THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

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ACQ FYI 04-001

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT AND COMPTROLLER)
DEPUTY ASSISTANT SECRETARY OF THE ARMY (POLICY & PROCUREMENT), ASA (ALT)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT AND COMPTROLLER)
DEPUTY ASSISTANT SECRETARY OF THE NAVY (ACQUISITION MANAGEMENT), ASN (RDA)
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT AND COMPTROLLER), SAF/FM
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (CONTRACTING), SAF/AQC
DIRECTORS OF DEFENSE AGENCIES

SUBJECT: Contract Closeout – Quick Closeout Procedures

Contract closeout continues to be a Department of Defense-wide priority. We are making significant progress in reducing the backlog of overage contracts by using a variety of initiatives. Notwithstanding these initiatives, we should ensure we make full use of all the tools available to us.

In this vein, I would like to reemphasize the use of quick closeout procedures as specified at Federal Acquisition Regulation (FAR) 42.708. I understand this procedure is not being used extensively today. Therefore, please remind your contracting officers and supporting teams these procedures are available and should be used when appropriate. I am asking the contract closeout working group to examine these procedures thoroughly and determine if there are constraints which could be removed or minimized to make them more effective. I am also seeking their recommendations for additional incentives to encourage use of this method. I expect the working group to prepare a FAR case to revise the current FAR language at 42.708 as well as its associated contract clauses.

Finally, I also intend to task the contract closeout working group to continue developing and pursuing other initiatives to facilitate contract closeout. If you have any suggestions or ideas on how we can improve the Department's closeout process, please share them with me.

I greatly appreciate your personal attention to this matter. My point of contact for this subject is Mr. Phil Degen. He can be reached at 703-697-8334 or philip.degen@osd.mil.

Michael W. Wynne
Acting