
Contract Administration

Defense Contract Management Agency (DCMA) (FAR 42.30)

As previously stated, a single or multiple contracting officer(s) may be responsible for duties on a single contract. The Procuring Contracting Officer may delegate contract administration duties to another office. A contract administration office performs postaward functions related to the administration of contracts and preaward functions (e.g. Preaward Surveys).

The Defense Contract Management Agency is the DOD contract administration office, ensuring acquisition programs are delivered on time, within cost, and meet performance requirements. They monitor contractor performance, systems, policies, and procedures to ensure compliance with contract requirements. DCMA performs analyses, applies risk management techniques, and resolves or negotiates solutions to production, delivery, quality, payment, and other problems affecting contract execution.

The following are examples of contract administration functions performed by DCMA:

- Conduct postaward orientation with contractors to clarify contract provisions.
- Perform surveillance of contractors' cost.
- Help ensure that contractors comply with all applicable labor laws, safety procedures, and environmental standards.
- Assure contractor compliance with cost accounting standards.
- Help resolve and correct product quality deficiencies.
- Help ensure that products and services are delivered on time and that they are properly transported or otherwise distributed according to our customers' needs.
- Manage and track payments as well as process public vouchers.

Contract Administration, Continued

Postaward Orientation (FAR Subpart 42.501)

To ensure smooth contract performance, you may request a postaward orientation be conducted. This aids both the Government and contractor personnel to

- (1) achieve a clear and mutual understanding of all contract requirements, and
- (2) identify and resolve potential problems. However, it is not a substitute for the contractor's fully understanding the work requirements at the time offers are submitted, nor is it to be used to alter the final agreement arrived at in any negotiations leading to contract award.

Postaward orientation is encouraged to assist small business concerns.

The focus in a postaward orientation is usually on:

- Understanding the technical aspects of the contract;
- Identifying and resolving oversights;
- Preventing problems;
- Averting misunderstandings;
- How to solve problems that may occur later; and
- Reaching agreement on common issues.

Defense Finance and Accounting Service (DFAS)

The Defense Finance and Accounting Service is the financial and accounting organization for the Department of Defense. Through its Centers and network of decentralized customer support facilities, DFAS provides all of DoD with finance and accounting services. A part of the financial management services at DFAS is paying contracts.

DFAS has developed the DFAS Vendor Reference Tool to help you.

- Locate the activity that pays your contract.
- Define the acronyms and terms you need to know in order to understand the information provided.
- For first time users of this system, a set of "How To" instructions is available. [http://referencetool.dfas.mil/pls/DFASRTV/vpocview\\$.startup](http://referencetool.dfas.mil/pls/DFASRTV/vpocview$.startup)

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Routine Payment Questions

For explanation of contract terms involving payment, or initial inquiries regarding late payments, please contact the Customer Service personnel at the DFAS–Columbus. Phone numbers and addresses are provided at <http://www.dfas.mil/commpay/contractorpayment/appendix3.htm>

For information on Contractor Payment, go to <http://www.dfas.mil/commpay/contractorpayment/intro.htm>. If you are inquiring about payment status, please wait at least 15 days after submission of invoice. Payment status can be determined through the use of the Vendor Pay Inquiry System (VPIS). If you need to call Customer Service, 1-800-756-4571, please be prepared to provide the following information:

- Contract Number.
- Contract Call/Order Number (if applicable).
- Shipment Number.
- Date submitted to the payment office.
- Invoice Number.
- Paying Office.

Electronic Funds Transfer (FAR 32.11)

All DoD Vendors are required to be registered in the Central Contractor Registration (CCR) database in order to be awarded a contract on solicitations dated after June 1, 1998. In addition, the Debt Collection Improvement Act of 1996, requires payments on all Federal contracts to be made via Electronic Funds Transfer (EFT) if the solicitation was issued after June 26, 1996. In order to reduce the burden of registering with each DFAS payment office, effective June 1, 1996, all DFAS payment offices are using the EFT data provided in the CCR in order to issue EFT payments. Vendors that are required to register in the CCR are no longer required to complete EFT registration forms for each payment office from which they receive payments.

Vendor Pay Inquiry System (VPIS)

The Vendor Pay Inquiry System (VPIS) is an application developed for the convenience of contractors doing business with the Department of Defense (DoD). VPIS interactively provides information on invoices submitted against DoD contracts that the Defense Finance and Accounting Service is responsible for paying. VPIS consolidates the contract data obtained from DFAS sites into one central repository which contains all open contracts, plus any payments made within the last 90 days. <http://www.dfas.mil/money/vendor/vphelp.htm>

VPIS does not contain the status of transportation Government Bills of Lading (GBLs). With a couple exceptions, VPIS also does not contain the status of invoices paid outside of DFAS. If you have a question regarding a payment made more than 90 days ago, please contact your paying office directly.

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Vendor Pay Inquiry System (VPIS),

You can use VPIS to perform several activities such as:

- Research the status of a recently filed invoice, and determine when payment will be issued or if something is lacking for payment processing.
- Obtain information associated with a check you have received to include contract number.
- invoices covered, interest or freight included in the payment, or tax or discount withheld.
- Obtain the same background information for an electronic funds transfer payment.

You can query the system in one of the following ways:

- Contract number (or contract number along with call/delivery number and/or invoice number)
- Check number
- Funds transfer trace number and date
- Duns Number (or Duns Number along with date range), or
- CAGE Code (or CAGE Code along with date range).

You may also elect to download the results of group queries by Duns Number or CAGE Code.

After your initial query has been processed, you may also request additional follow-up action by selecting the "E-mail Assistance" link from the options at the bottom of the screen. The inquiry system may be accessed by entering the following Web address (URL) in the location field:
<http://www.dfas.mil/money/vendor/>.

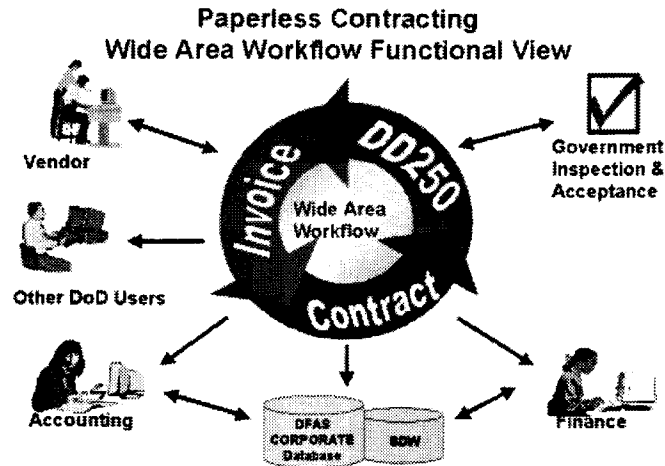
Wide Area WorkFlow (WAWF)

Traditionally, the Department of Defense acquisition process has been paper-based, labor intensive, and heavily dependent upon manual and repetitive data inputs from multiple functional communities. This environment restricts access to source data provided by various contractual, financial, and logistic documents and in numerous Automated Information Systems (AISs).

The Wide Area WorkFlow (WAWF) Prototype supports DoD efforts to reduce unmatched disbursements in the DoD receipt, acceptance, entitlement, and payment process through sharing data and electronic documents. The goal is to enable authorized Defense contractors and DoD personnel to access the documents required for a payment action in a "paperless" environment by creating a virtual contract payment folder. <https://wawftraining.eb.mil/>

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Wide Area WorkFlow (WAWF), continued



Vendors can submit invoices and receiving reports electronically using existing Electronic Commerce methods. Additional choices are now available: Web interactive forms and straight push from Vendor automated systems (FTP). These new choices do not result in significant cost or require changes to existing processes.

Additionally, the Vendor will receive system-generated emails advising them of action taken by the Government Inspection and Acceptance Officials. If a receiving report or invoice is rejected, the Vendor will have the capability to correct the data and resubmit—thus only the individual data elements need to be corrected as opposed to retyping the entire document. Finally, the Vendor will be able to view previously submitted documents and determine the current status, review actions taken by Government officials (to include access to the name, email and phone numbers), and as appropriate initiate follow-on actions.

What is DoD Wide Area WorkFlow-Receipt and Acceptance (WAWF-RA)?

DoD has several tools available to help improve the receipt, management, processing, storage, retrieval, and organization into folders of documents required in the bill paying process. WAWF-RA provides the baseline technology for Government Vendors and authorized DoD personnel to generate, capture, and process receipt and payment-related documentation, via interactive Web-based applications.

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Prompt Payment (FAR Subpart 32.9)

The due date for the Government to make an invoice payment is the 30th day after the designated billing office receives a proper invoice from the contractor (exceptions FAR 32.904).

(a) *General.* Payment will be based on receipt of a proper invoice and satisfactory contract performance.

(b) *Content of invoices.*

- (1) A proper invoice must include the following items (except for interim payments on cost reimbursement contracts for services):
 - (i) Name and address of the contractor.
 - (ii) Invoice date and invoice number. (Contractors should date invoices as close as possible to the date of mailing or transmission.)
 - (iii) Contract number or other authorization for supplies delivered or services performed (including order number and contract line item number).
 - (iv) Description, quantity, unit of measure, unit price, and extended price of supplies delivered or services performed.
 - (v) Shipping and payment terms (*e.g.*, shipment number and date of shipment, discount for prompt payment terms). Bill of lading number and weight of shipment will be shown for shipments on Government bills of lading.
 - (vi) Name and address of contractor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment).
 - (vii) Name (where practicable), title, phone number, and mailing address of person to notify in the event of a defective invoice.
 - (viii) Taxpayer Identification Number (TIN). The contractor must include its TIN on the invoice only if required by agency procedures. (See FAR 4.9 TIN requirements.)

Contract Administration, Continued

Prompt Payment (FAR Subpart 32.9)

- (ix) Electronic funds transfer (EFT) banking information.
 - (A) The contractor must include EFT banking information on the invoice only if required by agency procedures.
 - (B) If EFT banking information is not required to be on the invoice, in order for the invoice to be a proper invoice, the contractor must have submitted correct EFT banking information in accordance with the applicable solicitation provision (*e.g.*, FAR 52.232-38, Submission of Electronic Funds Transfer-Central Contractor Registration, or FAR 52.232-34, Payment by Electronic Funds Transfer-Other Than Central Contractor Registration), or applicable agency procedures.
 - (C) EFT banking information is not required if the Government waived the requirement to pay by EFT.
- (x) Any other information or documentation required by the contract (*e.g.*, evidence of shipment).

Fast Pay (FAR 13.401)

- (a) The fast payment procedure allows payment, under limited conditions, to a contractor prior to the Government's verification that supplies have been received and accepted. The procedure provides for payment for supplies based on the contractor's submission of an invoice that constitutes a certification that the contractor—
- (1) Has delivered the supplies to a post office, common carrier, or point of first receipt by the Government; and
 - (2) Shall replace, repair, or correct supplies not received at destination, damaged in transit, or not conforming to purchase agreements.

Fast Pay (FAR 13.402)

If the conditions in paragraphs (a) through (f) are present, the fast payment procedure may be used, provided that use of the procedure is consistent with the other conditions of the purchase. The conditions for use of the fast payment procedure are as follows:

- (a) Individual purchasing instruments do not exceed \$25,000, except that executive agencies may permit higher dollar limitations for specified activities or items on a case-by-case basis.
- (b) Deliveries of supplies are to occur at locations where there is both a geographical separation and a lack of adequate communications facilities between Government receiving and disbursing activities that will make it impractical to make timely payment based on evidence of Government acceptance.

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Fast Pay (FAR Subpart 13.4), continued

- (b) Title to the supplies passes to the Government—
 - (1) Upon delivery to a post office or common carrier for mailing or shipment to destination; or
 - (2) Upon receipt by the Government if the shipment is by means other than Postal Service or common carrier.
- (d) The supplier agrees to replace, repair, or correct supplies not received at destination, damaged in transit, or not conforming to purchase requirements.
- (e) The purchasing instrument is a firm-fixed-price contract, a purchase order, or a delivery order for supplies.
- (f) A system is in place to ensure—
 - (1) Documentation of evidence of contractor performance under fast payment purchases;
 - (2) Timely feedback to the contracting officer in case of contractor deficiencies; and
 - (3) Identification of suppliers that have a current history of abusing the fast payment procedure (also see FAR 9.1).

The contracting officer shall insert the clause at FAR 52.213-1, Fast Payment Procedure, in solicitations and contracts when the conditions in FAR 13.402 are applicable and it is intended that the fast payment procedure be used in the contract.