MEMORANDUM FOR COMMANDER, UNITED STATES CYBER
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS

SUBJECT: Required and Recommended Use of eBusiness Tools When Awarding and Administering Other Transactions

An Other Transaction (OT) agreement awarded under authority of sections 4021, 4022, or 4023 of title 10, United States Code, provides a flexible acquisition vehicle to fulfill various DoD mission requirements. While it is important we maintain flexibility inherent in these authorities, certain transparency, fiduciary, and fiscal requirements must be met with all contracts, including OTs. Existing federal-wide and DoD enterprise eBusiness tools/capabilities are either: 1) designated in statute as required for specific purposes; 2) determined by DoD policy as the means by which certain Department business processes will be performed to achieve efficiency and financial auditability; or 3) recommended as a best practice given their use of enterprise standards and business rules.

Appendix A of this memorandum outlines the required federal and DoD enterprise tools for processing and reporting on OT agreements. It also outlines recommended tools when existing applications for these processes are not already in use. Defense Pricing and Contracting intends to address these requirements in forthcoming updates to title 32 of the Code of Federal Regulations (CFR) and the DoD OT Guide. In the meantime, to fulfill statutory requirements, DoD Components must use the mandatory tools described herein, and consider using the recommended tools.

My points of contact for this effort are Mr. Bruce Propert, at 703-697-4384 or david.b.propert2.civ@mail.mil and Mr. Larry McLaury at 703-697-6710 or larry.j.mclaury2.civ@mail.mil.

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Attachment:
As stated
APPENDIX A

Required and Recommended eBusiness Tools

This appendix provides a list of required and recommended eBusiness tools available for use with Other Transaction (OT) agreements. It includes a description of the capability for each and the justification for its use, including derivative sources in statute, regulations, policies, and recommendations from Government Accountability Office (GAO) and DoD Inspector General audits (e.g. GAO-21-501 and DODIG-2021-077).

Overarching Policy Considerations

P.L. 107-347 – eGovernment Act of 2002 – establishes an Office of eGovernment at the Office of Management and Budget, and sets out tenets for the establishment of electronic tools for the government to use. Tenets include:

1. Interagency cooperation in the development of Internet-based services, and integrating these services and tools by function where possible.
2. Promotion of Internet-based tools to increase citizen participation in government.
3. Maximizing use of Internet-based tools to make the Federal Government more transparent and accountable.

Use of existing enterprise eBusiness tools supports these tenets.

1. Federal Procurement Data System - REQUIRED

The Federal Procurement Data System (FPDS) is a centralized web-based tool used by the federal government’s executive agencies to report and maintain publicly available information about all unclassified contract actions exceeding the micro-purchase threshold, and any modifications to those actions that change previously reported contract action report data, regardless of dollar value. Contracting organizations are required to create contract action reports within 3 days of award. FPDS reporting is required for OTs for Prototypes and/or Follow-On Production contracts or OTs issued under 10 USC 4022. OTs for research issued under 10 USC 4021 are required to be reported to the Financial Assistance Award Data Collection (FAADC) tool.

Procurement for experimental purpose under 10 USC 4023 does not create a new type of award. Users should follow the policies for the type of award being issued for experimental purpose. The authority for experimental actions could result in a Federal Acquisition Regulation (FAR)-based contract, other transaction (prototype), other transaction (research), or even a grant/cooperative agreement. Users should follow the policy rules applicable to the instrument they choose to award.

Requirement for Government Other Transactions Agreement Officers:

1. Report each OT for Prototypes or Follow-on Production new award and any subsequent modifications in the Other Transaction module in FPDS within three (3) business days of the action being awarded.
2. Report each Other Transaction for Research and any subsequent amendments in the FAADC module in FPDS within three (3) business days of the action being awarded.
3. Report each Procurement for Experimental Purpose following the policies for the type of award being issued as described above.

Further Information:
FPDS can be accessed at: https://www.fpds.gov/fpdsng_cms/index.php/en/. Details on reporting procedures will be issued as a separate memo.

2. System for Award Management Entity Information/Reporting - REQUIRED

The System for Award Management (SAM) is a centralized web-based tool used by the federal government’s executive agencies as the authoritative source for federal awardee data. SAM’s Entity Information module maintains annually self-reported entity information including address and contact information, banking information, and representations and certifications. This supports various reporting requirements, supports proper payment of awardees, and can be used as a market intelligence research tool. Companies and other organizations who are awardees for OT agreements must register in SAM for the purpose of “All Awards” and maintain an Active registration status.

In the case of consortia, the consortium itself as a prime awardee must be fully registered for All Awards. Additionally, each consortium member must obtain a Unique Entity Identifier (UEI) from SAM and provide it to the government for reporting the primary consortium member performing any orders underneath the OT agreement. Consortium members that are separately and already registered in SAM should use the UEI assigned to that registration. Consortium members that are not separately registered in SAM may request a UEI be established at the SAM website (https://sam.gov) without the need for a complete registration. (Note – if the consortium member needs a Commercial and Government Entity (CAGE) code to be assigned to process Government Furnished Property transfers or have facility clearances accomplished, a full SAM registration is required.)

Laws, Regulations, or Policies: SAM is the method by which the federal government collects electronic funds transfer (EFT) data and Taxpayer ID number (TIN); that enables the Department to enforce the Debt Collection Improvement Act 31 USC 7701 which requires debt withholds and 31 USC 3332 which requires payment via EFT. The DoD Financial Management Regulation reinforces these requirements in Volume 16, Chapter 1 and Volume 5, Chapter 24 respectively. Further, 26 USC 6050M requires the head of every Federal executive agency which enters into any contract to “make a return… setting forth the name, address, and TIN of each person with which such agency entered into a contract during the calendar year.” Finally, registration in SAM provides the contractors with unique entity identifier which is used to support transparency of contracting information as required by the FFATA and DATA Act and reporting to FPDS.
Additionally, Section 825 of the NDAA for FY 2022, (P.L. 117-81) requires the Department to establish reporting procedures for consortium members performing on individual projects under Other Transactions agreements; which necessitates the consortium members obtaining UEIs.

**Requirement for Government Other Transactions Agreement Officers:**
1. Include terms in the OT award that require the awardee to maintain an active registration for ‘All Awards’ in SAM throughout the life of the OT award. Components are encouraged to use a term substantially the same as the one found at FAR Clause 52.204-7.
2. Before modifying the OT award to extend its period of performance (including pre-negotiated options to extend), confirm that the OT awardee has an active SAM registration for All Awards.
3. Include terms in the OT award to a Consortium that requires all of its member organizations to obtain and maintain UEIs for the purposes of statutory reporting requirements.
4. Report the UEI of consortium members performing on individual orders under OT agreements in the FPDS OT module.

**Further Information:**
SAM can be accessed at [https://sam.gov/content/home](https://sam.gov/content/home). Users must create a Login.gov account for access, then establish an Entity Management record.

**3. Government-Furnished Property Module - REQUIRED**

The Government-Furnished Property (GFP) Module, hosted within the DoD’s Procurement Integrated Enterprise Environment (PIEE), is an application that supports management and control of government property in the hands of contractors, promoting visibility of the government property throughout its lifecycle from initial authorization, through provisioning, to updates, returns, and disposal. The GFP Module is integrated with Component Accountable Property Systems of Record and contractor property management systems to enable accountability in compliance with the FMR. Use of the GFP Module and the Component’s accountable property system is required when the government provides property to an OT awardee for performance of that OT. This includes, but is not limited to, spares and property furnished for repair, maintenance, overhaul, or modification. Reliance on performer GFP systems is not sufficient for the government to properly track its property and does not comply with Financial Improvement and Audit Readiness (FIAR) guidance.

**Laws, Regulations, or Policies:** DoD Instruction (DoDI) 5000.64 requires DoD Components to establish and maintain accountability for Government property furnished to, or acquired by, contractors and third parties. DoDI 4161.02 requires this property to be tracked with electronic means; an update to this DoDI is in process that will specifically require the use of the GFP Module. An integrated GFP management ecosystem is necessary to effectively comply with these policies.

**Requirement for Government Other Transactions Agreement Officers:**
1. Include terms in the Other Transaction award, when government property will be provided (as described above) that require the Other Transaction awardee to use the GFP Module in PIEE to report the following transactions when they occur:
   a. Receipt of GFP
b. Property loss
c. Plant clearance

Components are encouraged to use a term(s) substantially the same as those found at FAR Clause 52.245-1 and Defense FAR Supplement (DFARS) Clauses 252.245-7001 through -7004 and 252.211-7007.

2. Create and approve GFP Attachments within the GFP Module
3. Use the GFP Module for tracking shipping of GFP

Further Information:
The GFP Module can be accessed at https://piee.eb.mil/.

4. Wide Area Workflow – REQUIRED

Wide Area Workflow (WAWF), hosted within PIEE, is the DoD enterprise system for processing invoices and receiving reports. It utilizes a standards-based architecture to support the statutory requirements to receive and process invoices and supporting documents electronically. Agreements Officers (AOs) shall use WAWF to document the receipt and acceptance of any goods or services provided under an Other Transaction. WAWF may be used to facilitate payments as well.

Laws, Regulations, or Policies:
10 USC 2227, Electronic Invoicing, states that the Secretary of Defense shall require that any claim for payment under a DoD contract and agreement shall be submitted to the DoD in electronic form. Use of WAWF also supports the Prompt Payment Act 31 USC 39, and its implementation at 5 CFR 1315 by allowing determination of the date of invoice receipt and facilitating payment to the performers.

Requirement for Government Other Transactions Agreement Officers:

1. Include in the OT award the requirement for and instructions on how to use WAWF. Components are encouraged to use a term(s) substantially the same as those found at DFARS 252.232-7003 and 252.232-7006.
2. Ensure that the language of the OT designates which activity is going to perform the acceptance and approval processes. Individuals performing these roles within that activity must establish a WAWF account with the appropriate role(s) for receipt, acceptance, and payment of invoices.
3. Use WAWF for receiving and approving payment requests and for collecting and accepting evidence of performance except for classified transactions and when a purchase card is being used for payment.

Further Information:
WAWF can be accessed at https://piee.eb.mil/.

5. Electronic Data Access - REQUIRED

Electronic Data Access (EDA) is a web-based repository that captures and stores contract
documents and data in a variety of data standard formats. All contract documents, and OTs, must be sent to EDA to meet government record-keeping requirements.

**Laws, Regulations, or Policies:**
44 USC Title 44 requires the government to keep records of important documents, including contracts, for historical purposes. The Electronic Freedom of Information Act Amendments (5 U.S.C. 552(a)(2)(D)), among other laws, established a requirement to keep these records electronically.

**Requirement for Government Other Transactions Agreement Officers:**
- Ensure the agreement and all modifications are posted to EDA. This is sufficient to ensure the required distribution to payment office and contract administration offices.

6. **Purpose Code Module – REQUIRED**

The Purpose Code Management (PCM) Module within PIEE is the Department’s authoritative source for identifying certain authorities assigned to DoD activities. The activities, or offices, are identified by DoD Activity Address Codes (DoDAACs) assigned in the DoD Activity Addressing Database, and their authorities are identified by a set of purpose code indicators (also called “flags”) on the DoDAAC records. These flags are set within the PCM Module. This data is then sent to the Federal Integrated Award Environment to assist with FPDS reporting, among other uses. Offices that issue, administer, or pay on OTs must have the corresponding flag (Procurement, Contract Administration, and Payment Office flags, respectively) set to YES on their DoDAAC record in the PCM Module.

**Laws, Regulations, or Policies:**
This capability supports FPDS OT reporting as required by the FFATA, the subsequent Digital Accountability and Transparency Act (P.L. 113-101), and Section 874 of the NDAA for FY 2009 (P.L.110-417).

**Requirement for Components:**
- Establish a PIEE account with the appropriate role(s) for PCM Purpose Code Manager. This can be done centrally or can be distributed.
- Ensure that the DoDAACs that are involved with issuing, administering, or paying the Other Transaction Agreement have the appropriate flags set in PCM.

7. **System for Award Management Contract Opportunities - RECOMMENDED**

SAM’s Contract Opportunities module is a government-wide source for solicitations and other pre-award notices to alert vendors to potential FAR-based contracting opportunities. Contract Opportunities was created to support the statutory requirement to provide one “Government-wide Point of Entry” (GPE) as a single vendor-facing site for opportunities to ensure fairness in contracting competitions. While FAR Part 5 requiring use of SAM for posting opportunity notices does not apply to OTs, it is recommended as a best practice for AOs to include a Contract Opportunities posting as a means to reach the maximum number of vendors in addition to other market research methods used. If a solicitation for a requirement, such as
a broad agency announcement (BAA), could result in either an OT or FAR-based contract, then SAM Contract Opportunities should be used in addition to other solicitation mechanisms.

Laws, Regulations, or Policies:
FAR 5.102 requires solicitations to be made through the “Government-wide Point of Entry” (GPE) which today is SAM’s Contracting Opportunities.

Further Information:
SAM can be accessed at https://sam.gov/content/home. Users must create a Login.gov account for access, then establish a Contract Opportunities record.

8. Solicitation Portal - AVAILABLE

The Solicitation Portal, hosted within the DoD’s PIEE, is a vendor-facing portal which provides an automated and secure process for posting solicitations and attachments and receiving responses from industry. The portal enables the posting of solicitations to either a widespread or restricted audience, including restricting access by attachment, and includes the ability to post draft and final solicitations and amendments. The module provides an audit trail, allows for two-way secure communication with potential awardees, and also enables unlimited attachments to be included. If Components do not already have available another suitable method of sending solicitations or receiving proposals, this is an available tool. Note that the Solicitation Portal enforces procurement instrument identifier (PIID) numbering rules identified in the FAR and DFARS. If OT awarding offices are establishing their solicitation PIIDs using these rules (e.g., a 13-character PIID with a “B”, “Q”, “R”, “S”, “T”, or “U” in the 9th position); then the Solicitation Portal can be used.

Laws, Regulations, or Policies:
The Solicitation Portal is not required by policy. However, it does provide a centralized location for sharing solicitations with industry and receiving proposals using standard data.

Further Information:
The Solicitation Portal can be accessed at https://piee.eb.mil/.