OVERVIEW OF CONTRACT DEFICIENCY REPORT (CDR)

Contract Receipt and Review

Contents

Purpose of the Contract Deficiency Report

The Contract Deficiency Report (CDR) is a formal, written process. It serves both a short-term and a long-term purpose:

- CDR in the short-term: Document in writing and resolve identified contract deficiencies to prevent delays, inaccurate payments, and other negative consequences of those deficiencies.
- CDR in the long-term: Collect the proper data so DCMA can identify the drivers of deficiencies and prevent or reduce future contract submission errors.

Deficiencies

CDRs by the Numbers in FY2016

Monthly average = 1,841

Annual total = 22,091

Common Recurring Deficiencies in FY2016

As you can see, that is a considerable number of deficiencies. The following are the most common ones identified:

- Line of accounting was invalid
- Payment instructions missing
- Ambiguous contract and supporting documents with missing pages or attachment in Electronic Document Access (EDA)
- Payment office information missing
- Clause compliance
- Administrative office incorrect
- Inspection or acceptance unclear

FY2016 data from Contract Deficiency Report (CDR) Training. Presented by: David Guinasso, Supporting OSD AT&L DPAP, March 20, 2018

Types of Deficiencies

Here is a longer list of deficiencies that shows some of the common ones just mentioned and others that occur less often. You may identify one or more of these deficiencies during contract receipt and review (CRR).

- Inconsistencies in contract clauses or outdated clauses
  - Conflicting clauses
  - Missing clauses
  - Payment instructions that differ from clauses
  - Source and destination inspection
- Administrative
  - Missing Accounting Classification Reference Numbers (ACRNs)
  - Incorrect Department of Defense Activity Address Codes (DoDAACs)
  - Obsolete or missing specifications
  - Math errors
  - CLIN/sub-CLIN/ELINS are not structured in accordance with the DFARS Procedures, Guidance and Information (PGI) 204
  - Wrong assignment (CMO, pay office)
  - Documents cannot be opened
  - Incorrect indices on Electronic Document Access (EDA) and Mechanization of Contract Administration Services (MOCAS) codes
  - Missing attachments (e.g., Contract Data Requirements List (CDRL), Statement of Work (SOW), etc.)

Refer to the CRR policy for more information.

Impact of Deficiencies

What happens if you don't identify and ensure deficiencies are corrected during CRR? Uncorrected deficiencies may cause delays in production, shipment, delivery, and surveillance plans and may affect payment and contract closeout. In addition, your workload and administrative costs may increase.

The contractor can be impacted as well. They might not get paid as scheduled. Payment issues include erroneous or delayed payments, interest penalties, and failure of obligations to post.

Contract Deficiency Reporting

- CDRs are created, managed, and viewed using the CDR Module in the Procurement Integrated Enterprise Environment (PIEE).
- Deficiencies are documented in the PIEE CDR Module.
    - Contracting officers and ALL individuals tasked with creating, managing, or viewing CDRs shall establish and maintain an active PIEE account.
    - Agencies that issue, administer, or perform pay office functions should establish roles in PIEE to create, manage, and view CDRs.
- All CDRs should be resolved within 30 days of acceptance of the CDR by a contractually authorized individual such as an Administrative Contracting Officer (ACO) or Procuring Contracting Officer (PCO).

New Policy (DFARS PGI 204.270-2)

FMR 080304. Recording Contract Obligations

If the contract contains errors, omissions or deficiencies that prevent posting, a Contract Deficiency Report should be created to document the deficiency and request corrective action in accordance with DFARS, PGI 204.270-2.

Document in the CDR Module of the PIEE

You are responsible for reporting deficiencies that you find during CRR. Document deficiencies in the CDR module/tool of the PIEE. Work with your first-level supervisor (FLS) to gain access to PIEE and learn more about documenting. Until then, we want you to be aware of what's important to include in your documentation.

- Contract identification
- Who is assigned the corrective action?
- Who has an interest in any changes to the document?
- Who initiated or identified the needed changes and who approved the changes?
- What needs to be corrected?

CDR Format

- DD Form 1716s, a deficiency report in PDF, may be used by functional specialists who don't have access to EDA (i.e. Special Programs).
- CDRs are in electronic form and accessed through the PIEE CDR module. In general, the electronic data format offers:
  - Annotation (through entire CDR life cycle)
  - Improved assignment
  - Tracking (improved query and reporting)
  - Captures audit information

What are your questions about CDR? Consider posing questions or sharing what you learned during your upcoming networking.