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# Procure-to-Pay Capability Summary

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PUBLICATION DATE: January 15, 2020

**SUBJECT:** Procurement Administrative Lead Time Tool

**POLICY:** Proper tracking of acquisition lead time, which comprises administrative lead time (the time required to award a contract) and production lead time (the time for the contractor to deliver an item) is necessary to effectively sustain the Department of Defense's (DoD's) supply chain. Overstated lead times can cause unnecessary inventory investment, while understated lead times can cause material shortages and reduced readiness. As far back as 1990, the Government Accountability Office has noted that DoD lead times were excessive, and recommended changes to reduce lead time.

Section 886 of the National Defense Authorization Act of 2018 carried a requirement to measure and publicly report on Procurement Administrative Lead Time (PALT) for DoD contracts and task orders above the simplified acquisition threshold. PALT is defined in the legislation as the amount of time from the date on which a solicitation is issued to the date of an initial award of the contract or task order. The Defense Federal Acquisition Regulation Supplement – Procedures, Guidance, and Information (DFARS-PGI) 204.70 was updated in January 2020 to reflect the requirement.

Pursuant to this strategy, the Director, Defense Pricing and Contracting (DPC), under governance of the DoD Procurement Business Operations Requirements Group, launched the PALT Tracker application in February 2019 within the Procurement Integrated Enterprise Environment (PIEE) suite. DPC released a memo in February of 2019 introducing the new application and requiring its use for new contracts, orders, and modification actions with a value of \$250M or greater. The system is intended to capture PALT for both non-competitive and competitive procurements.

**IT INFRASTRUCTURE:** The PALT Tracker is accessed through PIEE Single Sign On service. This module allows users to enter the estimated and actual dates of PALT milestones, as well as requirements milestones that occur prior to the issuance of a solicitation. It will present updates on which milestones are targeted and when each is achieved for a program and will provide a dashboard for DoD senior leadership to compare PALT timelines across programs. Application Programming Interfaces (APIs) were deployed in March 2019, allowing component systems that already capture PALT data to interface directly with the tool.

**IMPACT:** Use of the PALT Tracker provides visibility into PALT and Pre-PALT timelines across the Department's Major Defense Acquisition Programs (MDAPs), Major Automated Information System (MAIS), and other high-value programs. This visibility will enable leadership to target policy updates based on data.

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