
CONTRACT FILE MAINTENANCE, CLOSE OUT AND DISPOSITION
Table of Contents

1. General
 - .1 Introduction
 - .2 Background
 - .3 Policy

2. Procedures
 - .1 Initiation and Maintenance of Contract Files
 - .2 Termination of Contracts
 - .3 Close out of Contract File
 - .4 Review, Separation and Retirement of Completed Contract Files
 - .5 Disposal of Contract Files
 - .6 Authorized Access to Contracting Activity Files

Illustrations

1. Contract Office Contract File Checklist
2. Format for Close Out Notification

CONTRACT FILE MAINTENANCE, CLOSE OUT AND DISPOSITION
General

1. GENERAL

1.1 Introduction. Supplement 14 provides the policy and procedures for the proper maintenance, close out, and disposition of Bureau contract files.

1.2 Background. Each Bureau contract activity maintains official records of their contractual actions. These official records of Bureau acquisitions reflect documentation of contractual actions and are readily accessible to principal users. An attempt is made to minimize the maintenance of duplicate working files.

1.3 Policy.

A. General. Contracting Officers and their staffs are responsible for the initiation, maintenance, close out and disposition of each contract file under their control in accordance with the detailed procedures presented in this instruction. In addition, contract acquisition personnel shall be responsible for the performance of administrative duties in connection with contract file maintenance and close out actions. The latter is to be done in order to prevent a backlog of inactive contracts and to maintain only active contract files.

B. Specific. Paperwork management with regard to contract records and files is a critical component of sound administrative practices. It is necessary that Contracting Officers develop, maintain, and review their contract file system because of historical records so important for audit and management reviews, disposition of claims, cost settlements, and the prevention of fraud and abuse. This responsibility will figure prominently in the annual Internal Review Function exercise (See Supp. 16).

CONTRACT FILE MAINTENANCE, CLOSE OUT AND DISPOSITION
Procedures

2. PROCEDURES

2.1 Initiation and Maintenance of Contract Files. The Office Contract File (OCF) will be made up of an individual six-part folder (see parts below) for each approved Acquisition Request (AR) and subsequent documentation initiated during the acquisition term. The folder can be initiated and marked with an AR number. Before the execution of a contract, the Contracting Officer shall be responsible for filing all documents pertaining to an AR in the folder. When the contract is executed, the complete contract number can be marked on the folder and the folder filed in numerical sequence by contract number and fiscal year. If documentation becomes too bulky for the folder, additional folders can be prepared that will display a complete contract number and information as to the continued file segment. After award, the Contracting Officer shall ensure that any documents received for the file are properly identified as to contract number before they are processed for filing.

Each OCF shall include (but is not limited to) such of the following items as are applicable. The extent to which this listing shall apply depends upon the type of contract, dollar value, actions required, etc. Illustration 1 provides a suggested topical/action checklist that can be used to meet local contracting activity requirements.

A. Part I - Contract Section. The first section of the OCF shall contain a signed copy of the contract as well as a formal designation of the contract distribution list, a signed copy of modifications identified by modification number, and a copy of all major contract actions taken by the Contracting Officer.

B. Part II - Solicitation Section. This Part shall include the following documentation, as applicable:

- (1) A dated Acquisition Request (AR), together with an Acquisition Plan;
- (2) On a negotiated procurement, any request for authority to negotiate and a copy of the Determination and Findings;
- (3) Evidence of availability of appropriated funds;
- (4) Synopsis of proposed acquisition;
- (5) A list of sources solicited, approval of and justification for any limiting of the number of such sources, and a list of any firms or persons whose requests for copies of the solicitation were denied together with the reasons for denial;

CONTRACT FILE MAINTENANCE, CLOSE OUT AND DISPOSITION
Procedures

(6) Any small business or Labor Surplus Area set-aside determination or consideration given thereto;

(7) Bureau estimates of contract price;

(8) A copy of the solicitation; including Commerce Business Daily (CBD) notices;

(9) One copy of each signed solicited or unsolicited bid, proposal or quotation received, including record of determination concerning late bids, proposals, or quotations;

(10) A copy of each pre-award survey performed, or reference to previous surveys relied upon;

(11) Documentation of selection of the successful contractor, including: reasons for selection, Contracting Officer's determination of the contractor's responsibility, and any SBA Certificate of Competency;

(12) Records of compliance with labor regulations;

(13) All cost and pricing data submitted or used;

(14) Price analysis;

(15) Audit requests, reports or justifications for waiver;

(16) Memorandum of negotiations;

(17) Justification for type of contract used; and

(18) Required approvals of awards.

C. Part III - Award Section. This Part shall include the following documentation, as applicable:

(1) Notice of award;

(2) The original of the signed contract or award and all contract modifications, together with record copies of documents supporting these modifications. (Copies of the signed contract are sent to the paying Office);

(3) Notice to unsuccessful offerors and record of any debriefing;

CONTRACT FILE MAINTENANCE, CLOSE OUT AND DISPOSITION
Procedures

- (4) A copy of Statement of Award; and
- (5) Bid bond (SF 24), performance and payment bonds (SF 25 and 25-A), or other bond documents (if appropriate).

D. Part IV - Post Award Section. This Part shall include the following documentation, as applicable:

- (1) Notice to proceed, start or stop orders;
- (2) Approvals or disapprovals of waivers or deviations;
- (3) Rejected change proposals;
- (4) Royalty, invention, and copyright reports or reference thereto;
- (5) Documents or data appropriate for renegotiation purposes;
- (6) Document denoting completion of the contract;
- (7) Documentation regarding termination action, including: recommendation or request to terminate together with reason for terminating, and, in the case of a major contract, plans therefor; copy of termination notice; documents supporting termination actions taken when terminated for default, such as notice of possible termination, show cause letter and reply, and record of conference, if any; record of repurchase, including written demand to contractor for excess costs;
- (8) Cross-reference to other pertinent documents which are filed elsewhere because they pertain to more than one contract or to the contractor generally;
- (9) Correspondence, messages, memoranda of calls and visits, and additional documents on which action was taken or which reflect actions by the contracting activity pertinent to the contract; and
- (10) A chronological list (with inclusive dates of responsibility), to be kept current, of all Contracting Officers/Specialists involved with the contract.
- (11) Itemization and action for contractor invoices, payment requests, financial reconciliation, etc. Appropriate language for compliance with Prompt Payment Act (P.L. 97-177) shall be included.

CONTRACT FILE MAINTENANCE, CLOSE OUT AND DISPOSITION
Procedures

E. Part V - Contract Administration Section. This part may be combined with Part D, depending on the type of contract, complexity, dollar value, etc. Applicable items may include the following:

- (1) Any document modifying the normal assignment of contract administration functions and responsibility;
- (2) Orders issued under the contract;
- (3) Insurance policies or certificates of insurance;
- (4) Documents supporting advance or progress payments;
- (5) Records of performance plan and delivery schedules; progress or status reports; advice of delays or delinquencies, and of corrective and performance follow-up actions; documents reflecting deliveries or performance completion;
- (6) Quality assurance/control records used in planning, conducting, and recording product/performance verifications;
- (7) Property administration and management records used in the administration of Bureau property provisions of the contract; and
- (8) Correspondence, messages, memoranda of calls and visits, and any additional documents reflecting contract actions pertinent to the contract.

F. Part VI - Contractor Information Section. This section of the OCF will contain any additional records of compliance with labor regulations not cited previously (e.g., compliance checks, including documents and reports, or references thereto reflecting contractor compliance with Indian preference, minority business subcontracting plans, equal employment opportunity, etc.); contractor's financial statements; preaward surveys or reference to previous surveys relied upon; and, other data pertinent to contractor's responsibility, performance, procedures or operation.

2.2 Termination of Contracts. Upon termination of contracts (see 19 BIAM Supplement 19, Preparation and Use of Acquisition, Modification, and Termination Request Forms), the Contracting Officer shall be responsible for initiating any records appropriate for this action and for filing in the appropriate section of the OCF.

CONTRACT FILE MAINTENANCE, CLOSE OUT AND DISPOSITION
Procedures

2.3 Close Out of Contract File. Contracting Officers usually close out contracts upon determination that the last action required by the contractor in regard to the contract has been completed.

A. A contract is physically complete when:

(1) The contractor has completed the required delivery of supplies, and upon inspection and acceptance by the Bureau;

(2) All contractual services have been performed and been accepted by the Bureau;

(3) All contractor invoices have been received, reviewed, and approved for payment. Advance payments have been liquidated;

(4) Options have expired in contracts with options provisions;

(5) The Bureau has notified the contractor of complete contract termination and subsequent appeals or costs have been adjudicated; or

(6) Any exceptions noted (fiscal, programmatic) have been settled to the satisfaction of the Government.

B. The above actions can result in contract close out activities. All those Bureau program managers responsible for providing preliminary data and information necessary to the award of the contract shall participate in close out activities.

C. The Contracting Officer is responsible for ensuring that all such actions have been completed, as follows.

(1) Upon written notification from the Contracting Officer Representative (COR), the Contracting Officer shall advise those program managers contributing to the acquisition that the contract has been completed and that close out action is being taken. Close out information is publicized to all Bureau personnel having specified areas of interest in the contract being closed out. Illustration 2 is the format and medium for doing so. A copy of this memorandum is placed in a suspense file, allowing 10 work days for addressees to reply. If no written objections to the close out are received within the 10 day period, the Contracting Officer will sign-off the contract file.

(2) If replies to Illustration 2 indicate that the close out date should be extended, the Contracting Officer will take the necessary action to complete the contract and then process it as prescribed above.

CONTRACT FILE MAINTENANCE, CLOSE OUT AND DISPOSITION
Procedures

D. It is the responsibility of the Contracting Officer to review each contract file prior to close out; analyze the file data and material for completeness, adequacy and timeliness; and, supply missing items that will provide an appropriate record sufficient for a rigorous management (fiscal and program) audit. The following items, among others, are to be included, depending on the type of contract acquisition, its scope and complexity, and related factors:

- (1) Identifying data and information on a file face sheet;
- (2) Acquisition Request (AR) with an appropriate Statement of Work (SOW) and required approvals; required justifications; Determination and Findings; and, Acquisition/Assistance Agreement Review Committee (ARC) minutes and signatures directing specific course of action;
- (3) Pre-planning and planning meetings and notes; solicitation documents; strategy notes; negotiation record; appropriate award notifications; appointment and orientation of COR; progress reports submitted by COR; payment schedule; vouchers for payments; modifications and amended SOW, budget and product/performance changes; termination record; contractor-related correspondence; and, results of contractor efforts or reference to the program office that has the results.

E. The Contracting Officer plays an important management role in the liquidation of debts owed to the Bureau by contractors. The Contracting Officer shall:

- (1) Identify all contracts from prior years that have not been closed out. Each contract file shall be reviewed for: (a) validity of vouchered costs based on Inspector General audit and/or Contracting Officer review of file documentation; (b) dollar amounts outstanding and remaining to be vouchered; (c) incomplete, inadequate, or missing documents.
- (2) Request the contractor in writing to provide documents and vouchers within sixty (60) calendar days that are necessary to complete the contract file. Appropriate telephone followup (and records thereof) shall be instituted to ensure that the contractor is making a reasonable effort to comply with the Bureau request for information.
- (3) Issue a final decision to the contractor at the end of thirty (30) calendar days if it does not supply the requested documents, or if the documents do not close out the contract and the contractor owes money to the Bureau. The final decision shall be sent to the contractor by certified mail return receipt requested. The letter shall also notify the contractor that interest (at the prevailing value-of-funds Treasury rate) must be charged if

CONTRACT FILE MAINTENANCE, CLOSE OUT AND DISPOSITION
Procedures

debt payment is not made to the Bureau within 30 calendar days after receipt by the contractor of the final decision. (The Bureau's Division of Accounting Management can provide the current interest rate to Bureau personnel). The Bureau's Bill for Collection shall be enclosed with the Contracting Officer's final decision letter to the contractor. The Bill must state that interest shall be charged after 30 calendar days, a penalty charge equal to 6 percent per annum shall be assessed on all principal balances outstanding in excess of 90 days; and, that the Bureau may assess a handling charge equal to the cost of servicing the debt file. Further, the contractor shall be informed that such interest, penalty, and handling charge assessments accruing on the debt will be collected retroactive to the date of Bill issuance if the contractor appeals the Contracting Officer's decision and final adjudication of the appeal is in favor of the Government in whole or in part. In no instance shall the Bill for Collection predate or precede the issuance of the final decision.

(4) Only one (1) Bill for Collection can be issued. Thereafter, the Contracting Officer should issue statements of account which reflect interest, penalty, etc.

(5) Assist the Director, Office of Administration (Central Office) and the cognizant Area Office Director in arranging for asset checks of Tribal governments that do not appeal the final decision notice. Subsequently, the Assistant Secretary - Indian Affairs shall review Tribal government asset checks to decide if court action is in order to liquidate the debt.

(6) Participate in the procedure outlined in (3) above as appeals before the Board of Contract Appeals become final.

2.4 Review, Separation and Retirement of Completed Contract Files. Upon determination and action of contract completion, the Contracting Officer may remove the OCF folder from the active file series and mark the folder(s) cover "Complete (Date)" and transfer to an inactive file. If an active card file record is maintained, transfer to a close out card file and record date of close out. Records pertaining to outstanding exceptions, unsettled claims under litigation, incomplete investigations, or similar matters shall be preserved until final clearance or settlement of these matters.

2.5 Disposal of Contract Files. This action is accomplished by the General Services Administration (GSA) Federal Records Center after it has received written concurrence from the custodian of Bureau records cited in the SF 135 (Records Transmittal and Receipt).

A. Prior to concurrence with disposition of the OCF, the custodian of Bureau records shall initiate inquiries to parties which may have objected to contract disposition.

CONTRACT FILE MAINTENANCE, CLOSE OUT AND DISPOSITION
Procedures

B. OCF are subject to the governing authority expressed in 15 BIAM Supplement 3, Files Operations and Records Disposition Handbook.

2.6 Authorized Access to Contracting Activity Files. Contracting activity personnel shall be the only individuals authorized to enter the files and they will ensure strict adherence to this rule. Bureau personnel other than those indicated above may review the contract file in the contracting activity but may not remove the file therefrom.

A. The Contracting Officer shall provide clearance to authorized review groups such as General Accounting Office (GAO) representatives, Inspector General (IG) auditors, acquisition/assistance agreement management review staff, etc.

B. Contract files shall be returned to the record file in a timely manner. Contracting activity personnel shall ensure that official records, files, documents, and privileged information are maintained under close control. (Refer to 19 BIAM Supplement 31, Control over Sensitive Business Information).

CONTRACT OFFICE CONTRACT FILE CHECKLIST

No.

- 1. AR received from ()..... Date _____
- 2. AR listed in Acquisition Plan..... Yes _____ No _____
- 3. AR reviewed by ARC..... N/A _____ Date _____
- 4. Procurement Screening and Review Form (DI-1886) completedDate _____
- 5. Buy Indian Requirement.....Yes _____ No _____
 - (a) If no, waiver of statement as to reason on file.....Date _____
- 6. SBA 8(a) Procurement.....Yes _____ No _____
 - Indian _____ Non-Indian _____
- 7. Set-aside Procurement:
 - (1) Total Set-asides (19.505-2)N/A _____ SB/LSA _____ SB _____ LSA _____
 - (2) Partial Set-asides (19.502-3)N/A _____ SB/LSA _____ SB _____ LSA _____
- 8. Bureau/Department Clearances:
 - (a) Consulting services (365 DM 1 & 1437.102).....N/A _____ Date _____
 - (b) Management and Operating Services (1417.6).....N/A _____ Date _____
 - (c) ADP Services (306 DM 4 & 1437.102).....N/A _____ Date _____
 - (d) Audiovisual Services (471 DM 1).....N/A _____ Date _____
 - (e) Service Contract over \$500,000 (1437.102).....N/A _____ Date _____
 - (f) Personal services (1437.103 & 1401.7101-2).....N/A _____ Date _____
 - (g) Other (Cite:).....N/A _____ Date _____
- Wage Determination.....N/A _____ SF 98 _____ Date _____
- Commerce Business Daily:
 - (a) Notice of proposed procurement to CBD (5.201).....N/A _____ Date _____
 - (b) Synopsis of subcontract opportunities (5.206).....N/A _____ Date _____
 - (c) Synopsis of Award (5.301).....N/A _____ Date _____
- 11. (a) IFB # _____ RFP # _____ Issue Date _____
 - (b)Opening Date _____
- 12. Abstract of Bids or offers.....Yes _____ No _____
- 13. Evaluation recordN/A _____ Date _____
- 14. Determination and Findings:
 - (a) To negotiate contract [15.302(a)]N/A _____ Date _____
 - (b) To use cost contract [16.301-3(c)]N/A _____ Date _____
 - (c) For advance payment [32.401 & 32.402(c)]N/A _____ Date _____
 - (d) For noncompetitive procurement [15.210(c)]N/A _____ Date _____
 - (1) Secretarial review [15.105(c)]N/A _____ Date _____
 - (e) Other (Cite:)N/A _____ Date _____
- 15. Field Pricing Support (Preaward Audit) (15.805-5) Waiver _____ N/A _____ Date _____
- 16. COR Letter (To:).....N/A _____ Date _____
- 17. Cost or Price Analysis [15.608(a)]N/A _____ Date _____
- 18. Record of negotiation (15.808)N/A _____ Date _____
- 19. P.L. 93-638 Section 7(b) Subcontracting Plan:
 - Received: Yes _____ No _____ Approved: Yes _____ No _____
 - Follow-up Action: _____

20. P.L. 95-507 Subcontracting Plan for Small and Small Disadvantaged Businesses:
(19.702 & 19.704) Required: Yes _____ No _____ If yes: Received: Yes _____ No _____
Approved: Yes _____ No _____
If plan is approved, is it in contract file? Yes _____ No _____
If plan is not approved, follow-up action: _____
21. Legal Review (1401.7101-3).....N/A _____ Date _____
22. Award Notice to Department (1405.303).....Date _____
23. SF-279 to Department (1404.601).....Date _____
24. Transactions entered into contract logDate _____
25. Original contract and code sheet to financeDate _____
26. Final report receivedDate _____
27. Release of Claims (1404.804-70)N/A _____ Date _____
28. Closeout AuditNo _____ Date _____
29. Response to Closeout AuditN/A _____ Date _____

memorandum

DATE:

REPLY TO
ATTN OF: Contracting Officer

SUBJECT: Closeout of Contract Number _____ at _____ Office
(LOCATION)

TO:

FORMAT FOR CLOSE OUT NOTIFICATION

This memorandum is provided to advise you that all administrative actions for the subject contract have been completed. This contract will be closed out at this Office as of _____. It will be transferred to the GSA Federal
(date)

Records Center on or about _____ for retention until destruction is
(date)
authorized by the Bureau Records Custodian. If there is any reason that this contract should not be closed out, please state the details on the reverse and return it to me.

Negative replies are not required and contract close out will be accomplished if no objections have been received in this office by _____.
(date)

For appropriate management controls, please retain this notice on file as part of the contract record.

/s/
Contracting Officer

Distribution List:

- () Contracting Officer Representative, Code ____.
- () Budget Officer, Code ____.
- () Director, Administration, Code ____.
- () Central Office, Code 712 (Albuquerque).
- () Contract File _____.
- () _____.
- () _____.