



LOGISTICS AND
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Change 1

DEFENSE LOGISTICS MANAGEMENT STANDARDS VOLUME 7, CONTRACT ADMINISTRATION CHANGE 1

I. This change to DLM 4000.25, Defense Logistics Management Standards (DLMS), Volume 7, April 2012, is published by direction of the Deputy Assistant Secretary of Defense for Supply Chain Integration under the authority of DoD Instruction (DoDI) 4140.01, "DoD Supply Chain Materiel Management Policy," December 14, 2011. Unless otherwise noted, revised text in the manual is identified by ***bold, italicized*** print. The exception would be when the entire chapter or appendix is replaced, or a new one added. Change 1 also includes administrative updates not marked by bold italics, to include changing "shall" to "will" per a style change for DoD issuances and updating "Defense Logistics Management System" to "Defense Logistics Management Standards," and updating "(PGI) 204.804-1" to "(PGI) 204.804."

II. This change includes Approved Defense Logistics Management Standards (DLMS) Changes (ADC) published by Defense Logistics Management Standards Office memorandum:

A. ADC 1112 dated May 5, 2014. Added IUID and embedded IUID "Mark" information and all associated fields to the WAWF Receiving Report (RR). Revises Federal Implementation Convention (IC) 856 and 857.

B. ADC 1113 dated July 2, 2014. Enhances WAWF to carry additional data fields found on contracts and delivery orders to the WAWF receiving report (RR) as requested by DLMS Trading partners supporting Security Cooperation (SC) shipments. Revises Federal IC 856 and 857, DLMS IC 856.

C. ADC 1121 dated July 15, 2014. Permitted up to fifteen (15) "Product/Service ID Qualifier" and corresponding "Product/Service ID" combinations (referred to as "product/service pairs") in WAWF 856 transactions. Revises Federal IC 856 and 857; DLMS IC 856.

D. ADC 1139 dated July 16, 2014. Added the functionality to provide additional e-mail addresses for notifications in the WAWF Receiving Report (RR) transactions. Revises Federal IC 856 and 857.

E. ADC 1140 dated July 16, 2014. Added the functionality to WAWF to ensure compliance with DFARS requirements for IUID that must be satisfied before the WAWF Receiving Report (RR) can be created either via direct web input or Electronic Data

Interchange (EDI). Revises Federal IC 856 and 857.

F.

III. The list below identifies the chapters, appendices or other files from the manual that are replaced by this change:

Added or Replaced Files

Change History Page

Table of Contents

Chapter 4

IV. This change is incorporated into the on-line DLMS manual at the Defense Logistics Managements Standards Website

www.dla.mil/j-6/dlms/eLibrary/manuals/dlm/dlm_pubs.asp and the PDF file containing the entire set of change files is available at

www.dla.mil/j-6/dlms/eLibrary/Manuals/DLMS/formal_changes.asp


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VOLUME 7 – CONTRACT ADMINISTRATION

PROCESS CHANGE HISTORY

ADC Number	Date	Change Description	Version
1112	5/5/2014	<p>Revise Federal Implementation Convention (IC) 856 Ship Notice/Manifest to Identify Item Unique Identification (IUID) and Embedded IUID Marks Data to the Receiving Report for Wide Area Workflow (WAWF). Adds IUID and embeds IUID “Mark” information and all associated fields to the WAWF Receiving Report (RR). The WAWF RR is mapped to the commercial standard (American Standards Committee (ASC) X12) 856 Ship Notice/Manifest to provide functionality as an electronic data source for shipment information. Revises Federal IC 856 and 857.</p>	1
1113	7/2/2014	<p>Wide Area Workflow (WAWF) Advance Shipment Notice (ASN) Revisions Including Enhancements for Security Cooperation (SC) Foreign Military Sales (FMS). Enhances WAWF to carry additional data fields found on contracts and delivery orders to the WAWF receiving report (RR) as requested by DLMS Trading partners supporting SC shipments. The WAWF RR is mapped to the commercial standard transaction (American Standards Committee (ASC) X12) 856 Ship Notice/Manifest to provide functionality as an electronic data source for shipment tracking and visibility. This change has been updated subsequent to staffing to reflect standard DOD data mapping for SC data elements transmitted to DOD systems outside WAWF. The WAWF format for the FMS Case Number will not be authorized for perpetuation to other systems. Revises Federal ICs 856 and 857; DLMS 856.</p>	1

1121	7/15/2014	<p>Wide Area Workflow (WAWF) Update to Permit Multiple Product/Service Pairs on Receiving Reports and Property Transfer Documents. Permits up to fifteen (15) "Product/Service ID Qualifier" and corresponding "Product/Service ID" combinations (referred to as "product/service pairs") in WAWF 856 transactions. Product/service pairs are used to identify/describe the commodity or service under contract as reported on the WAWF Receiving Report (RR), Energy Receiving Report (ERR), Repairable Receiving Report (RRR), Purchase Card RR, Property Transfer, and DLMS Advance Shipment Notice. Revises Federal IC 856 and 857; DLMS 856.</p>	1
1139	7/16/2014	<p>Administrative Revision to Federal Implementation Convention (IC) 856 Ship Notice/Manifest to Provide Additional E-mail Notifications. Added the functionality to provide additional e-mail addresses for notifications in the WAWF Receiving Report (RR) transactions. Revises Federal IC 856 and 857.</p>	1
1140	7/16/2014	<p>Administrative Revision to Federal Implementation Convention (IC) 856 Ship Notice/Manifest to Add Item Unique Identification (IUID) Defense Federal Acquisition Regulation Supplement (DFARS) Clause 252 211-7003 Compliance Check. Added the functionality to WAWF to ensure compliance with DFARS requirements for IUID that must be satisfied before the WAWF Receiving Report (RR) can be created either via direct web input or Electronic Data Interchange (EDI). Revises Federal IC 856 and 857.</p>	1

TABLE OF CONTENTS

VOLUME 7: CONTRACT ADMINISTRATION

	<u>Page</u>
FOREWORD	1
CHANGE HISTORY PAGE	2
TABLE OF CONTENTS	4
CHAPTER 1 INTRODUCTION	
C1.1. GENERAL.....	C1-1
C1.2. POLICY.....	C1-1
C1.3. APPLICABILITY	C1-1
C1.4. SUPPLY PROCESS REVIEW COMMITTEE.....	C1-1
C1.5. NONCOMPLIANCE	C1-1
CHAPTER 2 SHIPMENT NOTIFICATION	
C2.1. GENERAL.....	C2-1
C2.2. PROCEDURES.....	C2-1
CHAPTER 3 DESTINATION ACCEPTANCE REPORTING	
C3.1. GENERAL.....	C3-1
C3.2. PROCEDURES.....	C3-1
CHAPTER 4 CONTRACT COMPLETION STATUS REPORTING	
C4.1. GENERAL.....	C4-1
C4.2. BASIS FOR CONTRACT CLOSING	C4-1
C4.3. STANDARD TIMES FOR CONTRACT CLOSING	C4-1
C4.4. CONTRACT PAYMENT	C4-2
C4.5. CONTRACT COMPLETION STATEMENT	C4-2
C4.6. UNCLOSED CONTRACT STATUS	C4-3
C4.7. CONTRACT CLOSEOUT EXTENSION.....	C4-3
C4.8. CANCELLATIONS	C4-4
C4.9. FAST PAY CONTRACTS	C4-4
C4.10. PREPARATION OF THE DLMS 567C TRANSACTION	C4-4

C4. CHAPTER 4

CONTRACT COMPLETION STATUS REPORTING

C4.1 GENERAL

C4.1.1. Purpose. This chapter prescribes standard procedures for reporting:

C4.1.1.1. The status of unclosed contracts subsequent to physical completion,

C4.1.1.2. Major events leading to the closing of the contract files by the Contract Administration Office (CAO),

C4.1.1.3. The extension of the contract closeout period by the CAO, and

C4.1.1.4. The extension of the contract closeout period by the Purchasing Office (PO).

C4.1.2. Scope. These reports are identified as Defense Logistics Management System (DLMS) Supplement 567C, Contract Completion Status, and primarily provide information to the PO for closing and retiring its contract files. The DLMS transactions are available on the DLA Logistics Management Standards Website www.dla.mil/j-6/dlmso/elibrary/TransFormats/140_997.asp.

C4.1.3. Computer Formats. These procedures provide computer processable formats in lieu of hard copy documents and complement those in Federal Acquisition Regulation ([FAR](#)), 4.804-1 and the Defense Federal Acquisition Regulation Supplement ([DFARS](#)) Procedures, Guidance and Information (PGI) 204.804.

C4.1.4. Contract Completion Statements. Each CAO-issued DLMS 567C may include only one contract completion statement, unclosed contract status, or cancellation. The PO-issued DLMS 567C may include only one contract closeout extension. Multiple contract completion statements within a single DLMS 567C transmission are not permitted at this time.

C4.2. BASIS FOR CONTRACT CLOSING

C4.2.1. Contract Face Value. The basis for closing contract files depends upon the face value of the contract and the extent of administration accorded to it.

C4.2.2. Closeout Code. The CAO uses the conditions set forth in the contract closeout group codes to group the contracts for follow-on closing actions.

C4.3. STANDARD TIMES FOR CONTRACT CLOSING. FAR 4.804-1 prescribes the time standards for closing contracts. These standards are based on the date that the contract is physically completed and on the contract type. When the CAO closes the

contract within the time standards, it reports the closure under the procedures in section C4.4. When the CAO does not close the contract within the time standards, it reports the status under the procedures in section C4.5, until it closes the contract and finally reports it under section C4.4.

C4.4. CONTRACT PAYMENT. When an office other than the office with primary contract administration responsibility performs the payment function on a contract, the disbursing office shall notify the primary CAO when final payment has been made and the disbursing office file closed. The CAO shall forward the status within five workdays after expiration of the standard closing period.

C4.5. CONTRACT COMPLETION STATEMENT

C4.5.1. Purpose. The contract completion statement is the DFARS-authorized electronic version of the [DD Form 1594](#), Contract Completion Statement. It is the means by which the CAO informs the PO (or designated Automatic Data Processing (ADP) point) of the major events of physical completion, final payment, and/or closure of the CAO contract file. For all contracts, a final contract completion statement is the basis for the PO to closeout its contract file.

C4.5.2. Contract Completion Definition. A contract is physically completed when,

C4.5.2.1. For supplies and services contracts:

C4.5.2.1.1. The contractor has completed the required deliveries of supplies and the Government has inspected and accepted such supplies, and

C4.5.2.1.2. The contractor has performed all services and the Government has accepted such services, and all option provisions, if any, have expired, and

C4.5.2.1.3. A notice of complete contract termination has been given to the contractor by the Government;

C4.5.2.2. For facilities contracts and rental, use, and storage agreements, a notice of complete termination has been issued or the contract period has expired.

C4.5.3. Physical Completion of Large-Purchase Contract. When a large-purchase contract such as Contract Closeout Group Code B, C, or D, is physically completed (i.e., delivered complete and the materiel or service accepted), the CAO with the primary contract administration responsibility shall forward an interim contract completion statement to the PO to report physical completion.

C4.5.4. Final Payment for Large-Purchase Contract. For a large-purchase contract, Contract Closeout Group Code B, C, or D, when final payment is made and other actions completed, the CAO with primary contract administration responsibility shall send a final contract completion statement to the PO based upon physical completion, final payment, and completion of all administrative actions.

C4.5.5. Unliquidated Amount. The unliquidated amount is money that was obligated on the contract but not spent. In all cases, the final contract completion statement must include any unliquidated amount that remains on the contract or order after final payment has been made. The unliquidated amount is the remainder of the accumulated amounts paid, as netted by all collections, subtracted from the amount obligated on the contract by any contract modifications, and adjusted by deductions and all variance codes. The unliquidated amount shall be conveyed in the AMT data segment of the CS loop in the DLMS 576C and will appear only when an unliquidated amount remains on the contract. The accountable activity must reclaim this money before the PO closes the contract.

C4.5.6. Contract Over Payments. Contract over payments can occur when the contract contains the quantity variation clause, FAR 52.211-16 Variation in Quantity, and contractors deliver a quantity within the overage quantity permitted. In this instance, the contract funding is deficient and additional funds must be obligated before the contract can be closed. The deficient funds may be cited in the AMT segment and identified by Code C in AMT03.

C4.5.7. Receipt of Contract Extension Report. When the CAO has received a contract completion extension report from the PO, and if the CAO had to perform an additional contract administration function, the CAO shall issue a final contract closeout statement report within five workdays after the extended closeout date. If the CAO did not have to perform additional contract administration functions after the extension transaction was issued, the contract file shall be closed and the last issued final contract completion statement will apply.

C4.6. UNCLOSED CONTRACT STATUS. The CAO shall send an unclosed contract status report to the PO (or designated ADP point) for each contract that will not be closed within the timeframe established in FAR 4.804-2.

C4.6.1. Reason for Delay. The status report shall include the reasons for delay and the target date that has been set for closing.

C4.6.2. Revised Unclosed Status Report. If the contract is not closed by the target date, a revised unclosed contract status report shall be sent with the new target date and reason(s) for further delay.

C4.6.3. Timeframe. A CAO with primary contract administration responsibility shall send the unclosed contract status report to the PO. The CAO shall forward the unclosed status report within 45 days after the expiration of the standard closing period (refer to DFARS Procedures, Guidance, and Information (PGI) 204.804-2).

C4.7. CONTRACT CLOSEOUT EXTENSION

C4.7.1. Purpose. The PO shall use the contract completed date in the contract completion statement as the closeout date for file purposes. When completion of any pending significant PO action extends beyond this closeout date, the PO shall send a

contract closeout extension notice to the CAO (or designated ADP point) advising of the extended closeout date.

C4.7.2. Timeframe. The PO must forward the extension to the CAO within 5 workdays after receipt of the completion statement.

C4.7.3. Status. The CAO shall then hold the contract open until the extended closeout date.

C4.7.4. Revision of Closeout Extension. The PO must ensure that when the extended closeout date is to be revised, another extension notice, with a new extended closeout date, is sent to the CAO.

C4.7.5. Closure. The CAO shall close the contract file when the extended closeout date is passed. If the CAO performed an additional contract administrative function, it shall issue another contract completion statement report; otherwise, the previous statement report shall remain in effect.

C4.7.6. Exception to Closure. A contract file shall not be closed if the contract is in litigation or under appeal; or in the case of a termination, all termination actions have not been completed. See FAR 4.804-1(c).

C4.8. CANCELLATIONS. Conditions may necessitate the cancellation of a contract completion status transaction. Cancellation is done by sending the Procurement Instrument Identification Number (PIIN), Supplementary Procurement Instrument Identification Number (SPIIN) (when applicable), CAO, and PO of the original transaction and a Transaction Status Indicator Code K.

C4.9. FAST PAY CONTRACTS. Normally, a PO receives both a shipment notice transaction and a contract completion statement transaction on each contract. On fast-pay contracts that do not exceed \$25,000, however, shipment information is not required by the Army, Navy, or DLA. The Army shall use the contract completion statement both to show performance and to close the contract. The Air Force requires and receives the shipment information and a contract completion statement on fast-pay contracts.

C4.10. PREPARATION OF THE DLMS 567C TRANSACTION. The instructions to prepare the DLMS 567C are on the DLA Logistics Management Standards Website www.dla.mil/j-6/dlmsso/elibrary/TransFormats/140_997.asp

C4.10.1. Structure. This transaction set contains only one table.

C4.10.2. Uses. As discussed in sections C4.4., C4.5., and C4.6., there are six uses of the contract completion status transaction. Each use is identified by a code in the 1/CS05/050 data element.

C4.10.2.1. CAO Issuance. Those issued by the CAO:

C4.10.2.1.1. The unclosed contract status (Code D);

C4.10.2.1.2. The final contract completion statement for a small purchase (Code A);

C4.10.2.1.3. The interim contract completion statement for a large purchase (Code B); and

C4.10.2.1.4. The final contract completion statement for a large purchase (Code C).

C4.10.2.2. PO Issuance. The transaction issued by the PO is the contract closeout extension (Code E); and

C4.10.2.3. DFAS Issuance. The transaction issued by DFAS is the financial contract completion statement (Code F).

C4.10.3. Name/Place Data. There are two N1 data segments for names and places.

C4.10.3.1. To/From Code. The 1/N1/030 segment precedes the 1/CS/050 loop, and with two iterations, carries the Code FR (from) and the Code TO (to); these will be the appropriate PO and CAO that will be common to all records in a given transaction set.

C4.10.3.2. Paying Office. The 1/N1/120 segment in the 1/CS/050 loop will identify a paying office or a contractor when one applies to the record.

C4.10.3.3. Transaction Status Code. Each applicable transaction status indicator code is carried in an iteration of the 1/LQ/110 data segment. Only Codes F, J, and K may be used in this transaction set.

C4.10.3.4. Cancellation Report. A cancellation report is identified by the Transaction Status Indicator Code K in a 1/LQ/110 data segment. A cancellation report must be sent at least one calendar day before its replacement report. A cancellation report requires the To, the From, the PIIN, the SPIIN (if applicable), the code for the type transaction, and the cancellation code.