

office, and contract administration office) to use any method of documentation that the parties deem appropriate.

24. *Comment:* Recommend adding a new paragraph (7) to DFARS 232.7002(a) to exempt from the inclusion of the clause those situations where the contracting officer knows in advance of the release of the solicitation that, by the time of contract award, contractors will be unable to submit, or the Government will be unable to receive, payment requests using any of the electronic forms, or that there are invoice types for which no cost-effective electronic solution is available. In addition, recommend including a provision (identical to 252.232-7003(b)(4)) to DFARS 232.7003(a) that permits the contracting officer to authorize the use of another electronic form. This authority is particularly critical during the solicitation stage of a procurement. If used, the contracting officer must disclose in the appropriate place in the solicitation the alternatives to the electronic forms designated under 252.232-7003(b)(1) through (b)(3). Paragraph 232.7003(b) is insufficient because it only operates after contract award. *DOD Response:* DOD agrees that it is inappropriate to restrict the contracting officer's exemption authority to only those situations that occur after contract award, and that the exemption authority should apply to both solicitations (pre-award) and contracts (post-award). Accordingly, the interim rule has removed the phrase "after contract award," and provides the contracting officer the authority, either pre-award or post-award, to permit the contractor to use—

a. An electronic form other than one of the forms listed at DFARS 232.7003(a) (see DFARS 232.7003(b) and 252.232-7003(b)(4)); or

b. A nonelectronic method (see DFARS 232.7002(a)(6) and 252.232-7003(c)).

25. *Comment:* Recommend substituting the word "Government" for the word "DOD" in DFARS 232.7003(b)(2) to be more accurate in assessing capabilities and to be consistent with the use of the phrase in paragraph (c) of 252.232-7003. *DOD Response:* For consistency and because the DFARS only applies to DOD, the term "Government" has been changed to "DOD" in paragraph (c) of 252.232-7003.

26. *Comment:* Recommend adding "as designated by the contracting officer" at the end of the first sentence of 252.232-7003(b), because the contracting officer needs to designate the acceptable format for various reasons, such as

standardization at a command, and not all current forms are processed by WAWF-RA and WInS. *DOD Response:* DFARS 232.7003(a) identifies three acceptable electronic forms for the transmission of payment requests, namely, WAWF-RA, WInS, and the ANSI X.12 EDI formats. DOD believes that utilization of these standardized systems will result in more timely and efficient submission and processing of invoices, and will also facilitate timely and accurate payment. However, the proposed and the interim rules do authorize the contracting officer to permit another electronic format (e.g., a locally developed electronic format) if the payment office and the contract administration office concur (see DFARS 232.7003(b)).

27. *Comment:* Is there a need to include the agreement of the payment office (as in DFARS 232.7003(b)) in 252.232-7003(c) in order to permit the contractor to use another method of submission of payment requests? In contrast, one respondent recommends adding "and concurred with by the payment office" at the end of DFARS 252.232-7003(b)(4), and another recommends adding "and the payment office" at the end of DFARS 252.232-7003(c). *DOD Response:* Although the contracting officer does have to obtain agreement from the DOD payment office prior to authorizing the contractor to submit a payment request using a different electronic form, this action need not be stipulated in the contract clause at DFARS 252.232-7003. Provisions contained in the contract clause apply to the parties of the contract, namely, the contractor and the contracting officer. Internal DOD procedures need only be included in the text at DFARS subpart 232.70.

28. *Comment:* Recommend adding to DFARS 232.7003(b)(1) a description of electronic forms other than those listed. Need clarification of the description of "electronic form" in DFARS 252.232-7003(a)(2). Interpretation of the current wording could lead to the submission of faxed, e-mailed, or scanned documents that are not automatically uploaded into the respective entitlement system. These forms may not have the necessary internal controls associated with receiving these forms. *DOD Response:* The acceptable electronic forms for transmission are WAWF-RA, WInS, and ANSI X.12 EDI formats, as identified in DFARS 232.7003(a) and DFARS 252.232-7003(b). It is not practicable to attempt to list all other acceptable electronic forms of transmission that the contracting office may authorize. However, DOD agrees that faxed, e-mail, and scanned documents are not

considered acceptable electronic means of submission. Therefore, the interim rule revises the definition of "electronic form" at DFARS 252.232-7003(a)(2) by adding the following new sentence: "Facsimile, e-mail, and scanned documents are not acceptable electronic forms."

29. *Comment:* Recommend inserting the phrase "except as provided in 232.7002(a)" at the end of the sentence in DFARS 252.232-7003(a)(3) (i.e., definition of payment request) to recognize that, even though the basic contract payment requests are subject to the standard requirements for using electronic formats, there may be certain specific transactions permitted under the contract where electronic payments would not be feasible or desirable. *DOD Response:* Paragraph (a)(3) of DFARS 252.232-7003 simply defines "payment request." Since it does not address the electronic submission requirement, it would be inappropriate to include a reference to the exceptions in this definition.

30. *Comment:* The respondent is receiving modifications where line items have been established for incremental funding with inspection and acceptance requirements and delivery dates cited. There will not be anything delivered for this funding CLIN. The rule should specify that this type of CLIN should not be established as it impedes the closeout process, and reflects CLINs in the database that will never be satisfied and show up as delinquent line items. *DOD Response:* The comment is outside the scope of this case.

31. *Comment:* Some large businesses indicate that there will be costs for the government to pay for them to switch their method of invoicing. *DOD Response:* The costs to implement a revised method of invoicing is considered a normal cost of doing business and is usually recovered by the contractor as an indirect expense allocable to all contracts. DOD believes that the costs to implement electronic invoicing will be outweighed by the benefits received, such as reduced administrative cost, time, and effort; less payment errors; and more timely payments to contractors.

32. *Comment:* Recommend the use of a program called DESTRAP, which was developed by a local company to process Quality Deficient Reports Form 202. The government owns the rights to this program and it could be modified to use DD Form 250. *DOD Response:* Paragraph (b)(4) of DFARS 252.232-7003 permits the contracting officer to authorize the use of another electronic form.