



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

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MEMORANDUM FOR DIRECTORS DEFENSE AGENCIES
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(POLICY AND PROCUREMENT), ASA(ALT)
DIRECTOR, ARMY CONTRACTING AGENCY
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION MANAGEMENT), ASN(RDA)
DEPUTY ASSISTANT SECRETARY OF THE AIR
FORCE (CONTRACTING), SAF/AQC
DIRECTOR DEFENSE CONTRACT MANAGEMENT
AGENCY
DEPUTY DIRECTOR FOR LOGISTICS
OPERATIONS (DLA)

SUBJECT: Contract Numbering

In order to clarify policy issues that are being raised as part of the Department's transition to the Federal Procurement Data System – Next Generation (FPDS-NG), I want to address the issue of DoD contract numbering. Specifically, the identification of the 7th and 8th positions of any contract number must be accomplished in a standard way to ensure consistency among the various DoD contract writing and administration systems. This is key in order to program effective data edit validations in FPDS-NG and develop consistent, accurate reports across the Department's procurement data, specifically implementation of the Federal Financial Accountability and Transparency Act (FFATA).

Defense Federal Acquisition Regulation Supplement (DFARS) 204.7003(a)(2) states that the seventh and eighth positions are the last two digits of the fiscal year in which the Procurement Instrument Identifier (PII) was assigned. Consistent with previously provided policy (DPAP October 3, 2006 memorandum), assignment of contract number has been determined to occur in the fiscal year when the procurement instrument is signed / awarded. For a bilateral instrument, this is the later of the dates signed by the contractor or the contracting officer. For a unilateral transaction, this is the date signed by the contracting officer. Three examples are provided:

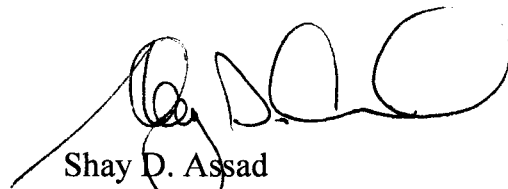
- A contract is signed / awarded on September 27, 2007. This instrument would identify "07" as the 7th and 8th positions of the contract number, regardless of the effective date of the contract, the start of actual



performance, or if it is being awarded subject to the availability of funds. It would be reported as such to FPDS-NG at this time. If awarded subject to the availability of funds, the subsequent obligation of funds would appropriately occur in a modification action to the base contract vehicle and be reported as a modification to FPDS-NG.

- A contract is signed / awarded on October 2, 2007. This instrument would identify "08" as the 7th and 8th positions of the contract number, regardless of the fact that many pre-award actions likely occurred in the previous fiscal year (FY07).
- A bilateral contract is signed by the contractor on September 28, 2007, but not signed by the government contracting officer until October 2, 2007. This instrument would identify "08" as the 7th and 8th positions of the contract number since the contract was not created nor binding until the second signature was obtained in FY08.

Although most of the Department is already following this direction, it is very important the remainder begin to do so immediately. A change to the DFARS is in process to ensure this requirement is clear. I appreciate that this is a change in practice for some organizations, and may require contract system changes as well. However, adherence to the above requirement is an essential part of our efforts to improve the overall consistency and accuracy of our data. Until such time as these changes are enacted, reporting contract actions to FPDS-NG will continue to require manual intervention that may cause increased data integrity issues. My action officer for this effort and FPDS-NG is Lisa Romney, 703-607-3542, lisa.romney@osd.mil.



Shay D. Assad
Director, Defense Procurement &
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