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NAVAL SUPPLY SYSTEMS COMMAND  
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IN REPLY REFER TO:

4200  
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3 Oct 03

From: Commander, Naval Supply Systems Command

Subj: STREAMLINED CONTRACT CLOSEOUT PROCEDURES

Ref: (a) Federal Acquisition Regulations (FAR) Part 4.804-1

1. The purpose of this memorandum is to establish Department of Navy (DON) policy for streamlined contract closeout procedures for actions accomplished using simplified acquisition procedures.

2. Reference (a) states that, "files for contracts using simplified acquisition procedures should be considered closed when the contracting officer receives evidence of receipt of property and final payment, unless otherwise specified by agency regulations". Compliance often burdens the limited contracting resources of DON contracting offices with an administrative responsibility that offers little return on the investment in time or personnel. In particular, offices providing regional contracting support must expend considerable resources obtaining financial and receipt information from a regionally diverse customer base. Due to the small dollar value of the actions accomplished using simplified acquisition procedures, they offer a low risk in terms of receipt or payment issues.

3. Accordingly, DON policy for closing out contract files accomplished using simplified acquisition procedures is as follows:

"Files for contracts using simplified acquisition procedures under the simplified acquisition threshold, where the contracting officer maintains administration of the procurement, should be considered closed when the contracting officer receives evidence of receipt of supplies/services and final payment or 180 days after the scheduled delivery date unless there is any indication that final delivery (physical completion) and final payment have not occurred by that date".

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Contract completion documentation should be minimized and limited to a statement in the purchase file(s) that the contracting officer considers the purchase file closed out in accordance with the procedures noted above. Whenever possible, contracting officers should use a blanket statement covering a group, class and/or series of purchase files within a given time period that are being closed out. The use of the aforementioned streamlined closeout procedures does not relieve contracting officers from their responsibility to ensure contractors are paid in a timely manner and the customer receives the goods and services purchased.

4. The purpose of using simplified acquisition procedures is to streamline the acquisition process. Closing out the contract file is generally one of the final duties a contracting officer must perform prior to physically disposing of the contract file. Streamlining the close out process for actions accomplished using simplified acquisition procedures should allow contracting officers the opportunity to reduce the amount of time spent on administrative efforts, thereby increasing the amount of time available for awarding contracts in support of emergent customer requirements.

5. DON contracting offices using the streamlined procedures authorized in this policy must report annually to Commander, Naval Supply Systems Command, Contracting Management Directorate, (Code 21A1) on the number of simplified acquisition actions closed-out using streamlined procedures and the number of files reopened for payment or receipt issues after closeout. All positive and negative reports must be provided to COMNAVSUPSYSCOM no later than 15 October annually with first report due 15 October 2004.

6. My point of contact for questions on this policy is Mr. Clay Welker who can be reached at 717-605-7502, DSN 430-7502 or via e-mail at clay.welker@navy.mil.



ALBERT FANELLI  
By direction

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