, Navy uses this field to identify the *performer distribution code* of the receiving (first 3 characters), the *state code* of that activity (4th and 5th characters) and the letter *"Q"* for the *expense element* (6th character). EXAMPLE: 05406Q.

BA 17 0 1506 UB51 253 AA276 0 068342 2D <u>065886/05406Q</u>

1. **COST CODE**

a**. Project Unit –** the first five digits of the COST CODE. It is an important cross-reference between budget formulation and budget execution in the procurement arena. These are unique categories, which equate to specific elements of cost for weapons systems.

BA 17 1 0 1506 UB51 253 AA276 0 068342 2D 065886 <u>00890</u>

b**. Major Category Code –** Digits 6, 7 and 8 of the Cost Code. The MCC for NAVAIR is 000 unless purchasing Advisory and Assistance Services (A&AS). This field is used by NAVAIR to record contractor support costs. The following are NAVAIR A&AS codes:

ETS – Engineering and Technical Services
SAE – Studies, Analyses and Evaluations
MSS – Management Support Services

BA 17 1 0 1506 UB51 253 AA276 0 068342 2D 065886 00890 <u>000</u>

c. **Project Directive Line Item (PDLI) and Suffix –** The last four digits of the COST CODE.

BA 17 1 0 1506 UB51 253 AA276 0 068342 2D 065886 00890 000 <u>000 0</u>

Populating the Four Digit Field – All Appropriations – If the funding document uses a project directive (PD) as the reference number, then the PD dictates the PDLI. A PD must be prepared to identify the Major Category Code (MCC) and corresponding PDLI prior to issuing a funding document for Advisory and Assistance Services (A&AS). These four digits will always be 0 unless it is RDT&E, then it will be 9990.

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OVERVIEW: DD-1716 DEFICIENCY REPORTING

Introduction:

This portion of the NCWG deals with the problem of contract errors, known as *deficiencies*. Upon discovering a contract deficiency, clerks at the Defense Finance and Accounting Service (DFAS) bring the problem to the attention of contracting professionals by issuing an electronic notification, known as a DD-1716 deficiency report. This DD-1716 deficiency report is intended to highlight the contract in question so that the deficiency might be remedied in order to continue the administrative processing of the contract.

Impact of Contract Deficiencies:

Administrative processing delays of contracts often lead to delayed payments to commercial vendors. Each year the Defense Department incurs many millions of dollars in Prompt Payment interest charges, much of which is caused by contract deficiencies. In fiscal year 2003, for instance, the U.S. Navy spent nearly $3.2 million in Prompt Pay interest. Leaders in the Department of Defense rightly view these charges as wasteful and avoidable.

Research and Data:

To this aim, extensive research on the leading contract deficiencies was conducted. It was determined that over 57% of all deficiencies are caused by just five general types of deficiencies and that over 72% of all contract deficiencies are attributable to the ten leading deficiencies. Further, the leading cause of contract deficiencies, *long line of accounting invalid*, constitutes 27% of all contract deficiencies. Such a tight grouping in the frequency of occurrence of contract deficiencies allows for a limited, yet focused, effort with a high likelihood that effective reductions in contract deficiencies can be achieved.

Format:

The most effective approach in reducing contract deficiencies is to focus on the top five and address each of them individually. The remaining sixth through tenth leading codes are addressed as a group because the individual contribution of each of these is minimal, but collectively they represent a significant contribution to the overall occurrence of deficiencies.

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DD 1716 - CONTRACT DEFICIENCY REPORT

Contract Data Package Recommendation / Deficiency Report 1. Control Number: 54995

Section I - For Completion By Reporting Element BKJNC

2. Thru (ACO):	3. To (PCO): N61339	4. From:

5. Request 30 Day Reply	6. Contract Number: N61339-03-C-0143
7. NSN:	8. Contractors Name and Complete Address: 0CJZ9
7a. Item Noun Name:	

9. Contract Data Package Problem:
ACRN NOT STRUCTURED IAW DFARS 204

10. Description of Deficiency and Appropriate Recommendation:

** PLEASE RETURN A COPY OF THIS DD1716 WITH THE CORRECTION DOCUMENTATION **

11a. Name, Title and Telephone of Initiator:	11b. Initiator Signature and Date: 10/30/2003
12a. Name, Title and Telephone of Reviewing Official:	12b. Reviewing Official Signature: 11/18/2003

Section II - For Completion By Adminstrative Contracting Officer

ACO Recommendation of Action (Return to Initiator if PCO action is not required)	☐ Deficiency Corrected by ACO *(If X'd attach modification)*
	PCO Action ☐ is ☐ is not Required *Please "X" appropriate block*

Section III - For Completion By Procuring Contracting Officer

PCO Action Taken: *(Return to initiator through ACO or CAO)*	PCO Signature:
	Date Signed:

This is a CISTR Word Processing Document of DD Form 1716 *Printed on 11/18/2003*

DD 1716 CONTRACT DEFICIENCY REPORT CODES

Code	Narrative
AAA	CONTRACT & SUPPORTING DOCUMENTS ARE LATE
B10A	LONG LINE OF ACCOUNTING INVALID
B10B	LONG LINE OF ACCOUNTING MISSING
B10C	ACRN MISSING
B10D	ACRN PREVIOUSLY USED
B10E	ACRN NOT STRUCTURED IAW DFARS 204
B10F	TOTAL OBLIGATED AMOUNT EXCEEDS TOTAL CONTRACT VALUE
B10G	TOTAL OBLIGATION/DEOBLIGATION NOT CALCULATED CORRECTLY
B10H	FMS COUNTRY CODE MISSING
B10I	FUNDS NOT PAID BY DFAS-CO
B11A	ADMINISTRATIVE OFFICE INCORRECT
B11B	DCMC ADMINISTERED - PAYMENT OFFICE INCORRECT OR NEEDS CLARIFICATION
B11C	CONTRACT OR MOD NUMBER NOT STRUCTURED IAW DFARS 204
B11D	MODIFICATION NUMBER PREVIOUSLY USED
B11E	CONTRACT NUMBER PREVIOUSLY USED
B11F	CONTRACT/MODIFICATION NOT SIGNED
B11G	NON-DCMC ADMINISTERED CONTRACT - PAYMENT OFFICE INCORRECT
B12A	PAYMENT INSTRUCTIONS MISSING/AMBIGUOUS
B12B	DISCOUNT PERCENTAGE NEEDS TO BE VERIFIED
B12C	DISCOUNT PERIOD (DAYS) MISSING
B1A	CLINS/SUBCLINS/ELINS NOT STRUCTURED IAW DFARS 204
B1B	CLINS/SUBCLINS/ELINS MISSING
B2A	INSPECTION OR ACCEPTANCE MISSING
B2B	INSPECTION OR ACCEPTANCE UNCLEAR
B2C	CERTIFICATE OF CONFORMANCE NO LONGER VALID
B2D	DELIVERY DATE/SCHEDULE MISSING
B2E	DD FORM 250 CLAUSE MISSING
B2F	FOB SHIPPING POINT MISSING
B2G	EVIDENCE OF SHIPMENT CLAUSE MISSING
B2H	SHIP TO/MARK FOR MISSING
B2I	SHIP TO/MARK FOR INVALID
B4A	CAGE CODE MISSING
B4B	CAGE CODE INVALID
B4C	CONTRACTOR NAME/ADDRESS CONFLICT WITH CAGE DATA
B4D	REMIT ADDRESS INCOMPLETE
B7A	ITEM QUANTITY MISSING
B7B	ITEM QUANTITY MUST BE WHOLE NUMBERS
B7C	UNIT OF MEASURE MISSING
B7D	UNIT OF MEASURE INVALID
B7E	UNIT PRICE/EXTENDED PRICE MISSING
B7F	UNIT PRICE AND EXTENDED PRICE DO NOT AGREE
BBB	CONTRACT & SUPPORTING DOCUMENTS WITH MISSING PAGE (S)
BN1	DIFFERENCES BETWEEN NAVY STARS ACCOUNTING RECORDS AND CONTRACTUAL DOCUMENT
CCC	CONTRACT & SUPPORTING DOCUMENTS ARE ILLEGIBLE
EAAA	INVALID REASON CODE - DO NOT USE UNDER ANY CIRCUMSTANCES
EDA-BN3	DUPLICATE PIN/SPIIN ON EDA
EDA-BN4	HARD COPY CONTRACT IS DIFFERENT FROM EDA
EDA-BN7	MISSING DATA REQUIRED FOR PAYMENT
EFT	EFT/CCR Clause Missing From Contract
R10	MODIFICATION CAN NOT BE PROCESSED.
TIN	TAXPAYER IDENTIFICATION (TIN) NOT PROVIDED WITH CONTRACT

ERROR CODE: B10A

LONG LINE OF ACCOUNTING INVALID

DESCRIPTION:
The contract or modification could not be processed because it was noted that the long line of accounting (LOA) was not valid: something within the given line prevented validation by the Defense Finance and Accounting Service Columbus (DFAS CO) systems.

IMPACT:
B10A comprises nearly 27% of all contract deficiency reports generated by DFAS for fiscal year 2004.

This is the leading contract deficiency (by frequency of occurrence) experienced in the Navy and Marine Corps contracting communities.

DISCUSSION:
The LOA contains a complex array of alpha-numeric characters. As such, there is ample room for error in relaying the accounting line between individuals and during contract data entry into the contract and the various contract writing systems including the Standard Procurement System (SPS). Errors in LOA structure are also difficult to recognize due to the LOA's complexity and length. Additionally, there are occurrences where the LOAs issued by the local Financial Manager (FM) are not recognized as having valid subhead appropriation data.

DIRECT AND CONTRIBUTING FACTORS:
DIRECT FACTOR: The structure of the LOA is incorrect.
DESCRIPTION: One or more of the elements within the given LOA could be in error. Some of the more common errors include:

- ACRN previously cited
- Subhead Invalid
- Mismatched ACRN and LOA
- Appropriation data invalid

There are two critical categories of LOA errors that can inhibit payment processing. The first category of error involves treasury level issues, which mean the data provided for the appropriation and/or subhead limit is wrong. This means that the U.S. Treasury Department would not be able to recognize the line of accounting for payment. The second category, known as "below the treasury level errors", involves incorrect data for everything other than the appropriation/subhead. This second category would mean that the accounting line could not or would not be able to properly post in the accounting books.

CONTRIBUTION FACTOR: The contracting officer has an incorrect LOA.
DESCRIPTION: This might be a simple relay error between the FM and the Procuring Contracting Officer (PCO) or the problem might reside within the finance office itself. The FM

may have provided an LOA that is thought to be valid but is not recognized as being valid by DFAS-CO.

CONTRIBUTING FACTOR: The LOA was input incorrectly into SPS.
DESCRIPTION: Compare the LOA contained in SPS with the LOA provided by the FM for the contract in question. Simple typographical errors during data relay or input are not uncommon.

POTENTIAL SOLUTIONS:

1. In the short term – mandate that the Financial Accounting Data (FAD) sheet be included with the contract and supporting documents when submitted to DFAS. In lieu of entering the LOA in the contract, the PCO should simply reference the FAD sheet in the supporting documents. By ensuring the FMs signature, telephone number and email address are included on the financial data sheet, turnaround time might be shortened in the case a problem does arise because the FM could be contacted directly to clarify the information.
2. In the long term – create a local database of existing LOAs with references to the contracts to which they have been assigned. The database might help with relay and input errors (through electronic "copying/pasting") as well as help to organize the data so that anomalies (structural or duplications) might be more readily noted.
3. Refer to the diagram and discussion in the following section in order to better understand the necessary structure of the LOA. The discussion following the diagram addresses those items that are "at the Treasury level", including the use of ACRNs, Appropriation data, and Subhead limits as these are among the leading causes of invalid LOAs.

LONG LINE OF ACCOUNTING REFERENCE:
The following diagram and accompanying bullets are to serve as a quick LOA reference:

AA:	1731506	W246	260	14007	0	068342	1F	000024	000000000000
		4	3	5	1	6	2	6	12
ACRN		Subhead		BCN		Accting		PAA	Cost Code
	Appropriation		Object Class				Trans Code		
				Sub Alt Number					

ACRN - *Accounting Classification Reference Number*. DFARS 204.7107 states: Assigning the ACRNs is the responsibility of the contracting office issuing the contract, basic ordering agreement or blanket purchase agreement. This authority shall not be delegated. If more than one office will use the contract (e.g., ordering officers, other contracting officers), the contract must contain instructions for assigning ACRNs.

Procedures for establishing ACRNs. ACRNs consist of a two position alpha or alpha/numeric code assigned to each discrete accounting classification citation within each contract. ACRNs shall be established in accordance with the following guidelines: (1) Do not use the letters I and O. (2) In no case shall an ACRN apply to more than one accounting classification citation, nor shall more than one ACRN be assigned to one accounting classification citation.

Using the ACRN in the contract. (1) Show the ACRN as a detached prefix to the accounting classification citation in the accounting and appropriations data block or, if there are too many

accounting classification citations to fit reasonably in that block, in Section G (Contract Administration Data). (2) ACRNs need not prefix accounting classification citations if the accounting classification citations are present in the contract only for the transportation officer to cite to Government bills of lading. (3) If the contracting officer is making a modification to a contract and using the same accounting classification citations, which have had ACRNs assigned to them, the modification need cite only the ACRNs in the accounting and appropriations data block or on the continuation sheets.

There are strict requirements governing the assigning and use of ACRNs. See DFARS 204.7107 for complete information on their proper use.

APPROPRIATION – The first two digits are the Treasury Index used to identify the organization, for the Navy it is "17". The next one or two digits are used to denote the fiscal year (the example above is "3", e.g., FY03); lastly, the symbol used to identify the funds (the example above uses "1506").

SUBHEAD – Also known as the Subhead limit. Subheads are developed in accordance with Financial Management Policy Manual (NAVSO P-1000, Chap.2) based on funds received through the budget process. What this means for the contracting professional and financial manager is that, once received, the subhead should be used "as is", remaining unaltered in any way.

(Line of Accounting section containing additional explanations on page 122)
Include clarifying statements to indicate how funds are being moved
(ISSUE 14 - Inaccurate appropriation data on page 184)
Pay careful attention when using unfamiliar lines of accounting
(ISSUE 15 - Use of other Service's lines of accounting on page 185)
For clarity purposes, all financial and accounting data must be consolidated in one location, contract Section G.
(ISSUE 16 - Dispersed accounting data on page 186)
Accounting Classification Reference Number (ACRN) must be assigned to each line of accounting
(ISSUE 17 - Missing ACRNs on citations on page 186)
Do not cite more than one ACRN and line of accounting for each CLIN
(ISSUE 18 - Multiple ACRNs per CLIN/SLIN on page 187)

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ERROR CODE: AAA

CONTRACT AND SUPPORTING DOCUMENTS ARE LATE

DESCRIPTION:
The contract or modification could not be processed because DFAS does not have all required contract documentation to proceed.

IMPACT:
This is the second leading contract deficiency (by frequency of occurrence) experienced in the Navy and Marine Corps contracting communities. AAA comprises 13% of all reported contract deficiencies for fiscal year 2004.

DISCUSSION:
While the plain language title of code AAA states that this code is used to denote late documents, in reality it is used by DFAS to highlight a variety of reasons for which the contract cannot be processed. These include: copy of contract missing, missing pages of submitted documents and pen/ink/fluid corrections to document(s). While there appears to be no strict guidelines established for determining whether or not documents are “late”, DFAS considers the order in which documents are received to be important. The following are examples of “late” that might trigger the generation of DD-1716 deficiency reports:

- DFAS receives a modification prior to receiving the contract it applies to... the contract is "late”
- DFAS receives a delivery order prior to receiving the basic ordering agreement... the BOA is "late"
- DFAS receives a contract without a solicitation... the solicitation is "late"

Whatever the case, the contracting professional needs to take action to address this error code by providing certain contract and supporting information to DFAS in order to proceed with payment/invoice processing. As with any other error code, it is wise to refer to the specific error description within the DD-1716 error report for clarification on what is needed to remedy the error.

DIRECT AND CONTRIBUTING FACTORS:
DIRECT FACTOR: DFAS does not have the documentation necessary to process the contract, modification, or delivery order.

DESCRIPTION: In order to process new contracts, basic ordering agreements (BOAs), delivery orders, or modifications to existing contracts, DFAS must have either an electronic or hard copy of all contract documents. This includes all items that are referenced in the contract as well as all attachments and/or exhibits. Some of the more common instances of missing or late documents are as follows:

Copy of contract missing (especially in the case of contract modifications)
Solicitation is missing

BOA not included
Attachments or exhibits are missing
Documents received but missing pages

CONTRIBUTING FACTOR: Transmission errors are at fault.
DESCRIPTION: While not common, data transmission errors sometimes occur between SPS and NAFI, and/or EDA. This can result in DFAS not receiving all required documentation even after the contracting officer has submitted them. This is a systems-based problem over which the contracting officer has little control. Monitoring these transmission errors and reporting them to the SPS and NAFI/EDA help desks serves to highlight the problem.

DIRECT FACTOR: The required documents were not submitted.
DESCRIPTION: This could be caused by simple oversight, inadequate administrative procedures, or lack of understanding as to which documents are required to be submitted. The contracting professional needs to ensure that such contractual documentation is submitted in a timely and orderly fashion. A delivery order (DO) should not be delivered before the BOA - or modification 10 should not be submitted before modification 9. The contracting professional should ensure the contract files are complete and documents are posted in logical order.

POTENTIAL SOLUTIONS:

1. Ensure sequential submission of documents to DFAS for processing. For instance, submitting a contract modification before the previous modification has been received/processed by DFAS will almost guarantee a DD-1716 deficiency report will be issued. The best way to ensure sequential transmission is to use NAFI to monitor the receipt status of the various contract documents.
2. Ensure that a copy of the solicitation is submitted with all contracts. The high occurrence of this particular error (as well as those contained in #3 & #4 below) warrants special mention of the problem.
3. Ensure that a copy of the contract is submitted with all modifications. When processing modifications, DFAS refers to the original contract for information necessary to proceed with payment/invoice processing. By ensuring the original contract is provided with the modification, processing time can be significantly reduced.
4. Ensure a copy of the BOA is submitted before or with DOs. By themselves, DOs do not contain enough information for payment/invoice processing. Until the Basic Ordering Agreement (BOA) is received for the DO, payment processing cannot take place.

(Uniform Contract Format section on page 89)
Delaying contract distribution can cause payment transactions to be rejected.
(ISSUE 1 - Timely Distribution on page 177)
Ensure electronic images and paper copies of contract match
(ISSUE 2 - Different Images of Contracts and Mods on page 177)
Execute modification numbers in numerical sequence
(ISSUE 6 - Out of sequence modifications on page 179)

ERROR CODE: B1A

CLINS/SUBCLINS/ELINS Not Structured IAW DFARS 204

DESCRIPTION:
The contact or modification could not be processed by DFAS because of an error in the CLINS/SUBLCINS/ELINS structure.

IMPACT:
This is the third leading contract deficiency (by frequency of occurrence) experienced in the Navy and Marine Corps contracting communities. B1A comprises 8% of all reported contract deficiencies for fiscal year 2004.

DISCUSSION:
DFARS 204.71 sets forth the requirements for the Uniform Contract Line Item Numbering System (CLINS). Adhering to the required structure is not difficult, but there is ample room for error due to the relative complexity of the CLINS structure and nuanced rules of its use. There are a wide variety of specific structural violations noted by DFAS. Some of the leading CLINS structural problems cited are:

- CLINS previously used (on an earlier modification, etc.)
- Both CLINS and SUBCLINS obligate money
- Cost and Fee information is not adequately detailed
- Use of the letters "I" or "O" in the CLINS structure

DIRECT AND CONTRIBUTING FACTORS:
DIRECT FACTOR: Contracting professionals not carefully monitoring their numbering system of CLINS and SUBCLINS.

CONTRIBUTING FACTOR: Contracts are so large and complex, that contracting professionals lose track of the numbering process.

CONTRIBUTING FACTOR: Contracting Professionals definitize items in order – do not reassign the undefinitized order but assign the next modification number available.

CONTRIBUTION FACTOR: CLIN information is not easy to read. Contracting Professionals should use the prescribed format and ensure the information is identified in the proper section of the contract.

POTENTIAL SOLUTIONS:
1. Contracting Professionals should use the format prescribed in DFARS 204.71 and ensure the information is identified in the proper section of the contract.
2. An effective way to deal with the wide variety of specific issues with CLINS structural problems is to be familiar with the contents of DFARS 204.71 detailing the procedures for establishing, assigning and using CLINS.

Pay careful attention when dealing with definitization modifications
(ISSUE 7 - Unclear definitization modifications on page 179)
CLIN/SLIN/ELIN not formatted properly increase payment and administration problems
(ISSUE 12 - Improperly structured CLIN/SLIN/ELIN on page 184)
Options for additional requirements must have a different CLIN from the basic requirement
(ISSUE 21 - Separate CLIN/SLIN for options on page 188)

ERROR CODE: B4C

CONTRACTORS NAME/ADDRESS CONFLICT WITH CAGE DATA

DESCRIPTION:
The contact or modification could not be processed by DFAS because of discrepancy between the contractor information provided in the contract documentation and that which is maintained in the CAGE database.

IMPACT:
This is the fourth leading contract deficiency (by frequency of occurrence) experienced in the Navy and Marine Corps contracting communities. B4C comprises 5% of all reported contract deficiencies for fiscal year 2004.

DISCUSSION:
Commercial and Government Entity (CAGE) codes are established to provide a uniform means by which contractors can be recognized for the purposes of information exchange between contracting facilities, solicitation requests, reporting and contract payment.

The Defense Logistics Information Service (DLIS) is responsible for maintaining the CAGE database. If a prospective contractor located in the United States must register in the Central Contractor Registration (CCR) database (see FAR 4.11 for CCR information) and does not have a CAGE code, DLIS will assign a CAGE code when the prospective contractor submits its request for registration in the CCR database.

While it is the responsibility of DLIS to assign or record the CAGE codes to identify commercial and Government entities, it is the responsibility of the contracting officer to help the process by assisting contractors with CAGE issues whenever necessary.

DIRECT AND CONTRIBUTING FACTORS:
DIRECT FACTOR: The contractor information on the contract documentation conflicts with the CAGE data.
DESCRIPTION: The following are the most common problems cited by DFAS with regard to CAGE data:

- Contractor's name does not match the CAGE code
- Contractor address on contract does not match address in CAGE database
- Contractor name does not match name in CAGE database

**NOTE: Larger corporations may have multiple business units or divisions that have distinct CAGE information. In these circumstances, ensure the CAGE data is compared against the correct divisions.

POTENTIAL SOLUTIONS:

1. Ensure that the contractor information entered into the contract documentation agrees with the information maintained in the CAGE database. The following resources might be used to help verify a contractor's CAGE information:

   (a) The monthly H-series CD ROM that contains the H-4/H-8 CAGE master file issued by DLIS. (Address: Customer Service, Federal Center, 74 Washington Avenue, North, Battle Creek, MI 49017-3084. Telephone number: toll-free 1-888-352-9333);

   (b) The on-line access to the CAGE file through the Defense Logistics Information System;

   (c) The on-line access to the Defense Logistics Agency (DLA) CAGE file through the DLA Network or dial-up capability; or

   (d) The Internet to access the CAGE Lookup Server at http://www.dlis.dla.mil/cage_welcome.asp.

2. Contracting professionals should help ensure an effective, useful, and accurate CAGE process. DFARS 204.7203 gives the following guidance on the responsibilities of contracting officers with regard to CAGE codes:

   (a) Assist offerors in obtaining the required CAGE codes (see #3 below).

   (b) Do not deny a potential offeror a solicitation package because the offeror does not have a contractor identification code.

   (c) Consider requesting a CAGE code at the time a potential offeror is sent a solicitation package or added to the mailing list to ensure that a code is assigned in sufficient time to process the DD Form 350, Individual Contracting Action Report, without delay.

3. Contracting professionals should be ready to assist contractors in establishing CAGE codes or updating/maintaining their CAGE information whenever necessary. DFARS 204.7204 gives the following guidance regarding maintenance of a contractor's CAGE file:

   (a) DLIS will accept written requests for changes to CAGE files, other than name changes, from the following entities:

      (1) The entity identified by the code. The entity must use company letterhead to forward the request.

      (2) The contracting office.

      (3) The contract administration office.

   (b) Submit requests for changes to CAGE files on DD Form 2051, or electronic equivalent, to—

Defense Logistics Information Service
DLIS-SBB
Federal Center
74 Washington Avenue, North
Battle Creek, MI 49017-3084.
Telephone Numbers: toll-free (888) 352-9333,
DSN 932-4725,
Commercial (616) 961-4725.
Facsimile (616) 961-4388, 4485.

(c) The contracting officer responsible for execution of a change-of-name agreement (see FAR Subpart 42.12) must submit the agreement to DLIS-SBB. If there are no current contracts, each contracting and contract administration office receiving notification of changes from the commercial entity must forward a copy of the change notice annotated with the CAGE code to DLIS-SBB unless the change notice indicates that DLIS-SBB already has been notified.

(d) Additional guidance for maintaining CAGE codes is in Volume 7 of DoD 4100.39-M, Federal Logistics Information System (FLIS) Procedures Manual.

Verify a contractor's CAGE code to avoid rejection by DFAS
(ISSUE 3 - Incorrect contractor CAGE on page 177)
Promote electronic commerce through use of the Central Contractor Registration (CCR)
(ISSUE 26 - Contractors must be in CCR on page 190)

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ERROR CODE: BBB

CONTRACT AND SUPPORTING DOCUMENTS WITH MISSING PAGE(S)

DESCRIPTION:
The contract or modification could not be processed because the contract documents submitted to DFAS contain missing pages or incomplete information.

IMPACT:
This is the fifth leading contract deficiency (by frequency of occurrence) experienced in the Navy and Marine Corps contracting communities. BBB comprises 4% of all reported contract deficiencies for fiscal year 2004.

DISCUSSION:
The plain language title of code BBB states that this code is used to denote missing pages from contract documents. Like code AAA, however, this code is used by DFAS to highlight a variety of reasons for which the contract cannot be processed, including:

- Contract received without Contract Data Requirements List (CDRL)
- Attachments cited in contract are missing
- Delivery order (DO) not yet received
- Exhibits cited in contract are missing

Again, this error code appears to be used by DFAS almost interchangeably with error code AAA. As such, the causal factors and solutions are relatively the same as those set out in the write-up for error code AAA.

DIRECT AND CONTRIBUTING FACTORS:
DIRECT FACTOR: Documentation required for payment processing has not been received by DFAS, is missing pages or is missing information.

DESCRIPTION: In order to process new contracts, basic ordering agreements (BOAs), delivery orders or modifications to existing contracts, DFAS must have complete and legible hard or electronic copies of all required contract documents. This includes all items that are referenced in the contract as well as all attachments and/or exhibits.

POTENTIAL SOLUTIONS:
Ensure all documents required by DFAS for payment processing are submitted in their complete form and that all items referenced in the contract are submitted, including attachments, exhibits, and CDRLs.

(Uniform Contract Format section on page 89)
Delaying contract distribution can cause payment transactions to be rejected.
(ISSUE 1 - Timely Distribution on page 177)

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OTHER LEADING ERROR CODES

Discussion:
The error codes identified in this section are the sixth through tenth leading contract deficiencies (by frequency of occurrence). When looked at cumulatively, these errors represent 15% of the total reported contract deficiencies for fiscal year 2004.

Taken individually, each of these errors does not contribute a great deal to the overall number of contract deficiencies. As such, individual write-ups for each of the errors were not deemed worthwhile for the purposes of the NCWG.

It was deemed worthwhile, however, to address these codes together. By highlighting these errors and the causes cited for them and solutions (where applicable), it is hoped that reductions in the frequency of their occurrence might be realized through increased awareness. The following section will identify each of the codes individually and will offer the leading causes of each as cited by DFAS in the detailed descriptions section of individual DD-1716 deficiency reports.

Error Code:	Description:	Reasons Cited:
B10G	Total obligation/de-obligation incorrect	Improperly calculated dollar amounts Dollar amount on DO does not match latest mod Obligation amount does not match increase/decrease amount

Include clarifying statements to indicate how funds are being moved
(ISSUE 14 - Inaccurate appropriation data on page 184)

B11A	Administrative office incorrect	Geographic area cited on contract incorrect or sent to wrong admin office

Maximum use of electronic invoicing is highly encouraged to avoid delayed or erroneous payments
(ISSUE 25 - Increase use of Electronic Invoicing on page 190)
(Billing Instructions section on page 166)

B11C	Contractor mod number not structured IAW DFARS 204	Improper/incomplete modification number cited CLIN cited using different unit prices

		Mod on incorrect form. Use Standard Form 30

Execute modification numbers in numerical sequence
(ISSUE 6 - Out of sequence modifications on page 179)

B11B	Payment office incorrect/needs clarification	Contractor address out of geographic area for admin office Contract cites outdated payment office and code No payment office cited in Block 15

Maximum use of electronic invoicing is highly encouraged to avoid delayed or erroneous payments
(ISSUE 25 - Increase use of Electronic Invoicing on page 190)
(Billing Instructions section on page 166)

R10	Modification cannot be processed	More than one line used for each CLIN CLINS/SUBCLINS shipped complete prior to receipt of current contract modification MOCAS will not accept half hours; whole numbered hours must be used

Clearly state the purpose of the modification and any effect on funds
(ISSUE 5 - Unclear modification purpose on page 178)
Do not cite more than one ACRN and line of accounting for each CLIN
(ISSUE 18 - Multiple ACRNs per CLIN/SLIN on page 187)

PAYMENT INSTRUCTIONS

This section of the guide is to aid Contracting Officers to write clear and concise payment instructions. Payment instructions should be included in Section G of the contract in a manner that clearly identifies the payment clauses. Instructions will be provided per the different contracting scenarios that may occur at Navy Contracting Offices. Consider the Line Item Funding arrangement in directing how payment must be made. The following examples are used in preparation of contracts and modifications, including delivery and purchase orders.

Contract Type Scenario	**Line Item Funding**
#1. Fixed Price (or Cost Reimbursement)	Single ACRN
#2. Fixed Price no progress payments	Multiple ACRNs
#3. Fixed Price (or Cost Reimbursement) progress payments or financing payments authorized	Multiple ACRNs
#4. Mixed Type Contract progress payments authorized	Single ACRN
#5. Mixed Type Contract progress payments authorized	Multiple ACRNs multiple funding sources

Payment Scenario:

#1. Fixed Price (or Cost Reimbursement)

This is the simplest of scenarios when acquiring services or supplies with a single line of accounting. This is also the easiest for DFAS to pay; Automated Payment Invoices (API) is utilized.

Example

Contract Administration Data

ACRN AA: 1761506 Y1A1 000 CJ231 0 N68342 00 000000 1080000A5PB
$ 10,000

Contractor will invoice via a DD250 (or SF1034 (BVN) for cost reimbursement)

Based on the scenario above, payment instructions are not required since there is a one-to-one relationship between ACRN and the line item or contract (DFARS 204.7107(e)(3)(i)) **(page 173)**.

#2. Fixed Price with No Progress Payments

The complexity for payment increases when multiple lines of accounting are involved. However, there are options you may want to consider and discuss with DFAS during the acquisition planning phase. The methodology used to construct line items is a key factor in the payment process.

Methodology "A" Automated Payment Invoices (API)

Whenever feasible, the preferable approach is to create separate deliverable line items or subline items for each line of accounting (ACRN) to allow payments to process by API. Under this methodology, no payment instructions are required.

Example

Contract Administration Data

PAYMENT INSTRUCTIONS FOR SEPERATE DELIVERABLE LINE ITEMS

ITEM 0001
ACRN AA: 1761506 Y1A1 000 CJ231 0 N68342 00 000000 1080000A5PB
$ 10,000

ITEM 0002
ACRN AA: 1761506 Y1A1 000 CJ231 0 N68342 00 000000 1080000A5PC
$ 30,000

Contractor will invoice via a DD250

Methodology "B"

In some circumstances line items and subline items cannot be artificially created to accommodate paying systems. In these instances, informational subline items in accordance with DFARS 204.7104-1(a)(3) are warranted. When multiple lines of accounting fund a single line item, payments are manually processed in MOCAS. DFARS 204.7107(e)(3) **(page 173)** directs the contracting officer to provide payment instructions to adequately assign ACRNs to the line item that represents the work being performed. Without specific paying instructions, the DFAS clerk will pay the easiest way within the system. When specific instructions are desired, consider the following:

Example

Contract Administration Data

PAYMENT INSTRUCTIONS FOR MULTIPLE ACCOUNTING CLASSIFICATION CITATIONS

ITEM 0001

ACRN AA: 1761506 Y1A1 000 CJ231 0 N68342 00 000000 1080000A5PB
$ 10,000

ACRN AB: 1761506 Y1A1 000 CJ231 0 N68342 00 000000 1080000A5PB
$ 20,000

Paying Instructions: **Pay all of funds from ACRN AA before disbursing from ACRN AB.** Contractor will invoice via a DD250

Under Methodology "A" (API), payment instructions are unnecessary because of the one-to-one line item/ACRN relationship. The Methodology "B" scenario, which requires the program office to specify payment instructions**,** should be used when necessary to protect funds from canceling or when critical to program expenditure rates. When proportional disbursement across all contract line items and subline items is acceptable, the DFARS still requires payment instructions for multiple funded line items, but the instructions may simply specify "Disbursement should be distributed proportionately." This would allow payments to be made automatically as is the case in Methodology "A" above.

#3. Fixed Price (or Cost Reimbursement); Multiple ACRNs and Contract Financing

Financing payments are treated differently than delivery payments. A progress payment to the contractor is considered a loan and requires "pay back" when the line item is delivered or performance accepted. Unless specific progress payment instructions apply, ACRNs are

disbursed proportionately up to the liquidation rate on each ACRN. ACRNs funding a line item authorized for progress payments cannot be fully expended until the line item is delivered. In other words, a contracting officer cannot direct DFAS to pay an ACRN down to zero prior to the item delivering. For example, if the contract's progress payment rate is 85%, then DFAS can only pay work in process up to 85% of the ACRN amount- not the line item total. When the line item is delivered and invoiced, the loan amount is recouped and the remaining amount of the line item is fully expensed. The Methodology "A" template below utilizes API. Methodology "B" provides DFAS and the contractor specific instructions on how to pay and bill disbursements respectively..

Methodology "A"

Example

Contract Administration Data

PAYMENT INSTRUCTIONS FOR MULTIPLE ACCOUNTING CLASSIFICATION CITATIONS

ACRN AA: 1761506 Y1A1 000 CJ231 0 N68342 00 000000 1080000A5PB
$ 2,000,000

ACRN AB: 1761506 Y1A1 000 CJ231 0 N68342 00 000000 1080000A5PB
$ 2,000,000

ACRN AC: 1761506 Y1A1 000 CJ231 0 N68342 00 000000 1080000A5PB
$ 2,000,000

Progress payments apply to the entire contract

or

Cost reimbursement vouchers for partial payment apply to the entire contract

No special payment instructions are required for API. The statements regarding the applicability of progress payments or reimbursement financing payments are not considered payment instructions because they do not instruct DFAS on how to distribute funding.

Methodology "B"

Example
Contract Administration Data

PAYMENT INSTRUCTIONS FOR MULTIPLE ACCOUNTING CLASSIFICATION CITATIONS

ACRN AA: 1761506 Y1A1 000 CJ231 0 N68342 00 000000 1080000A5PB
$ 2,000,000

ACRN AB: 1761506 Y1A1 000 CJ231 0 N68342 00 000000 1080000A5PB
$ 2,000,000

ACRN AC: 1761506 Y1A1 000 CJ231 0 N68342 00 000000 1080000A5PB
$ 2,000,000

Or

Special payment instructions apply to Progress Payments (or Cost Reimbursement vouchers for partial payments)

Pay ACRNs in the order listed below up to the limit required for withhold.
AB, AC, AA

Billing Instructions to Contractor: Each request for payment shall be based upon progress/costs incurred and the funding associated with each line item. Include the ACRN and applicable amount on the invoice as shown below:

INVOICE NUMBER: _XXXXXXXXX__
CONTRACT NXXXXX__-XX_-X-XXXXX__

ITEM	ACRN	AMOUNT
XXXX	XX	$XXXXX.XX

MOCAS will only allow progress payments on an ACRN up to the permissible progress payment/liquidation percentages cited in the contract.

#4. Mixed Contract Type (Fixed Price/Cost Reimbursement); one funding source (1 ACRN) and Progress Payments

This scenario may occur when a single line of accounting covers more than one line item or subline item of differing contract types. The determination of contract type by the contracting

officer principally is an indicator of risk and not tied to type of funds. An example is the repair of line replaceable units (LRUs).

ITEM	NOUN	QTY	UNIT PRICE	AMOUNT
0001	Model "A" LRUs FIRM FIXED PRICE ACRN: AA	100ea	$10,000	$ 1,000,000

ITEM	NOUN	QTY	UNIT PRICE	EST AMT
0002	Model "B" LRUs COST PLUS FIXED FEE ACRN: AA	200ea	$20,000	$ 4,000,000

Example

Contract Administration Data

ACRN AA: 1761506 Y1A1 000 CJ231 0 N68342 00 000000 1080000A5PB
$ 5,000,000

Paying Instructions
The paying office shall disburse payments in accordance with the following payment requests and the line item amounts:

Progress Payments (IAW SF1443) apply only to line item 0001 up to $1,000,000
BVN (Cost Voucher) (IAW SF1034) apply only to line item 0002 up to $4,000,000

Typically, payment instructions are not required since only one funding source is present (DFARS 204.7107(e)(3)) **(page 173)**. Segregate funding amounts by contract type and financing/non-financing pools and track closely to ensure expenditures including fee for cost reimbursement line items do not exceed funding for that line item.

#5. Mixed Type Contract (Fixed Price/Cost Reimbursement); Multiple Funding Sources; Multiple Types of Funding with Progress Payments

Example scenario: NAS Miramar is about to issue a contract for delivery of unmanned aircraft, a research study, and post production support. Funding (procurement, R&D, and operations & maintenance) will be provided by all three military services. The items will be delivered incrementally at destination. The contractor has requested financing in the form of Progress Payments.

ITEM 0001	UNMANNED AIRCRAFT		
0001AA	ARMY at BASE A FIXED PRICE INCENTIVE ACRN: AA	1EA	$ 1,000,000
0001AB	NAVY at BASE B FIXED PRICE INCENTIVE ACRN: AB	1EA	$ 1,000,000
0001AC	NAVY at BASE C FIXED PRICE INCENTIVE ACRN: AC	1EA	$ 1,000,000
ITEM 0002	STUDY COST PLUS FIXED FEE	1LO	$ 300,000
000201 ACRN: AD			$ 100,000
000202 ACRN: AE			$ 100,000
000203 ACRN: AF			$ 100,000
ITEM 0003	POST PRODUCTION SUPPORT		
0003AA	BASE A (Army) COST PLUS FIXED FEE ACRN: AG	12MO	$ 600,000
0003AB	BASE B (Navy) COST PLUS FIXED FEE ACRN: AH	12MO	$ 600,000
0003AC	BASE C (Navy) COST PLUS FIXED FEE ACRN: AJ	12MO	$ 600,000

Example

Contract Administration Data

PAYMENT INSTRUCTIONS FOR MULTIPLE ACCOUNTING CLASSIFICATION CITATIONS

ACRN AA:	219XXXX ARMY PROCUREMENT	
PR/MIPR:	HDHDG-99-12345	$ 1,000,000
ACRN AB:	179XXXX NAVY PROCUREMENT	
PR/MIPR:	DJDJYG-99-45678	$ 1,000,000
ACRN AC:	1791506 NAVY PROCUREMENT	
PR/MIPR:	FD2050-99-79801	$ 1,000,000
ACRN AD:	219YYYY ARMY R&D	
PR/MIPR:	HDHDG-99-12345	$ 100,000
ACRN AE:	179YYYY NAVY R&D	
		$ 100,000
ACRN AF:	1791319 NAVY R&D	
		$ 100,000
ACRN AG:	219ZZZZ ARMY O&M	
PR/MIPR:	HDHDG-99-12345	$ 600,000
ACRN AH:	179ZZZZ NAVY O&M	
		$ 600,000
ACRN AJ:	1791804 NAVY O&M	
		$ 600,000

Contractor will submit payment requests utilizing the following formats to the respective line items

Progress Payments for ITEM 0001-	**SF1443**
Invoices for ITEM 0001-	**DD250**
Public Vouchers for ITEMs 0002/0003-	**SF1034**

ITEMs/ACRNs: **Fixed Price**									
ACRN	**AA**	**AB**	**AC**						
ITEM									
OOO1AA	$ 1,000,000								
OOO1AB		$ 1,000,000							
OOO1AC			$ 1,000,000						
ITEMs/ACRNs: **Cost Reimbursement**									
ACRN				**AD**	**AE**	**AF**	**AG**	**AH**	**AJ**
ITEM									
OOO2				$ 100,000	$ 100,000	$ 100,000			
OOO3AA							600,000		
OOO3AB								600,000	
OOO3AC									600,000
	AA	**AB**	**AC**	**AD**	**AE**	**AF**	**AG**	**AH**	**AJ**
RECAP	$ 1,000,000	$1,000,000	$1,000,000	$ 100,000	$ 100,000	$ 100,000	600,000	600,000	600,000
TOTALS									

Progress payments are authorized only for line items 0001AA, 0001AB, and 0001AC.

Cost vouchers are authorized only for the line items listed below. Pay in ACRN sequence as shown:

Item 0002	**Disburse in the order shown: AD, AE, AF**
Item 0003AA	**Disburse funds using ACRN AG up to $600,000**
Item 0003AB	**Disburse funds using ACRN AH up to $600,000**
Item 0003AC	**Disburse funds using ACRN AJ up to $600,000**

Many program offices find it necessary to combine mixed type contracts (fixed price & cost reimbursement) on a single instrument. This should be avoided whenever feasible due to constraints within MOCAS. Since MOCAS disburses by ACRN, it is essential to segregate the funds obligated for each type as shown in the example table above. Failure to do so may result in a payment against the wrong appropriation.

Segregating total dollars between fixed price and cost-reimbursement items is essential for DFAS to allocate payments to proper line item/ACRN.

AUTOMATED PAYMENT OF INVOICES (API)

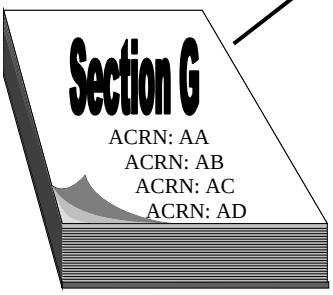
As a continuation of the previous payment instructions, the following section depicts how an invoice is paid automatically. This is a simplified example when there are no special payment instructions indicated.

Additionally, this section includes the initial memorandum from the Assistant Secretary of the Navy encouraging the widespread use of Financial Accounting Data (FAD) sheets. The use of FAD sheets is intended to standardize the location of accounting data and to include a financial point of contact should any questions arise.

Finally, a link has been included to the Department of Defense Financial Management Regulations regarding payment policy and procedures. This has been included for use by acquisition professionals to research the most recent updates regarding payment issues.

API Process

Example Cost-Reimbursement Contract



ACRN: AA $1,000
ACRN: AB $2,000
ACRN: AC $1,000
ACRN: AD $1,000
[no specific payment direction to DFAS]

1. When a contract is received at DFAS, the Contract Input Technician reviews the document for any payment instructions.

2. The input technician enters the contract into MOCAS and records a **Y**(es) or **N**(o) in the Provisions Data Record screen based on whether there are payment instructions in the instant action.

Provisions Data Record
CT1200

DISCNT-TRMS:
SPCL-TOOLING:
PMT-PCT:
LQD-DMG-IND:
INS-ACPT-CD:
BVN-INST-RQD: **N**
PROGPAY-INST-RQD: **N**

3. Based on the coding of N, all payments will be processed API by MOCAS.

4. When an interim payment request (e.g. BVN) arrives from the contractor, MOCAS automatically calculates payment. From the above example, payment will be prorated against the remaining unliquidated obligation (ULO) of the contract. Within 14 days, the contractor will receive a payment in the amount of $1,000. The disbursement is composed of 20% of ACRN:AA; 40% of ACRN:AB; 20% of ACRN:AC; and 20% of ACRN:AD.

ASN, Financial Management and Comptroller Policy Memo on the Standard Financial Accounting Data (FAD) Sheet Distribution, 17 Oct 95

DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
1000 NAVY PENTAGON
WASHINGTON, D.C. 203SO-1000

Oct 17 1995

MEMORANDUM FOR DISTRIBUTION

Subj: STANDARD FINANCIAL ACCOUNTING DATA SHEET

Encl: (1) Financial Accounting Data Sheet for DON appropriated/FMS Funding
(2) Financial Accounting Data Sheet for Other Customer/Service Funding
(3) Diskette Containing Standard Financial Accounting Data Sheets

A working group was convened to develop guidance to standardize and simplify writing contracts as part of the overall efforts to decrease problem disbursements (e. g. unmatched disbursements, negative unliquidated obligations). This working group has designed two Financial Accounting Data sheets (FADS) recommended for use by Navy activities and commands in identifying multiple fund cites on contracts.

Enclosure (1) is the format for use with contracts citing Department of the Navy (DON) appropriated funds or Navy execution of Foreign Military Sales (FMS) transactions. Enclosure (2) is the format for use with contracts citing funds other than DON appropriated funds or Navy FMS transactions that are "Other Customers" (e.g. Army or Air Force appropriations). Enclosure (3) is a diskette containing the two data sheets in Microsoft Excel (FAD.XLS and FAD0THR.XLS) and Lotus 123 (FAD.WK3, FAD.FM3, FADOTHR.WK3, and FADOTHR.FM3) electronic spreadsheet formats.

These spreadsheet files may be easily modified to include specific information on the "Prepared/Authorized By" and "Comptroller Approval" parties. A phone number and a FAX number of the persons signing the Financial Accounting Data sheets should be part of the standard data used. There will also need to be some modifications made in the accounting data identification for citing funds not accounted for in the Standard Accounting and Reporting System (STARS) accounting system. Defense Finance and Accounting Service Columbus Center concurs with the formats and content of enclosures (1) and (2).

Subj: STANDARD FINANCIAL ACCOUNTING DATA SHEET

I urge all the DON major command addressees to adopt and use the basic format of these Financial Accounting Data sheets in the contract writing instructions and training procedures used by their command and by their subordinate activities.

My point of contact on this subject is Mr. Kenneth Phillips, EMO-321 who may be reached at (703) 607-0875 or DSN 327-0875.

/s/
Principal Deputy
Assistant Secretary of the Navy
(Financial Management and Comptroller)

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copy to:
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DoD Financial Management Regulation (FMR):
(DoD 7000-14-R)

Volume 10

Contract Payment Policy and Procedures

GO TO

http://www.dtic.mil/comptroller/fmr/10/index.html

Good and Bad Payment Instruction Examples

Good

Example 1:

The Defense and Accounting Service (DFAS) shall make payments by sequential ACRN. No prorated payments across ACRNs shall be made.

Example 2:

Note to Paying Office - Request this order be paid in order of appearance of ACRNs and not prorated. Utilize all funds in ACRN AA, then AB and lastly AC. This will minimize problems encountered when trying to de-obligate excess funding at the completion of the order.

Example 3:

(a) Invoices submitted for payments, which do not contain a contract line item number (CLIN) (or subline item number (SLIN), if any) and the accounting classification references number (ACRN) information, will be returned for correction.

(b) The disbursement of funds will be by the CLIN/SLIN/ACRN designation. All disbursement will be to the appropriate ACRN.

Bad

Example 1: Confusing and labor intensive

5. *Payment Instructions for Multiple Accounting Classification Citations*. The following is provided in accordance with DFARS 204.7107(e)(3) **(page 173)**: If a CLIN is funded by more than one appropriation, an informational subline item number (SLIN) has been established for each accounting classification reference number (ACRN) relating to the CLIN. The Contractor shall segregate and accumulate costs by CLIN and shall submit its bills (including requests for payment of progress payments, if (applicable) by CLIN. The paying office shall proportionally allocate charges and proportionally assign payments (including progress payments, if applicable) to each SLIN based on the ratio of the obligated, but uncharged, appropriation balance for the SLIN to the total obligated, but uncharged, appropriation balance for the CLIN. To assist the paying office in assigning payments to SLINs, the Contractor shall provide the paying office with a recommended assignment of payments to SLINs with each billing. The Contractor shall base this recommendation on the proportional allocation required of the paying office under this clause. For the purpose of this recommendation, the Contractor shall assume that all prior billings have been charged by the paying office.

Example 2: Confusing and labor intensive

a. The purpose of this modification is to authorize the release of payments (funds) under the contract from the oldest ACRN(s) first.

Example 3: Confusing

a. The paying office shall ensure that the voucher is disbursed for each ACRN in sequential order beginning with ACRN AA.

b. The contractor shall identify on each public voucher: (1) the contract number, (2) the accounting classification reference number (ACRN) assigned to the accounting classification which pertains to the charges billed, e.g. "ACRN: AA", (3) the Order Number/PRON; and (4) in the address block, the Tax Identification Number, a point of contact and the telephone number.

Example 4: Reliant on manual calculations

The disbursement of funds will be by the CLIN/SLIN/ACRN designations or when multiple ACRNs are used, disbursements will be prorated in proportion to the unliquidated balance within a CLIN or SLIN, if assigned.

Recommendations

A. Ensure that mixed type (fixed price and cost reimbursement) contracts contain specific payment instructions that clearly identify which CLINs and ACRNs are subject to progress payments and cost vouchers.

B. When a CLIN is funded by more than one ACRN, payment instructions are required. (DFARS 204.7107(e)(3)) **(page 173)**.

C. Ensure that billing instructions have been included when necessary and that they are consistent with the payment instructions.

D. Do not use terms subject to interpretation.

E. Cite all payment instructions in Section G.

F. Ensure that the section is clearly labeled "Special Payment Instructions".

G. Coordinate complex payment instructions with the payment office beforehand.

H. Continual ACO monitoring to ensure payments are in accordance with contract terms and conditions.

Line Item Specific and Contract-wide Payment Instruction Examples

Line Item Specific:

"Line item specific-single funding." If there is only one source of funding for the CLIN (i.e., one ACRN), the payment office will make payment using the ACRN funding of the CLIN being billed.

"Line item specific: sequential ACRN order." If there is more than one ACRN within a CLIN, the payment office will make payment in sequential ACRN order within the CLIN, exhausting all funds in the previous ACRN before paying from the next ACRN using the following sequential order: Alpha/Alpha; Alpha/numeric; numeric/alpha; and numeric/numeric.

"Line item specific: CO specified ACRN order." If there is more than one ACRN within a CLIN, the payment office will make payment within the CLIN in the sequence ACRN order specified by the contracting officer, exhausting all funds in the previous ACRN before paying from the next ACRN.

"Line item specific: By fiscal year." If there is more than one ACRN within a CLIN, the payment office will make payment using the oldest fiscal year appropriations first, exhausting all funds in the previous fiscal year before disbursing from the next fiscal year. In the event there is more than one ACRN associated with the same fiscal year, the payment amount shall be disbursed from each ACRN within a fiscal year using the proration method.

"Line item specific: By cancellation date." If there is more than one ACRN within a CLIN, the payment office will make payment using the ACRN with the earliest cancellation date first, exhausting all funds in that ACRN before disbursing funds from the next. In the event there is more than one ACRN associated with the same cancellation date, the payment amount shall be disbursed from each ACRN with the same cancellation dates using the proration method.

"Line item specific: Proration." If there is more than one ACRN within a CLIN, the payment office will make payment from each ACRN using the proration method.

Contract-wide:

"Contract-wide: sequential ACRN order." The payment office will make payment in sequential ACRN order within the contract, exhausting all funds in the previous ACRN before paying from the next ACRN using the following sequential order: Alpha/Alpha; Alpha/numeric; numeric/alpha; and numeric/numeric.

"Contract-wide: CO specified ACRN order." The payment office will make payment in sequential ACRN order within the contract, exhausting all funds in the previous ACRN before paying from the next ACRN in the sequence order specified by the contracting officer.

"Contract-wide: By fiscal year." The payment office will make payment using the oldest fiscal year appropriations first, exhausting all funds in the previous fiscal year before disbursing from the next fiscal year. In the event there is more than one ACRN associated with the same fiscal year, the payment amount shall be disbursed from each ACRN within a fiscal year using the proration method.

"Contract-wide: By cancellation date." The payment office will make payment using the ACRN with the earliest cancellation dates first, exhausting all funds in that ACRN before disbursing funds from the next. In the event there is more than one ACRN associated with the same cancellation date, the payment amount shall be disbursed from each ACRN with the same cancellation dates using the proration method.

"Contract-wide: Proration." The payment office will make payment from each ACRN using the proration method.

Note: That the CO will have to make the decision whether proration is based on obligated or unliquidated obligation value. The method chosen needs to be consistent throughout the contract.

DFAS & DCMA PAYMENT ISSUES

Ensure clear instructions exist for payment of SLINs
(ISSUE 30 - Unclear payment method for SLINs on page 192)
Clear payment instructions must be included if proration is not desired
(ISSUE 31 - DFAS prorates many payments on page 192)

BILLING INSTRUCTIONS

The Contracting Officer MUST write Billing Instructions that are in compliance with the Payment Instructions. All PCOs should inform contractors to bill by CLIN as appropriate. Contracting Offices should also ensure that contractors process bills in accordance with all payment arrangements by the contracting officer, while directing DFAS on payment of the bills.

Example 1: Include the billing instruction below if – Section G of the contract requires the contractor to identify the CLIN(s) when the contractor submits-

(1) A contract financing payment; or
(2) An interim payment under a cost reimbursement contract for services and alternate I of the clause at FAR 52.232-25, Prompt Payment is in the contract.

Billing Instruction: "When the Contractor submits a request for payment, the Contractor shall identify the contract line item(s) on the payment request that best reflects contract work performance. The Contractor shall separately identify a payment amount for each contract line item that is included in the request for payment."

Example 2: NAPS 5252.232-9001 SUBMISSION OF INVOICES (COST-REIMBURSEMENT, TIME-AND-MATERIALS, LABOR-HOUR, OR FIXED PRICE INCENTIVE)

As prescribed at NAPS 5232.908(b), insert the following clause:

SUBMISSION OF INVOICES (COST-REIMBURSEMENT, TIME-AND-MATERIALS, LABOR-HOUR, OR FIXED PRICE INCENTIVE) (JUL 1992)

(a) "Invoice" as used in this clause includes contractor requests for interim payments using public vouchers (SF 1034) but does not include contractor requests for progress payments under fixed price incentive contracts.

(b) The Contractor shall submit invoices and any necessary supporting documentation, in an original and ____ copies, to the contract auditor* at the following address:
_____
_____
_____

unless delivery orders are applicable, in which case invoices will be segregated by individual order and submitted to the address specified in the order. In addition, an information copy shall be submitted to _____.

Following verification, the contract auditor* will forward the invoice to the designated payment office for payment in the amount determined to be owing, in accordance with the applicable

payment (and fee) clause(s) of this contract.

(c) Invoices requesting interim payments shall be submitted no more than once every two weeks, unless another time period is specified in the Payments clause of this contract. For indefinite delivery type contracts, interim payment invoices shall be submitted no more than once every two weeks for each delivery order. There shall be a lapse of no more than _____ calendar days between performance and submission of an interim payment invoice.

(d) In addition to the information identified in the Prompt Payment clause herein, each invoice shall contain the following information, as applicable:

(1) Contract line item number (CLIN)
(2) Subline item number (SLIN)
(3) Accounting Classification Reference Number (ACRN)
(4) Payment terms
(5) Procuring activity
(6) Date supplies provided or services performed
(7) Costs incurred and allowable under the contract
(8) Vessel (e.g., ship, submarine or other craft) or system for which supply/service is provided

(e) A DD Form 250, "Material Inspection and Receiving Report", is required with each invoice submittal; is required only with the final invoice; is not required (choose one).

(f) A Certificate of Performance (choose one)
** shall be provided with each invoice submittal.
** is not required.

(g) The Contractor's final invoice shall be identified as such, and shall list all other invoices (if any) previously tendered under this contract.

(h) Costs of performance shall be segregated, accumulated and invoiced to the appropriate ACRN categories to the maximum extent possible. When such segregation of costs by ACRN is not possible for invoices submitted with CLINs/SLINs with more than one ACRN, an allocation ratio shall be established in the same ratio as the obligations cited in the accounting data so that costs are allocated on a proportional basis.

* In contracts with the Canadian Commercial Corporation, substitute "Administrative Contracting Officer" for "contract auditor".
** Check appropriate requirements.

In accordance with a 28 February 1991 memo from the Director of Defense Procurement (DDP), a statement to contractors should be added in Section G for cost type CLINs/SLINs that states

"All cost type items must be billed on SF 1034 (Bureau Voucher)." This requirement also includes Time and Materials contracts.

DFAS & DCMA BILLING ISSUES

Maximum use of electronic invoicing is highly encouraged to avoid delayed or erroneous payments

(ISSUE 25 - Increase use of Electronic Invoicing on page 190)

Ensure contractors use Bureau Voucher Numbers (BVN) for invoicing on cost type contracts

(ISSUE 32 - Commercial Invoices versus BVN on page 193)

Include clauses that require the Accounting Classification Reference Number (ACRN) be cited on all invoices

(ISSUE 33 - Submit Invoices by ACRN on page 190)

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SPECIAL ISSUES

This section pertains to clauses that need special emphasis as a result of numerous issues that have consistently plagued Navy contracts.

FINANCIAL ISSUES

ONE TYPE OF FUNDING ON EACH CONTRACT:

FAR 32.1003(c)

- The contracting officer may use performance-based payments (PBPs) only if the following conditions are met: (c) the contract does not provide for other methods of contract financing (except for advance payments according to subpart 32.4 or guaranteed loans according to subpart 32.3).

Extending financing to contractors on a contract simultaneously under both progress payments and performance-based payments violates this regulation.

PERFORMANCE BASED PAYMENTS CANNOT EXCEED 90% OF THE CLIN, CONTRACT PRICE, OR AT THE ACRN LEVEL:

FAR 32.1004(b)(2)

- Total performance-based payments reflect prudent contract financing provided only to the extent needed for contract performance (see 32.1004(a)) and not exceed 90 percent of the contract price if on a whole contract basis, or 90 percent of the delivery item price if on a delivery item basis (line item basis).

This is interpreted as the cumulative amount of PBPs shall not exceed 90 percent of the contract price or 90 percent of the deliverable price if on a line item basis.

FMR Volume 10, Chapter 10 (100204B)

- Care must be taken to ensure that the individual ACRNs are not over paid. The outstanding work in progress (WIP) balance for each ACRN cannot exceed the Unliquidated Obligation (ULO) for that ACRN multiplied by the liquidation rate.

REGULATORY ISSUES

(1) REQUIREMENT TO IDENTIFY THE "TYPE" OF LINE ITEM ON MIXED-TYPE CONTRACTS:

DFARS 215.204.2(g)

When a contract contains both fixed-priced and cost-reimbursement line items, or subline

items, the CO shall provide, in Section B, an identification of contract type specified for each contract line item or subline item to facilitate appropriate payment.

State contract type summary in Section B
(ISSUE 10 - Contract type confusion on page 182)

(2) USE OF MULTIPLE ACCOUNTING CLASSIFICATIONS:

DFARS 204.7103-1(a)(4)(ii)

The use of multiple accounting classification citations for a contract line item is authorized in the following situations:

A. A single, nonseverable* deliverable to be paid for with R&D or other funds properly incrementally obligated over several fiscal years in accordance with DoD policy.

B. A single, nonseverable deliverable to be paid for with different authorizations or appropriations, such as in the acquisition of a satellite or the modification of production tooling used to produce items being acquired by several activities; or

C. A modification to an existing contract line item for a nonseverable deliverable that results in the delivery of a modified item(s) where the item(s) and modification are to be paid for with different accounting classification citations.

EXAMPLE:

- When a nonseverable CLIN is funded by multiple appropriations then informational subline items are established to identify each accounting classification assigned to the contract line item. Informational subline items are created by adding two numeric characters to the basic CLIN (e.g., 060613, 060614, 060615 etc.).

- When a severable CLIN is funded by multiple appropriations then separately identified subline items are established to identify the quantity associated with the single accounting classification. Separately identified subline items are created by adding two alpha characters to the basic CLIN (e.g. 0606AA, 0606AB, 0606AC etc.).

Since the use of each type is determined by whether the CLIN is considered severable or nonseverable, there should be no situation that would require the use of both types of subline items under the same basic CLINS.

* Nonseverable service: A service is nonseverable if the service produces a single or unified outcome, product, or report that cannot be subdivided for separate performance in different fiscal years. Thus, the government must fund the entire effort with dollars available for obligation at the time the contract is executed, and the contract performance may cross fiscal years.

Severable service: A severable service, on the other hand, is conceived as a recurring requirement for the same type of service, to be furnished and paid for on an incremental basis. It can be separated into components that independently meet a separate need of the government.

DOD agencies may obligate funds current at the time of contract award to finance any severable service contract with a period of performance that does not exceed one year. (10 U.S.C. & 2410a)

The following examples may be helpful in determining if the work is severable or nonseverable (AFMC Award Fee & Award Term Guide, Dec 2002):

- Suppose a service contract is to be performed half in one fiscal year and half in the next. Suppose further that the contract is terminated at the end of the first fiscal year and not renewed for the next fiscal year? What do you have? In the case of a window-cleaning service contract, you have half of your windows clean; a benefit that is not diminished by the fact that the other half is still dirty. What you paid for the first half has not been wasted. This work is clearly severable. **Severable** service does not contemplate a required outcome or end product.

- If this is a contract to conduct a study and prepare a final report and this work is terminated halfway through, you essentially have nothing. An incomplete study, while perhaps beneficial in some sense, does not do you very much good when what you needed was the complete study and report. This work is nonseverable. **Nonseverable** service may arise in one fiscal year but, due to the nature of the work, it cannot be separated for performance in separate fiscal years.

The determination of severable versus non-severable is a Contracting Officer's decision. The CO must determine whether the end product can or cannot reasonably be separated or subdivided.

(3) CRITERIA FOR ESTABLISHING INFORMATIONAL SUBLINE ITEMS:

Contract subline items provide flexibility to further identify elements within a contract line item for tracking performance or simplifying administration. There are only two kinds of subline items: those which are informational in nature and those which consist of more than one item that requires separate identification.

DFARS 204.7104-1(a)

- This type of subline item identifies information that relates directly to the contract line item and is an integral part of it (e.g., parts of an assembly or parts of a kit). These subline items shall not be scheduled separately for delivery, identified separately for shipment or performance, or priced separately for payment purposes.
- The informational subline item may include quantities, prices, or amounts, if necessary to satisfy management requirements. However, these elements shall be included within the item description in the supplies/services column and enclosed in parentheses to prevent confusing them with quantities, prices, or amounts that have

contractual significance. Do not enter these elements in the quantity and price columns.

- Informational subline items shall be used to identify each accounting classification citation assigned to a single contract line item number when use of multiple citations is authorized (see 204.7103-1(a)(4)(ii)).

Example: Informational subline items established to identify multiple accounting classification citations assigned to a single contract line item.

ITEM NO.	SUPPLIES/SERVICE	QTY	UNIT	UNIT PRICE	AMOUNT
0001	Air Vehicle	1	LOT	$6,700,000	$6,700,000
	000101 ACRN: AA $3,300,000				
	000102 ACRN: AB $2,000,000				
	000103 ACRN: AC $1,400,000				

(4) REQUIREMENT FOR ESTABLISHING PAYMENT INSTRUCTIONS ON MULTI-FUNDED CLINS:

DFARS 204.7107(e)(3):

- When a contract line item is funded by multiple accounting classification citations, the contracting officer shall provide adequate instructions in section G (Contract Administration Data), under the heading "Payment Instructions for Multiple Accounting Classification Citations," to permit the paying office to charge the accounting classification citations assigned to that contract line item (see 204.7104-1(a)) in a manner that reflects the performance of work on the contract. If additional accounting classification citations are subsequently added, the payment instructions must be modified to include the additional accounting classification citations.

- Payment instructions shall provide a methodology for the paying office to assign payments to the appropriate accounting classification citation(s), based on anticipated contract work performance. The method established should be consistent with the reasons for the establishment of the line items. The payment method may be based upon a unique distribution profile devised to reflect how the funds represented by each of the accounting classification citations support contract performance. Payment methods that direct that payments be made from the earliest available fiscal year funding sources, or that provide for proration across accounting classification citations assigned to the line item, or a combination thereof, may be used if that methodology reasonably reflects how each of the accounting classification citations supports contract performance.

Additional information required by paying office:

The paying office also needs information on how each of the ACRNs should be expended (e.g., sequential order, prorated, specific order identified by contracting officer). Simply stating "oldest funds first" can be interpreted differently. Contracting Officer should verify appropriation data.

EXAMPLE:

ITEM NO.	SUPPLIES/SERVICE	QTY	UNIT	UNIT PRICE	AMOUNT.
0001	Air Vehicle 000101 ACRN: AA $3,300,000 000102 ACRN: AB $2,000,000 000103 ACRN: AC $1,400,000	1	LOT	$6,700,000	$6,700,000

INSTRUCTIONS TO PAYMENT OFFICE: "Expend oldest funds first beginning with ACRN AC, followed by AA, then AB. Exhaust all available funds in the first ACRN before expending funds from the next listed ACRN"

Note: Paying office also needs payment instructions for cost-reimbursement items (billed on a SF1034) and progress payments (billed on a SF 1443) due to the fact that MOCAS may prorate these billings over every available ACRN on the contract in the absence of payment instructions.

(5) ELECTRONIC SUBMISSION REQUIREMENT USING WIDE AREA WORK FLOW

DFARS 252.232-7003(b)(1): The contractor shall submit payment requests using the following electronic forms: (1) Wide Area Work Flow (WAWF) – Receipt and Acceptance.

What is WAWF? It is a web-based receipt, inspection/acceptance and invoicing system. For additional information regarding WAWF, visit the Defense Procurement and Acquisition Policy website at: http://www.acq.osd.mil/dpap/ebiz/wawf.html

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DFAS AND DCMA ISSUES

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ISSUE 1: Timely Distribution of Contracts/Mods/Orders.

- PROBLEM: Timely distribution of contracts, mods and orders and the prompt recording of obligations in the Navy's official accounting system are paramount to prompt payment of invoices by DFAS. Delays in recording obligations cause the available funding balances to be overstated and the reported obligations to be understated and, therefore, increase the potential for a violation of the Anti-Deficiency Act (USC 31 Title 1517). In addition, such delays can cause payment transactions to be rejected unnecessarily during the prevalidation process and consequently result in unmatched disbursements and negative unliquidated obligations.

- SOLUTION: To preclude this from happening, NMCARS 5204.201 provides guidance as follows:
  - "DoN activities shall post an electronic copy of each newly executed procurement instrument (contracts, purchase orders, delivery orders, contract modifications, etc.) within two working days of execution, to the Navy Air Force Interface (NAFI) [which automatically flows in]to DoD Electronic Document Access (EDA). The preferable method of posting documents is via automated interface from the contract writing system. This posting constitutes the required distribution with respect to required copies for the Defense Finance and Accounting Service, the Defense Contract Management Agency, and the Defense Contract Audit Agency. All parts of an instrument that would have been provided to a recipient in paper should be made available electronically."

****NOTE**: Hard copies are only required for MILSCAP/EDI transmissions and contracts and modifications not being submitted via NAFI/EDA.

Contracts and supporting documents are late.
(Common DD-1716 Code AAA discrepancy on page 136)

ISSUE 2: Contracts and modifications whose images are posted on DoD Web Sites are different from the paper copies sent to contractors will cause payment problems.

- PROBLEM: DFAS and DCMA rely on the versions of contractual documents that are posted on DoD sites such as EDA or NAFI. When these versions differ from those given to contractors, the likelihood of payment posting and other problems is significantly increased.

- SOLUTION: Assure that EDA/NAFI versions of contractual documents exactly match the versions sent to contractors.

ISSUE 3: Incorrect contractor CAGE identified on contract.

- PROBLEM: DFAS Columbus has identified several situations where an incorrect address was input for the contractor's CAGE which subsequently caused a rejection when it was

input into MOCAS. DFAS will issue a Contract Deficiency Report (DD Form 1716) to obtain the correct information.

- SOLUTION: Verify contractor CAGE is correct prior to submission of contract.

Contractor's name or address conflict with CAGE data
(Common DD-1716 Code B4C discrepancy on page 140)

ISSUE 4: There is no standardization for the ship to and mark for codes; this causes a major problem for delivery and acceptance verification (DD Form 250). Missing DODAACs in the schedule are also a problem for MOCAS input; the delivery schedule should, in almost every case, have a valid ship to (DODAAC/CAGE) code.

- PROBLEM: The problem of stating the delivery schedule in different places in the contract makes it difficult for contracting and payment personnel to find and correctly input this data into MOCAS. Delivery requirements are even sometimes found in the statement of work. The DD Form 1423 also contains the delivery schedule and is generally listed as an exhibit to the contract.

- SOLUTION: FAR 14.201-1 and 15.406-2 directs placement of the delivery information in Section F of the uniform contract format. The DFARS also prescribes the use of the DD Form 1423. Adhering to these directions would greatly simplify "finding" the delivery information. If the delivery is stated in the statement of work it should be cross-referenced or repeated in Section F of the contract.

ISSUE 5: Purpose of modification is unclear.

- PROBLEM: DFAS is unclear about the intended purpose of a modification.

- SOLUTION: Each modification shall contain an opening paragraph which clearly states the purpose of the modification, including any impact on funds or accounting data. If there is no change, of any kind, to either the funds or accounting data, a statement to that effect shall be made in the opening paragraph. For example:

  If changes are to be made to the funds or accounting data, include a paragraph similar to the following:

  - "The purpose of this modification is to add line items 0023 - 0025 to the contract to purchase additional systems. As a result, the total amount of this contract is increased from $9,225,897 by $4,969,427 to $14,195,324. Accordingly, the contract is modified as follows:"

In SPS: These dollar figures are organized in a By-From-To format.

  - or "The purpose of this modification is to incorporate Engineering Change Proposal 100R1 dated 1 JAN 95 into the baseline, adding new CLIN 0050 and revising the

shipping instructions. This results in an increase in the contract price of $1,000,000 from $10,000,000 to $11,000,000. Accordingly, the contract is modified as follows:"

If the modification contains no changes to funds or accounting data, the opening paragraph should state:

- "The purpose of this modification is to incorporate administration corrections. There is no change to the funding or accounting data under the contract. Accordingly, the contract is modified as follows:"

ISSUE 6: **Modifications are executed out of numerical sequence.**

- PROBLEM: This creates difficulties when lower numbered modifications change higher numbered modifications which were previously executed (e.g. P00060 executed on 1 Mar 1995 changes the quantity of modification P00065 executed 1 Jan 1995).

- SOLUTION: Contracting personnel should ensure that modifications are executed in numerical sequence IAW DFARS 204.7004. If a modification number is not used, the subsequent modification shall state, in large, bold, capital letters, on the front page of the modification that the number was not issued.

ISSUE 7: **Definitization modifications are unclear.**

- PROBLEM: Definitization modifications create ambiguities and confusion because the impact to the funding is unclear, disposition of any excess funds is often not addressed and the "Z" in the modification number is used incorrectly creating difficulty in the accounting system.

- SOLUTIONS: In accordance with DFARS 204.7004(c)(3)(iv) a "Z" can only be used to identify a modification which definitizes a letter contract. Each definitization modification shall follow the following guidance:

- For each definitization modification, the contracting officer shall identify, in Section G or the contract schedule (Simplified Contract Format), under the heading "Definitization Summary for the Payment Office", information sufficient to permit the paying office to readily identify the changes for each contract line item and subline item as follows:

  - The amount of funding obligated by prior contract actions, to include the estimated cost and fee if a cost type contract; the estimated cost and target fee at time of contract award if a cost plus incentive fee contract; the estimated cost, base fee, and award fee earned if a cost plus award fee contract; the target cost and target profit if a fixed price incentive contract; or the fixed price if a firm fixed price contract;
  - The amount of funding obligated by the instant definitization modification categorized by the type of contract; and the total cumulative amount of obligated funding categorized by the type of contract.

- Accordingly, each definitization modification shall include two tables similar to the following (headings may be changed based on contract type):

	From *			By **			To ***		
Item	Est. Cost	F. Fee	Tot. CPFF	Est. Cost	F.Fee	Tot. CPFF	Est. Cost	F.Fee	Oblig.
0001	100,000	10,000	110,000	5,000	1,000	6,000	105,000	11,000	116,000

* From - Amounts established in the undefinitized contractual action.
** By - Changes as a result of the definitization.
*** To - New amounts reflecting the definitization.

- Changes in the amount obligated as a result of the definitization:

Item	Orig. Obligated Amount	By	New Obligated Amount
0001	$50,000	$25,000	$75,000
0002	$100,000	($20,000)	$80,000

Excess funds under CLIN 0002 are to be deobligated ... OR
Excess funds under CLIN 0002 are to remain in the contract for future use by the ACO.

When partial definitization is necessary, create separate CLINs or SLINs, one for the definitized CLIN/SLIN, and another for the undefinitized CLIN/SLIN.

For further guidance, refer to DFARS 217.74 and 243.171.

Partial definitization modifications should be avoided. If necessary, however, clearly state which CLINs/SLINs are being definitized. In addition, follow the guidance in DFARS 204.7106(b) as follows:

If the modification relates to existing contract line items or exhibit line items, the modification shall refer to those item numbers.

- If the contracting officer decides to assign new identifications to existing contract or exhibit line items, the following rules apply:
  - Definitized and undefinitized items:
    - The original line item or subline item number may be used if the modification applies to the total quantity of the original line item or subline.
    - The original line item or subline item number may be used if the modification makes only minor changes in the specifications or some of the items ordered on the original line item or subline item and the resulting changes in unit price can be averaged to provide a new single unit price for the total quantity. If the changes in the

specifications make the item significantly distinguishable from the original item or the resulting changes in unit price cannot be averaged, create a new line item.

- If the modification affects only a partial quantity of an existing contract or exhibit line item or subline item and the change does not involve either the delivery date or the ship-to/mark-for data, the original contract or exhibit line item or subline item number shall remain with the unchanged quantity. Assign the changed quantity the next available number.

- Undefinitized items:
  - In addition to the rules stated above, the following additional rules apply to undefinitized items –
  - If the modification is undefinitized and increases the quantity of an existing definitized item, assign the undefinitized quantity the next available number.
  - If the modification increases the quantity of an existing undefinitized item, the original contract or exhibit line item or subline item may be used if the unit price for the new quantity is expected to be the same as the price for the original quantity.
  - If the unit prices of the two quantities will be different, assign the new quantity the next available number.
  - If the modification both affects only a partial quantity of the existing contract or exhibit line or subline item and definitizes the price for the affected portion, the definitized portion shall retain the original item number.
  - If there is any undefinitized portion of the item, assign it the next available number. However, if the modification definitizes the price for the whole quantity of the line item, and price impact of the changed work can be apportioned equally over the whole to arrive at a new unit price, the quantity with the changes can be added into the quantity of the existing item.

- If the modification affects only a partial quantity of an existing contract or exhibit line or subline item but does not change the delivery schedule or definitize price, the unchanged portion shall retain the original contract or exhibit line or subline item number. Assign the changed portion the next available number.

- For BOAs, the funds should be obligated against the individual orders ONLY. In the case of an IDIQ contract (which will contain minimum requirements), the funding for the minimum requirement will be obligated at the time of contract award; all other funds will be obligated in the individual orders. However, PCOs can issue the first order for the minimum requirement at the time of contract award. This will keep the funding off the basic contract.

- Ensure clauses referenced in contracts or modifications are in accordance with FAR.

<u>ISSUE 8</u>: Terms are used incorrectly.

- PROBLEM: The terms obligation, deobligation, and commitment are not used consistently in modifications which creates confusion about the contracting officer's intent about funds cited in a contract.

- SOLUTION: The terms are defined as follows:

  - Obligation - Amount authorized for disbursement. Puts the money on the contract.

  - Deobligation - Decreases the amount available for disbursement. -- "takes the money off the contract".

  - Commitment - Funds are committed in STARS prior to obligation which occurs at the time of contract award. This term is used to describe an internal accounting procedure only. It should not be used in a contract.

<u>ISSUE 9</u>: Modifications for Provisioned Items Order (PIO) items are often unclear.

- PROBLEM: Modifications are often unclear about whether the initial funds are to be committed or obligated. Follow-on modifications placing orders against the initial funds are also unclear about whether the funds are to be obligated. The result is that DFAS frequently obligates the same funds several times creating a funding imbalance.

- SOLUTION: Modifications must clearly specify whether funds are to be obligated or committed. For example, the initial funding under a PIO item could read:

"Funds in the amount of $100,000 are hereby obligated under line item 0010 for use by the ACO in placing future orders."

When an order is placed, a statement similar to the one below should be inserted in the last paragraph of the modification:

"Funds in the amount of $100,000 were obligated under modification A0000X. Of that amount, $25,000 is used to place this order under line item 0010AA; the remaining funds are for use by the ACO for future orders as shown in the table below. No additional funds are obligated as a result of this modification, but funding is reallocated to subline 0010AA as follows:"

Item	Orig Amount	Move	Amount Remaining
0010	$100,000	$25,000	$75,000
0010AA	$0	$25,000	

ISSUE 10: It is difficult for DFAS to ascertain the type of contract. In addition, there is no clear identification of whether a CLIN/SLIN is a cost reimbursement or fixed price type on hybrid contracts (contracts with both cost type and fixed price line items).

- PROBLEM: DFAS has reported difficulty in ascertaining the type of contract. This problem can arise because the "Type of Contract" Provision is placed in Section L of the solicitation. When the contract is awarded, Section L is pulled from the solicitation and placed in the contract file (with Sections K and M). Therefore, when the contract is distributed, this information is not included. When the contract type is identified in the contract, this information is provided in various locations. It is often difficult for DFAS to know how to make payments when they don't know which CLINs are subject to progress payments and which are not. This can result in progress payments being incorrectly spread over cost reimbursement line items.

- SOLUTION: A simple solution to this problem is to ensure that the contract type is included on the first page of the contract or modification. When a contract contains both fixed price and cost reimbursement contract line items or subline items, the contracting officer shall provide, in Section B, Supplies or Services and Price/Costs, a summary under the heading "Contract Type Summary for the Payment Office" sufficient to permit the paying office to readily identify the contract type of each contract line item or subline item as follows:

  In Section B, after the Notes, insert one of the following:

  - If the entire contract is cost type, add:

    "Contract Type Summary for the Payment Office: THIS ENTIRE CONTRACT IS COST TYPE."

  - If the entire contract is fixed price add:

    "Contract Type Summary for the Payment Office: THIS ENTIRE CONTRACT IS FIXED PRICE."

  - If the contract contains a mixture of cost reimbursement and fixed price line items add (fill in with appropriate information):

    "Contract Type Summary

Item	Type*	
0001	CR	
0002	FP	
0003AA	CR	*CR - Cost Reimbursement
0003AB	FP	FP - Fixed price

  Additionally, contract payment is made easier if the contract specifies the billing document that will be used for each item

ISSUE 11: DFAS has difficulty in determining which clauses apply to which CLINs in "hybrid" contracts (hybrid contracts include both fixed price and cost type CLINs).

- PROBLEM: Hybrid contracts are considered necessary and are allowable per FAR 16.102(b). There is no regulatory guidance or procedures for identifying or structuring hybrid contracts.

- SOLUTION: Whenever practicable, contracting personnel should structure contracts to (1) identify hybrid contracts on the face of the document, (2) identify (in Section B) which CLINs are fixed price/cost type, (3) assign ACRNs to every CLIN regardless of type, and (4) segregate the clauses (in each section) by applicability to the total contract, fixed price, or cost type CLINs.

In SPS: Clauses are sorted by full text then by reference. Each of these areas is sorted by FAR, DFARS and then agency specific clauses.

ISSUE 12: CLINS/SUBCLINS/ELINS not structured IAW DFARS 204.

- PROBLEM: Contract format for CLINs/SLINs/ELINs are delineated in DFARS 204.71. DFAS personnel have difficulty in identifying the appropriate accounting classification when CLINs are unclear or inconsistent with regulations. Improperly formatted CLINs increase the time for DFAS to make payments and to complete contract close out.

- SOLUTION: Contracting personnel need to pay close attention when identifying CLINs/SLINs/ELINs. DFARS 204.71 identifies the procedures for properly numbering CLINs. Contracting personnel should review DFARS 204 to ensure that CLINs are properly formatted.

  (Common DD-1716 Code B1A discrepancy on page 138)

ISSUE 13: Contract delivery dates stating "ARO (after receipt of order)" or "as required" cannot be entered into MOCAS.

- PROBLEM: The lack of delivery dates in MOCAS results in problem disbursements. DFARS 204.7103-1(a)(3) requires that the delivery schedule be expressly stated.

- SOLUTION: After issuance of a basic contract that uses delivery ARO or "as required", contracting personnel should convert the ARO and "as required" dates to firm dates as soon as practicable. Use "as required" only when necessary.

ISSUE 14: The Accounting and Appropriation Data, Block 12, on the cover page of the SF30 is frequently inaccurate.

- PROBLEM: Block 12 may incorrectly state "No Change" is being made to the accounting data of the contract since the modification does not increase or decrease the

contract amounts or funds although funds. However, funds are being moved between line/subline items.

- SOLUTION: On any modification which contains accounting or appropriation data FOR ANY REASON, Block 12 should state:

  Modifications which do not contain a separate fiscal sheet shall state:

  SEE THE LAST PARAGRAPH OF THE MODIFICATION.

  Modifications or modifications containing a separate fiscal sheet shall state:

  SEE ATTACHMENT A (FAD sheet).

  The last paragraph of all modifications shall be a summary of all accounting changes made through the body of the modification in the following format completed as appropriate. This will be referred to as a "From-By-To" table; it should reflect the total funds of the line items addressed in the modification. The amounts listed in the obligation table "By" column should be the funds changed by the modification.

  A. To change the amount obligated state:

  "This table summarizes the items affected by this modification and the amounts obligated to date:"

Item	From	By	To
0001	$500,000	$50,000	$550,000
0002	$500,000	$(50,000)	$450,000

  B. To change the value of an item state:

  "This table summarizes the value of the items affected by this modification:"

Item	From	By	To
0001	$700,000	$50,000	$750,000
0002	$700,000	$(50,000)	$650,000

  Long line of accounting invalid
  (Common DD-1716 Code B10A discrepancy on page 132)

ISSUE 15: Citation of other Service's lines of accounting.

- PROBLEM: Causes confusion since the other Services (Army, Air Force and Marines) use citations with different formats and lengths.

- SOLUTION: When using another Service's funds, cite the accounting citation in the body of the contract or modification (Section G), clearly labeled, rather than on the FADS. Do not force other Service's accounting lines into the Navy's format. Also, contracting personnel should ensure that FAD sheets:

    - include the phone and fax number of the person who signed the FAD sheet
    - include the date the funds will close for payment purposes, i.e., OPN funding closes for adjustment and payment purposes five years after it closes for obligation purposes which is three years, and
    - identify critical versus administrative fields.

****NOTE**: Close coordination with your comptroller is necessary when using another Service's funds. Also, be sure to follow guidance contained in the Navy's simplified FAD sheet.

ISSUE 16: Contractual documents have financial and accounting data dispersed throughout the contract and subsequent modifications, thus impairing DFAS input.

- PROBLEM: DFAS payment personnel are not trained to search through contractual documents to find financial and accounting information. When financial and accounting data is dispersed throughout the contract and subsequent modifications, this information tends to be omitted during contract data entry into MOCAS. This omission causes problem disbursements to occur.

- SOLUTION: Financial and accounting data should be consolidated in one location in the contract, Section G. It should reflect:

1.) A delineation of contract line item numbers and subline item numbers, the accounting classification reference number (ACRN) and the long line of accounting and appropriation data associated with the ACRN.
2.) Obligated monetary amounts, including additions or subtractions to those amounts when appropriate.

ISSUE 17: Accounting classification citations are entered on contracts without ACRNs.

- PROBLEM: DFARS 204.7107(c)(2) requires the assignment of an ACRN to each separate line of accounting in a contract. DFARS states "In no case shall an ACRN apply to more than one accounting classification citation, nor shall more than one ACRN be assigned to one accounting classification citation." Due to the requirement to assign a separate ACRN for each line of accounting, MOCAS has strict validations requiring an ACRN when contract data is input.

- SOLUTION: Contracting personnel should ensure that all contractual documents are in accordance with the regulations and contain all necessary accounting data IAW DFARS 204. When a DD Form 1716 is received by the issuing contracting office, a modification should be processed immediately to correct the error. This means the MOCAS system

will not reflect any obligations or deobligations made by the contract or modification in question. Payments cannot be made on a contract that is not in MOCAS.

ISSUE 18: Multiple ACRNs per contract line item (CLIN) or subline item (SLIN).

- PROBLEM: CLINS funded by multiple ACRNs require manual payments by MOCAS since it is unable to automatically pay multi-funded CLINs. Manual payments are time consuming, more costly and present a higher opportunity for payment errors. Also, there is usually no clear indication of how funds are to be apportioned when making manual payments. This can cause payments to be made disproportionately and create funding shortages due to closed accounts.

- SOLUTION: There will only be one line of accounting and ACRN cited on each CLIN or SLIN, except that multiple lines of accounting and ACRNs may be cited under a CLIN or SLIN when using Research and Development (R&D) funds (see DFARS 204.71).

NOTE: SPS will not allow multiple lines of accounting and ACRNs under any circumstances (including the use of R&D funds).

A good rule of thumb is to avoid more than one ACRN per CLIN or SLIN unless the contract is R&D or unless there are very good reasons for having multiple ACRNs for each CLIN/SLIN. In that case, the contracting officer should ensure that there are detailed and easily understood payment instructions to the DFAS payment technicians in Section G of the contract for those CLINS and SLINS which have multiple ACRNs (see DFARS 204.7107(e)(3).

It is advised to include the PCO's name, email address and telephone number in the payment instructions so the DFAS technicians can contact them if there is a question or confusion.

When looking at a Financial Accounting Data Sheet, an ACRN would appear as highlighted below:

Act. Code	Reference Document Number	CLIN	SLIN	QTY	UNIT	ACRN	APPROPRIATION	SUBHEAD
A	N0002492AE21810	0001		1	EA	AA	1721810	82P1

DFARS 204.7103-1(a)(4)(ii) - Criteria for multiple accounting classifications.
These are the only situations when multiple ACRNs are permitted.
DFARS 204.7104-1(a) - Criteria for establishing informational subline items.
If multiple ACRNs are used for a line item (IAW the above citation) then an informational subline item for each ACRN assigned to that line item must be established.

ISSUE 19: Include most current Transportation Accounting Classification (TAC) clauses.

- PROBLEM: Contracts frequently do not have the most current TAC code listed (some don't have any TAC codes listed). Additionally, if different services are involved, then there are different TAC codes and clauses that are required.

- SOLUTION: Ensure the most current TAC code is listed on the contract in Section G. Additionally, if other services monies are being used, then the service specific TAC code or clause is required in Section G. Clearly identify the TAC code and/or clause.

ISSUE 20: DFAS no longer pays the oldest money under a contract first. Additionally, the amount withheld is prorated across all ACRNs.

- PROBLEM: Funds may be cancelled or closed before all the bills are paid.

Appropriated money has three stages.

- 'Current' in which new obligations can be made. An example is a one year period for Operations and Maintenance (O&M) money.
- 'Expired' which is money whose availability has expired or lapsed but is still available for disbursement and adjustments of existing obligations. For all types of funds this is a 5-year period after the funds are no longer current.
- 'Cancelled' or 'Closed' means the money is no longer available for any purpose and occurs at the end of the 5-year 'expired' stage.

- SOLUTION: The contracting officer must specify from which ACRN the amount withheld is to be taken. This information should be contained in Section G and be worded similar to the following:

  "Amount Withheld: The entire amount withheld under this contract for the purpose of final contract adjustment and close out should be allotted to the most current ACRN under the contract."

ISSUE 21: Occasionally, options for additional requirements and components don't have a separate CLIN from the basic requirement.

- PROBLEM: Options which are not established under separate CLINs and SLINs confuse DFAS payment technicians.

- SOLUTION: Options for additional requirements and components should have a separate CLIN/SLIN from the basic requirements, even if the option is for additional quantities of the same item at the same unit price as the basic requirement. The price of contract changes or other enhancements (e.g., incorporation of engineering change proposals) may be reflected as a change to the price of applicable contract line items, provided the net effect of the price change is clearly identifiable as a revision to the financial accounting and appropriation data for that line item. Also, if the contract changes or enhancements are to be separately priced and separately billed, they must have a separate CLIN or SLIN.

ISSUE 22: Contract clauses aren't consistently located in the same place in each contract. Contract clauses and special requirements are included in many different sections of the contract and not consolidated in one section.

- PROBLEM: Contract clauses and special requirements may not be considered by DFAS payment personnel if they are included in many different sections of the contract and not consolidated in one section. The uniform contract format requires that clauses be placed in specific sections of the contract (Sections A - I). The proper section for a particular clause is provided in the FAR matrices (FAR 52.3). Not all buying offices adhere to the matrices.

- SOLUTION: Contracting personnel should ensure that contracts contain only those clauses which are applicable and the clauses are placed in the proper location per the FAR matrices. All special contract requirements or special clauses must be included in Section H of the contract (FAR 14.201-2(h)). Incorporation of special contract requirements as part of the contract specifications, statement of work, or in a contract work breakdown structure, is not permitted.

ISSUE 23: Contract clauses need to be in a certain order.

- PROBLEM: Clauses are not required to be in a specific order of precedence (e.g., flow-down from FAR, DFARS, Agency, to activity-unique) within a contract. Without ordering rules, it is more time-consuming to locate a particular clause within each section of the contract.

- SOLUTION: Whenever practicable, clause ordering within a contract should occur as follows:

  Within each particular section of the contract or solicitation, the clauses included therein shall be inserted in the following order:

  Clauses incorporated by reference (see FAR 52.3)
  Clauses incorporated by full text.

  Where there are multiple clauses incorporated by reference (and/or by full text) the clauses shall be inserted in the following order:

  FAR clauses
  DFARS clauses
  Agency clauses

  Where there are multiple FAR clauses incorporated by reference, the clauses shall be inserted in ascending numerical order.

In SPS: This is the default sorting of clauses.

****NOTE:** DFAS reports that Agency/nonstandard clauses, incorporated into the contract by reference, were difficult to obtain in full text. Contracting personnel should ensure that such clauses, in compliance with FAR 52.101(b)(2)(ii), are inserted in full text.

ISSUE 24: The Electronic Funds Transfer (EFT) clause sometimes is not included in contracts.

- PROBLEM: The Electronic Funds Transfer (EFT) clause is necessary for the timely and accurate payment of contractor invoices and vouchers.

- SOLUTION: Contracting personnel should ensure that this clause is inserted as prescribed by regulation (FAR 52-232-33).

ISSUE 25: Electronic Invoicing Improves Payment Accuracy.

- PROBLEM: Contractors that do not invoice electronically increase the chances of delayed or erroneous payments. Paper payment requests must be manually entered into MOCAS. Any manual input operation provides opportunities for error that can result in negative ULOs or unmatched disbursements.

- SOLUTION: Incorporate DFARS 252.232-7003 clause, Electronic Submission of Payment Requests, into all new contracts. There is a strong push by higher authorities to have all invoicing done electronically. In the near future, this will become a mandatory requirement on all new contracts. Therefore contractors should be encouraged to take the necessary steps to register to use electronic invoicing at the earliest possible date.

ISSUE 26: Central Contractor Registration (CCR) Promotes Electronic Commerce.

- PROBLEM: Contractors that are not actively registered in CCR cannot be paid electronically. This increases the Government's administrative expenses and increases the chances of lost checks. CCR registration also fulfills the requirement for the contractor to furnish a Taxpayer Identification Number (TIN).

- SOLUTION: Federal Acquisition Circular (FAC) 2001-16 amends the FAR to require contractor registration in the CCR prior to any award. Assure that contractors are registered in CCR before contract award. PCOs may use the DUNS number or, if applicable, the DUNS+4 number, to verify registration via the Internet at http://www.ccr.gov; by calling toll-free: 1-888-227-2423, commercial: (269) 961-5757, or DSN: 932-5757; or as otherwise provided by agency procedures.

ISSUE 27: Multiple Financing Methods on the Same Contract.

- PROBLEM: Extending financing to contractors simultaneously under both progress payments and performance based payments (PBPs) not only violates FAR 32.1003(c); it can also weaken the Government's internal management controls over the payment and

liquidation process, drive excessive manual effort, and increase the probability of problem disbursements.

- SOLUTION: Utilize only one method of financing at a time on contracts. Performance based payments are the preferred form of financing. It is also possible to convert the financing on existing contracts from progress payments to performance based payments. More information on the use of performance based payments is posted at: http://www.acq.osd.mil/dpap/Docs/PBPGuideNov2001.pdf.

ISSUE 28: Performance Based Payment (PBP) Provisions that blur the difference between Financing and Delivery Payments invite liquidation errors and problem disbursements.

- PROBLEM: Sometimes contracts contain lists of PBP events that include deliverable products as well as true events; the payments associated with these events also often exceed the 90% financing limit stated in FAR 32.1004(b)(2). Provisions such as this are often the result of the Contracting Officer attempting to provide for liquidations of PBPs. However, MOCAS already has a feature that automatically liquidates financing payments as long as the contract makes clear distinctions between financing and deliverable payments. Provisions as described above cause MOCAS to malfunction. This can lead to liquidation errors and erroneous posting of payments.

- SOLUTION: Create event schedules that contain actions that are integral and necessary to contract execution, but do not include the actual delivery of product. Also, the total value of these events must not exceed 90% of the contract value if the PBPs are on a whole contract basis or 90% of the deliverable item value if PBPs are on a deliverable item basis. It is sufficient to state the liquidation percentage in the contract in order to provide liquidation instructions.

ISSUE 29: Contract periods of performance are too long.

- PROBLEM: Funds often become cancelled or closed before contracts are closed-out making final payment difficult.

- SOLUTION: In fixed price contracts with option items or in cases of combined development and follow-on initial production, a clause similar to the following should be inserted in Section G to allow for various items to be "closed" as they are completed:

  "Additional Requirements for Progress Billings, Invoices, Liquidation and Payments."

  - This contract requirement is intended to allow the contractor to submit invoices for separate "groups" of line items (CLINs or SLINs), listed below, for progress payment and final billing purposes. A final invoice may be submitted for each "group" rather than completion of the entire contract.

  - The contractor may, in accordance with Cost Accounting Standards and other requirements of this contract, segregate costs for separate "groups" of production

systems, provisioned item orders and engineering services which have been or will be awarded under this contract. Accordingly, the contractor shall submit the following, by CLIN and total contract, with each request for progress payment or shipment invoice: a reconciliation showing the amount of progress billings and payments, shipment invoice billings and payments, engineering services payments and unliquidated progress payments, for the following "group" of line items:

CLINs	Description
0001-0003 and 0011-0014	Initial 10 systems
0015, 0016 and 0020-0022	Follow-on 6 systems
0023	Follow-on 5 systems
0010	Provisioned Items Order
0004-0007, 0017-0019 0024 and 0025	Engineering Services and Support

- Progress payments shall be based on the total amount shown on the reconciliation (or the amount concurred to by the ACO if different than the reconciled amount indicated by the contractor) including all progress payments due and owed under all of the above "groups" of CLINs, excluding engineering services. Progress billings shall not be submitted and progress payments shall not be made for engineering services. Invoice payments shall be liquidated against the current unliquidated progress payment account balance as shown on the reconciliation (or the amount concurred to by the ACO if different than the reconciled amount indicated by the Contractor). Each invoice shall be liquidated against the unliquidated progress payment balance that applies solely to the special "group" to which the CLIN belongs. Upon full liquidation of the unliquidated progress payment account applicable to any of the above CLIN "groups", invoices for items within that "group" shall be paid at 100% of the CLIN "group" amount provided that an unconditional DD Form 250 has been executed for the entire CLIN "group".

ISSUE 30: Payment method is unclear for service line items.

PROBLEM: Service line items are usually for one lot and may include performance for an extended period of time such as one year. These service line items may be billed monthly, however the terms of payment are not clear or expressed in the contract.

SOLUTION: The contract should clearly state the payment terms. If the contractor is permitted to bill monthly for the services, SLINs with a DD Form 250 requirement may provide an efficient method for accomplishing payment.

ISSUE 31: DFAS prorates many payments, unless otherwise specified in the contract.

PROBLEM: Payments prorated over all contract line items may not be desirable in certain contracts.

SOLUTION: For contracts where proration is not desired, payment instructions must be clearly explained by ACRN in Section G of the contract.

(**See Regulatory Clause DFARS 204.7107(e)(3) – Requirement for payment instructions on multi-funded CLINS on page 173)**

ISSUE 32: Contractors sometimes use commercial invoices rather than Bureau Voucher Numbers (BVNs), SF 1034, for cost type CLINs/SLINs.

PROBLEM: When contractors use commercial invoices rather than Bureau Voucher Numbers (BVNs), SF 1034, for cost type CLINs/SLINs, DFAS payment personnel look for fixed priced line items to pay instead of cost type line items.

SOLUTION: This statement should appear in Section G for cost type CLINs/SLINs: "All cost type items must be billed on BVNs, SF 1034 following instructions for submission of invoices."

ISSUE 33: Contractors are required to submit invoices by ACRN.

PROBLEM: Contractors frequently do not cite ACRNs on invoices they submit. This confuses DFAS when they cannot determine which ACRNs to allocate the payment to.

SOLUTION: Contracting personnel should ensure that a billing clause is contained in Section G of the contract which states that the Government shall reject any invoices submitted for payment which do not cite the proper ACRN(s).

FORMS AND REPORTS

TAB A: FINANCIAL ACCOUNTING DATA SHEET –NAVY

FINANCIAL ACCOUNTING DATA SHEET- NAVY

1. CONTRACT NUMBER (CRITICAL)	2.SPIIN (CRITICAL)	3.MOD (CRITICAL)	4.PR NUMBER	PAGE 1 OF 1

5.	6.LINE OF ACCOUNTING											7.	
	A.	B.	C.	D.	E.	F.	G.	H.	I.	J.	K.		NAVY INTERNAL USE ONLY
CLIN/SLIN	ACRN (CRITICAL)	APPROPRIATION (CRITICAL)	SUBHEAD (CRITICAL)	OBJ CLA	PARM	RFM	SA	AAA (CRITICAL)	TT	PAA	COST CODE PROJ UNIT / MCC / PDLI & SUF	AMOUNT *(CRITICAL)*	REF DOC/ACRN

TAB B: FINANCIAL ACCOUNTING DATA SHEET - NON NAVY

FINANCIAL ACCOUNTING DATA SHEET- NON-NAVY DoD ACTIVITIES

1. CONTRACT NUMBER *(CRITICAL)*	2. SPIIN *(CRITICAL)*	3. MOD *(CRITICAL)*	4. PR NUMBER		PAGE _ OF _
5. CLIN/SLIN	6. ACRN *(CRITICAL)*	7. ACCOUNTING CITATION		8. AMOUNT *(CRITICAL)*	NAVY INTERNAL USE ONLY REF DOC/ACRN
			PAGE TOTAL		
			GRAND TOTAL		
PREPARED/AUTHORIZED BY:		COMPTROLLER APPROVAL:			
DATE:	EMAIL:	DATE:	EMAIL:		

TAB C: DD 254 – CONTRACT SECURITY CLASSIFICATION SPECIFICATION FORM

DEPARTMENT OF DEFENSE
CONTRACT SECURITY CLASSIFICATION SPECIFICATION
(The requirements of the DoD Industrial Security Manual apply to all security aspects of this effort.)

1. CLEARANCE AND SAFEGUARDING
   a. FACILITY CLEARANCE REQUIRED
   b. LEVEL OF SAFEGUARDING REQUIRED

2. THIS SPECIFICATION IS FOR: *(X and complete as applicable)*
   - a. PRIME CONTRACT NUMBER
   - b. SUBCONTRACT NUMBER
   - c. SOLICITATION OR OTHER NUMBER — DUE DATE *(YYYYMMDD)*

3. THIS SPECIFICATION IS: *(X and complete as applicable)*
   - a. ORIGINAL *(Complete date in all cases)* — DATE *(YYYYMMDD)*
   - b. REVISED *(Supersedes all previous specs)* — REVISION NO. — DATE *(YYYYMMDD)*
   - c. FINAL *(Complete Item 5 in all cases)* — DATE *(YYYYMMDD)*

4. IS THIS A FOLLOW-ON CONTRACT? ☐ YES ☐ NO. If Yes, complete the following:
   Classified material received or generated under _____ *(Preceding Contract Number)* is transferred to this follow-on contract.

5. IS THIS A FINAL DD FORM 254? ☐ YES ☐ NO. If Yes, complete the following:
   In response to the contractor's request dated _____, retention of the classified material is authorized for the period of _____

6. CONTRACTOR *(Include Commercial and Government Entity (CAGE) Code)*

a. NAME, ADDRESS, AND ZIP CODE	b. CAGE CODE	c. COGNIZANT SECURITY OFFICE *(Name, Address, and Zip Code)*

7. SUBCONTRACTOR

a. NAME, ADDRESS, AND ZIP CODE	b. CAGE CODE	c. COGNIZANT SECURITY OFFICE *(Name, Address, and Zip Code)*

8. ACTUAL PERFORMANCE

a. LOCATION	b. CAGE CODE	c. COGNIZANT SECURITY OFFICE *(Name, Address, and Zip Code)*

9. GENERAL IDENTIFICATION OF THIS PROCUREMENT

10. CONTRACTOR WILL REQUIRE ACCESS TO:	YES	NO	11. IN PERFORMING THIS CONTRACT, THE CONTRACTOR WILL:	YES	NO
a. COMMUNICATIONS SECURITY (COMSEC) INFORMATION			a. HAVE ACCESS TO CLASSIFIED INFORMATION ONLY AT ANOTHER CONTRACTOR'S FACILITY OR A GOVERNMENT ACTIVITY		
b. RESTRICTED DATA			b. RECEIVE CLASSIFIED DOCUMENTS ONLY		
c. CRITICAL NUCLEAR WEAPON DESIGN INFORMATION			c. RECEIVE AND GENERATE CLASSIFIED MATERIAL		
d. FORMERLY RESTRICTED DATA			d. FABRICATE, MODIFY, OR STORE CLASSIFIED HARDWARE		
e. INTELLIGENCE INFORMATION			e. PERFORM SERVICES ONLY		
(1) Sensitive Compartmented Information (SCI)			f. HAVE ACCESS TO U.S. CLASSIFIED INFORMATION OUTSIDE THE U.S., PUERTO RICO, U.S. POSSESSIONS AND TRUST TERRITORIES		
(2) Non-SCI			g. BE AUTHORIZED TO USE THE SERVICES OF DEFENSE TECHNICAL INFORMATION CENTER (DTIC) OR OTHER SECONDARY DISTRIBUTION CENTER		
f. SPECIAL ACCESS INFORMATION			h. REQUIRE A COMSEC ACCOUNT		
g. NATO INFORMATION			i. HAVE TEMPEST REQUIREMENTS		
h. FOREIGN GOVERNMENT INFORMATION			j. HAVE OPERATIONS SECURITY (OPSEC) REQUIREMENTS		
i. LIMITED DISSEMINATION INFORMATION			k. BE AUTHORIZED TO USE THE DEFENSE COURIER SERVICE		
j. FOR OFFICIAL USE ONLY INFORMATION			l. OTHER *(Specify)*		
k. OTHER *(Specify)*					

DD FORM 254, DEC 1999 PREVIOUS EDITION IS OBSOLETE.

Reset

DD 254 - CONTRACT SECURITY CLASSIFICATION SPECIFICATION FORM (REVERSE)

12. PUBLIC RELEASE. Any information *(classified or unclassified)* pertaining to this contract shall not be released for public dissemination except as provided by the Industrial Security Manual or unless it has been approved for public release by appropriate U.S. Government authority. Proposed public releases shall be submitted for approval prior to release [ ] Direct [ ] Through *(Specify)*

to the Directorate for Freedom of Information and Security Review, Office of the Assistant Secretary of Defense (Public Affairs)* for review.
*In the case of non-DoD User Agencies, requests for disclosure shall be submitted to that agency.

13. SECURITY GUIDANCE. The security classifiection guidance needed for this classified effort is identified below. If any difficulty is encountered in applying this guidance or if any other contributing factor indicates a need for changes in this guidance, the contractor is authorized and encouraged to provide recommended changes; to challenge the guidance or the classification assigned to any information or material furnished or generated under this contract; and to submit any questions for interpretation of this guidance to the official identified below. Pending final decision, the information involved shall be handled and protected at the highest level of classification assigned or recommended. *(Fill in as appropriate for the classified effort. Attach, or forward under separate correspondence, any documents/guides/extracts referenced herein. Add additional pages as needed to provide complete guidance.)*

14. ADDITIONAL SECURITY REQUIREMENTS. Requirements, in addition to ISM requirements, are established for this contract. [ ] Yes [ ] No
(If Yes, identify the pertinent contractual clauses in the contract document itself, or provide an appropriate statement which identifies the additional requirements. Provide a copy of the requirements to the cognizant security office. Use Item 13 if additional space is needed.)

15. INSPECTIONS. Elements of this contract are outside the inspection responsibility of the cognizant security office. [ ] Yes [ ] No
(If Yes, explain and identify specific areas or elements carved out and the activity responsible for inspections. Use Item 13 if additional space is needed.)

16. CERTIFICATION AND SIGNATURE. Security requirements stated herein are complete and adequate for safeguarding the classified information to be released or generated under this classified effort. All questions shall be referred to the official named below.

a. TYPED NAME OF CERTIFYING OFFICIAL	b. TITLE	c. TELEPHONE *(Include Area Code)*
d. ADDRESS *(Include Zip Code)*	17. REQUIRED DISTRIBUTION	
	[ ] a. CONTRACTOR	
	[ ] b. SUBCONTRACTOR	
	[ ] c. COGNIZANT SECURITY OFFICE FOR PRIME AND SUBCONTRACTOR	
e. SIGNATURE	[ ] d. U.S. ACTIVITY RESPONSIBLE FOR OVERSEAS SECURITY ADMINISTRATION	
	[ ] e. ADMINISTRATIVE CONTRACTING OFFICER	
	[ ] f. OTHERS AS NECESSARY	

DD FORM 254 (BACK), DEC 1999

Reset

CHECKLISTS

CONTRACT SECTION "C" CHECKLIST

The following checklist is provided to ensure all areas of contract section C have been covered appropriately and adequately.

Are specific duties of the contractor stated in such a way they know what is required?
Are the sentences written so there is no question about the contractor's obligations (that is, "the contractor shall do this work" not "this work will be required"?)
Is the proper reference document shown? Is it really pertinent to the task? Fully or partially? Is it properly cited?
Is the SOW sufficiently specific to permit the writer and the contractor to make a list of manpower and resources needed?
Have the elements of quality assurance been fully considered for the total life of the requirement?
Are military specifications or standards applicable? In whole or in part? If so, are they properly cited? (Use the latest available revision or issue of each document.)
Is the general information separated from the direction so background information and suggested procedures are clearly distinguishable from contractor responsibilities?
Have extraneous materials and cross-references to contract clauses and provisions been removed?
Have all requirements been reviewed to ensure compatibility with the data requirements specified on DD Form 1423, Contract Data Requirements List, and extraneous data requirements eliminated?

QUICK DFAS AND DCMA ISSUE CHECK LIST

1. Timely distribution of contract into NAFI (2 days)
2. Make sure contracts given to contractor and NAFI/EDA are exactly same
3. Verify CAGE code
4. Place delivery requirements in Section F; verify DODAAC
5. State purpose of modification in opening paragraph
6. Execute modifications in numerical sequence
7. Ensure definitization modifications are clear
8. Use terms obligation, deobligation & commitment correctly in modifications
9. Clearly state if initial funds are to be committed or obligated under modifications
10. Ensure contract type is included on 1st page of contract or modification
11. Identify hybrid contracts on 1st page of contract and clearly document
12. Format CLINS/SUBCLINS/ELINS IAW DFARS 204
13. Convert after receipt of order (ARO) or "as required" to firm dates ASAP
14. A modification summary sheet for all accounting changes must be used and stated in block 12 of SF 30
15. Do not force other Service's accounting into Navy's format
16. Consolidate financial and accounting data in Section G of contract
17. Assign an ACRN to each separate line of accounting in contract
18. Assign one ACRN per CLIN or SLIN unless R&D contract
19. Ensure the most current and accurate TAC code is listed in Section G
20. In Section G, specify from which ACRN the amount withheld is to be taken
21. Options for additional requirements and components should have a separate CLIN/SLIN
22. Ensure all clauses are applicable and placed in proper location per FAR matrices
23. Order clauses by reference, full text and by agency FAR/DFARS/Agency
24. Ensure EFT clause is inserted IAW FAR Part 52
25. Encourage electronic submission of payment requests into new contracts
26. Ensure contractors are registered in Central Contract Registration (CCR)
27. Only utilize one method of financing (i.e. progress payments or PBPs not both)
28. For PBPs, create an events schedule that contains actions necessary to contract execution but do not include the actual delivery of product. Do not exceed 90% of contract value
29. Ensure funds are available for duration of contract
30. Clearly state payment terms for service line items
31. To avoid proration, include clear payment instructions by ACRN in Section G
32. For cost type CLIN/SLIN include this statement in Section G: "All cost type items must be billed on BVNs, SF 1034 following instructions for submission of invoices"
33. Include a clause in Section G that requires contractors to cite proper ACRN on invoices submitted for payment

CONTRACT BASIC CHECKLIST

During the contract planning and formulation phase, addressing each of these attributes will better ensure that the contract is properly constructed and will facilitate proper contract administration, payment and closeout.

The attributes that directly affect payment are as follows:

Checklist

Make payment instructions a conscious decision.

Discuss payment options with DFAS during acquisition planning. Multiple lines of accounting increase payment complexity.

Cite all payment related information in Section G of the contract. For commercial contracts, ensure payment instructions are provided with the schedule.

Limit funding to One ACRN/ One CLIN or SLIN unless authorized by DFARS 204.7103-1(a)(4).

Minimize unique instructions. If they apply, make sure the contract distinguishes between billing and payment and that directions are consistent:

a. Billing instructions should tell the contractor what to include on invoices and vouchers and to whom they should be submitted;
b. Payment instructions should tell DFAS how to make the payment.
c. Instructions for billing and payment are consistent.

Recap funding changes on modifications that increase or decrease the contract. Include the line item number, ACRN, Accounting Classification, the basic contract amount, cumulative modification amount, modification amount of the current action (if any) and cumulative balance.

If necessary, modify payment instructions whenever accounting information or dollar amounts change.

Do not issue a delivery order against a "C" (FAR 6.102(c)) type contract. Task and delivery orders are “G” (FAR 6.202(a)), “D” (FAR 6.102(d)(1)), or “F” (FAR 6.102(d)(3)) documents and are authorized only under ordering agreements, IDIQs and "schedule" contracts.

Include a POC name, telephone number and email address in the "issued by" block on the SFs 26, 30, 33, and 1449 and DD 1155.

Always include an accurate phone number and email address in the “Issued By” block of any contract to make contact easier should issues arise.

UNITS OF MEASURE AND ISSUE

(from DOD 4000.25-1-M APPENDIX 2.6)

A

AMPOULE	AM
ASSEMBLY	AY
ASSORTMENT	AT

B

BAG	BG
BALE	BE
BALL	BA
BAR	BR
BARREL	BL
BASKET	BS
BLOCK	BC
BOARD FOOT	BF
BOLT	BO
BOOK	BK
BOTTLE	BT
BOX	BX
BRICK	BI
BRIQUET	BQ
BUNDLE	BD
BUSHEL	BU

C

CABINET	CA
CAKE	CK
CAN	CN
CAPSULE	CP
CARAT	KR
CARBOY	CB
CARTON	CT
CASE	CS
CASK	KS
CENTIGRAM	CG
CENTIMETER	CM
CHAIN	KK
CHEST	CH
COIL	CL
CONE	CE

CONTAINER	CO
CORD	KD
CRATE	CR
CUBIC CENTIMETER	CC
CUBIC FOOT	CF
CUBIC INCH	CI
CUBIC METER	CZ
CUBIC YARD	CD
CURIE	CU
CYLINDER	CY

D

DECAGRAM	DC
DECIMETER	DE
DECIGRAM	DG
DECILITER	DL
DECK	DK
DOZEN	DZ
DRAM	DM
DRUM	DR
DUFFLEBAG	DB

E

EACH	EA
ENGINE CONTAINER	EC
ENGINE CRADLE	ED
ENVELOPE	EN
EXPOSURE	EX

F

FLASH	FL
FOLD	FD
FOOT	FT
FOOTLOCKER	FK
FRAME	FR

G

GALLON	GL
GALLON IMPERIAL	GB
GRAIN	DN
GRAM	GM
GREAT GROSS	GG

GROSS	GR
GROUP	GP

H

HAMPER	HA
HANK	HK
HEAD	HE
HOGSHEAD	HH
HUNDRED	HD
HUNDRED FEET	HF
HUNDRED POUNDS	HP
HUNDRED SQUARE FEET	HS
HUNDRED WEIGHT	HW
HUNDRED YARDS	HY

I

INCH	IN
INGOT	IG

J

JAR	JR
JUG	JG

K

KEG	KE
KILOGRAM	KG
KILOMETER	KM
KIT	KT

L

LENGTH	LG
LINEAR FOOT	LF
LINEAR YARD	LY
LINK	LK
LITER	LI
LONG TON	LT
LOOSE (NOT PACKAGED)	LS
LOT	LO

M

METER	MR
MILE	MI
MILLIAMPERE	MA
MILLIGRAM	MG
MILLILITER	ML
MILLIMETER	MM
MONTH	MO

O

OUNCE	OZ

P

PACK	PK
PACKAGE	PG
PAD	PD
PAIL	PL
PAIR	PR
PALLET	PP
PANEL	PN
PAPER	PA
PECK	PE
PELLET	PX
PENNYWEIGHT	DW
PIECE	PC
PILLOW	PI
PINT	PT
POUND	LB
PYRAMID	PY

Q

QUART	QT
QUART IMPERIAL	QI
QUIRE	QR

R

RATION	RA
REAM	RM
REEL	RL
RIBBON	RN
ROLL	RO
ROUND	RD

S

SACK	SA
SECTION	SC
SET	SE
SHEET	SH
SHORT TON	ST
SHOT	SO
SKEIN	SK
SKID	SD
SKID BOX	SB
SLEEVE	SV
SPOOL	SL
SUITCASE	SW
SQUARE	SQ
SQUARE FOOT	SF
SQUARE INCH	SI
SQUARE METER	SM
SQUARE YARD	SY
STACK	SS
STICK	SX
STRIP	SP

T

TABLET	TT
TAPE	TP
THOUSAND	MX
THOUSAND CUBIC FEET	MC
THOUSAND FEET	MF
THOUSAND ROUNDS	RX
TIN	TI
TON (2,000 LB)	TN
TROY OUNCE	TO
TRUNK	TK
TUB	TB
TUBE	TU

U

UNIT	UN
U.S.P. UNIT	US

V

VIAL	VI
VOLUME	VO

W

WAFER	WF
WEIGHT	WT
WRAP	WR

Y

YARD	YD
YEAR	YR

LIST OF USEFUL WEBSITES

Name	Acronym	Website Link
Defense Contract Management Agency	DCMA	http://www.dcma.mil
Defense Finance and Accounting Service	DFAS	http://www.dfas.mil/
(secured site for .mil and .gov only)		https://dfas4dod.dfas.mil
Defense Logistics Agency	DLA	http://www.dla.mil
Federal Acquisition Regulations	FAR	http://www.arnet.gov/far/
Defense Federal Acquisition Regulations	DFARS	http://www.acq.osd.mil/dpap/dfars/index.htm
Electronic Data Access	EDA	http://eda.ogden.disa.mil
Financial Management Regulations	FMR	http://www.dod.mil/comptroller/fmr/
Navy Acquisition Procedures	NAPS	http://www.abm.rda.hq.navy.mil/aosfiles/tools/NAPS/naps/
Navy Air Force Interface	NAFI	https://www.nafi.navy.mil/
Search for DoD forms		http://www.dior.whs.mil/icdhome.forms.htm
Search for Government forms		http://www.gsa.gov/Portal/gsa/ep/formslibrary.do?viewType=DETAIL&formId=884De4C90A9F054C85256A1F005ABDB1
Search for Acronyms		http://www.dtic.mil/doctrine/jel/doddict/acronym_index.html http://www.acronymfinder.com/af-query.asp?p=dict&String=exact&Acronym=DOD
Navy Financial Account Sheets	FAD (Navy Only)	https://dfas4dod.dfas.mil/centers/dfascl/mocasliaison/pdf/FADTEMP.XLS
	Non-Navy	https://dfas4dod.dfas.mil/centers/dfascl/mocasliaison/pdf/FADOTHR.XLS
DCMA Information Memo on Payment Instructions		http://home.dcma.mil/onebook/9.0/9.3/dc02-239.htm
Air Force Payment Instruction Guide		http://www.afmc-pub.wpafb.af.mil/HQ-FMC/PK/pkp/pkpc/payments/payguide.doc
Standard Procurement	SPS	http://www.spscoe.sps.eis.army.mil/

System Mechanization of Contract Administration Services	MOCAS	https://ecweb.dfas.mil/notes/mocas.htm
Central Contract Registration	CCR	http://www.ccr.gov
Military Assistance Program Address Directory	MAPAD	http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/MAPAD/mapad.asp
DoD Activity Address Code Directory	DODAAD	http://www.dla.mil/j-6/dlmso/eLibrary/Manuals/DoDAAD/DoDAAD.asp
	NMCARS	http://farsite.hill.af.mil/reghtml/regs/other/naps/naps1toc.htm
Department of Defense Activity Address Code	DODAAC	https://day2k1.daas.dla.mil/daasinq/
Defense Logistics Agency	DLA	http://www.dla.mil/
Defense Logistics Information System	DLIS	http://www.dlis.dla.mil/
Business Identification Number Cross-reference System		https://www.bpn.gov/bincs/begin_search.asp
Commercial and Government Entity	CAGE	http://www.dlis.dla.mil/cage_welcome.asp
Data Item Description	DID	http://www.dscc.dla.mil/Programs/mil512/

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