**DFARS PGI Case 2023-P002**

**Procedures for Contract Closeout When Using the Governmentwide Commercial Purchase Card as a Method of Payment**

**PGI Text**

**PGI 204—Administrative and Information Matters**

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**PGI 204.8—CONTRACT FILES**

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**PGI 204.804 Closeout of Contract Files.**

**[(1)]** Data supporting contract closeout (e.g., DD Form 1594, Contract Completion Statement) are electronically transmitted throughout DoD. ~~The~~ Defense Logistics Manual~~,~~ 4000.25**[, Defense Logistics Management Standards (DLMS),]** Volume 7, Contract Administration, Chapter 4, Contract Completion Status Reporting, available at [~~http://www.dla.mil/j-6/dlmso/elibrary/manuals/dlm/dlm\_pubs.asp~~](http://www.dla.mil/j-6/dlmso/elibrary/manuals/dlm/dlm_pubs.asp)**[*https://www.dla.mil/Defense-Data-Standards/Publications/Vol-7-Administration/*]**, contains detailed instructions regarding closeout and electronic data transmission.

(**[i]**~~1~~) The administration office closeout date for file purposes will be the date in Block 9d of the DD Form 1594 or agency equivalent.

(**[ii]**~~2~~) If the contracting office must do a major closeout action that will take longer than 3 months after the date shown in Block 9d of the DD Form 1594—

(**[A]**~~i~~) The purchasing office closeout date for file purposes will be the date in Block 10e of the DD Form 1594 or agency equivalent; and

(**[B]**~~ii~~) The contracting office shall notify the contract administration office of the revised closeout date by either sending a copy of the completed DD Form 1594 or by electronically transmitting the data.

**[(iii) Completion of block 10 is not required, when the contracting office accepts the closeout date in block 9d of the DD Form 1594 (or agency equivalent) and the contract completion statement is posted to the Electronic Data Access (EDA) system as required by PGI 204.804-2.**

**(iv) Closeouts posted to EDA are considered part of the contract file and do not need to be duplicated in any other version of the contract file.**

**(v) A contract modification is not needed to deobligate excess funds when block 5 is completed, and this deobligation will occur upon distribution of the contract completion statement. Send a notification and a copy of the contract completion statement to the comptroller to allow general ledger reconciliation.**

**(vi) A contract qualifies for an automated closeout process if the contract—**

**(A) Only has firm-fixed-price line items;**

**(B) Does not exceed $500,000; and**

**(C) Does not include any of the following provision and clauses:**

**(*1*) FAR 52.211-11, Liquidated Damages—Supplies, Services, or Research and Development.**

**(*2*) FAR 52.216-7, Allowable Cost and Payment.**

**(*3*) FAR 52.227-9, Refund of Royalties.**

**(*4*) FAR 52.227-11, Patent Rights—Ownership by the Contractor.**

**(*5*) FAR 52.227-13, Patent Rights—Ownership by the Government.**

**(*6*) FAR 52.232-16, Progress Payments.**

**(*7*) FAR 52.232-29, Terms for Financing of Purchases of Commercial Products and Commercial Services.**

**(*8*) FAR 52.232-30, Installment Payments for Commercial Products and Commercial Services.**

**(*9*) FAR 52.232-32, Performance-Based Payments.**

**(*10*) FAR 52.245-1, Government Property.**

**(*11*) FAR 52.248-1, Value Engineering.**

**(D) DoD components may add further limitations to ensure all contract requirements have been completed prior to closeout.**

**(E) Basic ordering agreements, blanket purchase agreements, and indefinite-delivery contracts can be automatically closed using automated contract closeout procedures after all orders are closed and the ordering period has expired.]**

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**PGI 204.804-1 Closeout by the office administering the contract**.

(1) Locally developed forms or a statement of completion may be used instead of the DD Form 1594, Contract Completion Statement, and use the administration office closeout date. Whichever method is used, the form shall be retained in the contract file and copies sent to ~~Electronic Data Access (~~EDA~~)~~ and financial systems using the American National Standards Institute (ANSI) X12 Electronic Data Interchange (EDI) 567 transaction set.

(2) For contracts valued above the simplified acquisition threshold and not subject to the automated closeout procedures at PGI 204.804-3, prepare a DD Form 1597, Contract Closeout Check List (or agency equivalent), to ensure that all required contract actions have been satisfactorily accomplished.

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**~~PGI 204.804-3 Closeout of paying office contract files~~**

~~(1)~~ *~~Automated contract closeout~~*~~. As permitted by FAR 4.804-5(a), automated contract closeout allows a system to initiate and execute the closeout action. The contract qualifies for the automated closeout process if the contract—~~

~~(i) Is firm-fixed priced;~~

~~(ii) Does not exceed a total contract value of $500,000 (inclusive of exercised options); and~~

~~(iii) Does not contain any of the following provisions requiring administrative action at closeout:~~

~~(A) FAR 52.211-11 Liquidated Damages—Supplies, Services, or Research and Development.~~

~~(B) FAR 52.216-7 Allowable Cost and Payment.~~

~~(C) FAR 52.227-9 Refund of Royalties.~~

~~(D) FAR 52.227-11 Patent Rights—Ownership by the Contractor.~~

~~(E) FAR 52.227-13 Patent Rights—Ownership by the Government.~~

~~(F) FAR 52.232-16 Progress Payments.~~

~~(G) FAR 52.232-29 Terms for Financing of Purchases of Commercial Items.~~

~~(H) FAR 52.232-30 Installment Payments for Commercial Items.~~

~~(I) FAR 52.232-32 Performance-Based Payments.~~

~~(J) FAR 52.245-1 Government Property.~~

~~(K) FAR 52.248-1 Value Engineering.~~

~~(2) Components may apply additional conditions not listed above, as necessary to ensure all contract requirements have been completed prior to closeout.~~

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**[PGI 204.804-4 Physically completed contracts.**

**A basic ordering agreement, blanket purchase agreement, or an indefinite-delivery contract can be closed after—**

**(i) All orders have been closed; and**

**(ii) The ordering period has expired.**

**PGI 204.804-5 Procedures for closing out contract files.**

**When the Governmentwide commercial purchase card is the sole method of payment—**

**(1) The contractor’s final invoice is not required to close a contract or order; and**

**(2) The contract completion statement—**

**(i) Does not require the final voucher number and date;**

**(ii) Does not require the final invoice number and date; however**

**(iii) Requires the final acceptance date.**

**(3) Additional guidance on the Governmentwide commercial purchase card can be found at** [***https://www.acq.osd.mil/asda/dpc/ce/pc/docs-guides.html***](https://www.acq.osd.mil/asda/dpc/ce/pc/docs-guides.html)**.]**

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**PGI 242—Contract Administration and Audit Services**

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**PGI 242.3—CONTRACT ADMINISTRATION OFFICE FUNCTIONS**

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**PGI 242.302 Contract administration functions.**

(a)(13)(B)(*1*) For contracts assigned to DCMA for contract administration, designate as the payment office—

(*i*) The cognizant Defense Finance and Accounting Service (DFAS) payment office as specified in the Federal Directory of Contract Administration Services Components**[,]** available ~~via the Internet~~ at ~~https://pubapp.dcma.mil/CASD/main.jsp~~**[*https://piee.eb.mil/pcm/xhtml/unauth/index.xhtml*]**, for contracts funded with DoD funds;

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(*2*) \* \* \*

**[(*3*) When the Governmentwide commercial purchase card is the method of payment for a contract or order, enter “CRCARD” in the payment office code block.]**

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