



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

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WASHINGTON, DC 20301-3000

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MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT), DASA(P)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION & LOGISTICS MANAGEMENT),
DASN(A&LM)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
DIRECTORS, DEFENSE AGENCIES
DIRECTORS, DOD FIELD ACTIVITIES

SUBJECT: Application Of Defense Federal Acquisition Regulation Supplement
(DFARS) Procedures, Guidance, And Instructions (PGI) 204.7108 Payment
Instructions In Contract Writing Systems

The use of standard payment instructions in contracts helps to simplify the processing of contract payments and reduces costs of contract administration. In 2006, a set of standard payment instructions was published in DFARS PGI 204.7108. A review of this rule in 2009 found that the rule was not achieving its intended goals because the instructions had been incorporated as plain text instead of numbered provisions. This prevented transmission of the payment instructions as data, as part of electronic contract distribution. To resolve this issue, DFARS PGI Case 2009-P003 added clause-like numbers to the instructions to enable transmission as data.

There has been some confusion about the placement of these numbered instructions in Part 204 instead of Part 252 and whether they should be included in clause logic in the contract writing systems. Please ensure that those personnel managing contract writing systems are aware that these numbered instructions should be included in the clause logic.

My point of contact for this matter is Bruce Propert, Bruce.Propert@osd.mil or 703-602-8032.

Shay D. Assad
Director, Defense Procurement
and Acquisition Policy