



DEPARTMENT OF DEFENSE
Defense Contract Management Agency

IMMEDIATE POLICY CHANGE

Contract Modifications

Contracts Directorate
OPR: DCMA-AQ

DCMA-INST 103 (IPC-1)
February 29, 2016

1. POLICY. This Immediate Policy Change (IPC) implements changes to DCMA-INST 103, “Contract Modifications,” May 13, 2013.

2. PURPOSE. This IPC revises procedures, assigns responsibilities for global modifications to Functional Information Resource Management Specialists, and inserts instruction for government contract property transfers.

3. APPLICABILITY. This IPC applies to all DCMA activities that prepare, manage, review, validate, approve, and use DCMA policies.

4. DEFENSE AGENCIES INITIATIVE (DAI) CODE: *Use DAI code related to the reason for the modification.*

a. Process DAI Process Code examples:

D2200 - Contract Deficiency Reports, Mods, General Data Integrity

D2000 - Receive and Review Workload

D2100 - Workload Acceptance Decisions

b. Agency Code examples (when applicable):

AR04 - Aviation and Missile Command

DD11 - Defense Logistics Agency

DD13 - Defense Logistics Agency Aviation

5. NEW GUIDANCE.

a. Change references (a) through (z) to read:

(a) DCMA-INST 103, “Contract Modifications” ~~September 21, 2012 (hereby reissued)~~
May 13, 2014 (hereby revised)

(b) DoD Directive 5105.64, “Defense Contract Management Agency (DCMA),”
January 10, 2013

(c) DCMA-INST 710, “Managers’ Internal Control Program,” April 21, 2014

~~(d) DCMA Class Deviation from FAR 4.6, Contract Reporting, March 10, 2014~~

- (e) FAR 4.6, Contract Reporting
- (f) FAR 52.219-28, Post-Award Small Business Program Rerepresentation
- (g) DFARS PGI 204.270, Electronic Document Access
- ~~(h) FAR 43.103, Types of Contract Modifications, paragraph (a)~~
- ~~(i) FAR 43.103, Types of Contract Modifications, paragraph (b)~~
- (j) DFARS 204.7004, Supplementary PII numbers
- (k) DFARS 204.7004, Supplementary PII numbers, paragraph (c)
- (l) DFARS 204.7004, Supplementary PII numbers, paragraph (e)
- (m) DPAP “Modification Guide” July 2007
- (n) DCMA-INST 132, “Novation, Change of Name and Business Combination (Restructuring) Agreements,” March 20, 2014
- (o) DFARS 204.7103, Contract Line Items
- (p) DFARS 204.7104, Contract Subline Item
- (q) DFARS PGI 204.7105, Contract Exhibits and Attachments
- (r) DFARS 204.7106, Contract Modifications
- (s) DFARS PGI 204.2, Contract Distribution
- ~~(t) DFARS 204.7204, Maintenance of the CAGE File~~
- (u) DFARS PGI 204.606, Reporting Data, paragraph (3)(xii)(D)
- (v) FAR 4.604, Responsibilities, paragraph (b)(2) and (3)
- (w) FAR 4.606, Reporting Data, paragraph (c)
- (x) DFARS PGI 204.606, Reporting Data, paragraph (2)
- (y) FAR 4.605, Procedures, paragraph (b)
- ~~(z) FAR 4.604, Responsibilities, paragraph (c)~~

b. Add the following new references to the Reference Page:

- (aa) DFARS PGI 204.1870-2, Maintenance of the CAGE File*
- (ab) FAR 4.604, Responsibilities, paragraph (c)*
- (ac) FAR 45.106, Transferring Accountability*
- (ad) DFARS PGI 245.103-71, Transferring Government Property Accountability*
- (ae) DoD Instruction 4161.02, Accountability and Management of Government Contract Property,*
- (af) FAR 52.245-9, Use and Charges.*
- (ag) DFARS 252.211-7007, Reporting of Government-Furnished Property*
- (ah) DFARS 252.245-7001, Tagging, Labeling, and Marking of Government Furnished Property*
- (ai) DFARS 252.245-7002, Reporting Loss of Government Property*
- (aj) DFARS 252.245-7003, Contractor Property Management System Administration*
- (ak) DFARS 252.245-7004, Reporting, Reutilization, and Disposal*
- (al) DFARS 252.245-7000, Government-Furnished Mapping, Charting, and Geodesy Property*
- (am) DFARS PGI 245.103-72, Government-furnished property attachments to solicitations and awards*
- (an) FAR 52.245-1, Government Property, paragraph (j)(2)(i)*

c. Add new paragraph 2.1.5.:

2.1.5. The cognizant ACO must notify DCMA Special Programs by emailing all global modifications to the DCMAS INBOX.

d. Add new paragraph 2.1.6.:

2.1.6. Ensure DCMA issued modifications filed in the Official Records Management system have digital or hand written signatures.

e. Change paragraph 2.2.1. to read:

2.2.1. Ensure contracts contain all modifications and related attachments- ~~and validate the accuracy of their content.~~

f. Change Paragraph 2.2.2. to read:

2.2.2. Review procuring contracting officer (PCO) issued modifications to ensure they are complete and accurate. ~~to~~ This includes verification of modification sequential numbering; and preparation of contract modification index when total number of modifications exceeds 10.

g. Delete paragraphs 2.3. through 2.4.2. in its entirety.

h. Add paragraphs 2.3 through 2.4.:

2.3. FUNCTIONAL INFORMATION RESOURCE MANAGEMENT(FIRM) SPECIALISTS: FIRM Specialist must:

2.3.1. Review and approve global modifications in coordination with the ACO.

2.3.2. Post global modification to Electronic Document Access (EDA) system and mail a copy to Defense Logistics Agency (DLA) Logistics Information Service at the following address: DLA Logistics Information Service DLIS-SBB Federal Center, 74 Washington Avenue North, Battle Creek, MI 49037. This ensures the CAGE code file is updated in compliance with PGI 204.1870-2, "Maintenance of the CAGE File" (Reference (aa)).

2.4. CHIEF ACQUISITION OFFICER. The Chief Acquisition Officers of Federal agencies are required to report contract actions to the General Services Administration, and submit an annual certification within 120 days at the end of each fiscal year. The certification must state the degree to which agency Federal Procurement Data System (FPDS) Contract Action Report (CAR) data (for the preceding fiscal year) is complete, accurate, and in compliance with FAR 4.604(c) (Reference (ab)).

i. Delete paragraph 3.1.2. in its entirety.

j. Change paragraph 3.2. to read:

3.2. REVIEW PCO ISSUED CONTRACT MODIFICATIONS. ACOs ~~shall~~ **must** review the accuracy of the modification number and its content. If the modification contains errors beyond the ACO's authority to correct or there are attachments missing, the ACO should issue a Contract Deficiency Report to the PCO using the Electronic Document Access (EDA) system (if the PCO who signed the contract or latest modification is registered in EDA). If the PCO is not registered, the ACO should use all available forms of communications to contact the responsible PCO. DFARS Procedures, Guidance, and Information (PGI) 204.270 (Reference (g)) states that all contracting officers ~~shall~~ **must** maintain an account in the EDA system. **However, if** program security requirements prohibit the use of unclassified automated systems including EDA, requests for corrections should be sent to the PCO using a secure communication method. The "Browse Contract Mod Page" within the Contract View eTool can generate and export an automated listing of modifications issued for the contract number entered. ~~It is recommended that~~ **This listing can** be used as the modification index. However, a manually prepared or system generated index maintained by the ACO within ~~Electronic Document Workflow (EDW)~~ **the Official Records Management** system is also acceptable.

k. Change paragraphs 3.3. to read:

3.3. PREPARE ACO CONTRACT MODIFICATION. The MDO eTool is ~~the DCMA's~~ official **Agency** tool for ~~issuing~~ **creating** modifications.

Note: The DCMA Procurement Center utilizes the Standard Procurement System as a contract writing system ~~instead of~~ **not** the MDO eTool.

l. Change paragraphs 3.3.1. to read:

3.3.1. After validating the need for a contract modification, the ACO ~~shall~~ **must** determine the type of contract modification ~~to be issued~~ **required**. **Examples include: ACOs may issue** contract modifications to make administrative changes to the contract or ~~they may issue a~~ **modification** at the request of the PCO. Contract modifications may be either bilateral or unilateral.

m. Delete paragraphs 3.3.1.1. and 3.3.1.2. in its entirety.

n. Change paragraphs 3.3.2. through 3.3.4. to read:

3.3.2. Modifications ~~shall~~ **must** be numbered in accordance with DFARS 204.7004, "Supplementary PII Numbers" (Reference (j)).

3.3.2.1. For modifications to contracts and agreements, ~~number the modification using~~ **assign** a six position alpha-numeric ~~modification number added~~ **modification number** to the basic procurement instrument identification number ~~or contract number~~. The first position identifies the office issuing the modification. The letter "A" is used to designate the contract administration office (example: A00001) and the letter "P" designates the procuring contracting office (example: P00001). See DFARS 204.7004(c) Modifications to contracts and agreements for additional explanation (Reference (k)).

3.3.2.2. For modifications to calls or orders *issued under Blanket Purchase Agreements, Basic Ordering Agreements, and Indefinite Delivery Contracts*, use a two position alpha-numeric suffix, known as the call or order modification indicator, to identify a modification to a call or order. Modifications to a call or order issued by a contract administration office begin with 1A, 1B, and so on through 9Z, followed by A1, A2, and so on to A9, then AA, AB, and so on through AZ. Modifications to a call or order issued by a purchasing office begin with 01, 02, and so on through 99, then B1 through B9, BA through BZ, C1 through C9, and so on through ZZ. See DFARS 204.7004(e) Modifications to calls or orders for additional explanation (Reference (l)).

3.3.3. When indicating the modification authority on a contract modification, ACOs should use the applicable contract clause *listed in the* ~~(e.g.~~ Modification Guide Quick Reference Table (Reference (m)), PCO *authorization* letter, or terms of a mutual agreement.

3.3.4. As appropriate, ACOs ~~shall~~ *must* obtain adequate consideration for changes in contract requirements and document the file with a memorandum for record. Consideration may take the form of a contract price adjustment or other means commensurate with the change in requirements such as expedited delivery, product quality improvements, performance improvements, warranties, and conversion to best practices. The ACO should discuss the ~~potential~~ *proposed* changes to the contract with the PCO to determine what would be acceptable.

o. Change paragraph 3.3.5.3. to read:

3.3.5.3. Mass modifications ~~(ARZ) are prepared manually~~ *must be processed in MDO eTool in the Mass Mod Module*. When mass modifications are issued to contracts in MOCAS, the MOCAS database must be systematically updated to reflect transfers between Commercial and Government Entity (CAGE) codes, CMOs, and contractor address changes. These changes may be the result of a novation agreement, contractor business changes, or DCMA CMO reorganizations, etc. The mass modification (ARZ) process is explained in detail in DCMA-INST 132, "Novation, Change of Name and Business Combination (Restructuring) Agreements" (Reference (n)).

p. Change paragraph 3.3.6. to read:

3.3.6. ACOs ~~shall not issue~~ *are authorized to issue* modifications in MDO for Defense Logistics Agency (DLA) Other Disbursement Office (ODO) contracts. ~~because~~ DLA's contract system ~~cannot~~ *can* receive DCMA electronic modifications and related data *as a result of a system upgrade in September 2015 and completion of testing in December 2015*.

q. Change paragraph 3.5.1. to read:

3.5.1. DCMA CMOs are required to prepare all contract modifications using the MDO eTool ~~except in the situations listed below~~. This ~~requirement~~ ensures that DCMA issued contract actions are distributed electronically to ~~the Department of Defense~~ EDA system. The modifications *types* listed below are exceptions ~~from to the~~ mandatory use of ~~the~~ MDO eTool:

- r. Delete paragraph 3.5.1.1. in its entirety.
- s. Delete paragraph 3.5.1.4. in its entirety.
- t. Change paragraphs 3.6. through 3.6.1. to read:

3.6. DISTRIBUTE CONTRACT MODIFICATIONS. Contract modifications ~~shall~~ **must** be distributed in accordance with the procedures set forth in DFARS PGI 204.2, “Contract Distribution” (Reference (s)). ~~It states that contracts and modifications shall be distributed electronically. DCMA complies with this mandate through use of the MDO eTool which will automatically post ACO documents to the EDA system.~~

3.6.1. If a modification is issued outside MDO eTool (with the approval of CMO Contracts Director), the ACO is responsible for manually updating MOCAS, ~~and~~ uploading the modification into EDA, **and manually reporting to FPDS if required**. Classified contracts and modifications shall not be uploaded into EDA or input into MOCAS.

- u. Delete paragraphs 3.6.2. through 3.6.2.4. in its entirety.
- v. Add new paragraph 3.6.2.:

3.6.2. Classified contracts and modifications must not be uploaded into EDA, input into MOCAS, or reported to FPDS.

- w. Change paragraph 3.7 to read:

3.7. TRACK CONTRACT MODIFICATIONS. ~~After a modification is issued, the ACOs shall must~~ record the **contract** modifications in a ~~manually created~~ modification index **manually created** or utilize the “Browse Contract Mod Page” generated by the Contract View eTool. This ~~listing shall must~~ include both ACO- and PCO- issued modifications. ~~DCMA (ACO/PCO)- issued modifications filed in the EDW files shall include appropriate signatures (digital or hand written).~~

- x. Change paragraph 3.8 to read:

3.8. FEDERAL PROCUREMENT DATA SYSTEM (FPDS) REPORT REQUIREMENTS. FPDS is a Government-wide system that collects Government contracts information ~~that is used~~ to provide insight to the public and ~~the~~ Government on how ~~and where~~ tax dollars are being spent. FAR 4.6, Contract Reporting (Reference (e)) established the Contract Action Report (CAR) for reporting all contract actions to FPDS. ~~exceeding the micro-purchase threshold of \$3,000 ACOs must report all delivery/task orders and any modifications regardless of dollar value~~ that changes previously reported FPDS data (e.g., ~~vendor contractor name/address/CAGE~~, final delivery date, place of performance, **obligation amount, or contract value** ~~or change in business size~~) **regardless of dollar value. Modification of grants and cooperative agreements are not reportable to FPDS.** Before issuing a modification, ACOs should verify ~~if that~~ the contract ~~was has been~~ posted to FPDS, ensure **the contract** modification is numbered correctly, and verify **that** all contractual documents are posted to ~~the~~ EDA **system**.

In accordance with DFARS PGI 204.606(3)(xii)(D) (Reference (u)), ACOs will enter a short description of what is being procured by the action in the description requirement field. ~~(This field must be updated in every CAR).~~ This should be entered in “plain English” with no acronyms or military jargon so that the public can *easily* understand what the Department of Defense is acquiring. When reporting modifications, do not use this field to explain what type of procurement process is accomplished (e.g., exercise option year, incremental funding) but continue to enter a description of the item or service to be purchased. ACOs ~~shall~~ *must* review and validate the accuracy of the CAR prior to releasing the contract action. However, if the CAR fails validation as a result of data that originated from a source other than the ACO modification or delivery order, the modification or delivery order may be released if the ACO determines that a timely resolution of the data error(s) is unlikely and would negatively impact the procurement process. The ACO ~~shall~~ *must* take immediate action to resolve the CAR validation error(s). The MDO 3.1 upgrade establishes a system integration connection between MDO and FPDS. ~~As a result, CARs are due at the same time that a modification is released instead of within 3 business days as required by systems not integrated with FPDS. The FPDS CAR must be confirmed for accuracy by the ACO prior to release of the contract action. The FPDS CAR must be completed in MDO/FPDS within three (3) business days after release of the contract action-~~(see FAR 4.604(b)(2) and (3) (Reference (v))).

y. Delete paragraph 3.8.3. in its entirety.

z. Change paragraph 3.9.1. to read:

3.9.1. MDO eTool is used to issue contract actions for MOCAS and SICM (MDO EDA capability for contracts not in MOCAS). ACOs ~~shall~~ *must* use the MDO eTool to prepare all contract actions to include modifications, ~~orders issued under~~ blanket purchase agreements *orders*, basic ordering agreements, and long term contracts, in order to comply with the requirements of FAR 4.6, Contract Reporting (Reference (e)). The ACO ~~can~~ *should* utilize MDO’s *FPDS* CAR generation button to create *FPDS* CARs for each *reportable* contract action. ~~that exceeds the micro purchase threshold of \$3,000 or any modification that changes previously reported FPDS CAR data regardless of dollar value (e.g., vendor name, final delivery date, place of performance).~~

aa. Add new paragraphs 3.11.through 3.11.2.2.:

3.11. TRANSFER OF GOVERNMENT CONTRACT PROPERTY BETWEEN CONTRACTS. Upon the contractor’s written request, and provided firm requirements exist (Reference (ac)) the ACO may, in coordination with the PCO, execute a contract modification (SF 30), transferring contractual accountability. Both gaining and losing contracts must be modified as required by FAR 45.106, “Transferring Accountability” (Reference (ac)). DoD Instruction 4161.02, “Accountability and Management of Government Contract Property,” (Reference (ae)) also provides guidance for acquisition professionals concerning their government property roles and responsibilities.

3.11.1. ACOs must ensure the gaining contract modification adds the following FAR/DFARS clauses (if not already present in the contract), as required by

***DFARS PGI 245.103-71, “Transferring Government Property Accountability”
(Reference (ad)):***

FAR 52.245-9, “Use and Charges.” (Reference (af))

- ***DFARS 252.211-7007, Reporting of Government-Furnished Property(Reference (ag))***
- ***DFARS 252.245–7001, “Tagging, Labeling, and Marking of Government-Furnished Property”; (Reference (ah))***
- ***DFARS 252.245–7002, “Reporting Loss of Government Property” (Reference (ai))***
- ***DFARS 252.245-7003, “Contractor Property Management System Administration” (Reference (aj))***
- ***DFARS 252.245-7004, “Reporting, Reutilization, and Disposal” (Reference (ak))***
- ***DFARS 252.245-7000, ‘Government-Furnished Mapping, Charting, and Geodesy Property’ (Reference (al)) only when mapping, charting, and geodesy property is to be furnished.***

***3.11.2. In the interest of standardization, the following language should be used
(contract numbers are examples):***

3.11.2.1. The losing contract should state:

“The purpose of this modification is to transfer accountability of the contract property items listed on the attachment -- from this contract to contract FA877104D0003 ”

3.11.2.2. The gaining contract should state:

"The purpose of this modification is to transfer accountability of the contract property items listed on the attachment -- from contract F0960398D0083 to contract FA877104D0003 ".

3.11.3. All GFP transfer modifications to the gaining contract must include an attachment listing the property prepared in the DoD standard fillable PDF format required by DFARS PGI 245.103-72, “Government-furnished property attachments to solicitations and awards.” (Reference (am)). ACOs must ensure:

3.11.3.1. The (gaining) contract modification with its prescribed GFP attachment is transmitted to EDA. EDA stores the GFP Attachments and transmits the GFP Attachment data to the DoD Item Unique Identification Registry where the data is available for tracking GFP against the property authorized on the contract.

NOTE: DCMA’s eTool Plant Clearance Automated Reutilization Screening System can create the DoD standard attachment based on contractor submission of data, and is the

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preferred method of achieving FAR 52.245-1, "Government Property" paragraph (j)(2)(i) (Reference (an)). If needed, the application at Department of Defense Procurement Toolbox web site can be used to convert a variety of formats to fillable PDF (see web link on resource page).

6. RELEASABILITY – UNLIMITED. This IPC is approved for public release and is located on DCMA's Internet Web site, www.dcma.mil/policy.

7. EFFECTIVE DATE. By order of the Director, DCMA, this IPC is effective immediately and ~~shall~~ **must** remain in effect until rescinded, superseded, or incorporated in a DMCA policy, whichever is sooner.



Timothy P. Callahan
Executive Director, Contracts



DEPARTMENT OF DEFENSE
Defense Contract Management Agency

INSTRUCTION

Contract Modifications

Contracts Directorate
CPR: DCMA-AQ

DCMA-INST 103
May 13, 2013

Validated Current with Administrative Changes, May 13, 2014

1. PURPOSE. This Instruction:

- a. Reissues DCMA Instruction (DCMA-INST) 103, “Contract Modifications” (Reference (a)).
- b. Establishes policy, assigns roles and responsibilities, and provides procedures for administration oversight of contract modifications.
- c. Complies with DoD Directive 5105.64 (Reference (b)).

2. APPLICABILITY. This Instruction applies to all DCMA Components as stated.

3. MANAGERS’ INTERNAL CONTROL PROGRAM. This Instruction contains internal management control provisions subject to evaluation and testing required by DCMA-INST 710, “Managers’ Internal Control Program” (Reference (c)). Flowchart for primary processes *has moved to the resource page.*

4. RELEASABILITY – UNLIMITED. This Instruction is approved for public release.

5. PLAS CODE: Use PLAS code of process related to the reason for the modification.

a. Process PLAS code examples:

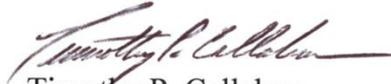
032 – Contract Receipt and Review
048 – Provisioning
049 – Over and Above Work Request
102 – Contract Property Management
181 – Contract Close Out

b. Programs: Acquisition Category (ACAT)/Other Customers (when applicable)

c. Other National; Training and Travel; Local Programs:

6. POLICY RESOURCE WEB PAGE. <https://home.dcma.mil/policy/103r/>

7. EFFECTIVE DATE. By order of the Director, DCMA, this Instruction is effective immediately.



Timothy P. Callahan
Executive Director
Contracts

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- (b) DoD Directive 5105.64, “Defense Contract Management Agency (DCMA),” January 10, 2013
- (c) DCMA-INST 710, “Managers’ Internal Control Program,” April 21, 2014
- (d) DCMA Class Deviation from FAR 4.6, Contract Reporting, March 10, 2014
- (e) FAR 4.6, Contract Reporting
- (f) FAR 52.219-28, Post-Award Small Business Program Rerepresentation
- (g) DFARS PGI 204.270, Electronic Document Access
- (h) FAR 43.103, Types of Contract Modifications, paragraph (a)
- (i) FAR 43.103, Types of Contract Modifications, paragraph (b)
- (j) DFARS 204.7004, Supplementary PII numbers
- (k) DFARS 204.7004, Supplementary PII numbers, paragraph (c)
- (l) DFARS 204.7004, Supplementary PII numbers, paragraph (e)
- (m) DPAP “Modification Guide” July 2007
- (n) DCMA-INST 132, “Novation, Change of Name and Business Combination (Restructuring) Agreements,” March 20, 2014
- (o) DFARS 204.7103, Contract Line Items
- (p) DFARS 204.7104, Contract Subline Item
- (q) DFARS PGI 204.7105, Contract Exhibits and Attachments
- (r) DFARS 204.7106, Contract Modifications
- (s) DFARS PGI 204.2, Contract Distribution
- (t) DFARS 204.7204, Maintenance of the CAGE File
- (u) DFARS PGI 204.606, Reporting Data, paragraph (3)(xii)(D)
- (v) FAR 4.604, Responsibilities, paragraph (2) and (3)
- (w) FAR 4.606, Reporting Data, paragraph (c)
- (x) DFARS PGI 204.606, Reporting Data, paragraph (2)
- (y) FAR 4.605, Procedures, paragraph (b)
- (z) FAR 4.604, Responsibilities, paragraph (c)

CHAPTER 1

POLICY

1.1. POLICY. It is DCMA policy to ensure that:

1.1.1. Administrative contracting officers (ACO) and contract administrators (CA) prepare and publish Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) compliant modifications in a timely manner using the Modification and Delivery Order (MDO) eTool when appropriate.

1.1.2. Contract Management Team (CMT) functional specialists ~~shall~~ notify ~~the~~ ACO of conditions ~~that may require~~ *requiring contract* modifications ~~of the contract~~.

CHAPTER 2

ROLES AND RESPONSIBILITIES

2.1. ADMINISTRATIVE CONTRACTING OFFICER (ACO). ACOs *shall*:

2.1.1. Ensure contract contains all modifications and related attachments as well as validate accuracy of its content.

2.1.2. When necessary, prepare accurate and complete unilateral or bilateral modifications within the scope of the contract, administrative delegations, and ACO warrant authority.

2.1.3. Review, approve, and sign modifications within the scope of the contract, administrative delegations, and ACO warrant authority.

2.1.4. Provide administrative support for contract workload assigned permanently or temporarily by the Team Leader.

2.2. CONTRACT ADMINISTRATOR (CA). CAs *shall*:

2.2.1. Ensure contracts contain all modifications and related attachments.

2.2.2. Review procuring contracting officer (PCO) issued modifications to ensure they are complete and accurate to include verification of modification sequential numbering; prepare modification index when total number of modifications exceeds 10.

2.2.3. When necessary, prepare accurate and complete unilateral or bilateral modifications within the scope of the contract, administrative delegations, and ACO warrant authority.

2.2.4. Provide administrative support for contract workload assigned permanently or temporarily by the ACO and Team Leader.

2.3. CONTRACT MANAGEMENT TEAM (CMT). The CMT functional specialists ensure contracts contain all modifications and related attachments as well as validate accuracy of its content.

2.4. CONTRACTOR. The Contractors:

2.4.1. Ensure contract is complete to include all modifications and related attachments as well as validate accuracy of its content.

2.4.2. Ensure unilateral and bilateral modifications are within the scope of the contract, accurate, and complete before signing.

CHAPTER 3

PROCEDURES

3.1. OVERVIEW. This chapter provides guidance to ensure contract modifications received or prepared by DCMA are properly reviewed, executed, filed, and reported to the Federal Procurement Data System (FPDS) when required.

3.1.1. This guidance applies to the following DCMA contracting officers unless an exception applies: ACOs, PCOs, and termination contracting officers (TCO).

3.1.2. A Deviation (Reference (d)) from FAR 4.6, Contract Reporting (Reference (e)) requirements for Mass Modifications was approved by the *Director*, Defense Procurement *and* Acquisition Policy on ~~December 28, 2012~~ *March 10, 2014* with an expiration date of ~~October 1, 2013~~ *August 4, 2014*. This Class Deviation suspends DCMA requirements to submit Contract Action Reports for Mass Modifications with some exceptions. It does not apply to modifications to contracts that contain FAR 52.219-28, Post-Award Small Business Program Representation (Reference (f)), where the modification is to incorporate a novation agreement or indicate a merger or acquisition that does not require a novation, and the contractor's size status is changed by such action.

3.2. REVIEW PCO ISSUED CONTRACT MODIFICATIONS. ~~When an ACO receives a modification issued by the PCO, the~~ ACO shall review the accuracy of the modification number and its content. If the modification contains errors beyond the ACO's authority to correct or there are attachments missing, the ACO should issue a Contract Deficiency Report *to the PCO* using the Electronic Document Access (EDA) system (if the PCO ~~that~~ *who* signed the contract or latest modification is registered in EDA). If the PCO is not registered ~~in EDA, the ACO should use all available forms of communications to~~ contact the responsible PCO ~~by email or phone call~~. DFARS Procedures, Guidance, and Information (PGI) 204.270 (Reference (g)) states that all contracting officers shall maintain an account in the EDA system. If program security requirements prohibit the use of unclassified automated systems including EDA, requests for corrections should be sent to the PCO using a secure communication method. The Browse Contract Mod Page within the Contract View eTool can generate and export an automated listing of modifications issued for the contract number entered. It is recommended that this listing be used as the modification index. However, a manually prepared or system generated index maintained by the ACO within Electronic Document Workflow (EDW) system is also acceptable.

3.3. PREPARE ACO CONTRACT MODIFICATION. The MDO eTool is the *official* Agency tool for issuing modifications. The DCMA Procurement Center ~~shall~~ utilizes the Standard Procurement System as ~~their~~ *a* contract writing system instead of ~~the~~ *MDO eTool*.

3.3.1. After validating the need for a contract modification, the ACO shall determine the type of contract modification to be issued. ACOs may issue contract modifications to make

administrative changes to the contract or they may issue a modification at the request of the PCO. Contract modifications may be either bilateral or unilateral.

3.3.1.1. Bilateral modifications (see FAR 43.103(a) (Reference (h))) are signed by both the contractor and the contracting office, and are used to make negotiated equitable adjustments resulting from the issuance of a change order, to definitize letter contracts, and to reflect other agreements of the parties modifying the terms of the contracts.

3.3.1.2. Unilateral modifications are signed only by the contracting officer, and are used to make administrative changes (see FAR 43.103(b) (Reference (i))) that do not affect the substantive rights of the parties. For example, unilateral modifications are used to make administrative corrections, to issue change orders, to issue termination notices, and to make changes authorized by clauses other than a change clause such as: property, options, or suspension of work clauses.

3.3.2. Modifications shall be numbered in accordance with DFARS 204.7004 Supplementary PII Numbers (Reference (j)).

3.3.2.1. For modifications to contracts and agreements, number the modification using a six position alpha-numeric added to the basic procurement instrument identification number or contract number. The first position identifies the office issuing the modification. The letter A is used to designate the contract administration office (example: A00001) and the letter P designates the procuring contracting office (example: P00001). See DFARS 204.7004(c) Modifications to contracts and agreements for additional explanation (Reference (k)).

3.3.2.2. For modifications to calls or orders, use a two position alpha-numeric suffix, known as the call or order modification indicator, to identify a modification to a call or order. Modifications to a call or order issued by a contract administration office begin with 1A, 1B, and so on through 9Z, followed by A1, A2, and so on to A9, then AA, AB, and so on through AZ. Modifications to a call or order issued by a purchasing office begin with 01, 02, and so on through 99, then B1 through B9, BA through BZ, C1 through C9, and so on through ZZ. See DFARS 204.7004(e) Modifications to calls or orders for additional explanation (Reference (l)).

3.3.3. When indicating the modification authority on a contract modification, ACOs should use the applicable contract clause (e.g., Modification Guide Quick Reference Table (Reference (m))), PCO letter, or terms of a mutual agreement.

3.3.4. As appropriate, ACOs *shall* obtain adequate consideration for changes in contract requirements and document the file with a memorandum for record. Consideration may take the form of a contract price adjustment or other means commensurate with the change in requirements such as expedited delivery, product quality improvements, performance improvements, warranties, and conversion to best practices. The ACO should discuss the potential changes to the contract with the PCO to determine what would be acceptable.

3.3.5. Modifications can be processed in three ways: modification of a single contract using the MDO eTool, manual modification of one or a group of contracts, or a computer generated mass modification (ARZ modification) of a group of contracts.

3.3.5.1. ACOs shall issue modifications using the MDO eTool unless an exception listed in paragraph 3.5.1. applies. These contract actions shall be modified manually using a secure procedure and applicable forms (e.g., Standard Form (SF) 30, Amendment of Solicitation/Modification of Contract). Manual processing of unclassified contract actions must receive prior approval from the Contract Management Office (CMO) contracts director unless the urgency of the circumstance requires immediate action. The ACO shall ensure that contract actions issued manually are transmitted to either the Mechanization of Contract Administration Service (MOCAS) system or System for Integrated Contract Management (SICM) system, posted to EDA, and reported in FPDS unless an exception applies.

3.3.5.2. ACOs shall use the EDA-Only Contract Modification capability within the MDO eTool to modify contracts assigned for administration that are not in MOCAS. For example, EDA-Only Contract Modification capability shall be used to issue modifications to DCMA International contracts that are in SICM.

3.3.5.3. Mass modifications (ARZ) are prepared manually. When mass modifications are issued to contracts in MOCAS, the MOCAS database must be systematically updated to reflect transfers between Commercial and Government Entity (CAGE) codes, CMOs, and contractor address changes. These changes may be the result of a novation agreement, contractor business changes, or DCMA CMO reorganizations, etc. The mass modification (ARZ) process is explained in detail in DCMA-INST 132, “Novation, Change of Name and Business Combination (Restructuring) Agreements” (Reference (n)).

3.3.5.3.1. A global modification or blanket no-cost change order is issued to modify a large number of contracts involving multiple companies. The approach is used in cases where it is more efficient or practical than having individual ACOs across the Agency issue substantially identical modifications. This approach is employed when:

- Delegation of contracting authority is received by DCMA Headquarters from the affected Defense Departments or Agencies
- The modification does not change the contract value
- The modification is unilateral
- Use of a global modification has been approved by the DCMA Director or Senior Procurement Executive

3.3.5.3.2. The mass modifications process may require additional actions by DCMA ACOs (e.g., distribution of modifications to contractors and PCOs, negotiation of supplemental agreements if suppliers reject “no-cost” change orders and request equitable adjustments).

3.3.6. ACOs shall not issue modifications in MDO for Defense Logistics Agency (DLA) Other Disbursement Office (ODO) contracts because DLA’s contract system cannot receive

DCMA electronic modifications and related data. DLA and DCMA are working to resolve issues. In the interim, ACOs should determine the need for modification, collect any relevant supporting documentation, provide an ACO recommendation, and forward the package to the DLA PCO. The DLA PCO will issue the modification and provide a copy to the ACO.

3.4. ASSIGN CONTRACT LINE ITEMS. When a contract modification or delivery order adds new line items, the ACO shall assign new contract line item numbers, subline item numbers, or exhibit line item numbers in accordance with the procedures at DFARS 204.7103, Contract Line Items (Reference (o)); DFARS 204.7104, Contract Subline Items (Reference (p)); and DFARS PGI 204.7105, Contract Exhibits and Attachments (Reference (q)). If the modification relates to existing contract line items, subline items, or exhibit line items, the modification should refer to those item numbers. DFARS 204.7106, Contract Modifications (Reference (r)) provides additional guidance for issuing modifications to existing contract line items or exhibit line items.

3.5. ISSUE MODIFICATIONS IN ACCORDANCE WITH DCMA REQUIREMENTS.

3.5.1. DCMA CMOs are required to prepare all contract modifications using the MDO eTool except in the situations listed below. This requirement ensures that DCMA issued contract actions are distributed electronically to the Department of Defense EDA system. The modifications listed below are exceptions from the mandatory use of the MDO eTool:

3.5.1.1. Mass modifications that includes name changes, address changes, novations, and modifications at the contractor CAGE level.

3.5.1.2. Modification of non-DoD contracts issued by: National Institute of Health, National Aeronautics and Space Administration (NASA), NASA Solutions for Enterprise-Wide Procurement IV, National Science Foundation.

3.5.1.3. Modification of classified and sensitive contracts not in MOCAS.

3.5.1.4. DLA ODO contract modifications (see paragraph 3.3.6.).

3.5.2. DCMA CMOs issuing contract actions outside the MDO eTool that do not fall within the exceptions listed above shall request approval from the CMO Contracts Director prior to issuance of the modification.

3.6. DISTRIBUTE CONTRACT MODIFICATIONS. Contract modifications shall be distributed in accordance with the procedures set forth in DFARS PGI 204.2, Contract Distribution (Reference (s)). It states that contracts and modifications shall be distributed electronically. DCMA complies with this mandate through use of the MDO eTool which will automatically post ACO documents to the EDA system.

3.6.1. If a modification is issued outside MDO eTool with the approval of CMO Contracts Director, the ACO is responsible for manually updating MOCAS and uploading the modification

into EDA. Classified contracts and modifications shall not be uploaded into EDA or input into MOCAS.

3.6.2. Coordination and Distribution of Global Modifications (ARZ/Mass/Transfer Modifications). To ensure successful systematic transfers, DCMA CMOs are required to coordinate and distribute global modifications as follows:

3.6.2.1. Global modifications are reviewed and approved by a Functional Information Resource Management (FIRM) team member.

3.6.2.2. The ACO advises the FIRM team member of the desired output product.

3.6.2.3. The FIRM posts the modification to EDA and sends a copy to the DLA Logistics Information Service to ensure that the CAGE code file is updated as necessary in compliance with DFARS 204.7204, Maintenance of the CAGE File (Reference (t)). The modification shall be mailed to the following address: DLA Logistics Information Service DLIS-SBB Federal Center, 74 Washington Avenue North, Battle Creek, MI 49017-3084.

3.6.2.4. The cognizant ACO shall notify DCMA Special Programs of all Global Modifications via an email to the DCMAS INBOX with the modification attached.

3.7. TRACK CONTRACT MODIFICATIONS. After a modification is issued, the ACO shall record the modification in a manually created modification index or utilize the “Browse Contract Mod Page” generated by the Contract View eTool. This listing shall include both ACO- and PCO- issued modifications. DCMA (ACO/PCO)- issued modifications filed in the EDW files shall include appropriate signatures (digital or hand written).

3.8. FEDERAL PROCUREMENT DATA SYSTEM (FPDS) REPORT REQUIREMENTS. FPDS is a Government-wide system that collects Government contracts information that is used to provide insight to the public and the Government on how and where tax dollars are being spent. FAR 4.6, Contract Reporting (Reference (e)) established the Contract Action Report (CAR) for reporting all contract actions exceeding the micro-purchase threshold of \$3,000 and any modification regardless of dollar value that changes previously reported FPDS data (e.g., vendor name, final delivery date, place of performance, or change in business size). Before issuing a modification, ACOs should verify that the contract has been posted to FPDS, ensure modification is numbered correctly, and verify all contractual documents are posted to the EDA system. In accordance with DFARS PGI 204.606(3)(xii)(D) (Reference (u)), ACOs will enter a short description of what is being procured by the action in the description requirement field. This field must be updated in every CAR. This should be entered in plain English with no acronyms or military jargon so that the public can understand what the Department of Defense is acquiring. When reporting modifications, do not use this field to explain what type of procurement process is accomplished (e.g., exercise option year, incremental funding) but continue to enter a description of the item or service to be purchased. ACOs shall review and validate the accuracy of the CAR prior to releasing the contract action. However, if the CAR fails validation as a result of data that originated from a source other than the ACO modification

or delivery order, the modification or delivery order may be released if the ACO determines that a timely resolution of the data error(s) is unlikely and would negatively impact the procurement process. The ACO shall take immediate action to resolve the CAR validation error(s). The MDO 3.1 upgrade establishes a system integration connection between MDO and FPDS. As a result, CARs are due at the same time that a modification is released instead of within 3 business days as required by systems not integrated with FPDS (see FAR 4.604(b)(2) and (3) (Reference (v))).

3.8.1. The term “contract action” does not include grants, cooperative agreements, other transactions, real property leases, federal stock requisitions, training authorizations, or other non-FAR based transactions. Furthermore, it does not include classified contracts, agreements, and orders. A complete list of actions that are not required to be reported are stated in FAR 4.606(c) (Reference (w)) and DFARS PGI 204.606(2) (Reference (x)).

3.8.2. If the ACO or PCO determines that one of the conditions stated in FAR subpart 4.605(b) (Reference (y)) applies as an alternative or justification for concealing the identity of the vendor, use the Generic Data Universal Numbering System (DUNS) number and corresponding CAGE code in the CAR submitted to the FPDS. The PCO and ACO shall establish internal review procedures that ensure they are used correctly.

3.8.3. For each agency required to report its contract actions to the General Services Administration, the Chief Acquisition Officer of that agency is required to submit an annual certification within 120 days after the end of each fiscal year (in accordance with FPDS guidance), stating to what degree the agency CAR data for the preceding fiscal year is complete and accurate in compliance with FAR 4.604(c) (Reference (z)).

3.9. ~~ACOS SHALL COMPLY WITH COMPLIANCE~~ WITH DCMA AUTOMATION

REQUIREMENTS. CMOs shall ensure modifications and delivery orders are processed in the following automated tools, if the security classification of the contract allows:

3.9.1. MDO eTool is used to issue contract actions for MOCAS and SICM (MDO EDA capability for contracts not in MOCAS). ACOs shall use the MDO eTool to prepare all contract actions to include modifications, orders issued under blanket purchase agreements, basic ordering agreements, and long term contracts, in order to comply with the requirements of FAR 4.6, Contract Reporting (Reference (e)). The ACO can utilize MDO’s CAR generation button to create CARs for each contract action that exceeds the micro purchase threshold of \$3,000 or any modification that changes previously reported FPDS CAR data regardless of dollar value (e.g., vendor name, final delivery date, place of performance).

3.9.2. The MDO eTool is designed to create modification CARs that meet FAR 4.6, Contract Reporting (Reference (e)) requirements. This is accomplished by using data extracted from the modification, Share Data Warehouse, programmed inputs, and FPDS. The FPDS data is data that was reported previously by the PCO’s base CAR at contract award. During the FPDS data validation process, DCMA’s modification CARs are often rejected because of errors detected with base CAR data. As a result it may be necessary for the PCO to correct the base CAR data

before the ACO's modification CAR can pass validation. ACOs shall choose the Reason for Modification Value that best describes the modification. For example, modifications issued during closeout of the contract to deobligate remaining funds should be identified as "Close Out" on the CAR unless another value (e.g., address change) is more applicable. "Funding Only Action" and "Other Administration Action" should be used only when another value does not apply.

3.9.3. MOCAS users must ensure that modifications and orders issued by MDO eTool successfully transmit through the Electronic Document Interchange to MOCAS, and post to EDA and FPDS. Furthermore, the ACO shall review the accuracy of the CAR created by MDO before releasing for posting to FPDS system. Modifications shall never be issued to make system corrections in MOCAS or SICM.

3.10. GENERIC DUNS AND CORRESPONDING CAGE CODES. A Generic DUNS number and corresponding CAGE code represent a category of vendors not specific to any individual or entity. Using these codes hides the true identity of the vendor and makes it impossible to correctly process electronic invoices, receiving reports, and payments. Therefore, Generic DUNS numbers and CAGE codes shall not be used as contractor identification on contract awards or modifications unless a condition stated in FAR subpart 4.605(b) (Reference (y)) applies as an alternative or justification for concealing the identity of the vendor.

GLOSSARY**DEFINITIONS**

Bilateral Modification. A bilateral modification is signed by both the contractor and the contracting officer and is used to make negotiated equitable adjustments resulting from the issuance of a change order, to definitize letter contracts, and to reflect other agreements of the parties modifying the terms of the contracts.

Unilateral Modification. A unilateral modification is signed only by the contracting officer and is used to make administrative changes that do not affect the substantive rights of the parties. For example, a unilateral modification is used to make administrative corrections, to issue change orders, to issue termination notices and to make changes authorized by clauses other than a change clause such as the Property, Options, or Suspension of Work clauses.

GLOSSARY**ACRONYMS**

ACAT	acquisition category
ACO	administrative contracting officer
CA	contract administrator
CAGE	commercial and government entity
CAR	contract action report
CMO	contract management office
CMT	contract management team
DCMA-INST	DCMA Instruction
DFARS	Defense Federal Acquisition Regulation Supplement
DLA	Defense Logistics Agency
DUNS	Data Universal Numbering System
EDA	Electronic Document Access
EDW	Electronic Document Workflow
FAR	Federal Acquisition Regulation
FIRM	Functional Information Resource Management
FPDS	Federal Procurement Data System
MDO	Modification and Delivery Order
MOCAS	Mechanization of Contract Administration Service System
NASA	National Aeronautics and Space Administration
ODO	other disbursement office
PCO	procuring contracting officer
PGI	Procedures, Guidance, and Information
PLAS	Performance Labor Accounting System
SICM	System for Integrated Contract Management
TCO	termination contracting officer