

The Navy Contract Writing Guide

September 1996

Foreword

As the independent decision maker for the Government in contractual matters, the contracting officer is responsible for ensuring contractor performance and compliance with the contract. In addition to this very important role, the contracting officer also ensures that contracts are clearly and concisely written to facilitate their administration and payment.

Since the early 1990s, the Department has been struggling with an issue called problem disbursements. Simply stated, problem disbursements are contract payments which do not post to their corresponding obligation records in the official accounting system. This creates an “unbalanced checkbook” for the Navy and raises the suspicions of the Congress, General Accounting Office and the public that the Navy may be subject to violations of law or fraudulent activity. At the very least, it gives the appearance that Navy managers are unable to run their operations in an efficient and businesslike manner.

We must reverse this problem and the corresponding misconceptions by structuring our contracts to preclude problem disbursements. Accordingly, with the assistance of our Systems Commands, we have developed this contract writing guide to aid contracting personnel in writing better contracts. Please note that this is a reference guide only, is not directive in nature, and should not be used if it conflicts with law or regulation. It is a consolidation of all the memoranda, regulations and “lessons learned” on the subject of problem disbursements to date.

This guide contains information on writing contracts to help contracting personnel structure contracts and modifications to avoid payment problems which could later generate problem disbursements. Part of the guide is set up in an “issue, problem, solution” format to present real life problems along with possible solutions and “lessons learned”. Although some of the areas may not appear to fit into contract writing, they may directly impact contracts and modifications and thus need to be covered. The remainder of the guide focuses on specific actions that can be taken in the preparation of contracts and modifications that can prevent problem disbursements. Many of these recommendations resulted from problems reported to the Navy by the Defense Finance and Accounting Service.

Finally, I want to emphasize that this guide is a “living document” in that it will be constantly updated to reflect changes in our acquisition policies and regulations that impact problem disbursements. A questionnaire is enclosed for your comments and recommendations for updating the guide. We welcome comments from contracting officers, negotiators, and contract administrators as well as the DCMC and DCAA liaison personnel that support them in the Systems Commands and their field activities. ABM has assumed the responsibility for periodically updating this guide; therefore, questionnaires and other comments should be mailed or faxed to ASN(RD&A)ABM, 2211 South Clark Place, Room 500, Arlington, VA 22244-5104, (703) 602-4514 (Fax).

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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&D)ABM, 2211 South Clark Place, Room 500, Arlington, VA 22244-5104, (703) 602-4514 (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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Introduction

In December, 1992, and later in June 1993, the 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.

This Contract Writing Guide is designed, in large part, to instruct and educate contracting personnel on how to write contracts which prevent problem disbursements from occurring. Although this problem may appear to belong solely to the Defense Finance and Accounting Service, the Navy's contracting community plays a significant role in stemming the tide of new problem disbursements and cleaning up existing ones.

Terms To Know

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

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

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

Allocation - Assigning the obligated amount to CLINs/SLINs.

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

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

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.

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.

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.

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

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

MOCAS - Mechanization of Contract Administration Services software. DLA uses it for contract administration and DFAS uses it for payments.

ACRONYMS

ACO
ACRN

Administrative Contracting Officer
Accounting Classification Reference Number

| | |
|-----------------|---|
| ARO | After Receipt of Order |
| CDRL | Contract Data Requirements Lists |
| CLIN | Contract Line Item Number |
| DAR | Defense Acquisition Regulation |
| DD | Defense Department |
| DFARS | Defense Federal Acquisition Regulations Supplement |
| DFAS | Defense Financial Accounting Service |
| DoD | Department of Defense |
| DODAAC | Department of Defense Activity Address Code |
| DODAAD | Department of Defense Activity Address Directory |
| EDI | Electronic Data Interchange |
| ELIN | Exhibit Line Item Number |
| FAR | Federal Acquisition Regulation |
| FMS | Foreign Military Sales |
| LLACN | Long Line of Accounting Classification Number |
| LT | Letter of Transmittal |
| MBDS | Milestone Based Delivery Schedule |
| MILSTRIP | Military Standard Requisitioning and Issue Procedures |
| MOCAS | Mechanization of Contract Administration Services |
| PAT | Process Action Team |
| PCO | Procuring Contracting Officer |
| POC | Point of Contact |
| QA | Quality Assurance |
| SACN | Supplementary Accounting Classification Number |
| SF | Standard Form |
| SLIN | Supplemental Line Item Number |
| TCN | Transportation Code Number |
| UCF | Uniform Contract Format |

Background

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 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.

Fewer than one percent of problem disbursements occur in contracts valued at \$100,000 or less. DFAS statistics have indicated that the vast majority of unmatched disbursements (87 percent) occur in contracts which are valued over \$10 million.

There are also relatively few problem disbursements in payment offices which are integrated with STARS. For example, DFAS' Operating Location (OPLOC) Charleston pays the Navy's shipbuilding and ship repair contracts for the Supervisors of Shipbuilding, Conversion and Repair (SUPSHIPS) using the STARS One-Pay system, an integrated accounting and payment system. The SUPSHIPS report very few problem disbursements on their books.

Since 1989, the Navy has actively worked to reduce the numbers of problem disbursements. OSD started getting involved in 1993 when it established the Acquisition and Financial Management Working Group. This followed several highly critical GAO and media reports on problem disbursements in DoD.

Why Do We Need A Guide?

I. To Reduce Problem Disbursements -

Problem disbursements are caused by a number of things 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.

II. To Maintain Consistency Between the Navy Agencies-

Until a standard contract writing system is fully implemented in the Navy (Contract Management System (CMS) and Standard Procurement System (SPS) implementation dates are projected for 1996 and 2000, respectively), there will be a real need to write our contracts and mods 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 MOCAS with a higher degree of accuracy.

Currently, DFAS payment technicians encounter many differences in Navy contracts which can be confusing. Although Navy contracts are generally written in a format consistent with DFARS and NAPS requirements, there are fairly substantial differences among the various SYSCOMs. Since DFAS' payment technicians are untrained in contracting, they are unable to find certain payment related information if it's not in a consistent format. For example, if one SYSCOM consistently puts payment information in special contract clauses while others put the same information in Section G, this will confuse the payment technician and eventually result in problem disbursements.

Maintaining consistency in contract writing:

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

What Can We Do To Improve Our Contracts?

This section describes problems we can correct by writing our contracts more precisely.

Bear in mind that a few simple changes can make big improvements in preventing problem disbursements.

The following issues and their solutions, can not only assist you in writing better contracts and modifications, but also broaden your understanding of other areas which contribute to problem disbursements:

A. General Information -

1.) ISSUE: 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 is paramount to prompt payment of invoices by DFAS. Delays in recording obligations cause the available funding balances to be overstated and reported obligations to be understated and, therefore, increase the potential for a violation of the Antideficiency Act. 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, the OSD Comptroller directed DoD activities to provide contract obligation data to the office that is responsible for recording the obligation no later than six days following the date that the obligation occurred. The office responsible for recording the obligation must then record the obligation within three days of receipt. In addition, to this time frame, obligating actions of \$100,000 or more per fund citation/accounting line on the obligation document must be recorded and included in the official financial reports for the same month in which the obligation is incurred.

The Navy recognized the value of promptly recording obligations in 1992. At that time the Navy Acquisition Procedures Supplement (NAPS) was amended to include NAPS 5204.201. This states that Navy contracting activities located in the metropolitan Washington, D.C. area are required to deliver accounting copies of contracts and modifications to their respective command's comptroller within two working days after execution. All other contracting offices must forward copies of contracts and modifications to the respective ordering Command's comptroller and paying office within two working days after execution.

2.) ISSUE: Administrative errors and omissions.

PROBLEM: Simple administrative errors and inconsistencies caused by carelessness, inadequate internal review processes, and insufficient training can complicate contract payment and administration and cause problem disbursements. Some examples are:

a.) missing and illegible contracts and modifications

- b.) pen and ink changes on contracts and modifications.
- c.) missing point of contact in the "issued by" block of the contractual document.
- d.) writing in "N/A", "none" or leaving blank the "accounting and appropriation" block when a financial accounting data sheet has been attached to the contract or mod or accounting and appropriation data has been included in Section G.
- e.) copying two sided documents in a standard way and defining acronyms and Agency unique terms when they are first used.
- f.) duplicate procurement instrument identification numbers and supplemental procurement instrument identification numbers.
- g.) total amount obligated is less than the total of the line items of the contract.

SOLUTION:

- a.) Missing and illegible contracts and modifications.

Missing and illegible documentation can be a very big problem for DFAS. While the problems are easily correctable with a fax machine or overnight mail, the delays impact contractor payment and can cause problem disbursements if DFAS payment clerks guess at missing and illegible data and make erroneous entries into MOCAS. Although some errors are inevitable, contracting officers must work extra hard to minimize their occurrence. Contracting personnel should also ensure that contract documents are forwarded to DFAS immediately after execution.

- b.) Pen and ink changes on contracts and modifications.

DFAS has noted the increasing use of pen and ink changes by contracting personnel to correct errors in contract financial and accounting data, or other contract provisions that impact contract payment. Corrections should never be made by "pen and ink" unless it is a temporary measure that prevents Government breach of the payment terms of the contract. Rather, they should be made by administrative modification to the contract as soon as possible after the deficiency has been identified.

- c.) Missing point of contact (POC) and telephone number in the "issued by" block of the contractual document.

When no POC and telephone number is provided in the "issued by" block of the contractual document, routine inquiries by DFAS personnel can turn into time consuming projects.

- d.) Writing in "N/A", "none" or leaving blank the "accounting and appropriation" block when a financial accounting data sheet has been attached to the contract or mod or accounting and appropriation data has been included in Section G.

Contracting personnel should ensure that the "accounting and appropriation" block is consistent with the financial accounting data sheet or accounting and appropriation data in Section G even if there is no net change in the obligated funds.

e.) Copying two sided documents in a standard way and defining acronyms and Agency unique terms when they are first used.

DFAS payment personnel work in an "assembly line" type environment where dozens of contractual documents are processed each day. By standardizing the way we copy two- sided documents and including definitions for acronyms and Agency unique terms, DFAS' input of contractual documents into MOCAS is easier and more accurate. This can reduce the likelihood for future problem disbursements. Two sided documents should be copied head-to-foot.

f.) DFARS 204.7004 prohibits the issuance of more than one delivery order with the same PIIN or SPIIN. Duplicate PIINs and SPIINs cause payment problems and problem disbursements. This problem exists with modifications also.

g.) Payment problems arise when the total amount obligated is less than the total of the line items of the contract. This situation can occur because of mistakes, unexercised options, or [allowable] incremental funding.

Mistakes can be reduced by either internal review of a contractual document prior to issuance or use of automatic validation of total amounts under a contract writing system prior to release or transmission. Contracting personnel should ensure that an appropriate incremental funding clause such as FAR 52.232-20, Limitation of costs for cost reimbursements contracts or DFARS 252.232.7007, Limitation of obligation for specified fixed price contractual documents is included in Section I.

3.) ISSUE: 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:

A. 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:" 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:"

B. 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:"

4.) ISSUE: Modifications are executed out of numerical sequence.

PROBLEM: 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.

5.) ISSUE: 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:

A. In accordance with DFARS 204.7004(c)(5)(iv) a "Z" can only be used to identify a modification which definitizes a letter contract.

B. Each definitization modification shall follow the following guidance:

For each definitization modification, the contracting officer shall identify, in section G (Uniform Contract Format - Contract Administration Data) 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:

(1) 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;

(2) The amount of funding obligated by the instant definitization modification categorized by the type of contract in (1) above; and

(3) The total cumulative amount of obligated funding categorized by the type of contract in (a) above.

Accordingly, each definitization modification shall include two tables similar to the following (headings may be changed based on contract type):

(a) Changes in CLIN values as a result of definitization:

| <u>Item</u> | <u>From *</u> | | | <u>By</u> | | | <u>To</u> | | |
|-------------|-----------------|---------------|------------------|-----------------|--------------|------------------|------------------|--------------|---------------|
| | <u>Est Cost</u> | <u>F. Fee</u> | <u>Tot. CPFF</u> | <u>Est Cost</u> | <u>F.Fee</u> | <u>Tot. CPFF</u> | <u>Est. Cost</u> | <u>F.Fee</u> | <u>Oblig.</u> |
| 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.

(b) Changes in the amount obligated as a result of the definitization:

| <u>Item</u> | <u>Orig. Obligated Amount</u> | <u>By</u> | <u>New Obligated Amount</u> |
|-------------|-------------------------------|------------|-----------------------------|
| 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.

6.) ISSUE: 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.

B. Contract Type Information -

1.) ISSUE: 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 mod IAW Attachment (1). 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:

A. If the entire contract is cost type add:

"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."

If the contract contains a mixture of cost reimbursement and fixed price line items add (fill in with appropriate information):

"Contract Type Summary

| <u>Item</u> | <u>Type*</u> | |
|-------------|--------------|--------------------------|
| 0001 | CR | |
| 0002 | FP | |
| 0003AA | CR | *CR - Cost Reimbursement |
| 0003AB | FP | FP - Fixed price |

See DFARS 215.406-2 for additional guidance.

2.) ISSUE: 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, (2) 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.

C. Clauses -

1.) ISSUE: 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 clauses must be included in Section H of the contract. Incorporation of special contract requirements as part of the contract specifications, statement of work, or in a contract work breakdown structure, is not permitted.

2.) **ISSUE:** 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:

(a) Within each particular section of the contract or solicitation, the clauses included therein shall be inserted in the following order;

- (1) Clauses incorporated by reference (see FAR 52.3)
- (2) Clauses incorporated by full text.

(b) Where there are multiple clauses incorporated by reference (and/or by full text) the clauses shall be inserted in the following order;

- (1) FAR clauses
- (2) DFARS clauses
- (3) Agency clauses

(c) Where there are multiple FAR clauses incorporated by reference, the clauses shall be inserted in ascending numerical order.

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.

D. Payment Issues -

1.) **ISSUE:** 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).

A very 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)). Contracting personnel should be sensitive to the fact that the majority of DFAS payment personnel are not trained as contract specialists and therefore the payment instructions should be carefully written so they can be easily understood. A good idea is to include the PCOs name and telephone number in the payment instructions so the DFAS technicians can call if there is a question or confusion.

Since 1989, the Navy has been working to draft new contracts with one accounting classification reference number (ACRN) for each contract line item number (CLIN) and sub-line item number (SLIN). ACRNs are the two position alpha or alpha/numeric control code used to relate the accounting classification citation to detailed line item information contained in the schedule. The ACRN precedes the accounting data on the document. Every time a character changes in the long line of accounting, no matter how insignificant, a new ACRN must be assigned. ACRN assignments are unique to the document (contract) number. If you have a document number and an ACRN, it will always identify the same long line of accounting. Obligations in the STARS and all other accounting systems require ACRNs as part of the obligation record recorded in the accounting system.

ACRNS are usually found on the fiscal sheets of a contract, although, occasionally they are included in Section C along with the CLINs and SLINs. If you were 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 | N0002492AE218100001 | | 1 | ea. | AA | 1721810 | 82P1 | |

2.) ISSUE: 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. They also do not have the time to do this. 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. Later, this omission causes problem disbursements to occur.

SOLUTION: Financial and accounting data should be consolidated in one location in the contract, preferably 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, and 2.) obligated monetary amounts, including additions or subtractions to those amounts when appropriate.

3.) ISSUE: Accounting classification citations are entered on contracts without ACRNs.

PROBLEM: The Defense Federal Acquisition Regulation 204.7107(a) 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.

In the past, DFAS, in an attempt to promptly pay invoices, would assign so-called "dummy ACRNS" to new contracts and modifications when those documents contained a discrepancy or error in the long line of accounting data. This work around procedure was designed to allow them to enter the contractual document into the Mechanization of Contract Administration Services (MOCAS) system, thus permitting contractor payments to proceed pending eventual correction of the discrepancy. DFAS found, however, that this workaround procedure was causing unmatched disbursements and negative unliquidated obligations and decided to change the practice. As of 15 April 1996, DFAS will issue a DD Form 1716 Deficiency Report for any newly received contractual document with erroneous ACRNs or accounting data. They will then place the affected contract or modification in a backlog status pending receipt of the correcting modification. This means that the MOCAS system will not reflect any obligations or deobligations made by the contract or modification in question and contract payments cannot be made until the problem is corrected. Moreover, the ability to make payments on a contract already in the MOCAS system could be jeopardized by a new modification that contains an error, depending upon how it impacts existing obligations.

SOLUTION: Contracting personnel should ensure that all contractual documents are in

accordance with the regulations and contain all necessary accounting data IAW DFARS Part 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.

4.) ISSUE: 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:

A. Modifications which do not contain a separate fiscal sheet shall state: SEE THE LAST PARAGRAPH OF THE MODIFICATION.

B. Modifications or modifications containing a separate fiscal sheet shall state: SEE ATTACHMENT A.

C. 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.

(1) To change the amount obligated state:

"This table summarizes the items affected by this modification and the amounts obligated to date:

| <u>Item</u> | <u>From</u> | <u>By</u> | <u>To</u> |
|-------------|-------------|-----------|------------|
| 0001 | \$500,000 | \$50,000 | \$550,000 |
| 0002 | \$500,000 | (50,000) | \$450,000" |

(2) To change the value of an item state:

"This table summarizes the value of the items affected by this modification:

| <u>Item</u> | <u>From</u> | <u>By</u> | <u>To</u> |
|-------------|-------------|-----------|-----------|
| 0001 | \$700,000 | \$50,000 | \$750,000 |
| 0002 | 700,000 | (50,000) | 650,000" |

5.) **ISSUE:** Reference ACRN on the FADS sheet (col. 10) is confusing.

PROBLEM: DFAS frequently enters the reference ACRN (col. 10) in lieu of the accounting ACRN (col. 15A) from the FADS Sheet.

SOLUTION: The reference ACRN is no longer needed and should be deleted.

6.) **ISSUE:** 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."

7.) **ISSUE:** DFAS no longer pays the oldest money under a contract first and the amount withheld is prorated across all ACRNs.

PROBLEM: Money may close before all the bills are paid.

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."

8.) **ISSUE:** 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, 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:

- a.) include the phone and fax number of the person who signed the FAD sheet
- b.) 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
- c.) identify critical versus administrative fields.

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.

9.) **ISSUE:** Contractors are required to submit invoices by ACRN.

PROBLEM: Contractors frequently do not cite ACRNs on invoice 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).

10.) **ISSUE:** The Electronic Funds Transfer (EFT) clause sometimes is not included in contracts due to mistakes, a lack of training, or poor quality assurance.

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.

11.) **ISSUE:** 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.

12.) ISSUE: 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.

E. Option/PIO/BOA -

1.) ISSUE: 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.

2.) ISSUE: Modifications for Provisioned Items Orders (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 are 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:

| <u>Item</u> | <u>Orig Amount</u> | <u>Move</u> | <u>Amount Remaining</u> |
|-------------|--------------------|-------------|-------------------------|
| 0010 | \$100,000 | \$25,000 | \$75,000 |
| 0010AA | 0 | 25,000 | |

3.) ISSUE: Funds are sometimes erroneously obligated on Basic Ordering Agreements (BOAs) and Indefinite Deliveries/Indefinite Quantities (IDIQs) contracts.

PROBLEM: DFAS personnel may not input funding obligated on Basic Ordering Agreements (BOAs) and Indefinite Deliveries/Indefinite Quantities (IDIQs) contracts into MOCAS thereby causing problem disbursements.

SOLUTION: Whenever practicable, funds should only be obligated on delivery orders issued against BOAs and IDIQs. As a result, delivery orders must specify a full line of accounting and dollar value.

F. Delivery/Period of Performance -

1.) ISSUE: Contract periods of performance are too long.

PROBLEM: Funds often close before contracts are closed 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

a. 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.

b. The contractor may, in accordance with the 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:

| <u>CLINs</u> | <u>Description</u> |
|---------------------------------------|----------------------------------|
| 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 |

c. 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".

2.) ISSUE: 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.

3.) ISSUE: 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 result 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.

G. Reporting Errors -

1.) ISSUE: Responses to DD Form 1716s are being returned to DFAS with no reference to the DD 1716.

PROBLEM: When the control number on the DD Form 1716 is not referenced on the modification used to correct the action noted, DFAS has no way of determining which contract has been corrected.

SOLUTION: Reference the control number in the upper right hand corner of the modification used to correct the action noted on the DD 1716. If there is no control number on the DD 1716, attach a copy of the DD 1716 to the mod.

2.) ISSUE: DD 1716s are issued by DFAS to the Administrative Contracting Officer to document deficiencies, ambiguities, etc. in contracts.

PROBLEM: All DD 1716s are sent to the ACO for resolution, regardless of the originator of the modification which caused the deficiency.

SOLUTION: All DD1716s which cite deficiencies which the PCO is responsible for correcting are to be sent directly to the PCO for resolution. PCOs should work to resolve the problem as quickly as possible.

CONTRACT COVER PAGES

SF-26 - insert two character alpha/numeric code for contract type (use DD 350 codes to identify contract type).

Insert Defense Priority and Allocation Rating (DO/DX) rating (see FAR 11.6).

Insert page numbers. On the SF26, insert page numbers for each section in block 16, Table of Contents.

Insert complete address and DODAAC for issuing, administration, and payment offices. Check the most recent CAS Component Manual issued by DLA in order to ensure that the most recent payment office is identified on the SF 26.

Insert Surveillance Criticality Designator (see FAR 42.11 and DFARS 242.1105).

Insert contractor name, address, 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. DFAS Columbus has identified several situations where an incorrect address was input for the contractor's CAGE which subsequently rejected when it was input into MOCAS. A DD Form 1716 is then issued to correct the error.

SF-26 - insert "See Financial Accounting Data Sheet(s) provided in Section G". 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.

SF-30 - insert "See Attached Financial Accounting Data Sheet(s)" in block 12, if applicable.

Total dollar amount of the SF 26 or SF 30 must equal the sum of the awarded CLINs/SLINs/ELINs, e.g., the "firm" items, which exclude options".

STANDARD FORM 26 AWARD/CONTRACT

Although this section contains some of the information covered in the previous sections of this guide, it also contains other relevant information as well which can assist in preventing problem disbursements.

1. Prescription for Use. The SF 26 shall be used in the award of new contracts although the SF 33 is also authorized for award of new contracts and may be preferable for competitive awards.

2. Instructions for filling out SF 26:

Block 1: Defense Priority and Allocation Rating (DO/DX) four position code.

Block 2: Contract number.

Block 3: effective date (YYMMDD).

Block 5: DODAAC Code (Issuing) (DFARS APP G).

Block 6: DODAAC Code (Admin Office).

* Production Surveillance Code: identifies the degree of surveillance to be performed by DCMC.

* Codes found in DLAM 7000.5.

Block 7: Commercial and Government Entity (CAGE) Code.

* Facility Code - another CAGE code if there is a second place of performance (see DFARS 204.7201).

Block 8: Delivery - Origin - Other.

Block 9: Prompt Payment.

Block 10: Invoices - Where the review/check occurs - ACO/PCO.

Block 11: Ship to/Mark for - Code (DODAAC). See Section F.

Block 12: Payment - DODAAC Code. DFAS Columbus (MOCAS Payment Divisions). All New DCMC Administered Contracts. This includes all new international contracts (administered by DCMCI - 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 14: Accounting/Appropriation Data - "See FAD Sheet in Section G" (FAR 14.201-2(g) and 15.406-2(g)). 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.

Block 15G: Total dollar amount of the firm CLINs/SLINs/ELINs.

Block 16: Page X of Y.

Block 19: 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 20B: Must be signed.

Block 20C: Date signed.

STANDARD FORM (SF) 30 - AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. Prescription for Use. The SF 30 shall be used in:
 - a. Amending solicitations, whether advertised or negotiated;
 - b. Modifying purchase and delivery orders, and
 - c. Modifying contracts (See FAR 53.243).

The SF 30 shall also be used in connection with novation and change of name agreements (See FAR 53.242-1).

2. Instructions for filling out SF 30:

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) (the instructions for completing Block C5 of the DD Form 350)

or in block C5 of the DD Form 350. Page X of Y - helps to ensure the package is complete when received.

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 should be two digits only, 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 the proper cards are annotated (i.e. the contract administrator's card file).

3. Effective Date. The instructions for the SF 26, Block 3 apply to this block for contract and purchase/delivery order modifications. Effective Date: YYMMDD.

6. Issued By. DODAAC Issuing Office. The DODAAC 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. 170).

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.

8. Complete Address of Contractor, CAGE code, facility CAGE code.

9/10. Solicitation, contract number, effective dates.

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

12. Accounting and Appropriation Data. This block is applicable only to modifications of contracts/orders. The instructions on the SF 30 can be satisfied by stating the following: "See Financial Accounting Data Sheet"... "Increase" or "Decrease" \$_____. Block 12: see appropriation data sheet in Section G or see attached appropriation data sheet. (See Issue D(4) under Section V of this guide, "What Can We Do To Improve Our Contracts?").

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

| <u>Item</u> | <u>From</u> | <u>By</u> | <u>To</u> | |
|-------------|-------------|-----------|-----------|----------|
| 0001 | \$500 | \$100 | \$600 | INCREASE |
| 0002 | \$500 | (\$100) | \$400 | DECREASE |

"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.

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 reminded that:

- (1) NAPS 5243.201 states that the policies of DFARS 217.74 and NAPS 5217.74 are applicable to the issuance of undefinitized change orders.
- (2) A unilateral change order which the contracting officer considers definitive (e.g., no-cost) may not be considered so by the contractor. The result could be: an unexpected proposal for equitable adjustment, a potential dispute, and 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 which also include changes which 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 which 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.

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.

15/16. Must be signed and dated. However, a signature is not required on a solicitation amendment.

Modifications shall be issued in sequence as specified in DFARS 204.7004.

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:

(1) If the modification relates to existing contract line items or exhibit line items, the modification shall refer to those item numbers.

(2) If the contracting officer decides to assign new identifications to existing contract or exhibit line items, the following rules apply:

(i) Definitized and undefinitized items.

(A) 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.

(B) 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.

(C) 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.

(ii) Undefined items - In addition to the rules stated above, the following additional rules apply to undefined items -

(A) If the modification is undefined and increases the quantity of an existing defined item, assign the undefined quantity the next available number.

(B) If the modification increases the quantity of an existing undefined 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.

(C) If the modification both affects only a partial quantity of the existing contract or exhibit line or subline item and defines the price for the affected portion, the defined portion shall retain the original item number. If there is any undefined portion of the item, assign it the next available number. However, if the modification defines 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.

(D) 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 define 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.

SECTION B

Avoid mixing contract types, if at all possible. If more than one type of contract is used, there is a DFARS requirement (DFARS 215.406-2) to include a table identifying each line item and its contract type.

One ACRN per CLIN/SLIN, 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.

SLINs to be established IAW DFARS 204.7104-1.

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

List of Spares & CDRLs are Exhibits not Attachments.

CLINs or SLINs for each deliverable item

- * different delivery schedule
- * different source (if contract is with multiple vendors/contractors).
- * different requirement

Insert Units of Measure after QTY; 2 position data code, (See attachment 2).

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 the firm 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 blank.
- * Insert "See Exhibit X" under unit and total price.
- * Show total price for all CDRLs attributable to that CLIN in parentheses in description.

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.

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).

SECTION C

Ensure all CLINs/SLINs/ELINs are addressed.

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.

SECTION D

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

Ensure each CLIN/SLIN/ELIN addressed.

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

Define what constitutes inspection and what constitutes acceptance.

SECTION F

Ensure each CLIN/SLIN/ELIN addressed.

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

Whenever possible, 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.

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

Provide DODAAC and complete address for shipping and marking instructions (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:

| <u>Yr.</u> | <u>31 Jan</u> | <u>28 Feb</u> | <u>31 Mar</u> | <u>30 Apr</u> | <u>31 May</u> | | |
|------------|---------------|---------------|---------------|---------------|---------------|---|---|
| 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.

SECTION G

Insert Financial Accounting Data Sheet in Section G. (FAR 14.201-2 (g) and FAR 15.406-2(g)), or as an attachment to the contract. 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.

Other Services' (i.e., Army and Air Force) lines of accounting must be accommodated on the FAD in the same format provided by that Service, i.e., do not try to force another Service's accounting classification into the fields on the Navy's FAD.

If progress payments and/or invoice payments to be made by ACRN or CLIN, ensure this is stated as clearly as possible.

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.

Provide DODAAC and complete address for payment office and CAO Paying Office - If contract is assigned for administration by DCMC, and funded with DoD funds, paying office is DFAS, Columbus.

Include most current Transportation Accounting Classification (TAC) clauses.

PROGRESS PAYMENTS

In situations where more than one progress payment rate applies, clearly state progress payment rates for each CLIN/SLIN in table format.

| | | | |
|----------|------|-----|-----|
| Example: | 0001 | FM | 87% |
| | 0002 | USN | 85% |

In cases where contracts contain both cost reimbursement and firm fixed price CLINs, clearly specify which CLINs/SLINs are subject to progress payments in table format.

Example:

| <u>CLIN</u> | <u>Type</u> | <u>Progress Payments Apply</u> |
|-------------|-------------|--------------------------------|
| 0001 | FP | YES |
| 0002 | CR | NO |

Insert a statement such as "All CLINs under this contract are cost reimbursement." or "All CLINs under this contract are firm fixed price" when neither of the above conditions exist.

When submitting progress payment requests, the contractor shall:

* Number the FMS progress payments separately from the USN progress payments (when used) using a unique sequence and submitting them on a separate request.

* When FM progress payments are used, they must be numbered separately from the USN progress payments using a unique sequence and submitted on a separate request. Both U.S. and FMS progress payment requests should be sequentially numbered, i.e., U.S. progress payment requests should start out with voucher #1. Therefore there could be two progress requests submitted by the contractor with the same voucher number but they will be identified as either U.S. or FMS.

* US and FMS progress payment requests shall be numbered sequentially, and shall not restart at No. 1 when the progress payment rate changes.

SECTION H, I & J

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 clause (required except for small and foreign businesses).

Ensure all Exhibits and Attachments are included in the contract or modification (exhibits are for deliverable items, attachments are for information).

If applicable, attach SB/SDB subcontracting plan.

If applicable, attach DD Form 254.

DD-1423

Ensure appropriate CLIN and SOW paragraph referenced.

Use DDMMYY for all due dates to greatest extent possible.

I&A - DD, DS, SD, SS, LT, NO, or XX. "XX" is used to indicate that DFAS should refer back

to the contract to find the applicable I&A code.

If separately priced, insert the price in Block 18.

Payment Instructions

If progress payments are authorized, or if CLINs are not established for Cost Plus Fixed Fee contracts, contracting officers should enter instructions as to how payment allocation is to be made, i.e., oldest funds first, prorate, default. If default is entered, payment will be made in ACRN sequence.

Attachment 3 to this guide is a Contractor Payment Booklet which identified the current payment offices at DFAS Columbus as well as the respective division chiefs and telephone numbers. However, for identifying the payment office on a new contract we recommend that the most current CAS Component Directory issued by DLA be referred to in determining the proper DFAS payment office.

Attachment 4 to this guide is a payment office/CAO organization code matrix for the Contract Entitlement Directorate (MOCAS) at DFAS Columbus.

| <u>DATA ELEMENT</u> | <u>SPECIAL INSTRUCTIONS</u> |
|--|---|
| 7 | Facilities Contracts. |
| 8 | Facilities lease agreements. |
| 9 | Contracts which do not meet any of the above criteria, e.g., contracts received for payment only. |
| <u>NORMAL CORRECTION FUNCTION FOR CONTRACT</u> | |

MANAGEMENT - NOT A TRUSTED AGENT FUNCTION

KIND-CON-CD Kind of Contract Code (1A/N) - Must enter code in accordance with the list which follows:

- 1 - Supply contracts and Priced Orders
- 2 - Research and Development Contract
- 3 - System 1/Acquisition contracts
- 5 - Overhaul/Maintenance contracts
- 6 - Service contracts
- 7 - Facilities contracts
- 8 - Undefinitized Letter contract
- 9 - Unpriced orders against BOA
- 0 - Other

NOTE: Code 3, Systems Acquisition Contracts, includes both ADP systems and weapons systems contracts.

NORMAL CORRECTION FUNCTION FOR CONTRACT MANAGEMENT - NOT A TRUSTED AGENT FUNCTION

TY-CONTR-CD Type of Contract Code (1A/N) - Must enter code in accordance with the list which follows:

- A - Fixed-Price Redetermination
- J - Firm Fixed Price
- K - Fixed Price Economic Price Adjustments
- L - Fixed Price Incentive
- R - Cost Plus Award Fee
- S - Cost Contract
- T - Cost Sharing
- U - Cost Plus Fixed Fee
- V - Cost Plus Incentive Fee
- Y - Time and Materials
- Z - Labor-Hour
- BLANK - No Cost (BOA/IDT)

NOTE: The TY-CONTR-CD can affect accounting records and may prevent you from summary editing.

NORMAL CORRECTION FUNCTION FOR CONTRACT MANAGEMENT - NOT A TRUSTED AGENT FUNCTION

ATTACHMENT (1)

15.38 UNITS OF MEASURE AND ISSUE

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 |

15.38
UNITS OF MEASURE AND ISSUE (CON'TD)

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 |

15.38 UNITS OF MEASURE AND ISSUE (CONT'D)

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 |

15.38 UNITS OF MEASURE AND ISSUE (CONT'D)

| | |
|--------------|----|
| 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

ATTACHMENT (2)

DIRECTORATE OF
NORTH ENTITLEMENT
OPERATIONS

Assoc. Director: Zelder Smith
Deputy Assoc. Director: James Lurk
Commercial #:614-693-6058/5236
DFAS -Columbus Center
DFAS-CO-JN
P.O. Box 182317
Columbus, OH 43218-2317

New Dominion Division:
(formerly All American and Erie Divisions)
Division Chief: Glenda Kelly
Commercial #:614-693-5324
614-693-5556

Customer Relations:
Toll Free #:1-800-232-3586
1-800-832-9978
FAX#:614-693-5880
614-693-6077/5832

Includes:
DCMAO Philadelphia

DPRO Boeing
DCMAO Cleveland
DCMAO Dayton
DCMAO Detroit
DCMAO Ottawa
DPRO General Dynamics, Lima
DPRO General Dynamics, Warren
DPRO General Electric, Evandale
DPRO GE Aircraft, Cincinnati
DPRO Loral
DPRO Westinghouse
DPRO Williams International

Invoices/Correspondence
(Includes U.S. Express Mail):
DFAS - Columbus Center
ATTN: DFAS-CO-JNF/New Dominion
P.O. box 182137
Columbus, OH 43218-2137

Express Courier:
DFAS - Columbus Center
ATTN: DFAS-CO-JNF/New Dominion
4280 E. Fifth Ave.
Columbus, OH 43219

Independence Division:
Division Chief: Doreen Ricci
Commercial #: 614-693-6155

Customer Relations:
Toll Free #: 1-800-247-2113
FAX #: 614-693-6132

Includes:
DCMAO Pittsburgh
DCMAO Reading
DCMAO Springfield
DPRO Allied Signal
DPRO GE-RCA
DPRO IBM
DPRO ITT
DPRO Kearfott/Plessey

Invoices/Correspondence
(Includes U.S. Express Mail):
DFAS - Columbus Center
ATTN: DFAS-CO-JND/Independence
P. O. Box 18236
Columbus, OH 43218-2362

Express Courier:
DFAS - Columbus Center
ATTN: DFAS-CO-JND/Independence
4280 E. Fifth Ave.
Columbus, OH 43219

Liberty Division:
Division Chief: Ann Jordan
Commercial #: 614-693-6245

Customer Relations:
Toll Free #: 1-800-852-8594
FAX #: 614-693-5113

Includes:
DCMAO Bridgeport
DCMAO Garden City
DCMAO New York
DPRO Textron-Lycoming

Invoices/Correspondence
(Includes U.S. Express Mail):
DFAS-Columbus Center
ATTN: DFAS-CO-JNA/Liberty
P. O. Box 182104
Columbus, OH 43218-2104

Express Courier:
DFAS-Columbus Center
ATTN: DFAS-CO-JNA/Liberty
4280 E. Fifth Ave.
Columbus, OH 43219

Bunker Hill Division:
Division Chief: Doris Jones
Commercial #: 614-693-5228

Customer Relations:
Toll Free #: 1-800-342-0371
FAX #: 614-693-6260

Includes:
DCMAO Boston
DCMAO Syracuse
DPRO GE Burlington, MA
DPRO GE Burlington, VT
DPRO GE Lynn, MA
DPRO GE, Pittsfield, MA
DPRO GTE, Govt Systems Corp.
DPRO IBM, Owego
DPRO Link Flight Simulation
DPRO Lockheed Sanders
DPRO Raytheon

Invoices/Correspondence
(Includes U.S. Express Mail):
DFAS - Columbus Center
ATTN: DFAS-CO-JNB/Bunker Hill
P. O. Box 182077
Columbus, OH 43218-2077

Express Courier:
DFAS - Columbus Center
ATTN: DFAS-CO-JNB/Bunker Hill
4280 E. Fifth Ave.
Columbus, OH 43219

Minuteman Division:
DIV. Chief: Brenda Biohm
Commercial #: 614-693-5980
Customer Relations:
Toll Free #: 1-800-831-7239
FAX #: 614-693-5986

Includes:
DCMAO Hartford
DCMAO Grand Rapids
DCMAO Indianapolis
DPRO Magnavox
DPRO Grumman
DPRO Hamilton Standard
DPRO Paramax
DPRO Sikorsky
DPRO Kaman

Invoice/Correspondence
(Includes U.S. Express Mail):
DFAS-Columbus Center
ATTN: DFAS-CO-JNC/Minuteman
P.O. Box 182266
Columbus, OH 43218-2266

Express Courier:
DFAS-Columbus Center
ATTN: DFAS-CO-JNC/Minuteman
4280 E. Fifth Ave.
Columbus, OH 43219

DIRECTOR OF
SOUTH ENTITLEMENT
OPERATIONS

Assoc. Director: Christy Rhoads
Dep. Assoc. Dir: Tony Castrillo
Commerical #: 614-693-5340/5344
FAX #: 614-693-5450
DFAS - Columbus Center
DFAS-CO-JS
P.O. Box 182317
Columbus, OH 43218-2317

Gulfcoast Division:

Div. Chief: Emma Fields (acting)
Commercial #: 614-5912

Customer Relations:

Toll Free #: 1-800-524-9173
FAX #: 614-693-6385

Includes:

DCMAO Dallas
DCMAO San Antonio
DPRO Bell Helicopter Textron, Inc.
DPRO E-Systems, Inc.
DPRO General Dynamics, Ft. Worth
DPRO LTV Aerospace
DPRO MD/RI Tulsa
DPRO Rockwell International Corp.
DPRO Stewart & Stevenson
DPRO Texas Instruments, Inc.

Invoices/Correspondence

(Includes U.S. Express Mail):

DFAS - Columbus Center
ATTN: DFAS-CO-JSB/Gulfcoast
P.O. Box 182231
Columbus, OH 43218-2231

Express Courier:

DFAS - Columbus Center
ATTN: DFAS-CO-JSB/Gulfcoast
4280 E. Fifth Ave.
Columbus, OH 43219

Southeast Division:

Div. Chief: Sandra Bartholomew
Commercial #: 614-693-5745

Customer Relations:

Toll Free #: 1-800-832-9976
FAX #: 614-693-6054

Includes:

DCMAO Atlanta
DCMAO Birmingham
DCMAO Clearwater
DCMAO Orlando
DCMAO Puerto Rico
DPRO AT&T
DPRO Grumman-Stuart
DPRO Grumman-St. Augustine
DPRO Harris Melbourne
DPRO Lockheed
DPRO Martin Marietta
DPRO McDonnell Douglas Trusville
DPRO Michoud

DPRO PEMCO
DPRO Pratt & Whitney
DPRO Rockwell
Aircraft Program Management Ofc.

Invoice/Correspondence
(Includes U.S. Express Mail):
DFAS-Columbus Center
ATTN: DFAS-CO-JSA/Southeast
P.O. Box 182225
Columbus, OH 43218-2225

Express Courier:
DFAS-Columbus Center
ATTN: DFAS-CO-JSA/Southeast
4280 E. Fifth Ave.
Columbus, OH 43219

Capitol Division
Division Chief: Sue Jennings
Commercial #: 614-693-5500

Customer Relations:
Toll Free #: 1-800-952-9869
FAX # 614-693-5999/5997

Includes:
DCMAO Baltimore
(Washington, D.C./Maryland)
DPRO Unisys

Invoices/Correspondence
(Includes U.S. Express Mail):
DFAS-Columbus Center
DFAS-CO-JSC/Capitol
P.O. Box 182263
Columbus, OH 43218-2263

Express Courier:
DFAS-Columbus Center
ATTN: DFAS-CO-JSC/Capitol
4280 E. Fifth Ave.
Columbus, OH 43219

Chesapeake Division:
Div. Chief: Sharon McDonald
(acting)
Commercial #: 614-693-6372

Customer Relations:
Toll Free #: 1-800-851-2130
FAX: 614-693-5975/5998

Includes:

DCMAO Baltimore (Virginia)

Invoices/Correspondence
(Includes U.S. Express Mail):
DFAS-Columbus Center
ATTN: DFAS-CO-JSD/Chesapeake
P.O. Box 182264
Columbus, OH 43218-2264

Express Courier:
DFAS-Columbus Center
ATTN: DFAS-CO-JSD/Chesapeake
4280 E. Fifth ave.
Columbus, OH 43219

DIRECTORATE OF
WEST ENTITLEMENT
OPERATIONS

Assoc. Director: William B. Hair
Dep. Assoc. Dir.: Roger Neefe
Commercial:#: 614-693-5567
FAX #: 614-693-5066
DFAS-Columbus Center
DFAS-CO-JW
P.O. Box 182317
Columbus, OH 43218-2317

Gateway Division:
Division Chief: Dennis Pinder
Commercial #: 614-693-7986

Customer Relations:
Toll Free #: 1-800-354-3654
FAX: 614-693-6323

Includes:
DCMAO Cedar Rapids
DCMAO Chicago
DCMAO Denver
DCMAO Milwaukee
DCMAO St. Louis
DCMAO Twin Cities
DCMAO Wichita
DCMAO Colorado Springs
DCMAO GMC Allison
DCMO Northrop, Rolling Meadows
DCMO Salt Lake City
DCMO Sundstrand Rockford

Invoices/Correspondence
(Includes U.S. Express Mail):
DFAS-Columbus Center
ATTN: DFAS-CO-JWB/Gateway
P.O. Box 182251
Columbus, OH 43218-2251

Express Courier:
DFAS-Columbus Center
ATTN: DFAS-CO-JWB/Gateway
4280 E. Fifth Ave.
Columbus, OH 43219

DPRO West Division:
Division Chief: Donald Love
Commercial #: 614-693-5765

Customer Relations:
Toll Free #: 1-800-552-7671
FAX #: 614-693-5170

Includes:
DPRO United Defense LP San Jose
DPRO Ford, Newport
DPRO Hughes, Los Angeles
DPRO Lockheed, Sunnyvale
DPRO McDonnell Douglas
DPRO Boeing, Wichita
DPRO FMC Minneapolis
DPRO Hercules
DPRO Honeywell/Alliant Techsystems
DPRO Martin-Marietta, Denver
DPRO McDonnell Douglas, St. Louis
DPRO Thiokol

Invoices/Correspondence
(Includes U.S. Express Mail):
DFAS-Columbus Center
ATTN: DFAS-CO-JWD/DPRO West
P.O. Box 182511
Columbus, OH 43218-2511

Express Courier:
DFAS-Columbus Center
ATTN: DFAS-CO-JWD/DPRO West
4280 E. Fifth Ave.
Columbus, OH 43219

San Francisco Division:
Division Chief: Marie Pollard
Commercial #: 614-693-5189

Customer Relations:
Toll Free #: 1-800-962-5105

FAX #: 614-693-5083

Includes:

DCMAO San Diego
DCMAO San Francisco
DCMAO Hawaii
DCMAO Seattle
General Dynamics

Invoices/Correspondence

(Includes U.S. Express Mail):

DFAS - Columbus Center
ATTN: DFAS-CO-JWS/San Francisco
P.O. Box 182380
Columbus, OH 43218-2380

Express Courier:

DFAS-Columbus Center
ATTN: DFAS-CO-JWS/San Francisco
4280 E. Fifth Ave.
Columbus, OH 43219

Santa Ana Division:

Division Chief: Barbara Shannon
Commerical #: 614-693-5190

Customer Relations:

Toll Free #: 1-800-525-6571
FAX #: 614-693-5084

Includes:

DCMAO El Segundo
DCMAO Santa Ana
General Dynamics-Pomona
DCMO Loral

Invoices/Correspondence

(Includes U.S. Express Mail):

DFAS-Columbus Center
ATTN: DFAS-CO-JWT/Santa Ana
P.O. Box 182381
Columbus, OH 43218-2381

Express Courier:

DFAS- Columbus Center
ATTN: DFAS-CO-JWT/Santa Ana
4280 E. Fifth Ave.
Columbus, OH 43219

Van Nuys Division:

Division Chief: Ella Fountain
Commercial #: 614-693-5707

Customer Relations:

Toll Free #: 1-800-553-2839
FAX #: 614-693-5085/5098

Includes:

DCMAO Phoenix
DCMAO Van Nuys
Hughes, Tucson

Invoices/Correspondence

(Includes U.S. Express Mail):

DFAS - Columbus Center
ATTN: DFAS-CO-JWV/Van Nuys
P.O. Box 182157
Columbus, OH 43218-2157

Express Courier:

DFAS - Columbus Center
ATTN: DFAS-CO-JWV/Van Nuys
4280 E. Fifth Ave.
Columbus, OH 43219

Toll-Free
Contractor Relations

Mid-Atlantic CAS Payments

- *All American: 1-800-232-3586
- *Capitol: 1-800-952-9869
- *Chesapeake: 1-800-851-2130
- *Erie: 1-800-832-9978
- *Independence: 1-800-247-2113

North Central CAS Payments

- *Gateway: 1-800-354-3654
- *Great Lakes: 1-800-742-9992

Northeast CAS Payments

- *Liberty: 1-800-852-8594
- *Bunker Hill: 1-800-342-0371

Other
Key Phone
Numbers

- * Electronic Funds Transfer (EFT)
1-800-342-0375

- * Recertification of Checks
1-800-342-9370

- * On-Line Contractor Bulletin Board
1-800-553-3562

- *Contractor Invoice Service(COINS)
(614) 693-5357 (Bullention Board)
(615) 693-6507 (Information)

- *Defense Contract Management Com-
mand (DCMC) Liaison Office
Carol Lucas, Officer
(614) 693-5515

- * Minuteman: 1-800-831-7239

South CAS Payments

- *Gulfcoast: 1-800-832-9173
- *Southeast: 1-800-832-9976

West CAS Payments

- *DPRO West: 1-800-552-7671
- *San Francisco: 1-800-962-5105
- *Santa Ana: 1-800-525-6571
- *Van Nuys: 1-800-553-2839

Problems?

Here's Where to Call

If problems develop, notify:

- *Administrative Contracting Officer (ACO)
-Problems involving contract clauses, modifi-
cations, progress payments, etc.
- *Quality Assurance Representative (QAR)
-Problems involving preparation of the DD
Form 250
 - *Paying Office (Defense Finance and Ac-
counting Service - Columbus Center, If your
contract has been transferred to us) - Prob-
lems involving over or under billing, undue
delays in payment etc.

ATTACHMENT (3)

SOUTH ENTITLEMENT OPERATIONS
 PRIMARY COMMRI=ROQAICG
 SECONDARY COMMRI=RUEDATC
 DSSN-ARMY/DLA 6356
 DSSN-AIR FORCE 8559
 DSSN-NAVY 8558
 ADPE DODAAC=SC1020

| DIVISION | CELL CODE | FACILITY PASSWORD | PAYMENT OFFICE | CAO DODAAC | CAO ORG CD | CAO OFFICE |
|--------------------------------------|-----------|-------------------|----------------|------------|------------|------------------------------------|
| Southeast(JSA) | Y1 | DFC1 | SC1020 | S0101A | AB | DCMAO Birmingham |
| x5745 | Y1 | DFC1 | SC1020 | S10102A | AC | DPRO Pemco Aeroplex |
| Address: | Y1 | DFC1 | SC1020 | S1211A | AE | DCMAO APEO/Aircraft PGM MGM'T |
| DFAS-CO SOUTHEAST AUGUSTINE) | Y1 | DFC1 | SC1020 | S1110A | AG | DPRO GRUMMAN (ST. |
| P.O. BOX 182225 | Y1 | DFC1 | SC1020 | S1009A | AH | DPRO HARRIS MELBOURN |
| COLS, OH | Y1 | DFC1 | SC1020 | S1221A | AJ | DPRO GRUMMAN (MELBOURNE) |
| 43218-2225 | Y1 | DFC1 | SC1020 | S1010A | AK | DPRO MCDONNELL DOUGLAS |
| | Y1 | DFC1 | SC1020 | S1111A | AL | DPRO LOCKHEED AERO |
| | Y1 | DFC1 | SC1020 | S1005A | AM | DPRO MARTIN MARIETTA ORLANDO |
| | Y1 | DFC1 | SC1020 | S1903A | AN | DPRO MICHOUID |
| | Y1 | DFC1 | SC1020 | S1002A | AO | DCMAO ORLANDO |
| | Y1 | DFC1 | SC1020 | S1109A | AW | DCMAO |
| CLEARWATER | Y1 | DFC1 | SC1020 | S1011A | AY | DPRO PRATT & WHITNEY |
| | Y1 | DFC1 | SC1020 | S1103A | AZ | DCMAO ATLANTA |
| GULF COAST (JSB) | Y2 | DFC2 | SC1024 | S4402A | LB | DCMAO DALLAS/ OKLAHOMA |
| x5912 | Y2 | DFC2 | SC1024 | S4404A | LE | DCMAO SAN ANTONIO, TX |
| ADDRESS: | Y2 | DFC2 | SC1024 | S4404A | LF | DPRO E-SYSTEMS INC. - TX |
| DFAS-CO/GULF COAST INSTRUMENTS | Y2 | DFC2 | SC1024 | S4408A | LJ | DPRO TEXAS |
| P.O. BOX 182231 | Y2 | DFC2 | SC1024 | S4406A | LJ | DPRO ROCKWELL INT'L - TX |
| COLS, OH 43218- 2231 | Y2 | DFC2 | SC1024 | S4807A | LX | DPRO STEWART STEVENSON |
| | Y2 | DFC2 | SC1024 | S4418A | YF | DPRO BELL HELICOPTER |
| - | | | | | | FORT |
| WORTH, | | | | | | TX |

| DIVISION | CELL CODE | FACILITY PASSWORD | PAYMENT OFFICE | CAO DODAAC | CAO ORG CD | OFFICE |
|---|--------------|----------------------|-------------------|---------------|---------------|--|
| ALBUQUERQUE (JSBB) | Y3 | DFC2 | SC1024 | S4420A | LL | DPRO LTV AEROSPACE & DEFENSE |
| x5745 | Y3 | DFC2 | SC1024 | S4419A | LP | DPRO LOCKHEED FT WORTH |
| ADDRESS: DFAS-CO/ ALBUQUERQUE P.O. BOX 182231 COLS, HO 43218-2231 | | | | | | |
| CAPITOL (JSC) | Y4 | DFC5 | SC1034 | S2101A | WB | DCMAO |
| x5500 | Y4 | DFC5 | SC1034 | S2103A | WJ | BALTIMORE D.C., - MD. DPRO WESTING- HOUSE |
| ELECTRIC DFAS-CO/CAPITOL P.O. BOX 182263 COLS, OH 43218-2263 | | | | | | |
| CHESAPEAKE(JSD) | Y5 | DFC4 | SC1030 | S2404A | WV | DCMAO BALTIMORE (VA) |
| x6372 DFAS-CO/ CHESAPEAKE P.O. BOX 182264 COLS, OH 43218-2264 | | | | | | |

(NOTE: THIS LISTING REFLECTS POST WORKLOAD TRANSFER - AS OF NORTH END APRIL

1995)

NORTH ENTITLEMENT OPERATIONS - CH
 PRIMARY COMMRI=ROQAICH
 SECONDARY COMMRI=RUEATC
 DSSN-ARMY/DLA 6422
 DSSN-AIR FORCE 8560
 DSSN-NAVY 8565
 ADPE DODAAC=SC1012

| DIVISION | CELL CODE | FACILITY PASSWORD | PAYMENT OFFICE | CAO DODAAC | CAO ORG CD | CAO OFFICE |
|--|----------------------|------------------------------|--------------------------------------|--------------------------------------|----------------------|--|
| LIBERTY (JHA) x6245 | H1 H1 | DFC1 DFC1 | SC1012 SC1012 | S3310A S3309A | SB SC | DCMAO NEW YORK DCMAO GARDEN CITY |
| ADDRESS: | H1 | DFC1 | SC1012 | S0702A | SK | DCMAO BRIDGE-PORT |
| DFAS-CO/LIBERTY P.O. BOX 182104 COS, OH 43218-2104 | | | | | | |
| BUNKER HILL (JWB) x5228 | H2 H2 | DFC2 DFC2 | SC1016 SC1016 | S2206A S3306A | DB DG | DCMAO BOSTON DCMAO SYRACUSE |
| ADDRESS: | H2 | DFC2 | SC1016 | S2205A | DH | DPRO RAYTHEON |
| DFAS-CO/ BUNKER HILL | H2 | DFC2 | SC1016 | S3001A | DJ | DPRO LOCKHEED SANDERS |
| P.O. BOX 182077 COLS, OH 43218- | H2 H2 H2 H2 | DFC2 DFC2 DFC2 DFC2 | SC1016 SC1016 SC1016 SC1016 | S2203A S3315A S2207A S2208A | DK DN ED EP | DPRO GTE DPRO IBM OWEGO DPRO GE LYNN DPRO MARTIN MARIETTA |
| MINUTE MAN (JWC) | H3 H3 | DFC3 DFC3 | SC1032 SC1032 | S0701A S0703A | DC DS | DCMAO HARTFORD DPRO HAMILTON STANDARD |
| ADDRESS: | H3 | DFC3 | SC1032 | S3316A | EG | DPRO GRUMMAN-BETHPAGE, |
| NY DFAS-CO/ MINUTE MAN P.O. BOX 182266 MA COLS, OH 43218- 2266 | H3 H3 H3 | DFC3 DFC3 DFC3 | SC1032 SC1032 SC1032 | S0707A S2209A S3317A | ES ET EU | DPRO SIKORSKY - CT DPRO TEXTRON - DEF WILM, DPRO UNISYS - LI, |
| | H3 | DFC3 | SC1032 | S0708A | EW | NY DPRO PRATT & WHITNEY - |
| CT | H3 | DFC3 | SC1032 | S1501A | GD | DCMAO INDIANA-POLIS |
| | CELL CODE | FACILITY PASSWORD | PAYMENT OFFICE | CAO DODAAC | CAO ORG CD | CAO OFFICE |

| DIVISION | CODE | PASSWORD | OFFICE | DODAAC | ORG CD | OFFICE |
|--------------------------------|------|----------|--------|--------|--------|---|
| | H3 | DFC3 | SC1032 | S1505A | GE | DPRO |
| | H3 | DFC3 | SC1032 | S2303A | GN | MAGNAVOX DCMAO GRAND RAPIDS |
| INDEPENDENCE (JND) x6155 | H4 | DFC4 | SC1010 | S3101A | SE | DCMAO SPRING- FIELD, NJ |
| | H4 | DFC4 | SC1010 | S3102A | SF | DPRO ALLIED SIGNAL - TETERBORO, |
| NJ ADDRESS: | H4 | DFC4 | SC1010 | S3104A | SH | DPRO ITT - CLIFTON, NJ |
| DFAS-CO/ INDEPENDENCE | H4 | DFC4 | SC1010 | S3109A | SJ | DPRO KEARFOTT/ PLESSEY |
| WAYNE | | | | | | NJ |
| P.O. BOX 182362 | H4 | DFC4 | SC1010 | S3109A | WC | DCMAO READING, PA |
| COLS, OH 43218- 2362 | H4 | DFC4 | SC1010 | S3911A | WD | DCMAO PITTS - BURGH, PA |
| | H4 | DFC4 | SC1010 | S3110A | WF | DPRO RCA - MOORESTOWN, NJ(GE AEROSPACE MARTIN MARIETTA DALE VALLEY) |
| NEW DOMINION (JNF) x5556 | H5 | DFC5 | SC1018 | S3603A | JB | DCMAO CLEVELAND |
| ADDRESS: | H5 | DFC5 | SC1018 | S3616A | JC | DPRO LORAL - OH |
| | H5 | DFC5 | SC1018 | S3613A | JD | DPRO WESTING- HOUSE - CLEVELAND |
| OH DFAS-CO/ NEW DOMINION | H5 | DFC5 | SC1018 | S3619A | JE | DPRO GE AIRCRAFT ELANDALE OH |
| P.O. BOX 182041 | H5 | DFC5 | SC1018 | S3605A | JF | DCMAO DAYTON |
| COLS, OH 43218-2041 | H5 | DFC5 | SC1018 | S2305A | JJ | DCMAO DETROIT |
| | H5 | DFC5 | SC1018 | S3618A | JM | DPRO GENERAL DYNAMICS LIMA OH |
| | H5 | DFC5 | SC1018 | SCN01A | JR | DCMAO OTTAWA, CANADA |

H5 DFC5 SC1018 S2306A JS DCMAO WARREN

MI (DPRO)

GENERAL
DYNAMICS
WARREN)

| DIVISION | CELL CODE | FACILITY PASSWORD | PAYMENT OFFICE | CAO DODAAC | CAO ORG CD | OFFICE |
|----------|-----------|-------------------|----------------|------------|------------|------------------------|
| | H5 | DFC5 | SC1018 | S3915A | WG | DCMAO PHILA-DELPHIA |
| | H5 | DFC5 | SC1018 | S3916A | YR | DPRO BOEING HELICOPTER |

PA

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WEST ENTITLEMENT OPERATIONS - CA
PRIMARY COMMRI=ROQAICZ
SECONDARY COMMRI=RUEDATC
DSSN-ARMY/DLA 6469
DSSN-AIR FORCE 8541
DSSN-NAVY 8538
ADPE DODAAC=SC1002

| DIVISION | CELL CODE | FACILITY PASSWORD | PAYMENT OFFICE | CAO DODAAC | CAO ORG CD | OFFICE |
|-----------------------|-----------|-------------------|----------------|------------|------------|-------------------------|
| DPRO WEST (JWD) | N1 | DFC1 | SC1002 | S0530A | MD | DPRO MCDONNELL |
| DOUGLAS/HUNT | | | | | | INGTON |
| x5765 | N1 | DFC1 | SC1002 | S0533A | NE | HUGHES |
| ADDRESS: | N1 | DFC1 | SC1002 | S0520A | NN | FULLERTON |
| SAN | | | | | | DPRO UNITED DEFENSE |
| DFAS-CO/ DPRO WEST | N1 | DFC1 | SC1002 | S0543A | NO | JOSE |
| P.O. BOX 182511 | N1 | DFC1 | SC1002 | S0539A | NV | DPRO LOCKHEED SUNNYVALE |
| COLS, OH 43218-2511 | N1 | DFC1 | SC1002 | S0304A | YN | DPRO HUGHES LOS ANGELES |
| DOUGLAS/MESA | | | | | | DPRO MCDONNELL |
| | N1 | DFC1 | SC1002 | S0544A | NY | DPRO DOUGLAS-LONG BEACH |
| | N1 | DFC1 | SC1002 | S4503A | YE | DPRO NORTON |

| | | | | | |
|----|------|--------|--------|----|---|
| N1 | DFC1 | SC1002 | S0605A | YG | THIOKOL UT DPRO MARTIN MARIETTA DENVER |
| N1 | DFC1 | SC1002 | S2402A | YH | DPRO HONEYWELL MINN MN |
| N1 | DFC1 | SC1002 | S2606A | YL | DPRO MCDONNELL DOUGLAS - ST LOUIS |
| N1 | DFC1 | SC1002 | S2403A | YN | DPRO UNITED DEFENSE - MINN, MN |
| N1 | DFC1 | SC1002 | S1702A | YB | DPRO BOEING MILITARY AIR WICHITA |
| N1 | DFC1 | SC1002 | S0546A | NZ | DPRO NORTHROP NORTHROP - HAWTHORNE |
| N1 | DFC1 | SC1002 | S0542A | NX | DPRO ROCKWELL - CANOGA PARK |
| N1 | DFC1 | SC1002 | S1201A | NR | DPRO RESIDENCY HAWAII |

| DIVISION | CELL CODE | FACILITY PASSWORD | PAYMENT OFFICE | CAO DODAAC | CAO ORG CD | OFFICE |
|---|--------------|----------------------|-------------------|---------------|---------------|-----------------------------------|
| | N1 | DFC1 | SC1002 | S480A | LN | DPRO BOEING - SEATTLE |
| | N1 | DFC1 | SC1002 | S0305A | LN | DPRO HUGHES- MISSILE TUCSON |
| VAN NUYS(JWV) | N2 | DFC2 | SC1004 | S0512A | NH | DCMAO VAN NUYS |
| x5707 | N2 | DFC2 | SC1004 | S0302A | LD | DCMAO PHOENIX |
| DFAS-CO/VAN NUYS P.O. BOX 182157 COLS, OH 43218- 2157 | N2 | DFC2 | SC1004 | S0507A | NL | DCMAO SAN FRANCISCO |
| SANTA ANA(JWT) | N4 | DFC4 | SC1006 | S0513A | NC | DCMAO SANTA ANA |
| x5190 | N4 | DFC4 | SC1006 | S0514A | NF | DCMAO SAN DIEGO |

ADDRESS:
DFAS-CO/SANTA
ANA
P.O. BOX 182381
COL, OH 43218-
2381

GREENWAY

| | | | | | | |
|-------------------------|----|------|--------|--------|----|----------------------|
| (JWB) | N5 | DFC5 | SC1028 | S2605A | YS | DCMAO ST LOUIS |
| x7986 | N5 | DFC5 | SC1028 | S2401A | YT | DCMAO TWIN CITIES |
| ADDRESS: | N5 | DFC5 | SC1028 | S1701A | YW | DCMAO WICHITA |
| DFAS-CO/ | N5 | DFC5 | SC1028 | S0602A | YD | DCMAO DENVER |
| P.O. BOX 182251 | N5 | DFC5 | SC1028 | S1403A | GB | DCMAO CHICAGO |
| COLS, OH 43218- 2251 | N5 | DFC5 | SC1028 | S4801A | NS | DCMAO SEATTLE |

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1995

ATTACHMENT (4)