

Abstract

The purpose of this research is to analyze the contract closeout process and determine what is causing the backlog of contracts in the contract closeout process. Specifically, the contracts currently in closeout at Defense Contract Management Agency Lockheed Martin Missiles and Fire Control Orlando (DCMA LMMFC-ORL) will be analyzed to determine which activities are holding up the closeout process for those contracts. In addition, this research will help DCMA LMMFC-ORL improve its contract closeout process by identifying the reasons for the backlog of contracts needing closeout and thus, allowing the deobligation of funds that the DoD can then use in further procurements. To mitigate the current backlog of contracts in the contract closeout process, the following questions were asked:

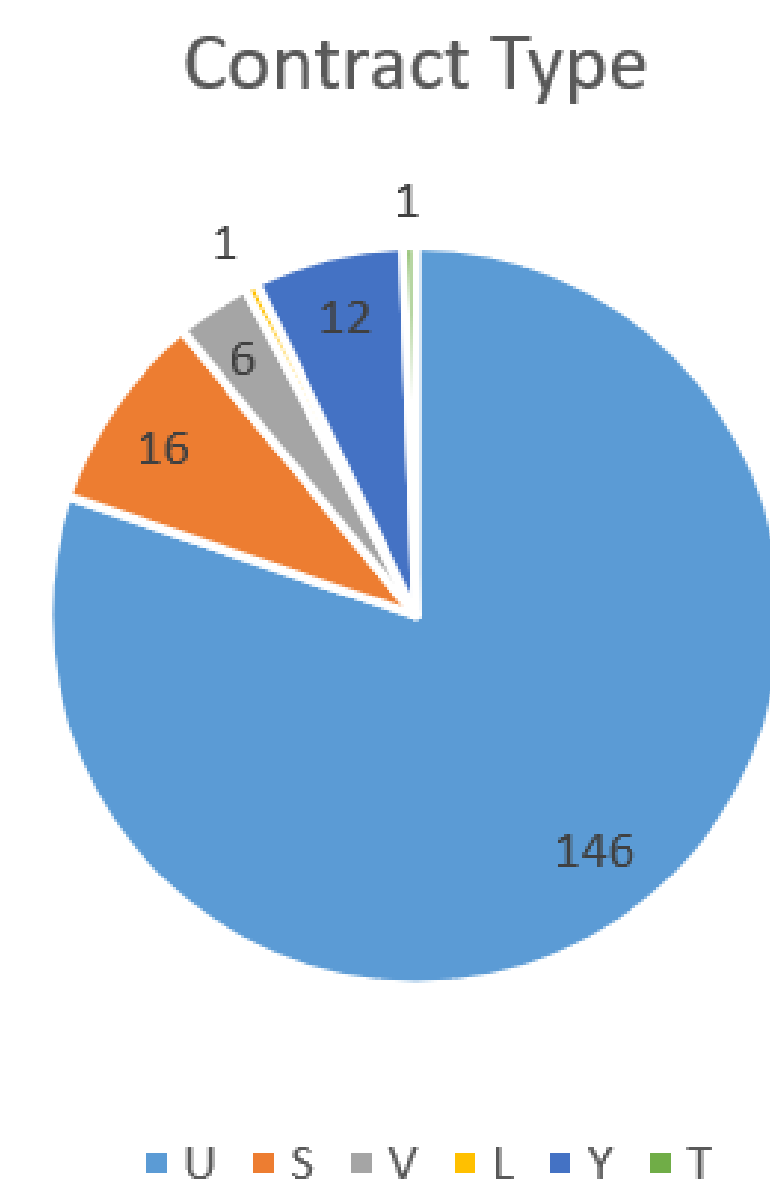
- 1) Based on the analysis of the contract closeout process at DCMA LMMFC-ORL, what are the reasons for the backlogs of contracts?
- 2) Based on the findings, how can DCMA LMMFC-ORL improve its contract closeout process to reduce the backlogs of contracts waiting to be closed out, and any funding due to DoD can be de-obligated?



Contract Closeout Key Players
Source: Google Images

Methods

- Mechanization of Contract Administration Services, or MOCAS Database:
 - Identifying DCMA LMMFC-ORL's fiscal year (FY) 2021 flexibly priced contracts, consisting of all cost-type, Fixed Price Incentive Fee, and Time and Material (T&M) awards
 - Identifying the reasons for the backlog of flexibly priced contracts needing closeout and thus allowing the deobligation of funds



Results & Their Impact

- An organizational analysis was conducted to review the DCMA LMMFC-ORL's contract closeout process and identify areas that may have been neglected and the resulting consequences.
- Recommendations were introduced that outline ways to improve the closeout process within the organization.

Time Standard FAR 4.804

Contract Type	Calendar Months
Contracts Using Simplified Acquisition Procedures	Evidence of Receipt and Final Payment
All Other Fixed Priced contracts	6 Months
Cost-Reimbursement Contracts (including T&M and LH contracts)	36 Months
All Other Contract Types	20 Months

* FAR 4.804-3 directs payment office to close contract upon issuance of final payment voucher

Photo Credit: Draper

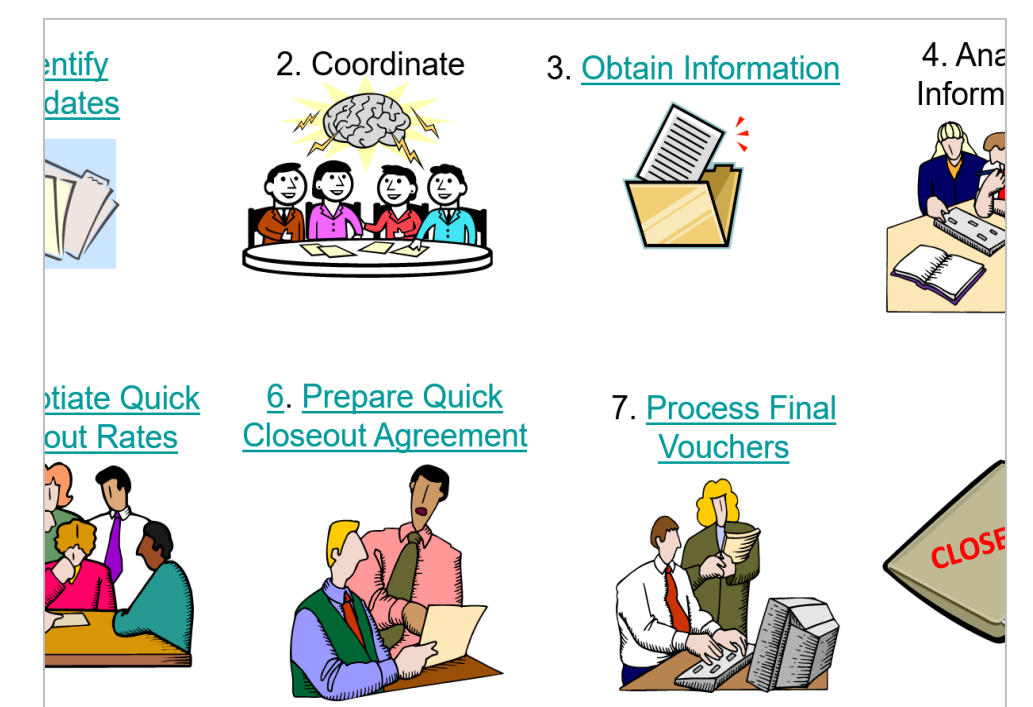
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CST-CONTR: 6300270.00  FEE-CONTR: 424316.00  by the
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DISC-DV-NET:  DISC-IN-OTH:  CEIL-PCT: 992  CANCEL
PMT-PCT: 992  US-RCP-PCT: 992  FMS-PMT-PCT:  amount
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PMT-SUBVNY:  ROP-PMT-AUT:  SPCL-TOLING:  fee and
TEC-DATA-RQ:  LQB-DMG-IND:  PKG-CRS-AUT:  PAYG
DSTN-SHP-RQ:  UNLD-DATA:  UNLD-NSP:  PAYG
SHPG-WI-DIN:  FRI-CRG-AUT: Y  MIN-SIZ-SHP: F
CRIT-RES-CD: C  FIM-ACFM-CD: N  PAYG-ORC: HQ038
IBOP-IND:  IBOP-CIV-CD:  IBOP-PCT:  PAYG
IBOP-CCY-CD:  PRE-PROD-SP:  NCLEL-PV-PU:  PAYG
BUN-INST-RQD: N  PROGPRY-INST-RQD: N  SPCL-PAY-RQD: N
    
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Sample MOCAS.
Source: DCMA



Source: Draper



Source: Google Images