



DEFENSE LOGISTICS AGENCY

THE NATION'S COMBAT LOGISTICS SUPPORT AGENCY



Vendor Payment Processes and Updates

Angela Fugate
June 19-20, 2018





Agenda



- ✓ Government Acceptance 101
- ✓ Payment Process Flow
- ✓ Fast Pay and Customer Direct Shipments
- ✓ WAWF Workaround for Acceptance
- ✓ Quality Notifications and Payments
- ✓ Top 10 Quality Notification Issues



Government Acceptance 101



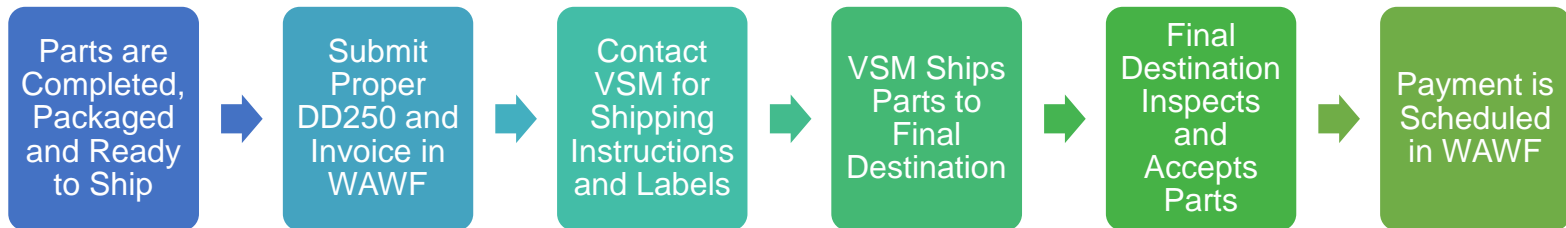
- What is Acceptance?
 - Acceptance constitutes acknowledgment that the supplies or services conform with applicable contract quality and quantity requirements. Acceptance may take place before delivery, at the time of delivery, or after delivery, depending on the provisions of the terms and conditions of the contract.
- Who is Responsible for Acceptance?
 - Acceptance of supplies or services is the responsibility of the contracting officer. When this responsibility is assigned to a cognizant contract administration office or to another agency (DCMA), acceptance by that office or agency is binding on the Government.
- Where Does Acceptance Occur?
 - Each contract shall specify the place of acceptance. Contracts that provide for Government contract quality assurance at source shall ordinarily provide for acceptance at source. Contracts that provide for Government contract quality assurance at destination shall ordinarily provide for acceptance at destination. Supplies accepted at a place other than destination shall not be re-inspected at destination for acceptance purposes, but should be examined at destination for quantity, damage in transit, and possible substitution or fraud.



Payment Process Flow



Inspection and Acceptance at Destination



Inspection and Acceptance at Origin





Fast Pay and Customer Direct



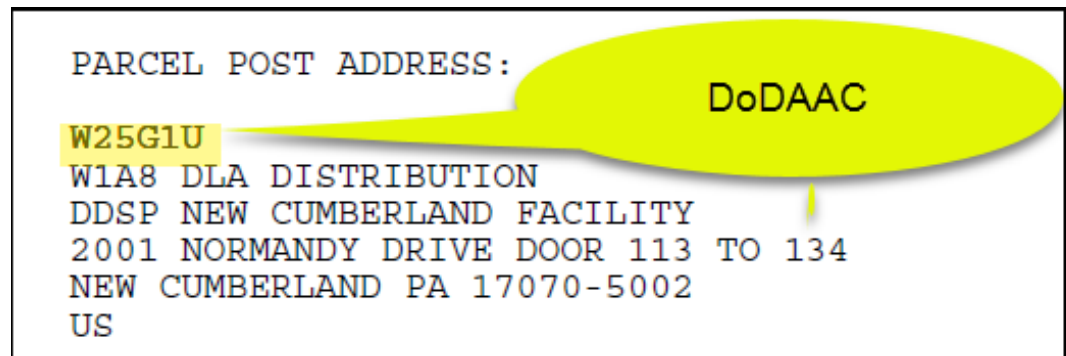
- Fast Payment procedures described at FAR Subpart 13.4 allow contractors, under certain situations, to submit invoices upon delivery of supplies to a post office, common carrier, or point of first receipt by the Government. The contractor must be willing to replace supplies not received at destination; repair supplies damaged in transit or correct nonconforming supplies.
- OCONUS Customer Direct (except FMS shipments) acquisitions up to \$35,000 can be written with “Fast Pay” unless there is a reason that requires inspection/acceptance must be “at origin”
- WAWF/IRAPT requires both Invoice and Receiving Report on all Customer Direct shipments



WAWF/IRAPT Workaround



- WAWF version 5.9 invoked a requirement to submit a FAST PAY COMBO (Receiving Report and Invoice).
- Now vendors must manually submit documents on Fast Pay orders, with or without Acceptors, in accordance with this change.
- Issues lie when there are no Active Acceptors for the ship-to location DoDAAC called out in the award
- Example of where to find the DoDAAC on the award:





WAWF/IRAPT Workaround



- Check to see if the DoDAAC has an Active Acceptor in WAWF

IRAPT (formerly WAWF)

User Government Documentation **Lookup** Exit

First, Click on Lookup

... then Click on Active DoDAACs & Roles

Government and Government Support Contractor Messages

(2016-08-09 00:00:00) System: All Subject: **WAWF Downtime New! Action Required! Critical!** Message For: All Users

NOTICE The Wide Area Workflow eBusiness Suite will be unavailable Friday August 12, 2016 starting at 1600 MDT - 21:00 MDT (18:00 - 23:00 EDT). This scheduled downtime is to apply patches to the system. All Portal Systems (iRAPT, EDA, myInvoice, eMIPR, CORT Tool, IUID Registry, NCCS, and the MRS tool) will be unavailable during this scheduled Downtime. Please plan accordingly.

(2016-06-28 00:00:00) System: All Subject: **WAWF 5.9 Validation Warning Messages** Message For: All Users

"Attention: If you receive the following informational message "IRAPT VALIDATION WARNING MESSAGES" and the Pop-Up window does not display "click "OK" to proceed", please try the following steps:
1. Turn off Pop-Up Blockers in your Web Browser. 2. Clear your browser History Folder and Cookies. 3. Clear your browser cache. 4. Close all browser windows. 5. Open new browser and type in the WAWF URL <https://wawf.eb.mil> to access the WAWF website. (Do NOT use any favorites or shortcuts).

If the above options still do not resolve the issue please try a different web browser. (Internet Explorer, Firefox, Chrome)

- If there is an Active Acceptor, proceed with COMBO documents



WAWF/IRAPT Workaround



- If there is NOT an Active Acceptor submit an “Invoice” only, check the “Fast Pay” box, click “Next”

NOTE: Some fields may be pre-populated

1. Enter the Issue Date of the contract
2. Enter Issue by DoDAAC
3. Enter Admin DoDAAC
4. Enter Ship-To Code (mandatory)
5. Enter an Accept By DoDAAC- although there is no Acceptor, **enter the Ship-To DoDAAC here.** This is a mandatory field.
6. Click “Next” at bottom of screen

IRAPT (formerly WAWF) User ID: VET1001
Printer Friendly

User Vendor Property Transfer Documentation Lookup Exit

Vendor - Invoice - Fast Pay

Contract >> Pay DoDAAC >> Document >> Routing

INFO: A Final Invoice already exists for this Contract Number and Delivery Order. You can continue creating this document, but comments will be required on the document.

Contract Number	Delivery Order	Reference Procurement Identifier	CAGE Code	DUNS	DUNS + 4	Extension	Pay DoDAAC
SPE1C116C0001			0HB52	045534641			SL4701

* = Required Fields, Date = YYYYMM/DD

Issue Date	Issue By DoDAAC	Admin DoDAAC *	Mark For Code / Extension
YYYYMM/DD 1	SPE1C1 2	SPE1C1 3	<input type="text"/>

Ship To Code * / Extension	Ship From Code / Extension	Accept By DoDAAC * / Extension
UY8625 4	<input type="text"/>	UY8625 5

6



Quality Notifications and Payments



- What is a Quality Notification?
 - When material is shipped to a DLA Depot or Customer and it is discovered that the parts do not adhere to the requirements of the award, i.e. wrong part number, missing quantities, incorrect packaging, missing labels, etc., the material goes into a Litigated or Quality Notification Status for review and disposition
- Quality Notifications stop payment actions from processing



Top 10 Quality Notification Issues



10

- Not packaged to the Quantity Unit Pack (QUP) specified in the contract.

9

- Electrostatic Sensitive Material shipped in non-conforming packaging.

Yes



No



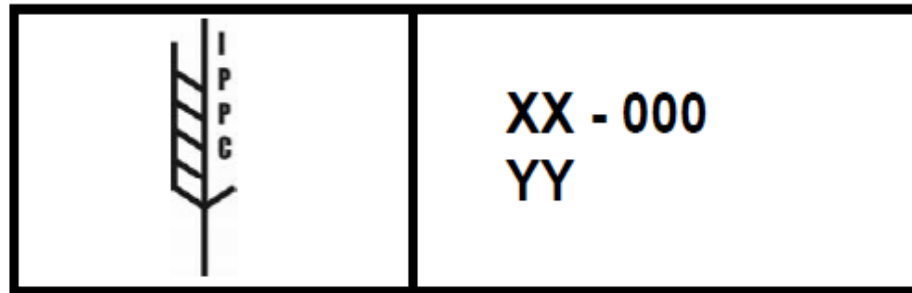


Top 10 Quality Notification Issues



8

- Non-conformance to wood packing materials requirements (ISPM 15)



7

- Material received not packaged to the requirements specified in the contract (Method of Preservation).



Top 10 Quality Notification Issues



6

- Shipping documents missing, incomplete or illegible

5

- Missing Bare Item Markings (Mil-Std-130)





Top 10 Quality Notification Issues

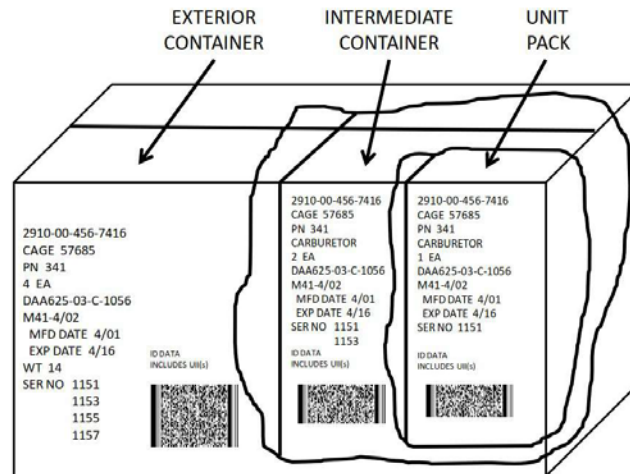


4

- MIL-STD 129R Labels omitted or missing required elements

3

- Shelf life markings omitted or incorrect.





Top 10 Quality Notification Issues



2

- Shipping material before the DCMA Quality Assurance Representative signs acceptance. (Inspection and Acceptance at Origin/Source)

1

- No Invoice submitted in WAWF





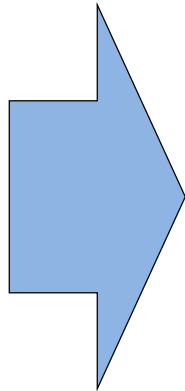
Accounts Payable – Payment Process Overview

Defense Finance and Accounting Service

Ruth Sawdey
EBS Entitlements Vendor
Pay Supervisor
June 20th



What is Vendor Pay?



**Payment for Day to Day
Goods and Services**

Uses Multiple Systems

**Deployed Across Multiple
Locations Worldwide**

**Encompasses Entitlement
Determination for:**

- ✓ Non-DCMA Administered Contracts
(some exceptions)
- ✓ Transportation Payments
- ✓ Miscellaneous Payments to
Businesses and Individuals



Functions:

Supporting Systems	
AIRCARD	FFAVORS
EDA	EDI
EDM	iRAPT/WAWF
PWEB	SEACARD
STORES	SYNCADA
	VANS

- Review contracts, invoices, and receiving reports for propriety IAW regulatory requirements.
- Match contract, invoice, and receiving report to initiate proper payment.
- Verify vendor SAM registration and remittance data.
- Perform entitlement/computation actions necessary to generate payments to vendors and individuals for services performed and/or goods/materials received.
- Process payments into the applicable entitlement system (Systems vary depending on customer)
 - Payment Certification.
 - Perform pre-pay & post pay audits.
 - Manage EFT reject process.



Accounts Payable Process - 3 Way Match



DoD

- Awards contract to Vendor
- Forwards contract to DFAS

Vendor

- Provides Goods and Services
- Submits receiving report for the goods and services to DoD
- Can also submit the invoice along with the receiving report (Combo and Invoice 2 in 1)

DoD

- Receives goods and services
- Forwards signed receiving report to DFAS



Disbursing office

- Sends Check/EFT to Vendor
- Updates MyInvoice
- Sends disbursement data back to the Accounting systems.

Vendor

- Submits Invoice to DFAS if not already submitted with the receiving report.

DFAS Entitlement

- Using a 3-way match between the Contract, invoice, and Receiving Report, validates, entitles and then prevalidates the invoice



TDD

Sent directly to Treasury and disbursed





- ▶ **Net 30 Days = Normal Payment Terms**
- ▶ **Net 7 Days**
 - ✓ Meat, Meat Food Products, including Poultry, Fresh Eggs, Seafood or Shellfish
- ▶ **Net 10 Days**
 - ✓ Perishable Agricultural commodities, Fresh Baked Goods, Dairy Products, Fats and Oils
- ▶ **Net 14 Days**
 - ✓ Construction Contracts
- ▶ **Fast Pay 15 Days**
 - ✓ Based on inclusion of the FastPay FAR clause in the contract
- ▶ **Accelerated Pay (Small Business)**
 - ✓ Paid as soon as possible (15 days)
 - ✓ Per memorandum dated 8-1-2014



Calculation of Interest



► Interest paid on LATTER of:

✓ **Date Invoice Received at Proper Billing Office**

✓ **Acceptance Date**

✓ **Constructive Acceptance Date**

***Constructive acceptance = 7 days after delivery date
(If the difference between Delivery and Acceptance exceeds 7 days,
then Constructive Acceptance is used in place of Acceptance Date).**

Inv Rcvd: 6/14/18

Inv Date: 6/12/18

RR Rcvd: 6/20/18

Mdse Del: 6/12/18

Mdse Acpt: 6/20/18

***Constructive Acceptance is 6/19/18**



Interest would be calculated off of 7/20/18 due date

Prompt Pay and Discount calculators can both be found at this site:

https://www.fiscal.treasury.gov/fsservices/gov/pmt/promptPayment/promptPayment_home.htm





SL4701

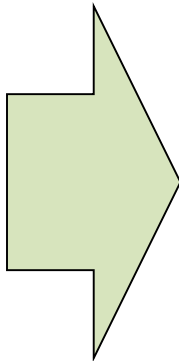
- EBS
- System = EBS
- Formerly BSM, also used for Fuels
- Customer Service
 - ✓ Call 1-800-756-4571, option 2
 - ✓ Non-WAWF fax invoice submission:
 - ✓ 1-866-313-2340



When things don't go as expected!



Top Reasons for Inquiry



Pay Status

MyInvoice- <https://wawf.eb.mil> to register

Missing Receiving Report

This is NOT a DFAS role. You must contact your Govt' receiving Activity POC or your contracting officer

Transportation

Did you attach a copy of your freight bill to your WAWF/iRAPT invoice submission?

How to bill

Invoicing should mirror your contract CLIN/SLIN layout, including Qty/Unit Price/Unit of Measure

Existing debt with federal agency

DFAS partners with the Treasury Department and the IRS to process offsets based on your TIN. These can and will include administrative fees, penalties, and interest.

SAM registration

Annual requirement. If expired/suspended, you will NOT get paid!
<https://www.sam.gov/portal/SAM/#1>

Contact DFAS Customer Service or Use Self-Service

1-800-756-4571





Creation of Purchase Order

- ✓ DLA Procurement

Creation of Invoice

- ✓ Vendor
 - Electronically submitted and passes all edits
- ✓ DFAS Entitlements
 - Electronically submitted, but contains error or doesn't pass an edit
 - Invoice submitted manually, requires input by DFAS

Creation of Goods Receipt

- ✓ Receiving Activity
 - DLA (DLADirect)
 - DLA's Customer (Customer Direct)



Partial Payment (Line)



IRAPT (formerly WAWF) User: Abelina Jones

Pay Official View Only - Invoice

1 Miscellaneous Amount(s)

Document Total (\$): 23.31

Shipment Number: APX0003 Shipment Date: 2018/03/09 Final Shipment: N

Item No.	Product/Service ID	Qualifier	Qty. Shipped	Unit of Measure	UoM Code	Unit Price (\$)	Qty. Accepted	Amount (\$)
0001	5340012345047	FS	1	Each	EA	19.33		19.33
	SDN			ACRN	AAI		PR Number	
	0071363479			BX			0071363479	
Description: PLUG,FUSIBLE								
Item No.						Unit Price (\$)		Amount (\$)
1260						3.98		3.98
Description: Freight Charge								

Item [0001] 012345047 , PLUG,FUSIBLE

Material Data Quantities/Weights Delivery Schedule Delivery Invoice Conditions Account Assignment Purchase Order History Texts Delivery

Sh. Text	MvT	Material Document	Posting Date	Quantity	OUn	Ref...	Amount in LC	Local cur.	Qty in OP...	Order Price...	Amount	Cry
GR	102	5161736174	02/28/2018	658.000	EA		12,719.14	USD	658.000	EA	12,719.14	USD
GR	109	5161736173	02/28/2018	658.000	EA		0.00	USD	658.000	EA	0.00	USD
GR	110	5161538130	02/23/2018	658.000	EA		0.00	USD	658.000	EA	0.00	USD
GR	101	5161538129	02/23/2018	658.000	EA		12,719.14	USD	658.000	EA	12,719.14	USD
GR	110	5159841339	01/09/2018	141.000	EA		0.00	USD	141.000	EA	0.00	USD
GR	101	5159841338	01/09/2018	141.000	EA		2,725.53	USD	141.000	EA	2,725.53	USD
Tr./Ev. Goods receipt				659.000	EA		15,464.00	USD	659.000	EA	15,464.00	USD
IR-L		519588798	05/09/2018	658.000	EA		12,822.00	USD	658.000	EA	12,822.00	USD
IR-L		5193851990	03/11/2018	1.000	EA		23.31	USD	1.000	EA	23.31	USD
IR-L		5192205384	01/12/2018	141.000	EA		2,729.94	USD	141.000	EA	2,729.94	USD
Tr./Ev. Invoice receipt				800.000	EA		15,575.25	USD	800.000	EA	15,575.25	USD





- ▶ EBS can only pay DLA Lines of Accounting
- ▶ If a contract has a non-DLA LOA, EBS can't entitle/disburse (Payment Office SL4701)
- ▶ If SL4701 is the payment office, a modification is necessary
- ▶ DFAS policy – not to split up a contract over multiple payment offices





Modification

- ✓ Payment Office Change

Certification of Funds

- ✓ Identifies the obligation
- ✓ Amount disbursed
- ✓ Awaiting liquidation
- ✓ Signed by Losing Payment Office
- ✓ Sent to new Payment Office



Questions





Other Tips and Suggestions



- **Contact your Contract Administrator**
- **Maintain up-to-date point of contact information in the System for Award Management (SAM)**
- **Retain and make available Proof of Delivery (Carrier Tracking) information**
- **Recommend placing shipment commercial tracking numbers in Wide Area WorkFlow (WAWF/IRAPT) Receiving Report**



Helpful Websites



- <http://assist.daps.dla.mil/> - copies of Military Standards including MIL-STD-129P and MIL-STD- 2073-1D
- www.dodrfid.org – information on DoD’s Radio Frequency Identification marking requirements
- www.wawftraining.com – online training for WAWF



Helpful Websites



DFAS Home Page

- <http://www.dfas.mil/contractorsvendors.html>
 - One-Stop Shop for ALL your payment questions and links to valuable resources

iRAPT/WAWF

- Invoice, receipt, acceptance, property transfer & Wide Area Workflow (your electronic invoicing tool)
 - <https://wawf.eb.mil/>
 - » Includes training tutorials, how to, and additional reference material
 - MyInvoice Tutorial (YouTube) (Payment Status Online)
 - » <https://www.youtube.com/watch?v=sbYi85oRH5o>

DFAS Open House – come see us!

- <http://www.dfas.mil/contractorsvendors/upcomingevents/openhouse.html>

System for Award Management (SAM)

- <https://www.sam.gov/portal/SAM/#1>

Prompt Payment Act

- http://comptroller.defense.gov/Portals/45/documents/fmr/current/10/10_07.pdf

United States Treasury – Prompt Payment Calculator

- https://www.fiscal.treasury.gov/fsservices/gov/pmt/promptPayment/promptPayment_home.htm



Conclusion



Process of Payment Payment Delays Tips & Suggestions







DEFENSE LOGISTICS AGENCY

THE NATION'S COMBAT LOGISTICS SUPPORT AGENCY



What's the Holdup? Reasons and Resolutions for Quality Notifications

Jennifer R. Miller, *Lead Contracting Officer*
T.J. Misiolek, *Supervisory Contracting Officer*

June 2018





Overview



- Introduction
- Impact of Quality Notifications
- Quality Notifications - Defined
- Common Errors Types / Resolutions
- QN Teams
- Other Contact Information
- Questions



Introduction



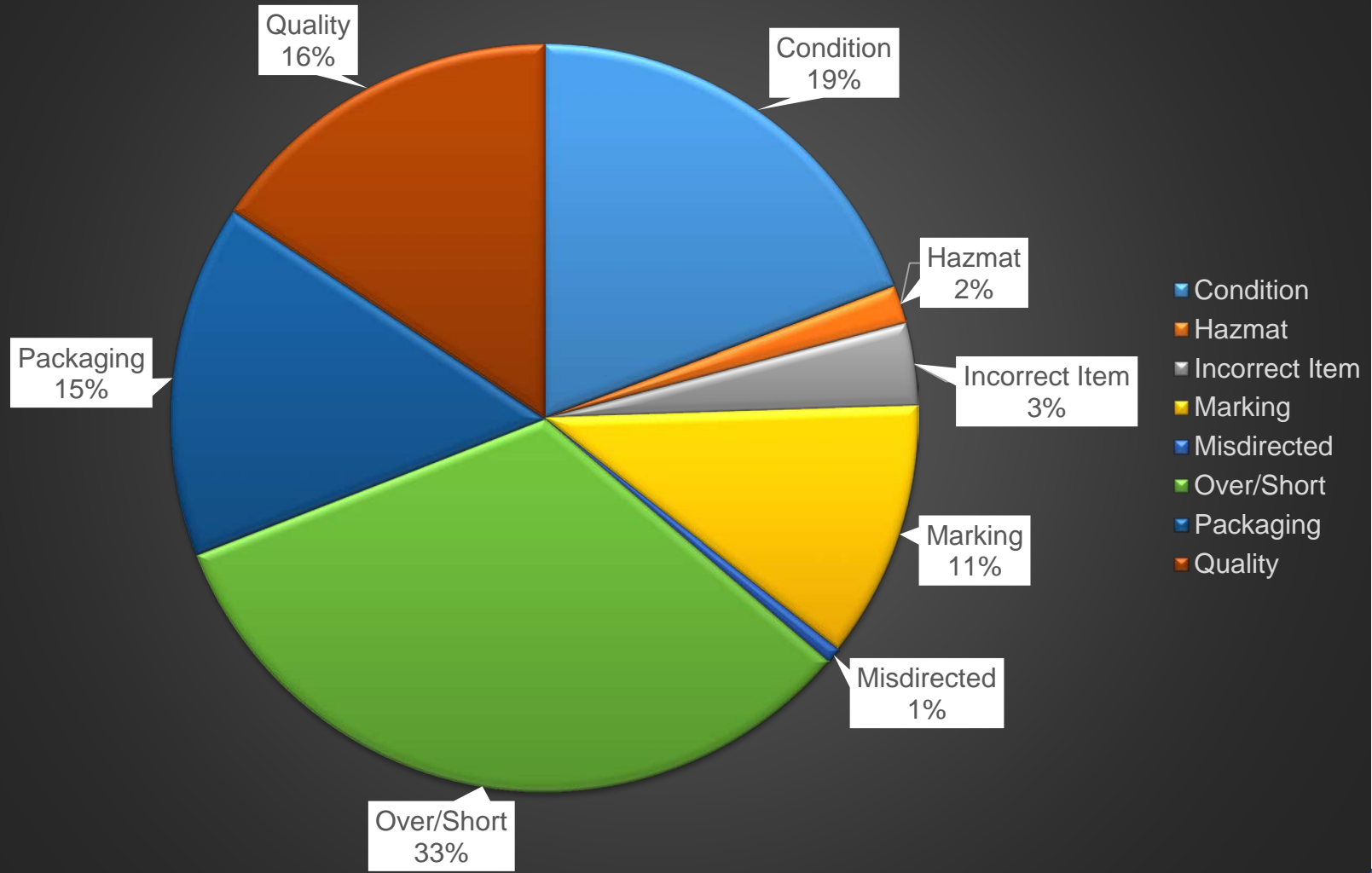
- Who we are
- What we do
- Why we do it



Impact of Quality Notifications



26,782 QNs in 1st Qtr 2018





Quality Notifications - Defined



- What is a Quality Notification (QN)? When the government receives a shipment that has a material error, a Quality Notification is created to address the issue.
- A material error consists of any of the following (individually or combined):
 - Incorrect Item
 - Incorrect Units (Quantity or Unit of Issue)
 - Incorrect Packaging
 - Incorrect Item Marking
 - Incorrect Labeling
 - Shipment Prior to I/A Origin Inspection
 - Shipment to Incorrect Delivery Address
 - Shipment Not Invoiced



Common Error Types / Resolutions



Incorrect Item:

- Most common errors:

- The wrong item was packaged and shipped out; or
- The item was manufactured to a different drawing/revision than on the award

- Resolutions:

- Check shipments prior to sending out (haste makes waste)
- Check the solicitation prior to quoting, drawings/revisions change over time
- Check the award, make sure there are no errors (i.e. NSN, nomenclature, part number or drawing/revision, etc.)
- Ask Questions!!! Reach out to the Contracting Officer (for solicitations) or the Contract Administrator (for awards) if the item information is unclear, is in error, or if you are just unsure



Common Error Types / Resolutions



Incorrect Units (Quantity or Unit of Issue):

- Most common errors:
 - Incorrect Quantity (too many, too few)
 - Incorrect Unit of Issue (i.e. shipped EA instead of PG)
- Resolutions:
 - Check the solicitation prior to quoting for EVERY quote, determine what the Unit of Issue (UI) is for the item (UI can change over time)
 - Check the award, make sure there are no errors (check for any unit of issue definitions, example: 1 FV = 5 of each item)
 - Ask Questions!!! Reach out to the Contracting Officer (for solicitations) or the Contract Administrator (for awards) if the item information is unclear, is in error, or if you are just unsure



Common Error Types / Resolutions



Incorrect Packaging:

- Most common errors:
 - Material packaged to commercial standard when it should be to MIL-STD; or
 - Material has special packaging requirements that were not followed
- Resolutions:
 - Check the solicitation prior to quoting, determine what the packaging requirements are (i.e. commercial, MIL-STD, anything special?, etc.)
 - Check the award, make sure there are no errors (i.e. if award says to package both commercial and MIL-STD)
 - Ask Questions!!! Reach out to the Contracting Officer (for solicitations) or the Contract Administrator (for awards) if the item information is unclear, is in error, or if you are just unsure



Common Error Types / Resolutions



Example Incorrect Packaging:

The exterior container was closed with masking tape (prohibited for use on exterior containers). The material was held up at aerial ports and was suspended for payment. The entire shipment had to be returned to the vendor for repackaging.





Common Error Types / Resolutions



Incorrect Marking:

- Most common errors:
 - Marking is unclear; or
 - Marking is missing
- Resolutions:
 - Check the solicitation prior to quoting, determine what the marking requirements are (not every item requires marking, but make sure every time you quote)
 - Check the award, make sure there are no errors (i.e. what type of markings should be on this item)
 - Ask Questions!!! Reach out to the Contracting Officer (for solicitations) or the Contract Administrator (for awards) if the item information is unclear, is in error, or if you are just unsure



Common Error Types / Resolutions



Incorrect Labeling:

- Most common errors:
 - Label is missing;
 - Label is incomplete or incorrect.
- Resolutions:
 - Check the solicitation prior to quoting, determine what the labeling requirements is for each item
 - What information is mandatory for the label: such as award number, NSN, shelf-life, etc.
 - Which items must be labeled: such as each item, each package, each shipment, etc.
 - Check the award, make sure there are no errors
 - Ask Questions!!! Reach out to the Contracting Officer (for solicitations) or the Contract Administrator (for awards) if the item information is unclear, is in error, or if you are just unsure



Common Error Types / Resolutions



Example Labeling:

The material arrived on a pallet, items were stacked 60-68 on a paper dividers (packaging stated material must be individually packaged and marked). The material was held up at the Distribution Center and suspended for payment. The entire shipment had to be returned to the vendor for marking and repackaging.





Common Error Types / Resolutions



Shipment Prior to I/A Origin Inspection:

- Most common error:
 - The material is shipped prior to DCMA inspection
- Resolutions:
 - Check the solicitation prior to quoting, if the material requires Origin inspection then DCMA must sign off prior to shipment
 - Make sure to enter the invoice in WAWF/iRAPT for DCMA to be able to sign
 - Check that DCMA signed for inspection in WAWF/iRAPT prior to shipping
 - Ask Questions!!! Reach out to the Contracting Officer (for solicitations) or the Contract Administrator (for awards) if you have questions, concerns, or issues. You can also reach out to the DCMA POC who is assigned to conduct your inspection for questions.



Common Error Types / Resolutions



Shipment to Incorrect Delivery Address:

- Most common error:
 - The material is shipped to an incorrect address
- Resolutions:
 - Check the delivery address on the award prior to shipping
 - Shipping to an incorrect Depot or Direct Vendor Delivery location is still shipping to an incorrect address
 - If using VSM, make sure the shipping labels match the award (seek clarification if they do not)
 - Ask Questions!!! Reach out to the Contracting Officer (for solicitations) or the Contract Administrator (for awards) if you have questions, concerns, or issues.



Common Error Types / Resolutions



Shipment Not Invoiced:

- Most common error:
 - The shipment is not invoiced until after it is delivered; or
 - The shipment is not invoiced at all
- Resolutions:
 - Make sure you submit an invoice upon shipping, as the shipment cannot be marked as received until WAWF/iRAPT shows an invoice to receive it against (this WILL hold up your payment)
 - Make sure you submit an invoice if you want to be paid (we CANNOT invoice for you).
 - Ask Questions!!! Reach out to the Contracting Officer (for solicitations) or the Contract Administrator (for awards) if you have questions, concerns, or issues.



QN Teams



Each DLA Major Support Command (MSC) has a QN Team, this presentation is being given by the DLA Land and Maritime MSC.

- Land QN Team:
 - Email box: DLA.Land.Postaward.QN@dla.mil
- Maritime QN Team:
 - Email box: DLA.Maritime.Postaward.FMSE1@dla.mil

Please ensure that you send your inquiries to the email box(es) as associates change over time and we want to make sure you get a response as quickly as possible.



Other Contact Information



Following are some additional helpful contacts:

- VSM (Transportation):
 - Website: <https://vsm.distribution.dla.mil/>
 - Email box: delivery@dlam.mil
 - Phone Number: 1-800-456-5507
- WAWF/iRAPT (Invoicing):
 - Website: <https://wawf.eb.mil/>
 - DFAS Customer Support (for invoice issues): 1-800-756-4571
 - DISA (for website support only): 1-866-618-5988



Questions



