



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

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MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY  
(POLICY AND PROCUREMENT), ASA (ALT)  
DEPUTY ASSISTANT SECRETARY OF THE NAVY  
(ACQUISITION & LOGISTICS MANAGEMENT),  
ASN (RDA)  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(CONTRACTING), SAF/AQC  
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Contract Acceptance Procedures

The Military Services and the Defense Logistics Agency (DLA) have expressed concern about the impact to daily operations of Defense Federal Acquisition Regulation Supplement (DFARS) Case 2006-D049, Mandatory Use of Wide Area WorkFlow, (WAWF) which took effect 3 March 2008. The case addresses two matters: 1) elimination of the use of the Web Invoicing System (WINs) and Electronic Data Interchange (EDI) Direct methods of submitting invoices and 2) expansion of the previous electronic invoicing requirement to include contractor submission of receiving reports.

Federal Acquisition Regulation (FAR) 32.905 (c) requires that "All invoice payments, with the exception of interim payments on cost-reimbursement contracts for services, must be supported by a receiving report or any other Government documentation authorizing payment." Subparagraph (6) further requires that this documentation include, "Signature, printed name, title, mailing address, and telephone number of the designated Government official responsible for acceptance or approval functions."

WAWF allows two methods of appending this information to the receiving report generated by the contractor. The acceptor can log into WAWF and accept the supplies or services using the web interface, or WAWF can send a transaction to an external system that will record the signature and provide a return transaction indicating acceptance. In the first instance, the acceptance documentation is maintained in WAWF. In the second instance, it is maintained in the external system.



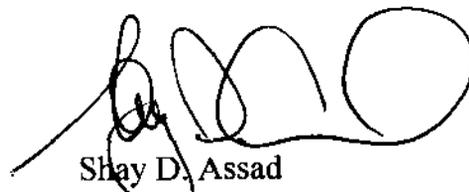
DFARS Case 2006-D049 does not change any of the FAR requirements for acceptance. It requires that the contractor submit the data which is required to be provided as part of the receiving report using WAWF, in lieu of the previous option of providing this report in hard copy. This change will also enable capture of data on items to support property accountability, traceability, and logistics management by capturing the Radio Frequency Identification (RFID) tag and Item Unique Identification (IUID) information tags applied by the contractor.

The concerns of the Military Services and DLA with WAWF implementation has been based on the assertion that they have no means of capturing acceptance information on items delivered under direct vendor delivery (DVD) contracts, in which the contractor delivers items directly to a customer, rather than to a Component receiving activity or DLA depot. This would appear to be a material failure to comply with the provisions of FAR 32.905.

The Military Services and DLA are hereby directed to investigate their current processes and procedures for compliance with the requirements of FAR 32.905 and the record keeping requirements of the Prompt Payment Act. The Military Services and DLA should work together to establish acceptance procedures on DLA-originated DVD contracts where the Military Services are the direct recipients of the materiel (e.g. bases, hospitals, etc.) in lieu of a DLA depot. DLA should also investigate current practices and ensure proper acceptance procedures for items delivered to contractor-operated sites.

Within 120 days, the Military Services and DLA are directed to report on any issues and the associated corrective actions planned to address those issues. A WAWF transition/deployment plan should be included as part of this response. For those Components that do not have a compliance issue, an e-mail to following listed action officer will suffice to close this task action.

Please contact Leantha Sumpter at (703) 602-8032 or [leantha.sumpter@osd.mil](mailto:leantha.sumpter@osd.mil) with any questions or concerns.



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