
Procure-to-Pay Capability Summary

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SUBJECT: DoDAAC Purpose Code Flags

BACKGROUND: The Activity Address Code (AAC) is used by the Federal Government to uniquely identify a unit, activity, or organization and serves as the single authoritative source of identification, routing, and address information for authorized users. The Defense Logistics Agency (DLA) maintains the authoritative list of all the Department of Defense's (DoD's) AACs in the DoD Activity Address Directory (DoDAAD). AACs have long been used in the DoD for logistics functions such as shipping goods between activities. More recently, the Federal Acquisition Regulation (FAR) 4.605 was updated to require that contracting offices across the government be identified by AACs. The DATA Act also requires that contracts reported to the Federal Procurement Data System (FPDS) identify their procurement and funding offices using an AAC. Further, contractors may be assigned AACs to perform certain duties under their contract. To capture these expanding functions for the AAC, DPC collaborated with DLA's Defense Enterprise Data Standards Office (DEDSO) to add Purpose Codes as data elements in the AAC record, indicating what authorities (e.g. Procurement) that office carries.

POLICY: Defense Logistics Manual (DLM) 4000.25 Volume 6, Chapter 2, was updated to define the Purpose Codes and the business rules by which they can be assigned to an AAC record.

DATA STANDARDS: There are six purpose codes: Procurement Office, Grants Office, Funding Office, Contract Administration Office, Payment Office, and Contractor. The status indicator of the flag designates the different authorities the office may hold. Each Purpose Code can be set to Yes, No, or Null, with Null being the default.

INFORMATION TECHNOLOGY INFRASTRUCTURE: DPC collaborated with DEDSO to add new Purpose Code fields to the AAC record in the DoDAAD. Five of the six Purpose Codes are represented in the DoDAAD (all but Payment Office). The Procurement Integrated Enterprise Award Environment (PIEE) added the ability to update and display all six Purpose Codes in its Purpose Code Management (PCM) module. DPC also implemented a new validation on each new contract action via its Procurement Data Standard (PDS) edits¹, to ensure that issuing offices on contract actions are valid procurement offices.

IMPACT: Properly identifying the authorities of activities throughout the DoD is essential to ensuring compliance with Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) requirements governing the authority to obligate public funds, and fulfilling DATA Act mandates requiring that DoD be able to match contracting offices' obligations with associated expenditures. This effort will help ensure greater data integrity, as any offices that are incorrectly issuing CARs and/or awarding contracts can now be readily identified and corrected.

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¹ For more information on the PDS and its business rule validations, see the PDS Business Rules document at: <https://www.acq.osd.mil/asda/dpc/ce/ds/procurement-data-standard.html>