

PROCUREMENT ADVISORY No. 93 A

Contract Closeout Procedures

1. SUMMARY

This advisory, Revision A, supersedes Advisory 93, dated January 15th, 2010, and updates the guidance concerning procedures for contract closeout for all contracting activities in support of the proper deobligation of unliquidated obligations (ULOs) following the end of contract performance or contract termination.

2. APPLICABILITY

This advisory applies to all contracts and orders, including orders exceeding the micro-purchase threshold that are placed using a Government purchase card. These procedures may be supplemented by contracting activities to meet specific organizational or mission needs. The appendices may be supplemented or tailored to meet agency needs.

NOTE: A completed contract should not be closed if the contract is in litigation, under investigation, pending a termination action or if there is an outstanding claim.

3. BACKGROUND

Importance of Closeout. Contract closeout is critical to the Department meeting its acquisition and fiscal responsibilities and requires coordination with program and finance offices, as well as with the contractor. It is also the responsibility of the Contract Specialist/Officer to perform all contract administrative functions in support of their Program Offices from the beginning of the acquisition process through to the end of the process. The closeout process can be simple or complex depending on the contract type and dollar value. All contracts and orders, no matter how small, must be closed out.

Failure to closeout contracts in a timely manner may result in an inability to recover excess funds for possible use elsewhere. Delayed closeout may make it difficult to settle final rate determinations on cost reimbursable contracts. With the passage of time, acquisition, program, property, and financial staff, as well as key contractor staff, may have left their respective positions. The contractor may even have gone out of business. This can make it difficult to reconstruct key activities in a contract's life.

Following contract closeout, the contracting staff must follow up with the contractor past performance evaluation, in accordance with Procurement Advisory 96, and records retention and disposition, in accordance with FAR 4.805 and the National Archives Federal Records Center.

4. REFERENCES

- a. Federal Acquisition Regulation (FAR), 48 CFR, at FAR 4.804, *Closeout of Contract Files*.
- b. FAR 42.705, *Final Indirect Cost Rates*, and FAR Section 42.708, *Quick-Closeout Procedure*.
- c. FAR 4.805, *Storage, Handling, and Disposal of Contract*. Refer to the FAR table for records retention and disposition.
- d. The National Archives website, at <http://www.archives.gov/frc/toolkit.html>, for proper retention and disposition of contract files.
- e. FAR 45, *Government Property*.

f. Departmental Regulation 2230-001, Reviews of Unliquidated Obligations. **NOTE:** This DR is currently being edited regarding its applicability for procurement and for consistency under the FAR.

5. DEFINITIONS

“Administratively complete” means that all contract administrative actions have been accomplished, all releases executed, and final payment made.

“Closed” means that all administrative actions, including final payment, have been completed and all disputes have been settled. A contract is considered to be closed on time when closeout is achieved within the timeframes required by the FAR.

“Contracting Officer” is the term used throughout this advisory. However, except for those actions which require a contracting officer’s warrant, the contracting officer (CO) or Head of the Contracting Activity or designee (HCAD) may delegate any of the duties of contract closeout to other procurement personnel such as contract specialists, purchasing agents or procurement clerks.

Duties not delegable. The CO completion statement and the release of claims letter shall be signed by the CO and that signatory responsibility may not be delegated. In addition, only the CO may take actions that affect contract funding or formal acceptance or rejection of contractor submissions and the CO ensures that all required administrative actions have been satisfactorily completed.

“Day” means a calendar day.

“Deobligation” is the agency’s cancellation or downward adjustment of previously incurred obligations. For the purposes of this advisory, deobligation is the cancellation of any remaining amounts of awarded funds from a contract or order. Deobligated funds are available once again and may be reobligated within the period of availability of the appropriation, as if they had never been obligated in the first place (GAO *Principles of Federal Appropriations Law*, Vol. II, Chapter 7, page 7-59).

“Invoice” means a contractor's bill or written request for payment under a contract for supplies delivered or services performed. “Proper invoice” means an invoice that meets the minimum standards specified in FAR [32.905](#)(b).

“Physically complete” means the contractor has completed all required deliveries of supplies or services and the Government has inspected and accepted all supplies and accepted all services and materials. All option provisions, if any, have expired, or the Government has given the contractor a notice of complete contract termination.

“Unliquidated funds” means funds that remain unexpended at the close of the contract.

“Unliquidated obligations” means unliquidated funds.

6. TIMEFRAMES

Contracting officers shall conduct contract closeout using the procedures below, the contract closeout checklist and documents similar to the samples attached. The completed checklist and copies of closeout documents shall be retained together in the contract file. The closeout checklist should be completed for all contracts and orders within the timeframes prescribed in FAR 4.804-1, as shown in the table below:

Contracts and orders involving:	Timeframe for closing after completion or receipt of goods or services:
Simplified acquisition procedures (currently, generally not exceeding \$150,000, in accordance with FAR Part 13)	Following final payment. (The CO shall complete any necessary documentation generally within 30 days.)
Firm-fixed-price, without simplified acquisition procedures	6 months
Cost reimbursement contracts, settlement of indirect costs	36 months
All other types of contracts	20 months

7. RESPONSIBILITIES

a. Contracting Officer (CO). The CO is responsible for overseeing the contract close out with assistance from the Contracting Officer's Representative (COR). Except for those actions which require a contracting officer's warrant, the CO or HCAD may delegate any of the duties of contract closeout to other procurement personnel such as contract specialists, purchasing agents or procurement clerks. In accordance with FAR 4.804-5, the CO shall:

- (1) Ensure that all contract actions are completed, including all outstanding claims, change orders, or value engineering change proposals, subcontracts settled, and that the file is ready for final closeout.
- (2) Ensure that applicable reports are cleared or completed such as patent report, final royalty report, plant clearance report, and contract audit.
- (3) Request the contractor to submit the required closeout documents.
- (4) Complete any price revision or confirm the settlement of any costs.
- (5) Ensure that the contractor is paid for all work performed and that any monies owed to the Government by the contractor are collected in a timely manner.
- (6) Ensure that the file is properly closed out and retained in storage for the required period.
- (7) If Government property is furnished under the contract, coordinate with the COR and property manager to verify that the contractor's inventory of residual Government property (Government-furnished or contractor-acquired) is accurate and ensure that the contractor complies with the disposition instructions.

b. Contracting Officer's Representative (COR). The COR shall:

- (1) Assist the CO in the settlement of any outstanding claims, change orders, or value engineering change proposals.

- (2) Ensure that all technical requirements of the contract have been met and that the contract has been satisfactorily completed.
- (3) Certify that all deliverable items, including the final report, if applicable, were delivered and accepted, and that all services were performed and accepted.
- (4) If Government property is involved, review and verify that the contractor's inventory of residual Government property is accurate. Coordinate with the Government property manager and provide instructions to the CO for the disposition of all residual Government property.
- (5) For cost-reimbursable contracts, review the completion voucher to ensure that costs claimed are reasonable and consistent with the work performed.

c. Head of the Contracting Activity Designee (HCAD). The HCAD shall coordinate the periodic review of the list of unliquidated obligations with the agency Chief Financial Officer (CFO), upon receipt of the list from the Office of the Chief Financial Officer (OCFO). This responsibility may be delegated.

d. Contractor. The contractor is responsible for the following actions, as appropriate:

- (1) Submit a contractor's release of claims.
- (2) Prepare and submit a final invoice or completion voucher with request for final payment.
- (3) Settle all subcontract costs and any subcontract issues and submit subcontracting compliance reports for all years to the electronic subcontract reporting system at <http://www.esrs.gov> (formerly Standard Forms 294 and 295).
- (4) Submit the final patent and royalty reports and a final property inventory.
- (5) For cost-reimbursement contracts, submit indirect cost rate proposals for all years in which a proposal was not previously submitted.

8. ACTIONS

The following procedures shall be used following contract completion, the end of contract performance or contract termination.

Contract Closeout Checklist. The *Contract Closeout Checklist (Appendix A)* shall be included in the contract file and reviewed in the pre-award stage in order to ensure that all applicable contract award and administration actions are included.

The closeout checklist is not all-inclusive. The CO must also refer to the FAR and, following its being updated, to the referenced DR 2230 in order to ensure that actions are completed and properly documented in the contract file.

COs and closeout staff shall also refer to the **specific procedure** for their contract type on pages 6 through 8.

NOTE: A completed contract should not be closed if the contract is in litigation, under investigation, pending a termination action or if there is an outstanding claim.

a. Overview of Procedures for Closeout of Contracts.

- (1) **Commencing Closeout.** Following completion of the contract or order, the CO or closeout staff shall proceed with closeout using the appropriate checklist and samples attached to this advisory.
- (2) **File Review.** The CO shall assemble all elements of the contract file and review its contents against the requirements contained in FAR 4.803, using the *Contract Closeout Checklist (Appendix A)*. Any missing documents should be obtained and placed in the file. Otherwise, if documents are unobtainable, the file should be notated regarding the circumstances of why documents are unavailable.
- (3) **COR Memorandum.** The CO shall send a memorandum to the COR requesting that the COR complete the closeout certification (**Appendix B**).
- (4) **COR Certification.** The COR, or accepting personnel, shall certify to the CO in writing that all deliverables/services have been received (**Appendix C**).
- (5) **Notification to the Contractor.** When appropriate, after final payment is processed, the CO shall prepare a letter of **release of claims** (contractor closing statement) notifying the contractor and surety, if any, that the contractor has no further obligation under the contract except for guarantees, warranties, or latent defects. The contractor shall sign and return the release (**Appendix D**).

The FAR states that the release of claims is required for the following kinds of contracts:

- (a) Non-commercial cost reimbursable (in accordance with FAR 52.216-7 (h)).
 - (b) Fixed price construction and architect – engineer (FAR 52.232-5(h)(3), and 52.232-10(d)).
 - (c) Time-and-material and labor-hour (FAR 52.212-4, Alternate 1 (c)(7))
- (6) **Completion Statement.** The CO shall prepare and sign a statement that all required contractual actions have been completed and that the contract is ready for closeout (**Appendix E**). If another office administers the contract, that administrative office is responsible for closing out the contract in accordance with FAR 4.804-2(b).
 - (7) **Deobligation of Funds.** The CO shall ensure that any remaining funds on the contract are deobligated as follows:
 - (a) **Contract Review.** Review the contract to see if any unliquidated funds remain under the contract and confirm that the contractor has been paid for all work accepted.
 - (b) **ULO Report.** Review the quarterly unliquidated obligations report issued by the OCFO to assist in determining if there are still funds unobligated funds on the contract.
 - (c) **Deobligation.**
 - (i) **Determination to Deobligate.** If a determination has been made to deobligate the funds, the CO will notify the OCFO generally within **14 days** following review of the ULO report, or the contract review, that a de-obligation will be processed. See *Deobligation Memorandum to Office of the Chief Financial Officer (Appendix F)*.

(ii) **Determination Not to Deobligate.** If a determination has been made **not** to deobligate the funds, the CO will notify the OCFO generally within **14 days** following review of the ULO report, or the contract review, with the reason why the deobligation will not occur. If applicable, the CO, aided by the COR, will make a determination as to whether delivery of services, goods, or performance is expected to occur at a later date. See *Deobligation Memorandum to Office of the Chief Financial Officer (Appendix F)*.

- (8) **Quick Closeout.** COs may utilize the quick closeout procedures for cost reimbursement contracts meeting the conditions of FAR 42.708(a).
- (9) **Financial Management System.** In the future, when the discoverer tool is fully implemented in the Integrated Acquisition System (IAS), the CO shall print a report from the Financial Management Modernization Initiative (FMMI) financial management system, showing the contract obligation amount and amount paid, and retain that report in the contract file.
- (10) **Past Performance Evaluation.** The COR and the CO shall enter the past performance evaluation for the contractor into the Contractor Performance Assessment Reporting System (CPARS) in accordance with Procurement Advisory No. 96 located at <http://www.dm.usda.gov/procurement/policy/advisories.htm>. CPARS is now part of the System for Award Management (SAM). The SAM User Guide is available at https://www.sam.gov/sam/transcript/SAM_User_Guide_v1.8.pdf.
- (11) **Records Retention and Disposition.** Refer to the table in FAR 4.805 and to the National Archives website, at <http://www.archives.gov/frc/toolkit.html>, to properly retain and dispose of contract files.

9. SPECIFIC PROCEDURES FOR CLOSEOUT OF CONTRACTS

- a. **Contracts or orders using Simplified Acquisition Procedures (SAP),** generally contracts or orders not exceeding \$150,000, in accordance with FAR Part 13:
 - (1) These contracts or orders should be considered closed after the CO receives evidence of receipt and acceptance of supplies or services and following final payment. The CO shall complete any necessary documentation generally within **30 days**.
 - (2) **De-obligation.** Any excess funds should be deobligated by issuing, as appropriate:
 - (a) a bilateral modification; or
 - (b) a unilateral modification if a **release of claims** is obtained from the contractor (**Appendix D**), as appropriate.
 - (c) Notification of deobligation shall be provided to the OCFO. See *Deobligation Memorandum to Office of the Chief Financial Officer (Appendix F)*.
 - (3) **Financial Management System.** In the future, when the discoverer tool is fully implemented in the Integrated Acquisition System (IAS), the CO shall print a report from the Financial Management Modernization Initiative (FMMI) financial management system,

showing the contract obligation amount and amount paid and retaining that report in the contract file.

b. Firm-Fixed-Price Contracts, where Simplified Acquisition Procedures were not used:

- (1) **Closeout Checklist File Review.** Following final payment, the CO or closeout staff shall review the contract file and complete Section 1 and begin Section 2 of the *Contract Closeout Checklist (Appendix A)*.
- (2) **COR Closeout Memorandum and Certification.** Following final payment, the CO shall also send the *COR Closeout Memorandum* to the COR for completion and signature (**Appendix B**).
 - (a) **COR Response.** The COR shall, upon receipt of the memo, complete the *COR Certification (Appendix C)* and return it to the CO or closeout staff.
 - (b) **Past Performance Report.** The COR shall also complete the contractor past performance evaluation in the Contractor Performance Assessment System (CPARS), in accordance with Advisory 96 (<http://www.dm.usda.gov/procurement/policy/advisories.htm>). CPARS is now part of the System for Award Management (SAM). The SAM User Guide is available at https://www.sam.gov/sam/transcript/SAM_User_Guide_v1.8.pdf.
 - (c) The CO shall review the information provided by the COR. This information will be used to prepare the *Notification of the Contractor and Release of Claims* letter to be sent to the contractor (**see Appendix D**), if appropriate.
- (3) **Contractor Notification and Release of Claims.** Following receipt of the COR certification, when appropriate, the CO or closeout staff shall send the notification and release letter, signed by the CO, to the contractor. The letter may be sent by either email or regular mail (**Appendix D**).

The FAR states that the release of claims is required for the following kinds of contracts:

- (a) Non-commercial cost reimbursable (in accordance with FAR 52.216-7 (h)).
 - (b) Fixed price construction and architect – engineer (FAR 52.232-5(h)(3), and 52.232-10(d)).
 - (c) Time-and-material and labor-hour (FAR 52.212-4, Alternate 1 (c)(7))
- (4) **Contract Completion Statement.** Upon receipt of all outstanding documents the CO or closeout staff shall prepare the *Contract Completion Statement (Appendix E)*.
 - (5) **Contract Closeout Checklist.** The CO or closeout staff shall also complete the remainder of the *Contract Closeout Checklist (Appendix A)*.
 - (6) **De-obligation.** The CO shall deobligate any excess funds by issuing, as appropriate:
 - (a) a bilateral modification; or
 - (b) a unilateral modification if a *Release of Claims* is obtained from the contractor (**Appendix D**).

(c) Notification of deobligation shall be provided to the OCFO. See *Deobligation Memorandum to Office of the Chief Financial Officer (Appendix F)*.

(7) **Financial Management System.** In the future, when the **discoverer** tool is fully implemented in the Integrated Acquisition System (IAS), the CO shall print a report from the Financial Management Modernization Initiative (FMMI) financial management system, showing the contract obligation amount and amount paid and retaining that report in the contract file.

c. Cost-Reimbursement Contracts:

(1) **Closeout Checklist File Review.** Following contract completion, the CO or closeout staff shall review the contract file and complete Sections 1 and 2 of the *Contract Closeout Checklist (Appendix A)*.

(2) **COR Closeout Memorandum.** Following contract completion, the CO shall also send the *COR Closeout Memorandum* to the COR (**Appendix B**).

(a) **COR Response.** Following receipt of the memo, the COR shall complete the *COR Certification (Appendix C)* and return it to the CO.

(b) **Past Performance Report.** The COR shall complete the contractor past performance evaluation in the Contractor Performance Assessment System (CPARS), in accordance with Advisory 96 (<http://www.dm.usda.gov/procurement/policy/advisories.htm>). CPARS is now part of the System for Award Management (SAM). The SAM User Guide is available at https://www.sam.gov/sam/transcript/SAM_User_Guide_v1.8.pdf.

(c) The CO shall review the information provided by the COR. This information will be used to prepare the *Notification and Release of Claims* letter to be sent to the contractor (**Appendix D**), when appropriate.

(3) **Contractor Notification and Release of Claims Letter.** Following receipt of the COR certification, as appropriate, the CO or closeout staff shall send the notification and release letter, signed by the CO, to the contractor. The letter may be sent by either email or regular mail (**Appendix D**). The FAR states that the release of claims is required for the following kinds of contracts:

(a) Non-commercial cost reimbursable (in accordance with FAR 52.216-7 (h)).

(b) Fixed price construction and architect – engineer (FAR 52.232-5(h)(3), and 52.232-10(d)).

(c) Time-and-material and labor-hour (FAR 52.212-4, Alternate 1 (c)(7))

(4) **Audit.** If applicable, following receipt of the contractor's response, the CO will request a final contract audit from the cognizant audit office.

(5) **Reports.** Any required reports will be forwarded to the responsible parties including the following, when applicable:

(a) Reports and documentation related to patents, royalties, warranties and inventions shall be forwarded to the COR and the Office of the General Counsel (OGC) (See FAR 12.404, 27.3, 27.4 and 46.7)

- (b) Reports, actions, documentation for government furnished equipment (GFE) or Government furnished property (GFP) shall be forwarded to the COR and the government property administrator.
- (6) **Desk Audit.** Within **60 days** after receipt of contractor's response, as applicable, the CO or closeout staff shall complete a desk audit of the contract. COs are encouraged to work with the cognizant auditor to verify information. Information obtained shall be recorded in the contract file.

This local desk audit shall consist of a review of items such as, if applicable, in-house engineering estimates of the level of effort, audited cost information from contracts in process or recently negotiated contracts, adequately reviewed data on proposed subcontract items which constitute the major portion of the prime contractor's cost proposal, prices of standard commercial items which constitute a major portion of the prime contractor's cost proposal; special forward pricing or overhead rates contained in advance agreements; current labor rates, overhead rates, loading factors, and per diem rates; recent audit reports or price negotiation memoranda.

- (7) **Final Equitable Adjustment of Price.** Generally within **30 days** of completion of the desk audit or **90 days** after receipt of the final audit, the CO shall determine the final equitable price adjustment, as applicable.
- (8) **Final Modification to Contractor.** Following review and after all clearances on the modification are completed, the CO shall send the final modification to the contractor.
- (9) **Execution of final modification.** The contractor will return the signed modification within **30 days** after modification is sent to contractor. The CO shall file the fully executed modification and provide a copy to the contractor.
- (10) **Request for Payment of Final Invoice.** The CO shall make final payment after receipt of the contractor's request.
- (11) **Contract Completion Statement.** Generally within **30 days** after payment of final invoice and following receipt of all outstanding documents, the CO shall prepare the *Contract Completion Statement (Appendix D)*.
- (12) **Contract Closeout Checklist.** The CO shall also complete the remainder of the *Contract Closeout Checklist (Appendix A)*.
- (13) **OCFO Notification.** Notification of deobligation shall be provided to the OCFO. See *Deobligation Memorandum to Office of the Chief Financial Officer (Appendix F)*.
- (14) **Financial Management System.** In the future, when the discoverer tool is fully implemented in the Integrated Acquisition System (IAS), the CO shall print a report from the Financial Management Modernization Initiative (FMMI) financial management system, showing the contract obligation amount and amount paid and retaining that report in the contract file.

9. RECORDS RETENTION PROCEDURES

- a. The CO or contracting staff shall consult with the appropriate agency document management personnel for filing and storage and shall also coordinate with the Federal Records Center (FRC) of the National Archives and Records Administration. See the FRC Toolkit accessible at <http://www.archives.gov/frc/toolkit.html> for more instructions.
- (1) The CO shall provide the closed contract files to the appropriate agency personnel to be appropriately boxed and stored at the appropriate agency facility.
 - (2) **Period of Retention.** FAR 4.805 *Storage, Handling, and Disposal of Contract Files*, lists the period of records retention for all contract documents and files.
 - (3) Closed contract files that are two years or older may be shipped to the FRC.
 - (4) Appropriate boxes for shipping may be available from the cognizant USDA agency records manager.
 - (5) A completed form SF 135, *Records Transmittal and Receipt*, must be sent to the records center for approval prior to shipping the closed contracts. A list of contracts to be sent shall also be included in accordance with FRC instructions (See <http://www.archives.gov/frc/toolkit.html>).
 - (6) Separate contract files by year using the final payment date. Each year shall have a separate accession number, which is the number assigned by the FRC in order to locate it for later destruction or retrieval. Contract files should be boxed in numerical order. Task orders should follow the main contract.
 - (7) **Warranty.** The CO or staff will notify the records manager if there is a long warranty period involved in any contract going to FRC. Such contracts shall have a separate accession number so the destruction date will occur after the warranty period. This is done in the event there is a warranty action against the Contractor during the warranty period.
 - (8) The CO or contracting staff will contact the agency records manager for arrangements to transport boxes to FRC.

b. **Retrieval of Records.**

If a record needs to be retrieved from the FRC, complete Form OF-11, *Reference Request - Federal Records Center*, and forward to the cognizant agency records manager.

c. **Notification of Final Destruction.**

When records become eligible for destruction, the FRC will contact the records manager, who, in turn, will contact the agency to obtain permission to dispose of them.

AGAR Advisories are posted on the USDA World Wide Web site at the following URL: <http://www.dm.usda.gov/procurement/policy/advisories.html> . If you have questions or comments regarding this advisory, please send an email message to Dorothy A. Lilly, Chief of Procurement Policy, OPPM or the Policy Office's email box at procurement.policy@dm.usda.gov.

EXPIRATION DATE: Effective upon issue date until canceled.

List of Appendices

<u>Appendix</u>	<u>Document Title</u>
A	Contract Closeout Checklist
B	COR Closeout Memorandum
C	COR Certification
D	Notification of Contractor and Release of Claims
E	Contract Completion Statement
F	Deobligation Memorandum to Office of the Chief Financial Officer

CONTRACT CLOSEOUT CHECKLIST

Appendix A Procurement Advisory 93 A

Contract Number: _____

Contractor: _____

ITEM	Yes	No	N/A	COMMENTS
1. Contract file contains all required and relevant documents (see FAR 4.803) including the following items, when applicable:				
a. Purchase request and evidence of availability of funds				
b. Synopsis or reference to synopsis				
c. List of sources solicited				
d. Set-aside decision; Form AD-1205, Market Research				
e. Government estimate of contract price				
f. Solicitation & all amendments				
g. Copy of each offer or quotation				
h. Negotiation documentation				
i. Contractor's representations & certifications				
j. Determination of contractor responsibility				
k. Other determinations, or justifications & approvals				
l. Delegations of Authority, COR Memorandum				
m. Signed contract, modifications & supporting documents				
2. All financial matters have been resolved and documents included in file, as applicable:				
a. Disputes, refunds or credits				
b. Final invoice processed for payment				<u>Date paid:</u>
c. De-obligation of excess funds				
3. Subcontracts are settled by the prime contractor				
4. Closeout Letters/Memoranda from COR, To Payment Office				<u>Date signed:</u>
5. Reports and documentation related to patents, royalties, warranties, and inventions (FAR 4.804-5(2), 12.404, 27.3, 27.4 and 46.7)				<u>Date signed:</u>
6. Reports, actions, and documentation for government-furnished equipment (GFE)/ government-furnished property (GFP) (FAR 45)				
7. Audit Information or reports are completed				
8. "Release of Claims" sent to and executed by contractor and included in file [FAR 52.232-5 (h)]				
9. Contract completion statement and checklist [FAR 4.804-5 (b)] and IAS closeout report completed and included in file. (Closeout Date)				<u>Date statement signed:</u>
10. Contractor Performance Assessment Reporting System (CPARS) information entered (See AGAR Advisory 96, located at http://www.dm.usda.gov/procurement/policy/advisories.htm)				
11. Records retention & disposition completed (See table in FAR 4.805. See also http://www.archives.gov/frc/toolkit.html)				<u>Date sent:</u>

COR Closeout Memorandum

Appendix B Procurement Advisory 93 A



DATE: _____

TO: (Name) _____
Contracting Officer's Representative

FROM: (Name) _____
[Insert Title: Contracting Officer or Contract Specialist]

SUBJECT: Contract Closeout
Contract number: _____
Contractor: _____
Project Title: _____

This office is currently in the process of closing out the above referenced contract.

Enclosed is the **COR Closeout Certification** form. Your completion of this form is required for our office to closeout the contract.

Please complete the enclosed document and return it to the following address within a suggested **14 calendar days**:

(Agency Name) _____
(CO/Specialist Name) ATTN: _____
(Address) _____

In addition, please complete the contractor past performance evaluation in the Contractor Performance Assessment System (CPARS), in accordance with USDA Procurement Advisory 96 available at <http://www.dm.usda.gov/procurement/policy/advisories.htm>.

If you have any questions, please contact me by phone at _____ (Phone number)

or by email at _____ (Email address).

Attachment

COR Certification

Appendix C Procurement Advisory 93 A

TO: (Name) _____
[Insert Title: Contracting Officer or Contract Specialist]

FROM: (Name) _____
Contracting Officer's Representative (COR)

SUBJECT: Contract Closeout Contract number: _____
Contractor: _____
Project Title: _____

The contractor's performance under the subject contract has been evaluated and the following information pertinent to the closing of the contract file is noted below:

<p>1. All deliverables including all items, supplies, services and/or reports required by the terms of the contract:</p> <ul style="list-style-type: none"><input type="checkbox"/> have been furnished;<input type="checkbox"/> have not been furnished and the list of exclusions is attached.
<p>2. Government furnished property (GFP): Was GFP provided or acquired under the subject contract. If GFP is involved, the disposition instructions will be provided under separate correspondence.</p> <ul style="list-style-type: none"><input type="checkbox"/> was provided or acquired;<input type="checkbox"/> was not provided or acquired;
<p>3. Warranties. Are there any extended warranties? If so, please list the equipment description, serial number and warranty duration.</p> <ul style="list-style-type: none"><input type="checkbox"/> There are extended warranties;<input type="checkbox"/> There are no extended warranties; <p>If there are warranties, attach a list including equipment description, serial numbers and warranty duration.</p>
<p>4. All deliverables items/services required by the terms of the contract</p> <ul style="list-style-type: none"><input type="checkbox"/> have been received and accepted;<input type="checkbox"/> have not been received;<input type="checkbox"/> have been received but not accepted;

COR Certification

I hereby recommend that the following action be taken:

- Contract requirements have been met satisfactorily and are accepted; closeout action is appropriate.
- Delay closeout and final payment (Include reasons in attached statement).

Contracting Officer's Technical Representative

Date

Contractor Notification Letter & Release of Claims

Appendix D Procurement Advisory 93A

Date _____

(Company Name) _____
ATTN: _____
(Address) _____

Subject: (Contract No. & Project Title) _____.

Dear (Name) _____,

Performance of the referenced contract was completed on (Insert Completion Date)_____. To officially close this contract, please forward the following items to the undersigned within (insert “14 to 30” days depending on the complexity of the request) calendar days following receipt of this letter.

1. Contractor’s Release Of Claims (form enclosed);

[As applicable, add or edit the following only as they may apply to this contract:]

2. Any outstanding reports or data items such as technical manuals or instruction manuals in accordance with (reference contract line item number or paragraph citation);
3. Government property;
4. Final patent report, royalty report;
5. Final invoice;

[If a warranty applies, add the following paragraph:]

Under the terms of the contract, a warranty is still in effect. [Describe the warranty]_____. Final payment and contract closeout do not relieve you of your obligations to the government under the warranty clause.

As a reminder, your contract records must be preserved for possible access by the Comptroller General in accordance with the “Examination of Records” clause for a period of three (3) years (FAR 4.703) after receipt of final payment.

If you have any questions, please contact me by telephone at _____ (phone no.) or email at _____ (email address).

Sincerely,

(Signature) _____
(Typed or Printed Name)
Contracting Officer

Enclosure

RELEASE OF CLAIMS

Contract Number: _____

For and in consideration of payment and pursuant to the terms of the contract cited above, the government of the United States, its officers, agents, and employees are hereby released and discharged from all liabilities, demands, obligations, and claims arising under or by virtue of said contract.

Signature: _____

Printed Name: _____

Title: _____

Company: _____

Date: _____

Deobligation Memorandum to OCFO

Appendix F Procurement Advisory 93 A



DATE: _____

TO: (Name) _____
Office of the Chief Financial Officer

FROM: (Name) _____
Contracting Officer

SUBJECT: Contract Closeout and Deobligation of Funds
Contract number: _____
Contractor: _____
Project Title: _____

This office is considering closing out the above referenced contract. Please note that the condition checked below applies:

- Determination to Deobligate.** A determination has been made to deobligate the remaining funds on the subject contract and a de-obligation is being processed.

- Determination Not to Deobligate.** A determination has been made **not** to deobligate the remaining funds on the subject contract at this time. Deobligation is not currently appropriate because of the following reason:

[Include reason why closeout and deobligation is not appropriate at this time.]

When the closeout requirements are met, the contracting officer will deobligation the funds.

If you have any questions, please contact me by phone at _____ (Phone number) or by email at _____ (Email address) .