
Procure-to-Pay Capability Summary

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SUBJECT: Electronic Data Interchange in DoD

BACKGROUND:

Procure-to-Pay data quality and transparency rely on standard, accessible, and accurate data. The Department of Defense (DoD) uses Electronic Data Interchange (EDI) standards to accomplish these goals. EDI transactions are system-agnostic and used across functional communities to provide a data format for different electronic transactions used in the procure-to-pay process, such as contracts, shipping notices, or invoices. The standards are based on the American National Standards Institute/Accredited Standards Committee X12 (ANSI ASC X12) standards and identify the correct order, location, and format of the data in the EDI transaction. The standards have different Implementation Conventions (ICs) which are human-readable guidelines on the specific information sent and how it should be used in business scenarios.

POLICY: Federal Acquisition Regulations Section 53.105 requires that contract forms be computer generated in either EDI or a format that can be translated to EDI. Defense Federal Acquisition Regulations Supplement Procedures, Guidance, and Information (DFARS PGI) 204.201 requires that contracts and modifications be sent in either EDI (ANSI X12) or the Procurement Data Standard (PDS).

INFORMATION TECHNOLOGY INFRASTRUCTURE: EDI transactions are intended to be used when exchanging data between two systems. Systems have been programmed to translate natively-formatted data to the relevant EDI standard, depending on the type of transaction. EDI can be transmitted using any methodology agreed to by the sender and recipient. Standardized protocols have emerged, to include Secure File Transfer Protocol (SFTP) or Hypertext Transfer Protocol (HTTP). DoD EDI transactions are routed via the Defense Logistics Agency's Global EXchange (GEX) to the target system.

DATA STANDARDS: ASC X12, chartered by the American National Standards Institute in 1979, develops and maintains the X12 EDI standards which drive business processes globally. For the procurement community, the X12 DoD ICs as published by the ASC X12 Committee for DoD Vendors and Government usage can be found here: <https://dodprocurementtoolbox.com/site-pages/ebusiness-data-standards-edi>. The logistics EDI standards can be found here: https://www.dla.mil/HQ/InformationOperations/DLMS/elibrary/Transformats/140_997/.

IMPACT: Use of EDI transactions improves visibility of procure-to-pay data, and has enabled system owners to improve data integrity. The data has enabled the creation of more accurate and comprehensive business intelligence, allowing senior DoD leadership to make better informed business decisions.

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