



OFFICE OF THE UNDER SECRETARY OF DEFENSE

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ACQUISITION
AND SUSTAINMENT

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: Procedures for Management of Contracts When Functions Are Transferred Between Organizations

Transferring contracts from one procurement office to another within the Department of Defense (DoD) impacts the administration and payment of any contracts issued by or supporting those offices. As it is critical to mitigate these impacts, contracting officers transferring contracts to other procurement offices (represented by a different Department of Defense Activity Address Code (DoDAAC)) shall address each of the below bullets as part of such transfers to ensure smooth continuance of contractor performance and payment for that performance.

1. Complete closeout of any contracts eligible to be closed in accordance with Federal Acquisition Regulation (FAR) 4.804 and Defense FAR Supplement (DFARS) 204.804, in order to minimize the workload involved in a transfer and potential for errors induced by loading contracts into new systems.
2. Consider issuing a continued contract in accordance with DFARS 204.1601(c) and following the procedures in DFARS Procedures, Guidance, and Information (PGI) 204.1601(c) for contracts with significant completed work and significant remaining work; especially when the payment office identified on the contract will be changing due to movement of the financial record into a different account system. This is done to enable reconciliation of funds in the accounting system and closeout of the completed portion.
3. Issue a contract modification on open contracts that will be transferred to change any of the below that are applicable. Note these occur in different sections of the contract, and should be addressed in those sections and also in DFARS clause 252.232-7006, Wide Area Workflow Payment Instructions, as appropriate.

- a. 'Issued By' Office DoDAAC.
 - b. 'Ship to' DoDAAC and 'Mark for' DoDAAC if the destination is affected by the transfer.
 - c. Acceptance DoDAAC, if the acceptor's office is affected by the transfer.
 - d. Payment Office DoDAAC if the funds are being moved to a new system and entitlement processes will not remain in the old system (see also continued contracts, discussed above).
 - e. Note that issuance of a modification by the new office does not suffice to change the issuing office. The modification must state the office is being changed from the old office to the new office.
4. Update the Surveillance and Performance Monitoring (SPM) and the Joint Appointment Module (JAM) within Procurement Integrated Enterprise Environment (PIEE) if a Contracting Officer Representative(s) has (have) been assigned to the contract (Attachment 1).
 5. Only for contracts being transferred outside DoD (e.g., to the Department of Interior), report the modification transferring the contract to the Federal Procurement Data System (FPDS) using the 'Transfer Action' value in the 'Reason for Modification' data element. Do NOT use this data value when transferring the contract within DoD (see DFARS PGI 204.606(4)(iv)).

Defense Pricing and Contracting plans to initiate a case to incorporate these requirements in the DFARS PGI. These actions do not apply to the delegation of contract administration to a Contract Administration Office; see FAR part 42 and DFARS part 242 for these procedures. My point of contact is Mr. Bruce Propert, at david.b.propert2@mail.mil or 703-697-4384. For questions regarding SPM and JAM, my point of contact is Ms. Mae Bartley, at mae.k.bartley@mail.mil or 703-697-4420.

John M. Tenaglia
Principal Director,
Defense Pricing and Contracting

Attachment:
As stated

Instructions for Updating the SPM and JAM in the PIEE

The following steps are provided for updating the Contracting Officer Representative (COR) appointment in PIEE for contracts being transferred from one procuring office to another procuring office (as identified by a different DoDAAC).

For the purpose of these instructions, the following terms are used:

- Transferring Office – The procuring contracting office transferring the contract and/or COR appointment to a new procuring office.
- Gaining Office – The procuring office receiving the transferred contract vehicle and/or COR appointment.

Step 1: Ensure there is a user registered in PIEE with either the Contracting Officer (CO) or Contract Specialist (CS) role associated with the DoDAAC for the Transferring Office and another user registered in PIEE with either the CO or CS role associated with the DoDAAC for the Gaining Office. These roles must be in an “**active**” status for both users in PIEE before documenting the transfer in SPM. This can be the same user if the user will also be moving to the Gaining Office; but that user would need to have the CO or CS role associated with both the Transferring and Gaining Office DoDAAC.

Step 2: The CO/CS at the Transferring Office DoDAAC follows the below steps to transfer the COR appointment to be linked to the CO/CS at the Gaining Office DoDAAC.

1. The CO/CS logs into PIEE and enters the SPM Module.
2. Select the COR Surveillance and Oversight menu.
3. Search for the COR’s Appointment.
4. Open the Contracting Information section on the appointment and click “Edit.”
5. The CO/CS at the Transferring Office DoDAAC types in the new Gaining Office’s DoDAAC (*the agency name will change to that of the Gaining Office’s DoDAAC*).
6. A list of all the COs and CSs registered at the DoDAAC for the Gaining Office will be available in the drop-down menu.
7. Select the name as the CO or CS in the Gaining Office that will be associated with the COR appointment. Note: the CO and CS need to have an active role at the Gaining Office DoDAAC.
8. Click the Save button and exit the appointment. (Note: The COR Designation Letter itself will not be updated in JAM or SPM, but the change will be saved.)

Step 3: Once all the appointment transfers are complete, the user at the Gaining Office shall update the CO and CS role for appointments transferred by the Transferring Office as needed.

Step 4: The user roles in PIEE for the CO/CS at the Transferring Office should be set to an “inactive status” once all efforts in PIEE are completed.

Contracting Officer's Representative's Role and Process

If the COR's 'home' DoDAAC also changes as a result of the contract transfer (e.g., in a significant reorganization that affects more than the contracting office), the COR needs to update PIEE for both the COR's Home DoDAAC in User Role through the PIEE registration process.

Note that CORs can have only one COR role at one DoDAAC location at a time in their PIEE profile; and the COR's role DoDAAC places the COR into the PIEE Hierarchy. The COR's role DoDAAC will not affect the COR's current appointment or the ability of the COR to self-nominate on an issuing office DoDAAC different from their COR's role DoDAAC.