

proposed rule that would meet the proposed objectives.

VI. Paperwork Reduction Act

The rule does not contain any information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35).

List of Subjects in 48 CFR Parts 217 and 252

Government procurement.

Amy G. Williams,

Deputy, Defense Acquisition Regulations System.

Therefore, 48 CFR parts 217 and 252 are proposed to be amended as follows:

- 1. The authority citation for parts 217 and 252 continues to read as follows:

Authority: 41 U.S.C. 1303 and 48 CFR chapter 1.

PART 217—SPECIAL CONTRACTING METHODS

217.208–70 [Amended]

- 2. In section 217.208–70, amend paragraph (b)(1), by removing “percentage” and adding “percentage or quantity” in its place.

PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

- 3. Amend section 252.217–7001 by—
 - a. Removing the clause date of “(AUG 1992)” and adding “(DATE)” in its place;
 - b. Revising paragraph (a)(1);
 - c. In paragraph (b)(1), removing “Production Surge Plan (DI–MGMT)” and adding “(Capabilities Analysis Plan (CAP))” in its place; and
 - d. In paragraph (b)(2), removing “Production Surge Plan” and adding “CAP” in its place.

The revision reads as follows:

252.217–7001 Surge Option.

* * * * *

(a) * * *

(1) Increase the quantity of supplies or services called for under this contract by no more than ___ percent or ___ [insert quantity and description of services or supplies to be increased]; and/or

* * * * *

[FR Doc. 2018–14040 Filed 6–28–18; 8:45 am]

BILLING CODE 5001–06–P

DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Parts 232, 246, 252, and Appendix F to Chapter 2

[Docket DARS–2018–0037]

RIN 0750–AJ44

Defense Federal Acquisition Regulation Supplement: Electronic Submission and Processing of Payment Requests and Receiving Reports (DFARS Case 2016–D032)

AGENCY: Defense Acquisition Regulations System, Department of Defense (DoD).

ACTION: Proposed rule.

SUMMARY: DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to clarify policies and procedures for submission of payment requests and receiving reports in electronic form.

DATES: Comments on the proposed rule should be submitted in writing to the address shown below on or before August 28, 2018, to be considered in the formation of a final rule.

ADDRESSES: Submit comments identified by DFARS Case 2016–D032, using any of the following methods:

- *Federal eRulemaking Portal:* <http://www.regulations.gov>. Search for “DFARS Case 2016–D032.” Select “Comment Now” and follow the instructions provided to submit a comment. Please include “DFARS Case 2016–D032” on any attached documents.

- *Email:* osd.dfars@mail.mil. Include DFARS Case 2016–D032 in the subject line of the message.

- *Fax:* 571–372–6094.

- *Mail:* Defense Acquisition Regulations System, Attn: Ms. Jennifer D. Johnson, OUSD (A&S) DPAP/DARS, Room 3B941, 3060 Defense Pentagon, Washington, DC 20301–3060.

Comments received generally will be posted without change to <http://www.regulations.gov>, including any personal information provided. To confirm receipt of your comment(s), please check www.regulations.gov, approximately 2 to 3 days after submission to verify posting (except allow 30 days for posting of comments submitted by mail).

FOR FURTHER INFORMATION CONTACT: Ms. Jennifer D. Johnson, telephone 571–372–6100.

SUPPLEMENTARY INFORMATION:

I. Background

This proposed rule clarifies and, where necessary, updates policies and procedures for providing electronic payment-related documents and for processing payment requests and receiving reports in Wide Area WorkFlow (WAWF). Title 10 of the United States Code (U.S.C.), section 2227, Electronic Submission and Processing of Claims for Contract Payments, requires that any claim for payment under a DoD contract be in electronic format. If electronic submission is unduly burdensome, 10 U.S.C. 2227 allows an exemption. DoD published a final rule in the **Federal Register** at 77 FR 38731 on June 29, 2012 (DFARS Case 2011–D027), to update DFARS policies and procedures for electronic submission of payment requests and receiving reports and established WAWF as the accepted DoD system for processing invoices and receiving reports.

Some contractors have been prevented from using WAWF for some contracts because of a misinterpretation of the exemptions in DFARS subpart 232.70, Electronic Submission and Processing of Payment Requests and Receiving Reports. This proposed rule clarifies those exemptions and allows contractors to request permission from the contracting officer, in writing, to submit payment requests and receiving reports using temporary alternative methods, other than in electronic form.

II. Discussion and Analysis

DoD is proposing to amend DFARS parts 232, 246, 252, and Appendix F to clarify and, where necessary, update the policies and procedures for electronic submission of payment requests and receiving reports. The following is a summary of the proposed changes:

- DFARS subpart 232.70, Electronic Submission and Processing of Payment Requests and Receiving Reports. Definitions of the terms “electronic form,” “payment request,” and “receiving report” are inserted in their entirety in lieu of the reference stating that the terms are defined in the clause at DFARS 252.232–7003, Electronic Submission of Payment Requests. The policy on exceptions to submission of payment requests in electronic form is clarified by deleting the current list of exceptions at DFARS 232.7002(a)(ii) and providing a more general exception for cases in which contractor submission of electronic payment requests is not feasible (e.g., when contract performance is in a contingency or austere environment where internet connectivity is not available). This

clarification is necessary to ensure that the exceptions at DFARS 232.7002(a)(ii) are not interpreted as prohibitions against use or submission of payment requests in WAWF. The current language at DFARS 232.7002(a)(ii) is clear in that the use of WAWF is required unless access to WAWF by contractors is not feasible. The revised language in this rule does not change that basic policy. In addition, other text is relocated within the subpart in order to separate policy from procedures.

- DFARS 246.370, Material Inspection and Receiving Report. This section, which contains the prescription for the clause at DFARS 252.246–7000, Material Inspection and Receiving Reports, is deleted, because the clause is being deleted.

- DFARS 246.471, Authorizing Shipment of Supplies. This section is revised to prevent the use of alternative procedures (e.g., allowing the contractor to release supplies for shipment) for foreign military sales contracts. Use of alternative procedures results in no signed receiving report with the packing list, which delays the shipment significantly and may lead to termination of the contract for convenience.

- DFARS 252.232–7003, Electronic Submission and Processing of Payment Requests and Receiving Reports. This clause is revised to clarify that a contractor may use methods other than WAWF to submit a payment request and receiving report when the contracting officer has authorized and provided instructions for the use of nonelectronic methods in the contract administration data section of the contract. The requirement for contractors to submit a receiving report at the time of each delivery of supplies or services under a contract is relocated to this clause from DFARS 252.246–7000, which is being deleted. In addition, policy statements are removed from the definition of “electronic form;” and in the definition of “receiving report,” a reference to the deleted clause 252.246–7000 is replaced with a reference to DFARS Appendix F, Material Inspection and Receiving Report.

- DFARS 252.232–7006, Wide Area WorkFlow Payment Instructions. This clause is revised to clarify the type of payment request to be used for cost-type line items, fixed-price line items, and various contract financing payments. The use of the WAWF “combo” document type and the use of Department of Defense Activity Address Codes are also clarified. The requirement to ensure a receiving report complies with DFARS Appendix F is

relocated to this clause from DFARS 252.246–7000, which is being deleted.

- DFARS 252.246–7000, Material Inspection and Receiving Report. This clause is deleted in its entirety because its procedures predate the WAWF automated procedures and processes. Therefore, much of this clause is now obsolete. The relevant text has been relocated to DFARS 252.232–7003, Electronic Submission and Processing of Payment Requests and Receiving Reports.

- Appendix F: Material Inspection and Receiving Report. This appendix is revised to remove a reference to the deleted clause 242.246–7000, to clarify the requirement to enter unit prices on WAWF receiving reports, and to include the requirement to enter estimated prices for foreign military sales shipments if actual prices are not available. Invoice submission and packing list instructions are also clarified.

III. Applicability to Contracts at or Below the Simplified Acquisition Threshold (SAT) and for Commercial Items, Including Commercially Available Off-the-Shelf (COTS) Items

This rule proposes to amend the clauses at DFARS 252.232–7003, Electronic Submission and Processing of Payment Requests and Receiving Reports, and 252.232–7006, Wide Area WorkFlow Payment Instructions. The objective of the rule is to clarify and, where necessary, update the policies and procedures for electronic submission of payment requests and receiving reports and amends the two clauses listed below.

DoD plans to continue to apply both clauses to contracts at or below the SAT and to the acquisition of commercial items, including COTS items, as defined at FAR 2.101. This rule clarifies and updates policies and procedures for electronic submission of payment requests and receiving reports. Not applying this guidance to contracts at or below the SAT and for the acquisition of commercial items, including COTS items, would exclude contracts intended to be covered by this rule and undermine the overarching purpose of the rule. Consequently, DoD plans to apply the rule to contracts at or below the SAT and for the acquisition of commercial items, including COTS items.

IV. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory

approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, not subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

V. Executive Order 13771

This rule is not an E.O. 13771, Reducing Regulation and Controlling Regulatory Costs, regulatory action, because this rule is not significant under E.O. 12866.

VI. Regulatory Flexibility Act

DoD does not expect this proposed rule to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act 5 U.S.C. 601 *et seq.*, because the basic requirement for electronic invoicing (a statutory requirement under 10 U.S.C. 2227) already exists. However, an initial regulatory flexibility analysis has been performed.

The objective of the rule is to clarify and, where necessary, update policies and procedures for submission of payment requests and receiving reports in electronic form, which is accomplished through Wide Area WorkFlow (WAWF). The requirement for DoD contractors to submit payment requests in electronic form is already a requirement in existing DFARS clauses. This rule clarifies the exemptions in DFARS subpart 232.70, Electronic Submission and Processing of Payment Requests and Receiving Reports.

In fiscal year 2016, approximately 71,910 small businesses were registered to use WAWF.

This rule allows contractors to request permission, in writing, to submit payment requests and receiving reports using methods other than WAWF. Most small businesses that are DoD contractors are expected to prefer WAWF over other methods because of the advantages of using WAWF. Therefore, DoD estimates that approximately 70 small businesses may submit, on an annual basis, one request each for use of a temporary alternative method of submission of payment requests and receiving reports.

The rule does not duplicate, overlap, or conflict with any other Federal rules. There are no known significant

alternative approaches to the rule that would meet the requirements.

DoD invites comments from small business concerns and other interested parties on the expected impact of this rule on small entities. DoD will also consider comments from small entities concerning the existing regulations in subparts affected by this rule in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 610 (DFARS Case 2016–D032), in correspondence.

VIII. Paperwork Reduction Act

The paperwork Reduction Act (44 U.S.C. chapter 35) does apply; however, these proposed changes to the DFARS do not impose additional information collection requirements to the paperwork burden previously approved under Office of Management and Budget (OMB) Control Number 0704–0248, Defense Federal Acquisition Regulation Supplement, Appendix F, Inspection and Receiving Report.

List of Subjects in 48 CFR Parts 232, 246, 252, and Appendix F to Chapter 2

Government procurement.

Amy G. Williams,

Deputy, Defense Acquisition Regulations System.

Therefore, 48 CFR parts 232, 246, 252, and appendix F to chapter 2 are proposed to be amended as follows:

- 1. The authority citation for parts 232, 246, 252, and appendix F to chapter 2 continues to read as follows:

Authority: 41 U.S.C. 1303 and 48 CFR chapter 1.

PART 232—CONTRACT FINANCING

- 2. Revise section 232.7001 to read as follows:

232.7001 Definitions.

As used in this subpart—

Electronic form means any automated system that transmits information electronically from the initiating system to affected systems.

Payment request means any request for contract financing payment or invoice payment submitted by the contractor under a contract or task or delivery order.

Receiving report means the data prepared in the manner and to the extent required by Appendix F, Material Inspection and Receiving Report, of the DFARS.

- 3. Revise section 232.7002 to read as follows:

232.7002 Policy.

(a) Payment requests and receiving reports are required to be submitted in electronic form, except for—

(1) Classified contracts or purchases when electronic submission and processing of payment requests and receiving reports could compromise the safeguarding of classified information or national security;

(2) Cases in which contractor submission of electronic payment requests and receiving reports is not feasible (e.g., when contract performance is in an environment where internet connectivity is not available);

(3) Cases in which DoD is unable to receive payment requests or provide acceptance in electronic form;

(4) Cases in which [the contractor has requested permission in writing to submit payment requests and receiving reports by nonelectronic means, and] the contracting officer [has provided instructions for a temporary alternative method of submission of payment requests and receiving reports in the contract administration data section of the contract or task or delivery order (e.g., section G, an addendum to FAR 52.212–4, or applicable clause); and

(5) When the Governmentwide commercial purchase card is used as the method of payment, only submission of the receiving report in electronic form is required.

(b)(1) The only acceptable electronic form for submission of payment requests and receiving reports is Wide Area WorkFlow (<https://wawf.eb.mil/>), except as follows:

(i) For payment of commercial transportation services provided under a Government rate tender, contract, or task or delivery order for transportation services, the use of a DoD-approved electronic third party payment system or other exempted vendor payment/invoicing system (e.g., PowerTrack, Transportation Financial Management System, and Cargo and Billing System) is permitted.

(ii) For submitting and processing payment requests and receiving reports for contracts or task or delivery orders for rendered health care services, the use of TRICARE Encounter Data System as the electronic form is permitted.

(2) Facsimile, email, and scanned documents are not acceptable electronic forms of payment requests or receiving reports.

- 4. Revise section 232.7003 to read as follows:

232.7003 Procedures.

(a) DoD officials receiving payment requests in electronic form shall process

the payment requests in electronic form. The WAWF system provides the method to electronically process payment requests and receiving reports.

(1) Documents necessary for payment, such as receiving reports, invoice approvals, contracts, contract modifications, and required certifications, shall also be processed in electronic form.

(2) Scanned documents and other commonly used file formats are only acceptable for processing supporting documentation.

(b) If one of the exceptions to submission in electronic form at 232.7002(a) applies, the contracting officer shall—

(1) Consult the payment office and the contract administration office regarding the alternative method to be used for submission of payment requests or receiving reports (e.g., facsimile or conventional mail); and

(2) Provide procedures for invoicing in the contract administration data section of the contract or task or delivery order (e.g., section G, an addendum to FAR 52.212–4, or applicable clause) for submission of invoices by nonelectronic means. If submission of invoices by nonelectronic means is temporary, the procedures should specify the time period for which they apply.

- 5. Revise section 232.7004 to read as follows:

232.7004 Contract clauses.

(a) Unless an exception to submission in electronic form at 232.7002(a) applies and instructions for invoices are contained in the contract administration data section of the contract or task or delivery order, use the clause at 252.232–7003, Electronic Submission of Payment Requests and Receiving Reports, in solicitations and contracts, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial items.

(b) Use the clause at 252.232–7006, Wide Area WorkFlow Payment Instructions, in solicitations and contracts or task or delivery orders, including solicitations and contracts using FAR part 12 procedures for the acquisition of commercial items, when 252.232–7003 is used and none of the exceptions at 232.7002(b)(1) apply. See PGI 232.7004 for instructions on completing the clause.

PART 246—QUALITY ASSURANCE

246.370 [Removed]

- 6. Remove section 246.370.

246.371 [Redesignated as 246.370 and Amended]

- 6. Redesignate section 246.371 as section 246.370 and remove “PGI 246.371” and add “PGI 246.370” in its place.
- 7. Amend section 246.471 by—
- a. Redesignating paragraphs (b)(2) and (3) as paragraphs (b)(3) and (4);
- b. In the newly redesignated paragraph (b)(3), removing “paragraph (b)(1)” and adding “paragraph (b)(2)” in its place.
- c. Redesignating paragraph (b)(1) as paragraph (b)(2); and
- d. Adding a new paragraph (b)(1) to read as follows:

246.471 Authorizing shipment of supplies.

* * * * *

(b) * * *

(1) For foreign military sales (FMS) contracts, do not use alternative procedures.

* * * * *

PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

- 8. Revise section 252.232–7003 to read as follows:

252.232–7003 Electronic Submission of Payment Requests and Receiving Reports.

As prescribed in 232.7004(a), use the following clause:

Electronic Submission of Payment Requests and Receiving Reports (Date)

(a) *Definitions.* As used in this clause—
Contract financing payment and invoice payment have the meanings given in section 32.001 of the Federal Acquisition Regulation.

Electronic form means any automated system that transmits information electronically from the initiating system to affected systems.

Payment request means any request for contract financing payment or invoice payment submitted by the Contractor under this contract or task or delivery order.

Receiving report means the data prepared in the manner and to the extent required by Appendix F, Material Inspection and Receiving Report, of the Defense Federal Acquisition Regulation Supplement.

(b) Except as provided in paragraph (d) of this clause, the Contractor shall submit payment requests and receiving reports in electronic form using Wide Area WorkFlow (WAWF). The Contractor shall prepare and furnish to the Government a receiving report at the time of each delivery of supplies or

services under this contract or task or delivery order.

(c) Submit payment requests and receiving reports to WAWF in one of the following electronic formats—

- (1) Electronic Data Interchange;
- (2) Secure File Transfer Protocol; or
- (3) Direct input through the WAWF website.

(d) The Contractor may submit a payment request and receiving report using methods other than WAWF only when—

(1) The Contractor has requested permission in writing to do so, and the Contracting Officer has provided instructions for a temporary alternative method of submission of payment requests and receiving reports in the contract administration data section of this contract or task or delivery order;

(2) DoD makes payment for commercial transportation services provided under a Government rate tender or a contract for transportation services using a DoD-approved electronic third party payment system or other exempted vendor payment/invoicing system (e.g., PowerTrack, Transportation Financial Management System, and Cargo and Billing System);

(3) DoD makes payment on a contract or task or delivery order for rendered health care services using the TRICARE Encounter Data System; or

(4) The Governmentwide commercial purchase card is used as the method of payment, in which case submission of only the receiving report in WAWF is required.

(e) Information regarding WAWF is available at <https://wawf.eb.mil/>.

(f) In addition to the requirements of this clause, the Contractor shall meet the requirements of the appropriate payment clauses in this contract when submitting payment requests.

(End of clause)

- 9. Amend section 252.232–7006 by—

- a. Removing the clause date of “(MAY 2013)” and adding “(DATE)” in its place;

- b. In paragraph (b), removing “system is” and “DFARS 252.232–7003” and adding “system provides” and “Defense Federal Acquisition Regulation System (DFARS) 252.232–7003”, in their place, respectively;

- c. In paragraph (c)(1), removing “<https://www.acquisition.gov>” and adding “<https://www.sam.gov>” in its place;

- d. Revising paragraph (f); and

- e. Revising paragraph (g)(2).

The revisions read as follows:

252.232–7006 Wide Area WorkFlow Payment Instructions.

* * * * *

(f) *WAWF payment instructions.* The Contractor shall use the following information when submitting payment requests and receiving reports in WAWF for this contract or task or delivery order:

(1) *Document type.* The Contractor shall submit payment requests using the following document type(s):

(i) For cost-type line items, including labor-hour or time-and-materials, submit a cost voucher.

(ii) For fixed price line items—

(A) That require shipment of a deliverable, submit the invoice and receiving report specified by the Contracting Officer;

[Contracting Officer: Insert applicable invoice and receiving report document type(s) for fixed price line items that require shipment of a deliverable.]

(B) For services that do not require shipment of a deliverable, submit either the Invoice 2in1, which meets the requirements for the invoice and receiving report, or the applicable invoice and receiving report, as specified by the Contracting Officer.

[Contracting Officer: Insert either “Invoice 2in1” or the applicable invoice and receiving report document type(s) for fixed price line items for services.]

(iii) For customary progress payments based on costs incurred, submit a progress payment request.

(iv) For performance based payments, submit a performance based payment request.

(v) For commercial item financing, submit a commercial item financing request.

(2) Fast Pay requests are only permitted when Federal Acquisition Regulation (FAR) 52.213–1 is included in the contract.

[Note: The Contractor may use a WAWF “combo” document type to create some combinations of invoice and receiving report in one step.]

(3) *Document routing.* The Contractor shall use the information in the Routing Data Table to paragraph (f)(3) only to fill in applicable fields in WAWF when creating payment requests and receiving reports in the system.

ROUTING DATA TABLE TO PARAGRAPH (f)(3) *

| Field name in WAWF | Data to be entered in WAWF |
|---------------------------|----------------------------|
| Pay Official DoDAAC | |
| Issue By DoDAAC | |
| Admin DoDAAC** | |
| Inspect By DoDAAC | |
| Ship To Code | |
| Ship From Code | |
| Mark For Code | |
| Service Approver (DoDAAC) | |
| Service Acceptor (DoDAAC) | |
| Accept at Other DoDAAC | |
| LPO DoDAAC | |
| DCAA Auditor DoDAAC | |
| Other DoDAAC(s) | |

[* Contracting Officer: Insert applicable DoDAAC information. If multiple ship to/acceptance locations apply, insert "See Schedule" or "Not applicable."]

[** Contracting Officer: If the contract provides for progress payments or performance-based payments, insert the DoDAAC for the contract administration office assigned the functions under FAR 42.302(a)(13).]

(4) *Payment request.* The Contractor shall ensure a payment request includes documentation appropriate to the type of payment request in accordance with the payment clause, contract financing clause, or Federal Acquisition Regulation 52.216-7, Allowable Cost and Payment, as applicable.

(5) *Receiving report.* The Contractor shall ensure a receiving report meets the requirements of DFARS Appendix F.

(g) * * *

(2) Contact the WAWF helpdesk at 866-618-5988, if assistance is needed.

* * * * *

252.246-7000 [Removed and Reserved]

■ 10. Remove and reserve section 252.246-7000.

■ 11. Amend appendix F to chapter 2 as follows:

■ a. In section F-102 by—

■ i. Redesignating paragraph (c) as paragraph (b); and

■ ii. Removing paragraph (b).

■ b. In section F-301, revising paragraph (b)(18);

■ c. Revising section F-305;

■ d. Revising section F-306; and

■ e. Amending section F-502, by adding to Table 1, a heading to the column on the right to read "Number of Copies".

The revisions read as follows:

F-301 Preparation Instructions

* * * * *

(b) * * *

(18) UNIT PRICE. When using the WAWF RRR, the unit price is the price of the repair, overhaul, or maintenance service from the contract.

(i) The contractor may, at its option, enter unit prices on the WAWF RR, except when the contract has Item Unique Identification (IUID) requirements and the receiving report is being processed in WAWF, the unit price must represent the acquisition cost that will be recorded in the IUID registry. Therefore, in such cases, the unit price is required. See DFARS 252.211-7003, Item Unique Identification and Valuation).

(ii) The contractor shall enter unit prices for each item of property fabricated or acquired for the Government and delivered to a contractor as Government furnished property (GFP). Get the unit price from Section B of the contract. If the unit price is not available, use an estimate. The estimated price should be the contractor's estimate of what the items cost the Government. When the price is estimated, enter "Estimated Unit Price" in the description field. When delivering GFP via WAWF to another contractor, WAWF will initiate a property transfer if the vendor who is initiating the WAWF RR is also registered as a vendor property shipper in WAWF and the vendor receiving the property is also a vendor property receiver in WAWF.

(iii) For clothing and textile contracts containing a bailment clause, enter the cited Government furnished property unit value as "GFP UNIT VALUE" in the description field.

(iv) For all copies of DD Forms 250 for FMS shipments, enter actual prices, if available. If actual prices are not available, use estimated prices. When the price is estimated, enter an "E" after the price.

* * * * *

F-305 Invoice Instructions

Contractors shall submit payment requests and receiving reports in accordance with paragraph (b) of the clause at DFARS

252.232–7003 unless one of the exceptions in paragraph (d) of that clause applies.

F–306 Packing List Instructions

(a) Contractors may use a WAWF processed RR or the WAWF RRR, as a packing list. WAWF provides an option to print the RR or RRR. Contractors can print a RR or RRR from a system other than WAWF if a signed copy is required. In such cases, the contractor shall print the WAWF RR or RRR only after a signature is applied by the Government inspector or authorized acceptor in WAWF. Copies printed from the contractor's system shall be annotated with “\original signed in WAWF\” in lieu of the inspector or acceptor's signature. Ensure a copy is visible on the outside and one is placed inside the package.

(b) If the contract requires Government source inspection and acceptance at origin, the contractor shall ensure that its packaging documentation includes a RR or RRR that documents inspection, acceptance, or both by the Government inspector or authorized acceptor. A paper DD Form 250 may be used in lieu of WAWF generated RRs or RRRs when one of the exceptions in paragraph (d) of the clause at DFARS 252.232–7003 applies.

* * * * *

[FR Doc. 2018–14063 Filed 6–28–18; 8:45 am]

BILLING CODE 5001–06–P

DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Part 252

[Docket DARS–2018–0018]

RIN 0750–AJ42

Defense Federal Acquisition Regulation Supplement: Submission of Summary Subcontract Reports (DFARS Case 2017–D005)

AGENCY: Defense Acquisition Regulations System, Department of Defense (DoD).

ACTION: Proposed rule.

SUMMARY: DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to clarify the entity to which contractors submit Summary Subcontract Reports in the Electronic Subcontracting Reporting System (eSRS) and to clarify the entity that acknowledges receipt of, or rejects, the reports in eSRS.

DATES: Comments on the proposed rule should be submitted in writing to the address shown below on or before August 28, 2018, to be considered in the formation of a final rule.

ADDRESSES: Submit comments identified by DFARS Case 2017–D005, using any of the following methods:

○ *Federal eRulemaking Portal:* <http://www.regulations.gov>. Search for “DFARS Case 2017–D005.” Select “Comment Now” and follow the instructions provided to submit a comment. Please include “DFARS Case 2017–D005” on any attached documents.

○ *Email:* osd.dfars@mail.mil. Include DFARS Case 2017–D005 in the subject line of the message.

○ *Fax:* 571–372–6094.

○ *Mail:* Defense Acquisition Regulations System, Attn: Ms. Jennifer D. Johnson, OUSD(AT&L)DPAP/DARS, Room 3B941, 3060 Defense Pentagon, Washington, DC 20301–3060.

Comments received generally will be posted without change to <http://www.regulations.gov>, including any personal information provided. To confirm receipt of your comment(s), please check www.regulations.gov, approximately 2 to 3 days after submission to verify posting (except allow 30 days for posting of comments submitted by mail).

FOR FURTHER INFORMATION CONTACT: Ms. Jennifer D. Johnson, telephone 571–372–6100.

SUPPLEMENTARY INFORMATION:

I. Background

DoD is proposing to revise the DFARS to implement a policy that streamlines the submission and review of Summary Subcontract Reports (SSRs) for DoD contractors and brings the DFARS into compliance with changes to the Federal Acquisition Regulation (FAR). Instead of submitting multiple SSRs to departments and agencies within DoD, contractors with individual subcontracting plans will submit a single, consolidated SSR in eSRS at the DoD level. The consolidated SSR will be acknowledged or rejected in eSRS at the DoD level.

II. Discussion and Analysis

The clause at DFARS 252.219–7003, Small Business Subcontracting Plan (DoD Contracts), and its Alternate I currently require contractors to submit SSRs to departments or agencies within DoD. DFARS 252.219–7003 and its Alternate I also inform contractors that the authority to acknowledge receipt of, or reject, SSRs resides with the SSR Coordinator at departments or agencies within DoD. This rule proposes to amend the DFARS clause to require contractors with individual subcontracting plans to submit a consolidated SSR at the DoD level, and to inform contractors that the authority to acknowledge receipt of or reject SSRs under individual subcontracting plans

resides with the SSR Coordinator at the DoD level. These amendments will bring DFARS clause 252.219–7003 into compliance with the requirement for a consolidated SSR in FAR clause 52.219–9, Small Business Subcontracting Plan.

III. Applicability to Contracts at or Below the Simplified Acquisition Threshold (SAT) and for Commercial Items, Including Commercially Available Off-the-Shelf (COTS) Items

This rule proposes to amend the clause at DFARS 252.219–7003, Small Business Subcontracting Plan (DoD Contracts), and its Alternate I. The objective of the rule is to provide clarification on the submission and review of SSRs in eSRS.

DoD does not apply the clause and its Alternate I to solicitations and contracts with a value at or below the SAT, because subcontracting plans are not required at that dollar value.

DoD currently applies the clause and its Alternate I to solicitations and contracts for the acquisition of commercial items, including COTS items, as defined at FAR 2.101. Not applying this guidance to contracts for the acquisition of commercial items, including COTS items, would exclude contracts intended to be included in the streamlined SSRs and undermine the overarching purpose of the rule. Consequently, DoD plans to apply the rule to contracts for the acquisition of commercial items, including COTS items.

IV. Expected Cost Savings

This rule amends the DFARS to implement a policy that streamlines the submission and review of SSRs for DoD contractors. Instead of the current practice of submitting multiple SSRs to various departments or agencies within DoD, contractors with individual subcontracting plans will submit one consolidated SSR at the DoD level in the eSRS. The consolidated SSR will be acknowledged or rejected in eSRS at the DoD level.

This rule impacts only large businesses that have individual subcontracting plans and at least one contract with DoD. Although the clause at DFARS 252.219–7003, Small Business Subcontracting Plan (DoD Contracts), and its Alternate I currently require large business contractors to submit SSRs to the department or agency within DoD that administers the majority of the contractor's individual subcontracting plans, these contractors frequently must submit SSRs to each department or agency within DoD with which they have contracts. This results in extra work for the contractors and