

# PGI 13.402 Conditions for use.

(f)(1) *Monthly reports*: The DLA Information Operations Analytics Center for Excellence (ACE) shall provide monthly reports to the DLA Acquisition Compliance, Policy and Pricing Division and the procuring organizations identifying fast payment threshold violations. In addition, ACE shall provide monthly reports to the DLA Acquisition Compliance, Policy and Pricing Division and the procuring organizations identifying orders that violate the requirements of 13.402 Conditions for use.(f) with regard to Customer Direct Shipment, DLA Direct shipment, or inspection and acceptance. ACE shall provide the prior month's report by the 20th of each month. Each procuring organization shall receive a raw score based on the number of violations for each of the three categories (threshold, inspection and acceptance at other than destination, and Customer Direct or DLA Direct locations that do not meet the requirements of 13.402 Conditions for use.(S-90)). The violation score shall be green for no violations, yellow for one violation, and red for two or more violations.

(i) For each procuring organization with a raw violation score of yellow or red in any of the three categories, its compliance office shall—

(A) Review the threshold and other identified violations for accuracy and identify any errors; and

(B) Develop an adjudicated violation score reflecting the removal of errors from the violations list within 30 calendar days after calculation of the raw violation score and report the results of the adjudication to the DLA Acquisition Compliance, Policy and Pricing Division.

(ii) The DLA Acquisition Compliance, Policy and Pricing Division shall track the final adjudicated score.

(iii) The HCA shall report the corrective actions for the adjudicated violations to the SPE through the DLA Acquisition Compliance, Policy and Pricing Division within 10 calendar days after completing the adjudication. The HCA may designate an individual or office to be responsible for preparing the corrective action report, as long as the designated individual or office routes the report through the HCA for approval prior to submission.

(2) *Receipt validation*. DLA Operations Order Management shall identify missing material receipt acknowledgements (MRAs) and request that the responsible party provide them.

(3) *Shipment discrepancies*. DLA Inventory Management shall take action on discrepant orders as identified by Supply Discrepancy Reports (SF 364).

(4) *Quarterly reports*. Procuring organizations shall provide quarterly reports to the SPE, through the DLA Acquisition Compliance, Policy and Pricing Division. The purpose of the quarterly reporting requirement is to track customer receipt of material for each organization that uses fast payment procedures. The DLA Acquisition Compliance, Policy and Pricing Division shall consolidate the reports prior to reporting to the SPE. The quarterly reporting periods are October through December, January through March, April through June, and July through September for each fiscal year. Reporting organizations shall use reports generated by ACE to develop the quarterly reports to the SPE. The reports generated by ACE are a statistical sample of fast payment transactions. The DLA Acquisition Compliance, Policy and Pricing Division and each procuring organization's compliance division shall have access to all reports that ACE generates for the procuring organizations. ACE shall provide reports to procuring organizations by the 20th day of the 4th month following each quarter (for example, the report for the period of January-March will be provided by

July 20th). Each procuring organization shall provide reports within 60 calendar days after receipt of the ACE reports. Each procuring organization's compliance division and CCO (or equivalent) shall review the report before submission to the DLA Acquisition Compliance, Policy and Pricing Division. Procuring organizations with no use of fast payment procedures may provide a negative response directly to the DLA Acquisition Compliance, Policy and Pricing Division without reporting to the HCA. In those cases, no Fast Pay Validation Report is required. Use the following format for the quarterly reports:

*( Beginning of report format)*

#### FAST PAY VALIDATION REPORT

1. Procuring Organization (include Supply Chain, if applicable): [ *procuring organization insert* ]
2. Time Frame: [ *procuring organization insert* ]
3. Confidence Level/Confidence Interval: [ *procuring organization insert* ]
4. Total number of lines in the population: [ *procuring organization insert* ]
5. Total number of lines in the sample: [ *procuring organization insert* ]
6. Total number of FMS lines in sample (do not require receipt): [ *procuring organization insert* ]
7. Total number of sampled lines with non-discrepant MRAs (FMS not included): [ *procuring organization insert* ]
8. Percentage of non-FMS lines validated by system MRAs: [ *procuring organization insert* ]
9. Contract/order type and counts: [ *procuring organization insert* ]
  - a. Manual purchase order ("P"): [ *procuring organization insert* ]
  - b. Automated purchase orders ("V"): [ *procuring organization insert* ]
  - c. Delivery orders against IDIQs ("F"): [ *procuring organization insert* ]
  - d. Other "G": [ *procuring organization insert* ]
10. Total number of sampled lines with no MRA (FMS not included): [ *procuring organization insert* ]
11. Total number of samples lines with MRAs but with discrepant quantities (FMS not included): [ *procuring organization insert* ]
12. Total number of lines requiring manual validation: [ *procuring organization insert* ]
  - a. Total number validated and method of validation: [ *procuring organization insert* ]
    - (i) System-generated non-discrepant MRA: [ *procuring organization insert* ]
    - (ii) Proof of Delivery: [ *procuring organization insert* ]
    - (iii) Email confirmation: [ *procuring organization insert* ]
    - (iv) Certified Invoice: [ *procuring organization insert* ]

(v) Other: [ procuring organization insert ]

b. Contract/order type and counts: [ procuring organization insert ]

(i) Manual purchase orders (“M” & “P”): [ procuring organization insert ]

(ii) Automated purchase orders (“V”): [ procuring organization insert ]

(iii) Delivery orders against IDIQs (“F”): [ procuring organization insert ]

*(End of report format)*

(5) Contracting officers shall use the SAAD at 53.9013 Simplified acquisition procedures. or the alternate SAAD at 53.9013 Simplified acquisition procedures., as applicable, to document the use of fast payment procedures for purchase orders, when applicable, and verify compliance with the applicable fast payment threshold. If the authority for a threshold at 13.402 Conditions for use. flows from an exception at 13.402 Conditions for use., the contracting officer shall document the higher threshold in the narrative. If a threshold does not apply for medical supplies for direct shipment overseas based on DFARS 13.402(a)(ii), the contracting officer shall document this in the narrative. For delivery orders that require a PNM, the contracting officer shall use the PNM checklist to verify that the PNM addresses use of fast payment procedures, and the contracting officer shall address the use of fast payment procedures in the contract award.

(6) Contracting officers shall follow the job aids identified below when creating and maintaining contracts using fast payment procedures.

(i) Enterprise Core Component (ECC) Job Aids. See EBS ONLINE HELP (https://dlamil.dps.mil/sites/P1/ebs/Pages/ONLINEHELP.aspx), select “eProcurement”, and select “LTCs (Outline Agreements) in ECC” to access—

(A) Long-Term Contracting: Creating an Outline Agreement

(B) ECC 778 OA Upload Spreadsheet Data Dictionary

(ii) Supplier Relationship Management (SRM) Job Aids. See EBS ONLINE HELP (https://dlamil.dps.mil/sites/P1/ebs/Pages/ONLINEHELP.aspx), select “eProcurement”, and select “LTCs in SRM” to access—

(A) Long-Term Contracts (LTCs): Creating and Maintaining Contracts via Spreadsheet Upload

(B) Long-Term Contracts (LTCs): Manually Create a Long-Term Contract from an RFx Bid Response

(C) Long-Term Contracts (LTCs): Upload Spreadsheet Fields Guidance

(D) SRM LTC Contract Upload Spreadsheet Reference Only

(E) Creating a PO in SRM

**Parent topic:** PGI SUBPART 13.4 - FAST PAYMENT PROCEDURE