



Department of the Navy

*Office of the Assistant Secretary of the Navy
(Financial Management and Comptroller)*

MOCAS Closeout and Conversion IPT

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MOCAS Closeout/Conversion

- ◆ **Background**
- ◆ **MOCAS Statistics**
- ◆ **“Bucket Approach” to Contract Resolution**
- ◆ **Program Management Process**
- ◆ **Important Dates**
- ◆ **Your Role**



MOCAS Closeout/Conversion

◆ **DOD Reform Initiative Directive #53**

- Established by the Deputy Secretary of Defense in March 2000
 - Replace MOCAS as part of an overall plan to standardize contract and vendor pay and eliminate UMDs and NULOs
 - Coordinate the reconciliation, closeout, and conversion of MOCAS contracts
 - Assist in the transition to the Defense Procurement Payment System (DPPS)
- For the DON, ASN (RD&A) has the lead in contract closeout and conversion, with the ASN (FM&C) assisting with resolving any accounting discrepancies

◆ **DON has over 105,800 contracts of the 318,975 in MOCAS** (as of 2 January 2002)

- Active Contracts: 51,575
- Physically Complete Contracts: 54,225





Committees

◆ Executive Steering Committee

- Periodic meetings chaired by the Under Secretary of Defense (USD), Acquisition Technology & Logistics (AT&L) and USD Comptroller (C)
- Includes representatives from Military Services, DOD Agencies, Acquisition and Financial Management

◆ Working Group

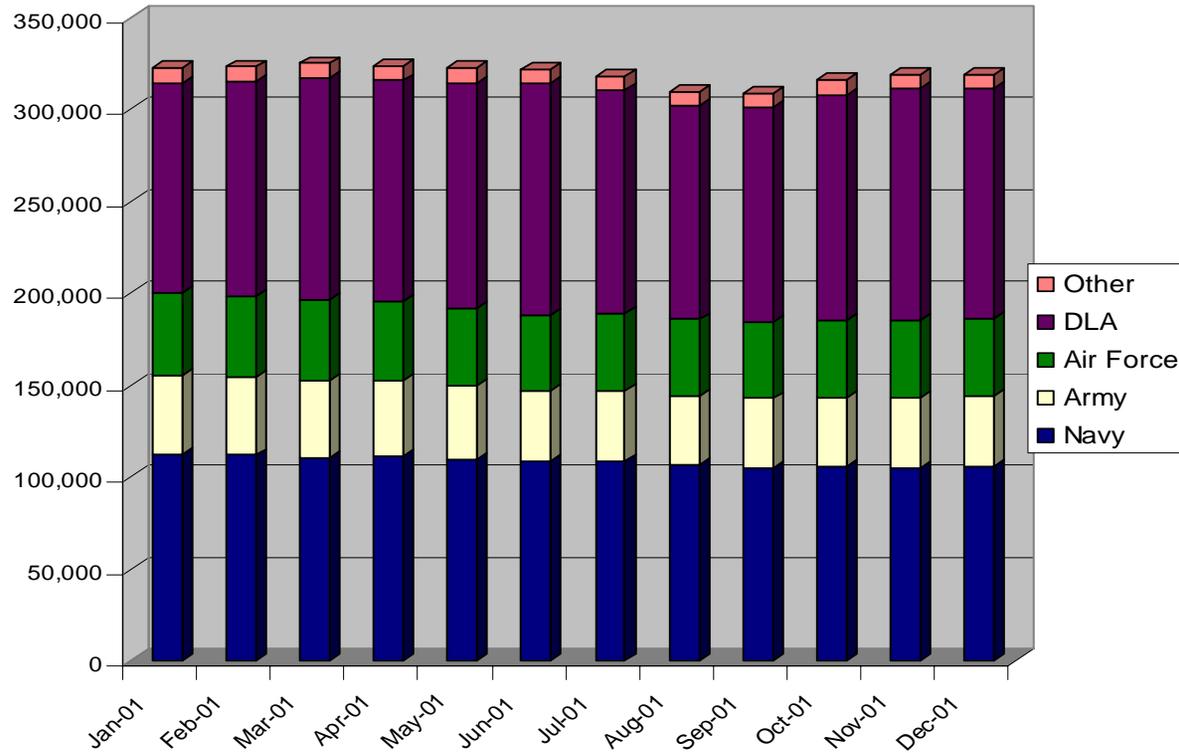
- Bimonthly meetings of the Military Services, DLA, DFAS, the DOD Contract Management Agency (DCMA), and the DOD Contract Audit Agency (DCAA)
 - Co-chaired by one rep from DCMA and one rep from DFAS
 - Team effort to keep the MOCAS retirement moving forward
 - Conversion Subgroup

◆ DON Working Group

- Semi-annual meetings of Acquisition and Financial Management representatives from the Major Commands
 - 5 February 2002 - most recent meeting



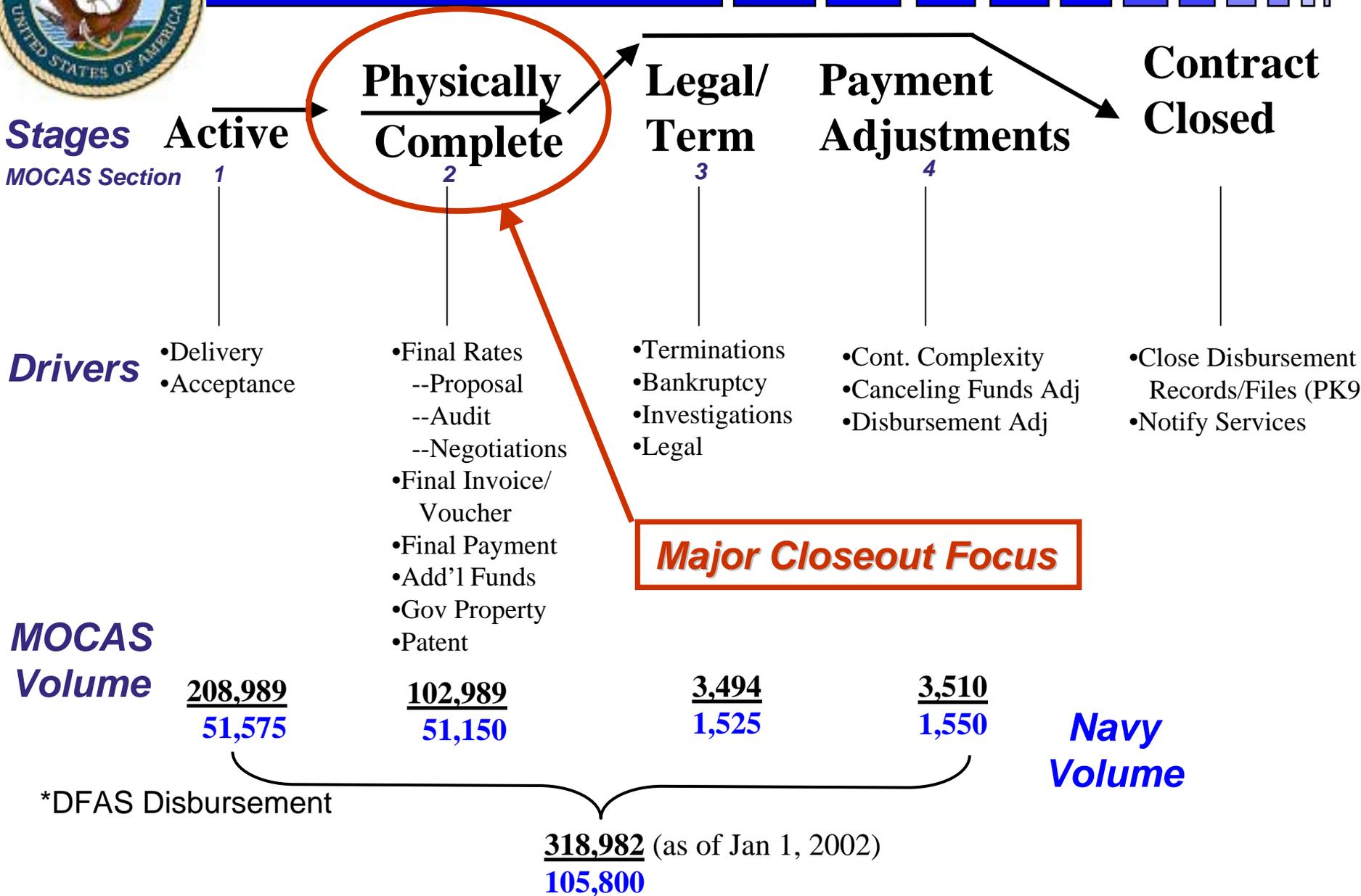
Total Contracts in MOCAS



	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01
Other	8,327	8,266	8,221	8,062	7,896	7,800	7,800	7,650	7,650	7,825	7,750	7,525
DLA	113,894	116,201	120,233	119,826	122,468	125,500	121,725	116,200	116,800	122,475	125,850	125,625
Air Force	45,133	44,189	43,647	43,335	42,189	41,850	41,700	41,250	41,550	42,100	41,975	41,775
Army	42,607	42,643	42,087	41,382	40,027	38,175	38,600	37,875	37,750	38,075	38,250	38,250
Navy	112,735	111,865	110,864	111,161	109,841	108,400	108,400	106,575	104,950	105,450	105,200	105,800



DCMA/DFAS* Closeout Stages/Drivers





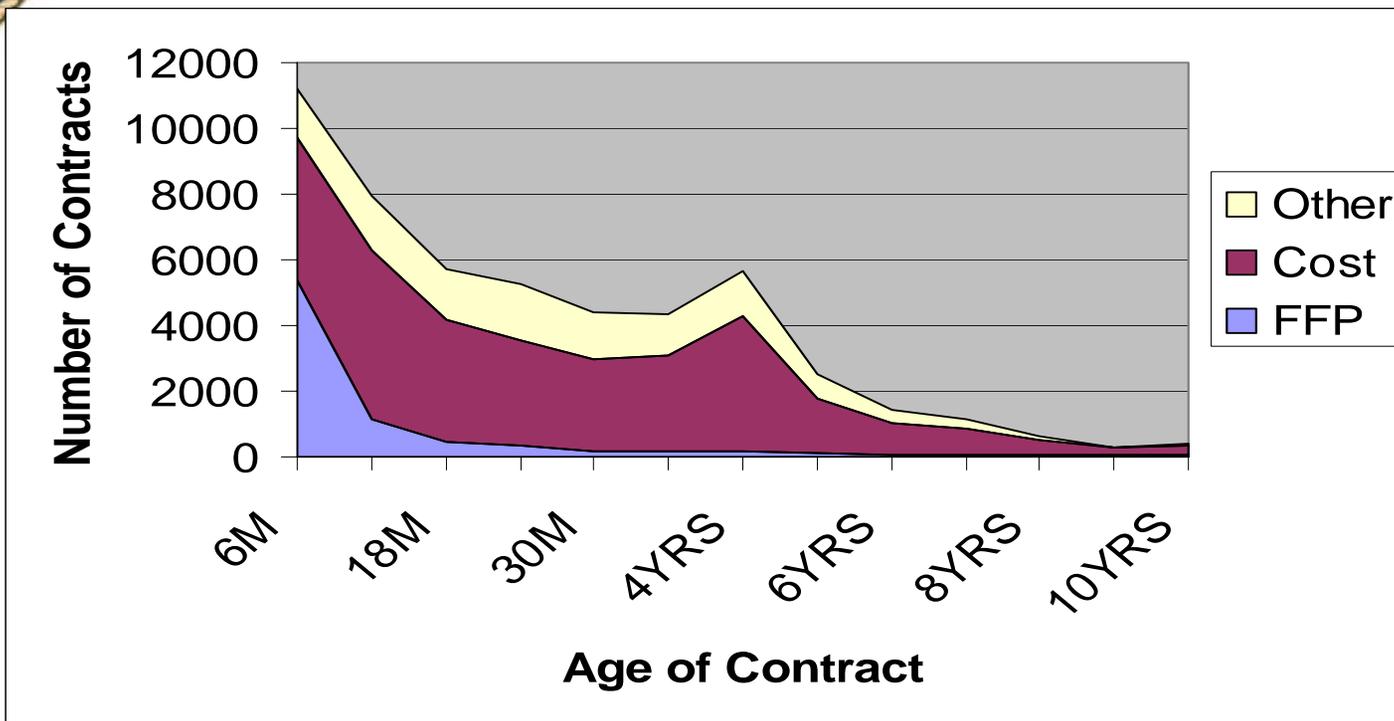
◆ **“Bucket Approach” to Contract Resolution**

- All MOCAS contracts will be assigned to an office of primary responsibility (OPR)
 - Military Services, DFAS, DCMA, DCAA, DLA
- The “Bucket” represents some issue that must be resolved to close out a contract
- OPRs will resolve the outstanding issues and expedite contract closeout
 - The oldest contracts should be worked first
 - Low complexity physically complete contracts are next priority





DON Aged Physically Complete Contracts



Number of Navy contracts														
	6M	12M	18M	24M	30M	36M	4YRS	5YRS	6YRS	7YRS	8YRS	9YRS	10YRS	TOTAL
FFP	5,390	1,137	470	316	179	167	167	104	77	67	51	37	75	8,237
Cost	4,303	5,161	3,690	3,224	2,774	2,933	4,094	1,639	933	773	464	221	279	30,488
Other	1,522	1,670	1,529	1,708	1,422	1,220	1,407	755	424	326	120	22	27	12,152

Data as of December 1, 2001



Bucket Activity for Navy Contracts

Buckets that must be briefed at the next ESC meeting.

Reason Code	Reason	Jun 01 Total	Dec 01 Total	Jun-Dec Variance	Jun-Dec % Change	
Stat 84	Reconciliation of Less Complex Conversion Candidates	1,748	2,157	409	23.4%	↑
N	Add'l Funds Required But Not Received (Sect 2)	552	498	-54	-9.8%	↓
1	Canceled Funds - Awaiting Replacement Money (Sec	139	154	15	10.8%	↑
D	Patent/Royalty Clearance Required (Sect 2)	117	122	5	4.3%	↑
V	Disposition of Govt Property Pending (Sect 2)	140	118	-22	-15.7%	↓
B	Final Acceptance Not Received (Sect 2)	71	78	7	9.9%	↑
M	Final Indirect Rate Proposal Due (Sect 2)	41	36	-5	-12.2%	↓
CLL	Under Investigation (Section 3)	21	18	-3	-14.3%	↓
W	Contract Modification Pending (Sect 2)	60	16	-44	-73.3%	↓
CIL	Contractor in Litigation (Section 3)	11	12	1	9.1%	↑
Z	Disposition of Classified Material Pending (Sect 2)	5	10	5	100.0%	↑
P	Reconciliation w/DFAS & Contractor (Sect 2)	6	8	2	33.3%	↑
TERM-C	Term for Conv (Section 3)	11	8	-3	-27.3%	↓
S	Litigation/Investigation Pending (Sect 2)	16	7	-9	-56.3%	↓
7	Awaiting Removal of Excess Funds (Sect 2)	5	4	-1	-20.0%	↓
BKRPT	Bankruptcy (Section 3)	5	4	-1	-20.0%	↓
BCA	ASBCA Case (Section 3)	3	3	0	0.0%	↓
T	Term for Default in Process (Sect 2)	1	2	1	100.0%	↑
Q	Armed Services Board of Contract Appeals case.	3	2	-1	-33.3%	↓
J	Disallowed Cost Pending (Sect 2)	1	1	0	0.0%	↓
K	Final Audit of Government Property Pending (Sect 2)		1	1	0.0%	↓
GUA	Guaranteed Warranty (Section 3)	1	1	0	0.0%	↓
PL	Claim (Section 3)	1	0	-1	-100.0%	↓
6	Fee Withheld (Sect 2)			0	0.0%	↓
F	Supplemental Agreement Covering Final Price (Sect 2)	3		0	0.0%	↓
U	Warranty Clause Action Pending (Sect 2)			0	0.0%	↓
DEBT	Debt Deferral (Section 3)			0	0.0%	↓
	Total Navy	2,961	3,260	299	10.1%	↑



Conversion Subgroup

- ◆ **Immediate Objective: Perform a risk/feasibility assessment of converting contracts that will not have final delivery until after MOCAS is shut down**
 - **Performing cost/benefit analysis of two alternatives:**
 - 1) No conversion; Allow MOCAS to remain viable until last contract closes.
 - 2) Shut down MOCAS and convert remaining contracts using existing contract number.

- ◆ **How will the audit trail be maintained?**
- ◆ **Will old contracts have to comply with new business rules?**



FMO Program Management

- ◆ **Contract Closeout and Conversion Process for STARS-HCM**
 - Distribute quarterly reports to the Major Commands to assist in resolving accounting discrepancies and PDs for MOCAS contracts where the Navy is OPR
 - Focus on resolving contracts with accounting problems for active and expired appropriations
 - First priority: Physically complete that will not be converted to DPSS
 - Second priority: Active and final delivery date after March 2004 - all to be reconciled for conversion
 - Use discontinued research process to close out some contracts
 - Major Commands will update the FMO spreadsheet reports as contracts are resolved and send them back to the FMO
- ◆ **Summary Status Reporting of Contract Closeout**
 - MISIL, MFCS, MC-SABRS
- ◆ **STARS-FL and NWCF**
 - Mechanism in process for future reporting



Important Dates

◆ **DOD Deadlines**

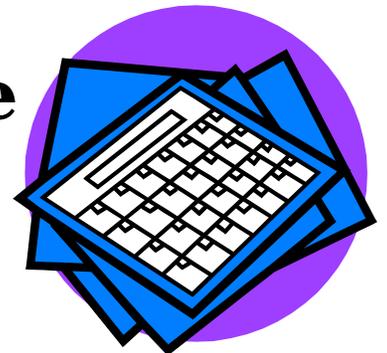
- 30 August 2002
 - Begin using DPPS for new Navy and Marine Corps contracts
 - Begin MOCAS brown-out period
- March 2004 - Turn off MOCAS completely (proposed date)

◆ **Distribute the STARS-MOCAS Compare Reports**

- At the beginning of each quarter
- Next reports to be distributed after further analysis of the Navy's bucket

◆ **Executive Steering Committee**

- 22 March 2002





MOCAS Closeout: Your Role

◆ You can assist in the DRID 53 effort by

- Managing the inflow of problem disbursements
 - Make resolution of problem disbursements a high priority
- Making use of contract registration and reconciliation tools
 - Register contracts in the Standard Contract Reconciliation Tool (SCRT) to eliminate duplicate reconciliations
 - Use your Responsible Contract Reconciliation Agent (RCRA) to facilitate contract closeout
- Using discontinued research as defined in the FMR
 - Close out old contracts
 - Reference FMR Volume 3, Chapter 11, Paragraphs 1107-1108





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Questions?