
Procure-to-Pay Capability Summary

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SUBJECT: Procurement Hierarchy

Consistently identifying procurement offices within their overall organizational structure is important for reporting of contract actions and other awards, for comparative analysis, and for role assignments within various systems. Over the years, different systems have developed different hierarchies, hampering reporting and analysis. Defense Pricing & Contracting (DPC), formerly Defense Procurement and Acquisition Policy (DPAP), has corrected this issue by creating a Department of Defense standardized hierarchy and publishing it in the Procurement Integrated Enterprise Environment (PIEE) in 2018. To do this, DPC leveraged the Federal Procurement Data System (FPDS) and PIEE hierarchies and then solicited input from the DoD Components to create a single, standardized hierarchy that portrays the organization from a procurement perspective, but which also considers finance and logistics equities.

POLICY: The Procurement hierarchy supports the implementation of the Federal Funding Accountability and Transparency Act and the DATA Act by providing a standard organizational structure against which contract actions can be reported.

DATA STANDARDS: The hierarchy uses the Department of Defense Activity Address Code (DoDAAC) as the unique identifier for an organization. The hierarchy has up to seven levels in which DoDAACs are collected into groups. Level 1 is the DoD. Level 2 is the services and agencies (e.g. Army, Defense Logistics Agency (DLA), or Defense Contract Management Agency (DCMA)).

- For the military services, DLA, DCMA, and OSD, Level 3 is the Major Commands. Levels 1-3 are managed by OSD and are read-only to the agencies. Levels 4-7 are managed by these components to the depth needed. The lowest level is always the DoDAAC.
- For the other Defense agencies, Level 3 is the DoDAAC, and therefore the lowest level. Levels 1-2 are managed by OSD and are read-only to the agencies.

Procurement office DoDAAC records are also identified in PIEE by the presence of a “Procurement Purpose Code” or flag that is set to “Yes” to indicate that that office has procurement authority. The hierarchy is DoD-only, but the civilian agencies have followed the same structure for their Level 1 and 2 hierarchy.

SYSTEMS: The hierarchy is managed at PIEE and is available for other systems via interface. This hierarchy should be used outside of PIEE for any system that requires a consistent DoD procurement hierarchy. The intention is that the hierarchy in PIEE will be kept in sync with all Integrated Award Environment systems, including FPDS and the System for Award Management. This is being done manually today, but will be automated in the future.

IMPACT: A standard hierarchy promotes system design efficiency, enables more accurate reporting of procurement actions, enables better comparative analysis of actions, and allows easier assignment of roles in procurement support systems.

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PAGE 1 OF 1