From: Sineath CIV John
To: Anderson LtCol Michael S; Bellota MSgt Rodolfo M; Bergman CIV Alan D; Brunson CIV Janet C; Carroll Maj George T; Cerka CIV Frances C; Corcoran LtCol Eric M; Crawford Civ Dale A; Drury CIV Deborah A; Gaylor CIV Sherry F; Gubitti Civ Cynthia A; Henley CIV June R; Higa CIV Sakura K; Hughes CIV Sandra K; Humphrey CIV Sharon E; Ingle Capt Steven L; Lemmond CIV Barbara G; Long Capt Eric J; Lovett-Black Civ JoAnna; Matthews CIV Layton D; Michael Maj Ronnie D; Miller MSgt Tara N; Mullen CIV Melvin T; Payne CIV Mark H; Pendley CIV Larry F; Pockette CIV Michael D; Polesnak Maj Stephanie M RC (SW) II MEF FWD G4 OCS Branch Head; Powell CIV Hollis H; Rabassi Maj Christopher E; Rego CIV Arthur J; Rivers GySgt Timothy L; Schmid LtCol Steven J; Stahl Maj Scott A; Stroh CIV Linda L; Washington CIV Connie A; Wichmann CIV Wanda S; Young Capt Wynndee M;
cc: Beckner CIV Linda; Donahue Maj Kimberly A; Faughnan CIV Kevin; Fernandez CIV Kimberly F; Haines CIV John; Harper CIV Twana E; Keys CIV John; Lerma MGySgt Maricela G; Mckellop SSgt Jessycca E; Reier CIV Susan; Robinson LtCol Macon R; Sineath CIV John; Sullivan SES Frances L; Uher CIV Lauren; Romano CIV Mark; Oliver CIV R. Kaye; Daise CIV Stanley C; Shah, Sejal [USA];
Subject: APM 12-09 Contract Line Item Pricing Integrity
Date: Thursday, February 16, 2012 8:16:27
Attachments: USA001601-11-DPAP Contract Line Item Pricing Integrity.pdf

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All,

BACKGROUND:

A recent review of contract line item data revealed that a significant portion of line items had no unit of measure associated with each line item, or used the terms 'dollars' or 'lump sum' as the unit of measure. Since these line items do not clearly identify what is being procured, DPAP issued a memorandum on 3 October 2011 that clarifies the requirements for defining deliverable line items.

POLICY:

For all deliverable line items, Contracting Officers shall clearly define the quantity and unit of measure of the product or service being delivered, using the acceptable units of measure published at http://www.acq.osd.mil/dpap/pdi/eb/procurement_data_standard.html.

PROCEDURES:

a. Contracting Officers shall utilize the list of acceptable units of measure available at http://www.acq.osd.mil/dpap/pdi/eb/procurement_data_standard.html to indicate the quantity and unit of measure of each deliverable line item in a contract.

1. The terms 'dollars' and 'lump sum' are not acceptable units of measure.

2. If a legacy or new system performing entitlement (such as CAPS, IAPS, or the ERP systems) limits the units of measure, the Component shall designate a Mechanization of Contract Administration Services (MOCAS) office as the payment office in lieu of the payment office that would otherwise be assigned. Designating a MOCAS office for this purpose does not require delegation of contract management to DCMA.

A. Use the Federal Directory of Contract Administration Services Components 2.0 tool available at https://pubapp.dcma.mil/CASD/main.jsp to assign a MOCAS payment office.

B. When the buying activity does not delegate administration, use the Directory to find the link to what would be the administration office if administration had been delegated, and click on the payment office link at that site.

C. Instructions for MOCAS payment office assignment are available at http://www.acq.osd.mil/dpap/pdi/eb/mocas.html.

b. Defense Acquisition University (DAU) course CLC033 "Contract Format and Structure for DoD e-Business Environment" will be modified to emphasize that contract pricing arrangements should ensure prices are proportional to work performed and that actual deliveries can be traced to the prices. Once modified, it is recommended that all contracting personnel complete this training course.

Although dated October 2011, the DPAP memorandum was only recently provided to LB. Please ensure this guidance is provided to all appropriate acquisition personnel.

John (Jack) Sineath
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