



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: Mandatory Use of Procurement Data Standard Punch-Out Capability with
Procurement Desktop-Defense Application

REFERENCE: (a) Under Secretary of Defense for Acquisition and Sustainment memorandum,
“Status of Procurement Desktop-Defense Technology Sunset Date,” dated
September 28, 2023

As stated in Reference (a), the Procurement Desktop-Defense (PD2) contract writing system is expected to sunset before the end of FY 2026. Success in sunsetting PD2 across the entire Department of Defense will in large part hinge on migrating high quality Procurement Data Standard (PDS) contract data from PD2 to a next-generation contract writing system.

While it is incumbent upon the contracting officer to ensure contracts meet statutory and regulatory requirements, the PDS Mandatory Punch-out capability is intended to assist contracting officers in effectively and efficiently pinpointing and addressing problem areas while drafting contract documents. Introduced on August 17, 2022, with PD2 Service Release (SR) 18, the PDS Mandatory Punch-out capability requires contracting officers to perform PDS data validation prior to awarding/releasing a contract award or modification. This validation process provides contracting officers with PDS error messages so they can address contract quality issues. Certain error messages will prevent contracting officers from awarding/releasing a contract award or modification until rectified.

Since the Army Acquisition, Logistics, and Technology Enterprise Systems and Services (ALTESS) PD2 Server Site implemented PDS Mandatory Punch-out in early FY 2023, its award pass rates have consistently been reported at 98% or higher. Other PD2 sites implementing PDS Mandatory Punch-out have achieved a similar degree of success. Replication across the Department is key to achieving the 100 percent compliance threshold needed to migrate from PD2 to a next-generation contract writing system.

All PD2 sites shall install and configure the PDS Mandatory Punch-out capability before December 31, 2023, to increase contract quality and the probability of data migration success. PD2 sites will be required to report implementation status and share challenges/lessons learned at Defense Pricing and Contracting's monthly PDS In-Process Reviews.

My point of contact for this memorandum is Mr. Jay Olson, at osd.pentagon.ousd-a-s.mbx.dpc-cb@mail.mil.

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