



LOGISTICS AND  
MATERIEL READINESS

## OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

DLM 4000.25, Volume 7, December 14, 2016  
Change 3

### DEFENSE LOGISTICS MANAGEMENT STANDARDS VOLUME 7, CONTRACT ADMINISTRATION CHANGE 2

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. Exceptions are when an entire chapter or appendix is replaced, a new one added, or an administrative update is made. Administrative updates in Change 8 include the following: "DLA Logistics Management Standards" is changed to "Defense Logistics Management Standards Office" to reflect the most recent name change for the DLMSO office, abbreviations such as etc., e.g., and i.e. are incorporated inside the parentheses., occurrences of "shall" are changed to "will" per a style change for DoD issuances, "Defense Logistics Management System" is updated to "Defense Logistics Management Standards", "DoDM 4140.1-R" is updated to "DoDM 4140.01", in accordance with General Order No. 07-15 (09/14/2015), references to "DLA Transaction Services" are changed to "Transaction Services" and "DLA Logistics Information Services" to "Logistics Information Services", page number formats in the "front matter" (Table of Contents, Process Change History page, etc.) of the volume have been revised, and minor typographical and similar editing errors in previous versions have been corrected.

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

A. ADC 1161 dated August 1, 2016. Updates Uniform Procurement Instrument Identifier (PIID) Numbering System in the Federal/DLMS Implementation Conventions and DLMS Manuals. Updates DLMS procedures to accommodate the procurement instrument identifier (PIID) numbering system as required by recent changes to the Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS). All Components must comply with the PIID numbering requirements of DFARS subpart 204.16 for all new solicitations, contracts, delivery calls/orders, and agreements issued, and any amendments and modifications to those new actions. Additionally, this change provides guidance for legacy procurement instrument identification number (PIIN)/legacy call/order number during the initial transition. Revises Chapter 4

B. ADC 1233 dated August 4, 2016. Revises the page numbering of the “front matter” (Foreword, Process Change History, Table of Contents, Acronyms and Abbreviations, Definitions and Terms, References) in the DLM 4000.25 series of manuals to prepend an alphabetic indicator to the page numbers in each section of the front matter. Each page number will begin with an abbreviation of that section's name. Revises the front matter of the manual.

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.dlmso.dla.mil/eLibrary/manuals/dlm/dlm\\_pubs.asp](http://www.dlmso.dla.mil/eLibrary/manuals/dlm/dlm_pubs.asp) and the PDF file containing the entire set of change files is available at [www.dlmso.dla.mil/eLibrary/Manuals/DLMS/formal\\_changes.asp](http://www.dlmso.dla.mil/eLibrary/Manuals/DLMS/formal_changes.asp).

for 

Ms. Dee Reardon  
Deputy Assistant Secretary of Defense  
for Supply Chain Integration

---

# VOLUME 7 – CONTRACT ADMINISTRATION

## PROCESS CHANGE HISTORY

| ADC Number | Date     | Change Description   | Version |
|------------|----------|--|---------|
| 1112       | 5/5/2014 | <b>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).</b> 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.   | 1       |
| 1113       | 7/2/2014 | <b>Wide Area Workflow (WAWF) Advance Shipment Notice (ASN) Revisions Including Enhancements for Security Cooperation (SC) Foreign Military Sales (FMS).</b> 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. | 1       |

|       |           |  |   |
|-------|-----------|--|---|
| 1121  | 7/15/2014 | <p><b>Wide Area Workflow (WAWF) Update to Permit Multiple Product/Service Pairs on Receiving Reports and Property Transfer Documents.</b> 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 |
| 1121A | 6/15/15   | <p><b>Approved Addendum to Defense Logistics Management Standards (DLMS) Standards (ADC) 1121A, Wide Area Workflow (WAWF) Update to Add Local Stock Number to Defense Logistics Agency (DLA) Enterprise Business System (EBS) Edits When Serving as the Payment System.</b> Revise WAWF processing to apply specific edits to the Product/Service pairs for DLA EBS.(No direct changes to DLM Manuals or ICs.)</p>   | 2 |
| 1139  | 7/16/2014 | <p><b>Administrative Revision to Federal Implementation Convention (IC) 856 Ship Notice/Manifest to Provide Additional E-mail Notifications.</b> 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><b>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.</b> 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 |

|      |           |   |   |
|------|-----------|---|---|
| 1157 | 4/22/2015 | <p><b>Update uniform Procurement Instrument Identification (PIID) Numbering system in the Federal/DLMS Implementation Conventions and DLMS Manual.</b> This change incorporates the changes published by FAR Case 2012-023, when it became a final rule to implement a uniform PIID numbering system and to standardize the identification of procurement transactions across the Federal Government. This change adds Contract Number Type Code S in the 856 and 857 Federal Implementation Conventions (IC), and in the Defense Logistics Management Standards (DLMS) 856 Advanced Shipment Notice (ASN). Revises DLMS Volume, 7, Chapter 1 Introduction. Revises DLMS 856 ASN, Federal 856 and 857. Revises DLMS Data Dictionary.</p>  | 2 |
| 1161 | 8/1/2016  | <p><b>Update Uniform Procurement Instrument Identifier (PIID) Numbering System in the Federal/DLMS Implementation Conventions and DLMS Manuals (Supply/SDR/DoDAAD/Finance/Contract Administration).</b> Updates Uniform Procurement Instrument Identifier (PIID) Numbering System in the Federal/DLMS Implementation Conventions and DLMS Manuals. Updates DLMS procedures to accommodate the procurement instrument identifier (PIID) numbering system as required by recent changes to the Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS). All Components must comply with the PIID numbering requirements of DFARS subpart 204.16 for all new solicitations, contracts, delivery calls/orders, and agreements issued, and any amendments and modifications to those new actions. Additionally, this change provides guidance for legacy procurement instrument identification number (PIIN)/legacy call/order number during the initial transition. Revises Chapter 4, Contract Completion Status Reporting.</p> | 3 |

|             |                  |  |          |
|-------------|------------------|--|----------|
| <p>1163</p> | <p>6/25/2015</p> | <p><b>Automated Contract Closeout using the DLMS 567C and Update Non-Automated Contract Closeout Procedures using the DLMS 567C.</b><br/>                 This change revises the DLMS 567C IC for automated contract closeout procedures to support automated closeout requirements, and supports DFARS 204.804 requirements for routing to Electronic Document Access (EDA).<br/>                 Automated contract closeout allows a system to “automatically” initiate and execute the closeout action. This is distinguished from non-automated contract closeout procedure that use DLMS transactions but are initiated with human intervention. Revises DLMS Volume 7, Chapter 4 Contract Completion Status Reporting and adds new Volume 7, Appendix 1 Contract Closeout Status Report Codes. Revises DLMS Data Dictionary.</p> | <p>2</p> |
| <p>1233</p> | <p>8/4/2016</p>  | <p><b>Administrative Update to the Defense Logistics Manual (DLM) 4000.25 Series of Manuals Front Matter Page Numbering and Definitions for DLMS Supplement and Implementation Convention.</b> Revises the page numbering of the “front matter” (Foreword, Process Change History, Table of Contents, Acronyms and Abbreviations, Definitions and Terms, References) in the DLM 4000.25 series of manuals to prepend an alphabetic indicator to the page numbers in each section of the front matter. Each page number will begin with an abbreviation of that section's name. Revises the front matter of the manual.</p>   | <p>3</p> |

# **TABLE OF CONTENTS**

## **VOLUME 7: CONTRACT ADMINISTRATION**

|   | <u>Page</u>  |
|---|--------------|
| <b>FOREWORD</b> .....   | <b>F-1</b>   |
| <b>CHANGE HISTORY PAGE</b> .....  | <b>CHP-1</b> |
| <b>TABLE OF CONTENTS</b> .....  | <b>TOC-1</b> |
| <b>CHAPTER 1 INTRODUCTION</b>   |              |
| 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         |
| C1.6. PROCUREMENT INSTRUMENT IDENTIFICATION .....   | C1-2         |
| <b>CHAPTER 2 SHIPMENT NOTIFICATION</b>  |              |
| C2.1. GENERAL.....  | C2-1         |
| C2.2. PROCEDURES.....   | C2-1         |
| <b>CHAPTER 3 DESTINATION ACCEPTANCE REPORTING</b>   |              |
| C3.1. GENERAL.....  | C3-1         |
| C3.2. PROCEDURES.....   | C3-1         |
| <b>CHAPTER 4 CONTRACT COMPLETION STATUS REPORTING</b>                                     |              |
| C4.1. GENERAL.....  | C4-1         |
| C4.2. BASIS FOR CONTRACT CLOSING .....  | C4-2         |
| C4.3. STANDARD TIMES FOR CONTRACT CLOSING .....   | C4-2         |
| 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.....  | C4-4         |
| C4.8. CANCELLATIONS .....   | C4-4         |
| C4.9. FAST PAY CONTRACTS .....  | C4-4         |
| C4.10. PREPARATION OF THE DLMS 567C TRANSACTION .....                                     | C4-5         |
| C4.11. AUTOMATED CONTRACT CLOSEOUT .....  | C4-6         |
| C4.12. CANCELATION OF A UNILATERAL PURCHASE ORDER NOT<br>ACCEPTED BY THE CONTRACTOR ..... | C4-9         |
| <b>APPENDICES</b>   |              |
| AP1 APPENDIX 1. CONTRACT CLOSEOUT STATUS REPORT<br>CODES .....                            | AP1-1        |

## **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), the office administering the contract for closeout including where administration is retained by the Purchasing Office (PO),

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

C4.1.1.4. The extension of the contract closeout period by the PO,

C4.1.1.5. The execution of an automated contract closeout,

C4.1.1.6. The update of a previously submitted contract closeout, and

C4.1.1.7. The final closeout of a cancelled contract in Electronic Document Access (EDA).

C4.1.2. Scope. These reports are identified as Defense Logistics Management Standards (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.dlmso.dla.mil/elibrary/TransFormats/140\\_997.asp](http://www.dlmso.dla.mil/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, automated contract closeout, update to an initial automated contract closeout, cancellation of a closeout action, or final closeout of a cancelled contract in EDA. 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 will notify the primary CAO when final payment has been made and the disbursing office file closed. The CAO will 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. For contracts with a total value of under \$500,000, the closeout process is automated per FAR 4.804-5(a) and DFARS 204.804-3, see section C4.11. Automated Contract Closeout for additional information.

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 material or service accepted), the CAO with the primary contract administration responsibility will 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 will 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 must 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 will 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 will be closed and the last issued final contract completion statement will apply.

C4.6. UNCLOSED CONTRACT STATUS. The CAO will 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 will 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 will be sent with the new target date and reason(s) for further delay.

C4.6.3. Timeframe. A CAO with primary contract administration responsibility will send the unclosed contract status report to the PO. The CAO will 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 will 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 will 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 will 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 will close the contract file when the extended closeout date is passed. If the CAO performed an additional contract administrative function, it will issue another contract completion statement report; otherwise, the previous statement report will remain in effect.

C4.7.6. Exception to Closure. A contract file must 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 identifier (PIID)<sup>1</sup>** and Supplementary **PIID** (when applicable), CAO, and PO of the original transaction and a Transaction Status Indicator Code K. **When a PIID call/order number (F in 9th position) is used, provide the value in the PIID field.**

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

---

<sup>1</sup> Use the legacy PIIN pending transition to the PIID. When using the PIIN, may include the four-position call/order number. Refer to ADC 1161.

required by the Army, Navy, or DLA. The Army will 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 Defense Logistics Management Standards Website [www.dlmso.dla.mil/elibrary/TransFormats/140\\_997.asp](http://www.dlmso.dla.mil/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., C4.6., and C4.11., there are eight uses of the contract completion status transaction.<sup>2</sup> 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)

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

C4.10.2.4. Invoicing, Receipt, Acceptance and Property Transfer (iRAPT). The final contract completion statement for automated contract closeouts (Code G); and

C4.10.2.5. Multiple Users. Final closeout for a cancelled contract (Code H).

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. DAAS/GEX will forward an image (copy) of all 567C contract closeout

---

<sup>2</sup> Refer to Volume 7, Appendix 1 (ADC 1163)

transactions to EDA regardless of the originating system or method of closeout. Refer to ADC 1163. See C4.11.8 for N1 segment addressing for automated contract closeout procedures.

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 **PIID** and the **Supplementary PIID** (if applicable), the code for the type transaction, and the cancellation code.

#### C4.11. AUTOMATED CONTRACT CLOSEOUT

C4.11.1. Purpose. The Automated Contract Closeout is a systemic process in the Contract Closeout module accessible from the Wide Area Work Flow (WAWF) eBusiness Suite home screen for EDA users with an active 'Upload/Inactive Contracts' role. This will apply where notifications are distributed using data from WAWF eBusiness Suite, iRAPT, EDA, and MyInvoice.

C4.11.2. Authority. As permitted by FAR 4.804-5(a) and DFARS 204.804-3, automated contract closeout allows a system to initiate and execute the closeout action.

C4.11.3. Eligibility Requirements.<sup>3</sup> Contracts to be closed must not be administered by the Defense Contract Management Agency (DCMA) unless the "Admin By DoDAAC" matches a DoDAAC on an exception list. A new Contracting Officer role will be created within the Automated Contract Closeout module to enable contracts to be placed on hold. Under the Authority identified in C4.11.2, contracts qualify for the automated closeout process if the contract meets the following requirements:

C4.11.3.1. Identified in the Procurement Data Standards (PDS) extensible markup language (XML) data as firm-fixed priced,

C4.11.3.2. Does not exceed a total contract value of \$500,000 (inclusive of exercised options),

C4.11.3.3. Does not have a hold on the contract placed by the Contracting Officer, and

C4.11.3.4. Does not contain any of the following clauses requiring administrative action at closeout:

---

<sup>3</sup> Refer to ADC 1163, Update DLMS 567C Automated Contract Closeout.

- FAR 52.211-11 Liquidated Damages—Supplies, Services, or Research and Development.
- FAR 52.216-7 Allowable Cost and Payment.
- FAR 52.227-9 Refund of Royalties.
- FAR 52.227-11 Patent Rights—Ownership by the Contractor.
- FAR 52.227-13 Patent Rights—Ownership by the Government.
- FAR 52.232-16 Progress Payments.
- FAR 52.232-29 Terms for Financing of Purchases of Commercial Items.
- FAR 52.232-30 Installment Payments for Commercial Items.
- FAR 52.232-32 Performance-Based Payments.
- FAR 52.245-1 Government Property.
- FAR 52.248-1 Value Engineering.

C4.11.3.5. Use of PDS data from EDA enables review of applicable clauses, which is then coupled with evidence of submission from iRAPT and payment of the final invoice in MyInvoice

C4.11.3.6. The following conditions are necessary for automated closeout using this capability:

- Contract must utilize WAWF for deliveries and payments.
- Contract must be available in EDA as PDS.
- Entitlement systems must feed WAWF invoice status.

C4.11.4. Initiation of Automated Contract Closeout. If the eligibility requirements are met, automated contract closeout can be initiated once deliveries are complete and the final invoice is paid.

C4.11.4.1. A 60-day parameterized window will be established once deliveries are complete and the final invoice is paid.

C4.11.4.2. If a document is received during the 60-day window, a new 60-day window will be set based on the following:

C4.11.4.2.1. If a new shipment document is received, the new window will start upon that document becoming “processed” in WAWF.

C4.11.4.2.2. If a new invoice is received, the new window will start upon receipt of the MyInvoice transaction reflecting “paid.”

C4.11.4.3. At the end of the final 60-day window, the DLMS 567C will be released to EDA via the GEX.

C4.11.5. Authority and Eligibility Statement. The automated contract closeout transactions statement of authority and eligibility for initiation of the automated contract closeout cited in C4.11.2 and C4.11.4 will be included by reference in the automated contract closeout transaction when using 1/BC07/020, code CL – Closed.

#### C4.11.6. Generating Updates to Automated Contract Closeout

C4.11.6.1. If additional documents are received after the transmission of the Automated Contract Closeout to EDA, a new 60-day parameterized window to monitor for additional transactions that would impact the closeout will be established based upon the following criteria:

C4.11.6.1.1. If a new shipment document is received, the new window will start upon that document becoming “processed” in WAWF.

C4.11.6.1.2. If a new invoice is received, the new window will start upon receipt of the MyInvoice transaction reflecting “paid.”

C4.11.6.2. Simultaneous with establishment of a new parameterized window, iRAPT will generate a DLMS 567C Cancellation of a previously submitted automated contract closeout action. This will be identified by 1/BC07/020 Code 2 (Change (Update)), 1/CS05/050 Code G (Final contract completion statement for contract closeouts) and 1/LQ02/110 Code K (Cancellation). This will notify EDA that additional documents were received and a new 60-day parameterized window is started. This ensures that the contract is not open in one system and closed in another system.

C4.11.6.3. At the end of the 60-day period, an updated DLMS 567C will be released to EDA via the GEX. The beginning segment will contain the Action Code 2 to indicate that the transaction is an updated automated contract closeout.

#### C4.11.7. Name/Place Data for Automated Contract Closeout

C4.11.7.1. To/From code.<sup>4</sup> The automated contract closeout notices will be distributed electronically using the DLMS 567C transaction set to EDA and applicable Agency Accounting Identifiers (AAI)

---

<sup>4</sup> Under the existing design (March 2015), the Automated Contract Closeout transactions will not contain a From and To indicating the sending and receiving organizations for the transaction set and will use the DLMS 567C transaction header envelope and GEX routing rules. This change will have a phased implementation and requires an ECP be developed by the WAWF-iRAPT PMO. Refer to ADC 1163.

C4.11.7.2. The 1/N1/030 segment precedes the 1/C/050 loop, and with two iterations, carries the Code FR (from) and the Code TO (to); this will be WAWF-iRAPT in the FR and the AAI in the TO.

C4.11.7.3. Use the appropriate qualifier in N101 and N103 to identify WAWF-iRAPT, EDA, and the AAI.

C4.11.7.3.1. To identify WAWF-iRAPT, use N101/RGA and N103/93.

C4.11.7.3.2. To identify the AAI, use N101/CW and N103/PI.

C4.11.7.3.3. To identify EDA, use N101/EM and N103/94

C4.11.7.4. DAAS/GEX will forward an image (copy) of all 567C contract closeout transactions to EDA regardless of the originating system or method of closeout.<sup>5</sup>

#### C4.12. CANCELATION OF A UNILATERAL PURCHASE ORDER NOT ACCEPTED BY THE CONTRACTOR

C4.12.1. As permitted by FAR 13.004 the Government may unilaterally issue an award in response to a vendors quote. Such awards are not binding contracts until acceptance by the vendor either in writing or through performance. As such, there are sets of contracts that remain open in Defense business systems even though no deliveries or work has or will ever occur. C4.12.2 provides the mechanism for identifying and closing these unfulfilled awards in order to free obligated funds and stop perpetuating these extraneous contract files. Contracts identified as unfulfilled, should be administratively closed in accordance with FAR42.302(a)(63).

C4.12.2. A cancelation of a unilateral purchase order not accepted by the contractor will be submitted using Code H in 1/CS05/050.

C4.12.3. This procedure applies to both automated closeouts systemically initiated by iRAPT, as well as all other non-automated closeouts submitted by other systems.

---

<sup>5</sup> Refer to ADC 1163.