



DEFENSE LOGISTICS AGENCY  
HEADQUARTERS  
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IN REPLY J-33  
REFER TO FARS DEV 04-02

MAR 31 2004

MEMORANDUM FOR PROCLTR DISTRIBUTION LIST

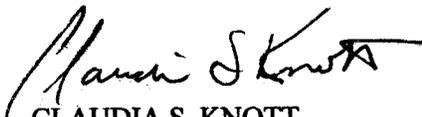
SUBJECT: Class Deviation from Federal Acquisition Regulation (FAR) 13.402(a) Granting 2-Year Authority to Use Fast Payment Procedures for Direct Vendor Delivery (DVD) Awards Not Exceeding \$100,000

This is a class deviation from FAR 13.402(a). This deviation is intended to facilitate implementation of Department of Defense (DOD) policy directing reduced Government surveillance at source. FAR 13.402 identifies conditions that must be present to use fast payment procedures, and subparagraph (a) states individual purchasing instruments may not exceed \$25,000. This class deviation authorizes use of fast payment procedures for Direct Vendor Delivery (DVD) awards not exceeding \$100,000 in dollar value, when the conditions in FAR 13.402(b)-(f) apply. This deviation is granted for a 2-year period.

Due to reductions in Defense Contract Management Agency (DCMA) resources, the Under Secretary of Defense (Acquisition, Technology, and Logistics) (USD (AT&L)) has undertaken an initiative to significantly reduce Government surveillance at source by the DCMA. The USD (AT&L) recognizes the long-standing criticism of destination acceptance associated with untimely receipt of acceptance information by the payment office and payment delays that result. Wide Area Work Flow (WAWF) is viewed as the long-term solution to this concern, so your continued active engagement in that effort is needed. This deviation is an interim measure to help ensure timely payment to suppliers and timely support to our customers prior to the implementation of WAWF or some other permanent solution.

This authority is granted with the understanding that, in conjunction with your already-established internal controls associated with the use of fast payment procedures, you shall also perform a semi-annual verification of customer receipt for a statistically-valid, random sample of all DVD awards valued over \$25,000 but not exceeding \$100,000 and for which payment has been made. In addition, the appropriate use of fast payment procedures will continue to be a special interest item on all Procurement Management Reviews.

This deviation is issued pursuant to the authority delegated to me by the Director of Defense Procurement, September 30, 1999 (see also DFARS 201.404(b)(ii)). FARS DEV 04-02 applies. This class deviation expires two years from the date of this memorandum. Our point of contact is Ms. Anne Burleigh, J-3311, at (703) 767-1358, DSN 427-1358, e-mail [anne.burleigh@dla.mil](mailto:anne.burleigh@dla.mil).

  
CLAUDIA S. KNOTT  
Senior Procurement Executive

