



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
1000 NAVY PENTAGON
WASHINGTON, DC 20350-1000

JAN 5 2016

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Addressing the Backlog of Overage Contracts

Ref: (a) GAO Report 13-131, December 2012, "DEFENSE CONTRACTING – DOD Initiative to Address Audit Backlog Shows Promise, but Additional Management Attention Needed to Close Aging Contracts"

As discussed in reference (a) and in the Navy Contracting Council on 28 April 2015, the Department of the Navy needs to improve tracking and timely closing of overage contracts. In order to do so, we are implementing the following requirements:

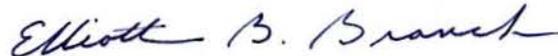
- a. By 29 February 2016, report the number of overage contracts (open contracts that have exceeded the timeframe for closeout as established in FAR 4.804-1) which you administer, along with the total dollar value of those overage contracts as of 31 December 2015, to DASN(AP) at RDAPolicy@navy.mil. Report only contracts, not individual task orders. Use the attached Excel workbook "Report of Overage Contracts," to report your data by required closeout timeframe. Also, please provide the approximate number of overage contracts and total contract dollar value by system as soon as possible, but no later than 29 February 2016. (See Tab F of the Excel workbook.)
- b. Annually thereafter, using the Attachment, report the number of contracts that became overage during the year, the number of contracts closed out during the year, and the ending balance of overage contracts.
- c. Consistently encourage your workforce's diligence in reducing both the number and total dollar value of overage contracts. No less than quarterly and immediately before a scheduled Procurement Performance and Management Assessment Program review, update your listing of individual overage contracts with contract type and include the total contract value for each individual contract and the sum for all overage contracts (number of contracts and total dollars). Upon request, provide this information to DASN(AP) and audit agencies.
- d. By 31 December 2016, reduce the number of overage contracts by at least 5% from your 31 December 2015 balance (your baseline).
- e. By 31 December 2017, reduce the number of overage contracts by at least a cumulative of 10% from your baseline.
- f. Beginning with the report due 28 February 2017, and annually thereafter on the last day of February, if you have not met or exceeded your cumulative goal, give

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an overall explanation as to why and include your plan of action to meet the next cumulative goal. If this is not within your control, so explain.

DASN(AP) will annually review the number and total dollar value of overage contracts, and determine future goals and reporting requirements, as needed.

The POC for this matter can be reached at (703) 693-4076.



Elliott B. Branch
DASN(AP)

Attachment: As stated.

Distribution:

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Report of Overage Contracts

Contracting Activity: _____						
Tab A - Overage SAP Contracts						
Calendar Year	Beginning Balance		Newly Overage		Closed Out	Ending Balance
2015						
2016						0
2017						0

FAR 4.804-1(a)(1) Files for contracts using simplified acquisition procedures should be considered closed when the contracting officer receives evidence of receipt of property and final payment, unless otherwise specified by agency regulations.

Report of Overage Contracts

Contracting Activity:							
Tab B - Overage FFP (non-SAP) Contracts							
Calendar Year	Beginning Balance		Newly Overage		Closed Out		Ending Balance
2015							
2016							0
2017							0

FAR 4.804-1(a)(2) Files for firm-fixed-price contracts, other than those using simplified acquisition procedures, should be closed within 6 months after the date on which the contracting officer receives evidence of physical completion.

Report of Overage Contracts

Contracting Activity: _____							
Tab C - Overage Contracts that Require Settlement of Indirect costs							
Calendar Year	Beginning Balance		Newly Overage		Closed Out		Ending Balance
2015							
2016							0
2017							0

FAR 4.804-1(a)(3) Files for contracts requiring settlement of indirect cost rates should be closed within 36 months of the month in which the contracting officer receives evidence of physical completion.

Report of Overage Contracts

Contracting Activity:							
Tab D - Overage Contracts - Other							
Calendar Year	Beginning Balance		Newly Overage		Closed Out		Ending Balance
2015							
2016							0
2017							0

FAR 4.804-1(a)(4) Files for all other contracts should be closed within 20 months of the month in which the contracting officer receives evidence of physical completion.

Report of Overage Contracts

Contracting Activity:

Tab E - Overage Contracts - Totals for the Contracting Activity

Calendar Year	Beginning Balance		Newly Overage		Closed Out		Ending Balance		Goal	Over (Under) Goal
2015							0			
2016	0		0		0		0		0	0
2017	0		0		0		0		0	0

Password for this sheet is ASN

No entries required on this sheet. It sums the other worksheet.

Report of Overage Contracts

Contracting Activity: _____

Tab F - Number of Overage contracts by System

System	End of CY 2015			End of CY 2016			End of CY 2017	
	# of Contracts	Total \$ Value		# of Contracts	Total \$ Value		# of Contracts	Total \$ Value
SPS								
SEAPORT								
ITIMP								
eMarketplace								
PRISM								
Other - Identify:								
Other - Identify:								
Manual								
Total	0			0				