

Procure-to-Pay Capability Summary

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SUBJECT: PIEE Automated Closeout

Each year, the Department of Defense (DoD) has approximately 4 million contract actions eligible for closeout. Of these, 3.8 million are firm fixed price and do not exceed \$500,000. While the Mechanization of Contract Actions System (MOCAS) has automatically closed certain simple DCMA-administered contracts for decades, the Director, Defense Pricing & Contracting (DPC), recognized the value in expanding this capability beyond contracts administered by the Defense Contract Management Agency (DCMA). In order to reduce labor-intensive contract closeout processes, DPC established the policy, data standards, and information technology (IT) infrastructure to expand performance of automated closeout across the Department.

POLICY: DPC collaborated with the Contract Closeout Working Group to clarify the circumstances under which contracts could be automatically closed. In September 2015, DPC codified the results of this analysis in DFARS PGI 204.804-3. At the same time, DPC also clarified the acceptable data standards for transmitting these closeout notifications between systems.

DATA STANDARDS: DPC analyzed the American National Standards Institute (ANSI) X12 transaction data standard used to communicate closeout notices between systems. In collaboration with the Defense Logistics Management Standards Office (DLMSO), DPC implemented updates to the 567C transaction set to carry the additional information generated when automatically closing out contracts.

INFORMATION TECHNOLOGY INFRASTRUCTURE: To facilitate automated closeout, DPC identified an enterprise tool capable of aggregating pertinent data, identifying eligible contracts based on this data, performing closeout, and routing the closeout notices to interested systems. The Procurement Integrated Enterprise Environment (PIEE), formerly Wide Area WorkFlow (WAWF), was identified as the platform on which an enterprise module would be created. The PIEE automated closeout module was designed and fielded by the Procure-to-Pay Process Advocates' Working Group (P2PPAWG) governance body. This tool now combines contract data (sent in a particularly data-rich format, called the "[Procurement Data Standard](#)") with the associated invoice data from the PIEE iRAPT module to identify contracts that are physically complete and have a final invoice. Based on business rules, this module enables automatically closing those contracts that meet the criteria defined DFARS PGI 204.804-3.

IMPACT: Since the publishing of the automated closeout policy at 204.804-3, DLA has implemented automated closeout in their Enterprise Business System (EBS) auto-closing approximately of 3 million contracts annually. PIEE Automated Contract Closeout has generated over approximately 50 thousand automated closeouts annually. And MOCAS continues to generate approximately 10 thousand auto-closeouts annually. Across these three systems, a cost avoidance of over \$50 million is enjoyed by the DoD each year.

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