

CHAPTER 2

SYSTEM CONCEPT

A. GENERAL

1. This chapter introduces the procedures which support, through automated means, functions involved in contract administration and contract management. Under the authority contained in DoD Directive 4000.25 (reference (a)), this manual implements the following:

a. Certain policy provisions published in the FAR (reference (d)) and in the DoD Federal Acquisition Regulation Supplement (DFARS) (reference (e)).

b. Standard data elements (authorized by DoD 5000.12-M (reference (f))) and logistics data elements covered by the Logistics Data Element Standardization and Management Program (implemented by DoD 4000.25-13-M, (reference (g))) .

2. In the event that the MILSCAP manual conflicts with the above publications, the provisions of the FAR, DFARS, or the Data Standards Manual will govern. Any such conflict should be reported to the DoD MILSCAP System Administrator.

3. Detailed procedures are contained in subsequent sections of this manual. The material in this chapter is necessarily broad and intended to provide a perspective of the overall program.

B. PROVISIONS

1. The MILSCAP program uses automated data processing equipment and high-speed data transmission, thus permitting automation of the exchange of procurement and contract administration data.

2. All MILSCAP transactions are transmitted through the AUTODIN network to automated systems at purchasing offices, inventory control points, field contract administration activities, and finance and accounting offices.

C. OVERALL SYSTEM DESCRIPTION

1. This manual describes the external flow of selected contract, production, delivery, and financial information between field contract administration organizations and activities performing a broad range of procurement, materiel management, and financial accounting functions.

2. This description is intended to present purchasing offices (POs), CAOs, inventory control points (ICPs), project managers (PMs), and financial accounting offices with a picture of the external procedures prescribed in this manual. An understanding of the external system will enable these activities to assess the impact of MILSCAP on their internal operating systems and to assimilate and use the products of MILSCAP. The proper use of these products will permit improvements at all levels by providing: (1) standard formats, data elements, and codes for capturing key contract data from procurement instruments, (2) standard procedures for forecasting and reporting deliveries, and (3) automated contract payment notifications for input into allotment and obligation status records.

a. After contracts have been signed, the PO will forward contract abstract record formats to the CAO for use in establishing the CAO master contract file. As later contract modifications occur, such as changes in shipping instructions and definitization of prices, contract modification abstract record formats must also be forwarded by the PO for updating the CAO master contract file. (In instances where the CAO initiates the modification, the flow of the contract modification abstract records is reversed.)

b. When material is shipped, the CAO advises the PO, the ICP, or the PM (as designated in the contract) by means of the Shipment Performance Notice (SPN). This permits an updating of due-in asset and intransit records at the PO or ICP level. If acceptance is to be accomplished at destination, the CAO advises the consignee of this fact by the Acceptance Alert (A/A). The receiving installation reports acceptance or rejection of material by the Acceptance Report (A/R) which forms a basis for payment of the contractor invoice by the CAO. If for any reason delivery will not be made on time by the contractor, a Revised Delivery Forecast (RDF), citing a reason for the delay and forecasted delivery date, will be sent to the PO for posting of due-in records.

c. As payments are made to a contractor, the CAO notification of such expenditures to finance and accounting activities consists of the Contract Payment Notice (CPN). These data formats are used by the

recipient to update automated obligation and allotment accounting records and reduce accounts payable.

d. The Contract Completion Statement (CCS) is utilized by the CAO to advise when a contract is closed. The reasons for delayed closing and an estimated date of closure are reported by means of the Unclosed Contract Status (UCS) record format.

D. RELATIONSHIP OF CERTAIN FAR AND DFARS PROVISIONS TO MILSCAP

1. The procurement and contract administration functions are benefited and facilitated by those FAR and DFARS provisions which standardize forms, criteria, and numbering. These standardization actions were a prerequisite to the efficient functioning of MILSCAP. DFARS coverage directly relating to MILSCAP is:

a. Uniform procurement instrument identification numbering procedures. This standard number structure provides a basis for integrated management of all DoD procurement instruments and furnishes an effective common reference point in all communications involving such instruments. Also, this uniform structure, when introduced into ADP systems, permits economical and efficient control of contracts at all logistics levels. (See DFARS, subpart 204.70.)

b. Standard techniques for contract line item and exhibit line item numbering. This uniform numbering scheme facilitates use of ADP by permitting establishment and control of automated records for each item of supply or service on procurement instruments. (See DFARS, subpart 204.71.)

c. **Various and sundry inspection and receiving formats were** standardized in the DD Form 250, "Material Inspection and Receiving Report." Deviations from the form are prohibited; placement of data is standardized; nonessential data or data already available in other documentation is reduced; automatic preparation of the form is facilitated. Under MILSCAP, DD Form 250 data is captured once and, through the SPN transaction, made available to all activities needing the data, thus precluding several expensive keying operations at different installations. After implementation of the SPN, excessive distribution of copies of the form is to be reduced and controlled. (See DFARS, appendix F.)

d. Uniform contract/award and modification documents. Standardization of formats and content of procurement instruments facilitates the transfer of contract administration data without misinterpretation and permits keying directly from the instruments without the need for coding and transcribing operations and capturing data in automated form simultaneously with preparation of the contract. This same automated contract data provides input to files of the materiel manager, the CAO, and potentially, the contractor. (See **DFARS 213.505-70 for DD Form 1155, "Order for Supplies or Services," and FAR, part 53, for standard forms.**)

2. A greater amount of detail concerning the above subjects can be obtained by direct reference to appropriate sections of the FAR and DFARS .

E. MILSTRIP, MILSTRAP, AND MILSTAMP INTERFACES

1. Current objectives and developments of the DoD tend toward designing standardization information systems through the building block approach, i.e., each block capitalizing on the uniformity of elements established by the other. Standardization permits the integration of various information systems whereby the data output of one system is the input to another.

2. Much of the data in MILSCAP directly relates to the information requirements established by other DoD standard data systems. MILSCAP interface with MILSTRIP (reference (h)) , MILSTRAP (reference (i)) , and MILSTAMP (reference (j)) includes:

a. When the contract involves requisitions, the end user's requisition number (prescribed in MILSTRIP) is forwarded to the CAO in the contract abstract record formats. This standard 15-position MILSTRIP requisition number is perpetuated on the DD Form 250 to permit the customer to correlate the original requirement to the delivery. In addition, the MILSTRIP requisition number (as an option) is perpetuated in the MILSCAP SPN record format and enables the inventory manager or purchasing office to clear its record and to prepare shipment status required by MILSTRIP.

b. The procurement instrument identification number (PIIN) reflected on delivery documents is the number used by storage activities in preparing the MILSTRAP materiel receipt transaction. The due-in records of an ICP can thus be cleared by matching the PIIN and the

contract line item number (CLIN) common to the due-in records and transactions.

c. Data in the contract abstract records, such as the requisition number, are used by the CAO in performing the traffic management function and enable preparation of the MILSTAMP Transportation Control and Movement Document (TCMD), when required.

3. The evolution of standardized and integrated logistics data systems, is a continuing process; therefore, the development of other new systems, improvement to existing systems, and the expansion of MILSCAP are to be anticipated.

F. TECHNIQUE FOR TRANSMITTING AMOUNTS AND QUANTITIES WHICH EQUAL OR EXCEED ALLOTTED DATA FIELD

1. When the positions in contract abstracts which are allotted for amounts (other than unit price) and quantities are not sufficient to allow for the total amount/quantity, two transactions will be required to be submitted. Both transactions will be identical except for the amount fields. (This technique does not apply to the Unit Price data field.)

a. Amount fields that exceed \$99,999,999.99.

(1) Transaction Number One: This transaction will contain, in the amount field, the right positions (including cents) of the amount with an X-overpunch in the tenths (second position from the right of the field) .

(2) Transaction Number Two: This transaction will contain the remaining positions to the left of the 10 positions posted in transaction number one and will be prefixed with zeros with a "T" in the high order position of the field.

b. Example for amount of \$78,987,654,321.00 (in a 10 position field) .

X

(1) Transaction Number One: 8765432100.

(2) Transaction Number Two: T000000789.

c. The Amount data fields (except Unit Price) shown in appendix A20 use this technique.

