

# CHAPTER 11

## CONTRACT COMPLETION STATUS REPORTING

### A. GENERAL

This chapter prescribes standard procedures for reporting: (a) the status of unclosed contracts subsequent to physical completion, (b) major events leading to the closing of the contract files by the CAO, (c) the extension of contract closeout by the CAO, and (d) the extension of contract closeout by the PO. These reports provide a basis to the PO for closing its files. These procedures complement those in FAR 4.804-1 and DFARS 204.804-1, 4, and 5 and provide computer processable formats in lieu of hard copy documents.

### B. BASIS FOR CONTRACT CLOSING

1. The basis for closing contract files is dependent upon the face value of the contract and the extent of administration accorded to it.

2. The conditions set forth in appendix A30, Contract Closeout Group, are used by the CAO to group the contracts for follow-on closing actions.

### C. STANDARD TIMES FOR CONTRACT CLOSING

The time standards established for closing contracts are prescribed in FAR 4.804-1. These standards are based on the date that the contract is physically completed and on the pricing provisions. The contract closeout groups are contained in appendix A30. Contracts that are closed within the time standards are reported under the procedures in section D., below. Contracts that are not closed within the time standards are reported under the procedures in section E., below, until they are closed. Such contracts are also reported under section D., when they **are** closed.

### D. CONTRACT COMPLETION STATEMENT

1. The CCS, DI Code PK9, is the DFARS authorized MILSCAP version of the DD Form 1594, Contract Completion Statement. It is the means by which the CAO informs the PO or Service designated ADP point of the major events of physical completion, final payment, and/or that the CAO

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contract file is closed. For all contracts, a final CCS is the basis for the PO to closeout its contract file.

### 2. Reporting Physical Completion

a. A contract is physically completed when: (i) the contractor has completed the required deliveries of supplies and the Government has inspected and accepted such supplies, and (ii) the contractor has performed all services and the Government has accepted such services, or (iii) notice of complete contract termination has been given the contractor by the Government. Facilities contracts and rental, use, and storage agreements shall be considered to be physically complete when a notice of complete termination has been issued or the contract period has expired.

b. When a large purchase contract (Contract Closeout Group B, C, or D) is physically completed (i.e., delivered complete and the material or service accepted), the CAO with the primary contract administration responsibility will forward an interim CCS (i.e., a PK9 transaction with Transaction Status Indicator code J in rp 80) to the PO as a means of reporting physical completion.

c. Small purchase contracts (Contract Closeout Group A) usually do not require payment reporting for contract completion or file closeout. For these contracts the final CCS will normally be issued and may include only the physical completion dates.

### 3. Reporting Final Payment and Completion of All Administrative Actions

Contracts meeting the closing criteria for Contract Closeout Group A usually do not require final payment reporting for contract completion or file closeout. When the payment function on contracts meeting the closing criteria for Contract Closeout Groups B, C, or D is assigned to an office other than the office with primary contract administration responsibility, the disbursing office will notify the primary CAO when final payment has been made and the disbursing office file closed. When final payment is made and other actions completed, the CAO with primary contract administration responsibility will forward a final CCS (i.e., a PK9 transaction with Transaction Status Indicator code F in rp 80), designated as Contract Closeout Group B, C, or D to the PO based upon physical completion, final payment, and completion of all administrative actions.

4. In those cases when a PKZ transaction has been received from the PO, the CAO will issue a final PK9 transaction within 5 workdays after the Extended Closeout Date, only if the CAO had to perform an additional

contract administration function. The contract file will be closed and the last issued final PK9 will apply if the CAO did not have additional contract administration functions to perform after issuance of the final PK9 transaction.

5. Preparation of a CCS - DI Code PK9 will be prepared in accordance with the format and instructions at appendix C23 for each condition specified in paragraphs D.2., D.3., and D.4., above.

#### **E. UNCLOSED CONTRACT STATUS (UCS)**

1. Requirement for a UCS - a UCS will be furnished to the PO or designated ADP point for each contract that will not be closed within the timeframe established in FAR 4.804-1. The status will include the reasons for delay and the target date which has been set for closing. If the contract is not closed by the target date, a revised UCS will be forwarded with the new target date and reasons for further delay.

a. A Disbursing Officer with secondary contract administration responsibility will forward the status information to the CAO with primary responsibility. The status will be forwarded within 5 workdays after expiration of the standard closing period.

b. A CAO with primary contract administration responsibility will forward the UCS to the PO. The status will be forwarded within 15 workdays after the expiration of the standard closing period in accordance with FAR 4.804.

2. Preparation of UCS - a UCS report, DI Code PKX, will be prepared in accordance with the format and instructions at appendix C24 for each condition specified in paragraph E1., above.

#### **F. CONTRACT CLOSEOUT EXTENSION (CCE)**

1. Requirements for CCE - The Contract Completed Date in the CCS will be used by the PO as the closeout date for file purposes. When completion of any pending significant PO action extends beyond this closeout date, the PO will advise the CAO of the Extended Closeout Date. The PO will forward a CCE to the CAO within 5 workdays after receipt of the CCS. The CAO will then hold the contract open until the Extended Closeout Date. The PO must ensure that when the Extended Closeout Date is to be revised, another PKZ transaction, with a new Extended Closeout Date, is sent to the CAO. The CAO will close the contract file after the Extended Closeout Date is passed. If an additional contract administrative function was performed by the CAO, another PK9 transaction

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will be issued; otherwise, the previous PK9 transaction will remain in effect.

2. Preparation of a CCE - A CCE, DI Code PKZ, will be prepared for the condition specified in paragraph F.I., above, in accordance with the format and instructions for the CCS except as shown at appendix C25.

3. Reporting Final Payment and Completion of all Administrative Actions - Contracts meeting the closing criteria for Contract Closeout Group A usually do not require final payment reporting for contract completion or file closeout. When the payment function on contracts meeting the closing criteria for Contract Closeout Group B, C, or D is assigned to an office, other than the office with primary contract administration responsibility, the disbursing office will notify the primary CAO when final payment has been made and the disbursing office file closed. When final payment is made and other actions completed, the CAO with primary contract administration responsibility will forward a final CCS, designated as Contract Close Group B, C, or D to the PO based upon physical completion, final payment, and completion of all administrative actions.

4. In those cases when a PKZ transaction has been received from the PO, the CAO will issue a final PK9 transaction within 5 workdays after the Extended Closeout Date, only if the CAO had to perform an additional contract administration function. The contract file will be closed and the last issued final PK9 will apply if the CAO did not have additional contract administration functions to perform after issuance of the final PK9 transaction.

### **G. CANCELLATIONS**

Conditions may arise that necessitate the cancellation of a CCS, a CCE, or a UCS report. When cancellation is necessary, it is accomplished by transmitting the first 35 positions of the original formats to be canceled and adding an X-overpunch over the decade position of the year in the PIIN.

### **H. FAST PAY CONTRACTS**

Normally a PO receives both an SPN, DI Code PJJ, and a CCS, DI Code PK9, on each contract. On fast pay contracts which do not exceed \$25,000, however, an SPN is not required by the Army, Navy, and DLA. The Army will use the CCS, both to show performance and to close the contract. The Air Force still requires and receives the SPN and the CCS on fast pay contracts.