

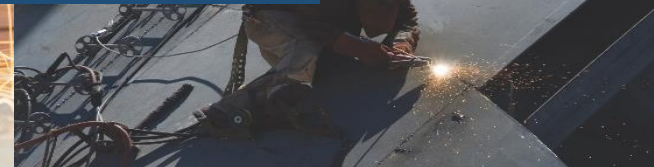


A Procurement Technical
Assistance Center (PTAC)

A large, white, neoclassical building with a prominent green dome, illuminated at dusk. The building is surrounded by trees and a fence. The sky is a deep blue.

CONTRACT CLOSEOUTS – PREPARING FOR A SMOOTH ENDING ACQUISITION HOUR WEBINAR

April 3, 2018



WEBINAR ETIQUETTE

PLEASE

- Log into the GoToMeeting session with the name that you registered with online
- Place your phone or computer on MUTE
- Use the CHAT option to ask your question(s). We will share the questions with our guest speaker who will respond to the group

THANK YOU!

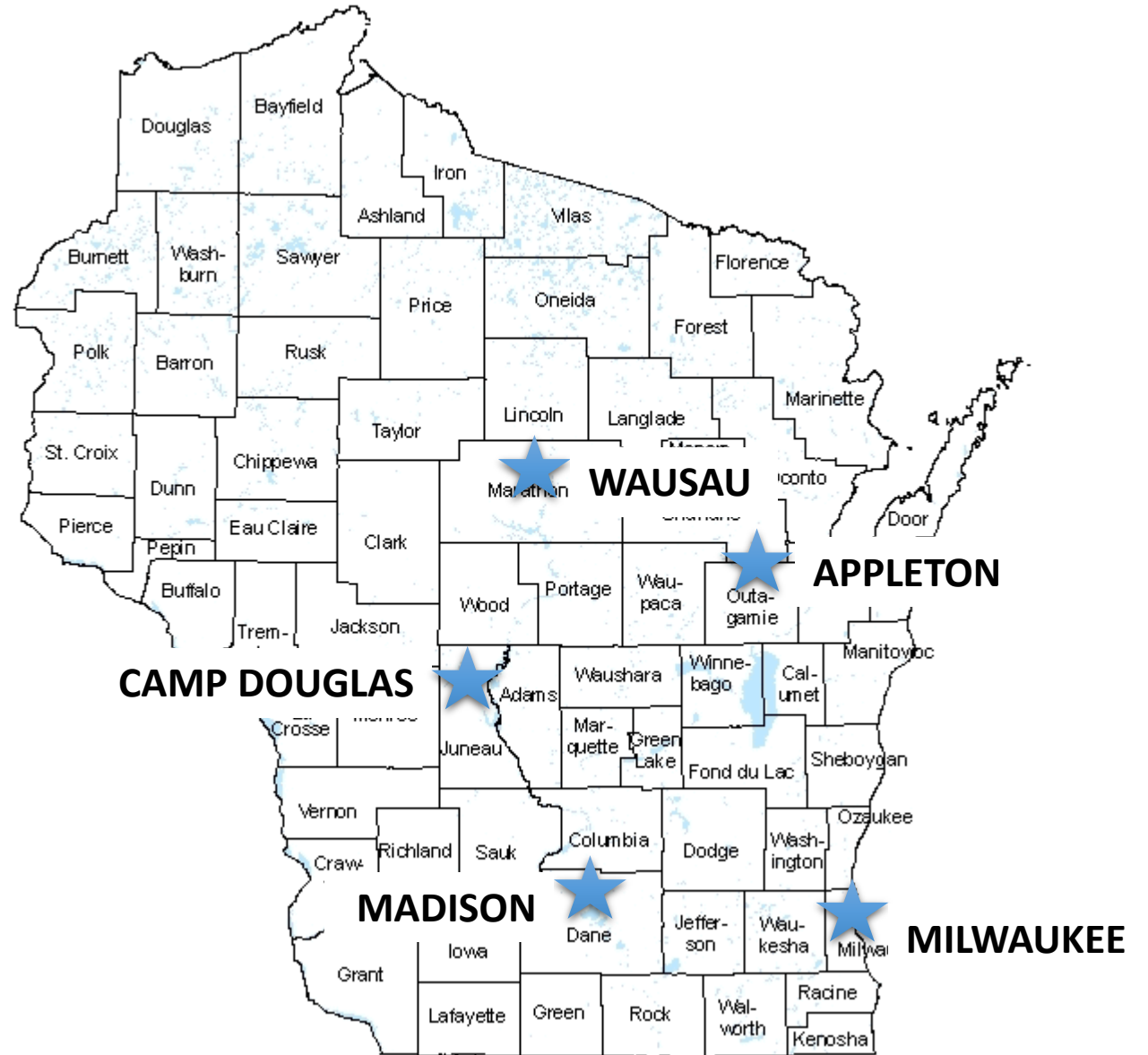
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COMPANIES FOR 30 YEARS!

Assist businesses in creating,
development and growing their sales,
revenue and jobs through Federal, state
and local government contracts.

WPI OFFICE LOCATIONS

- MILWAUKEE – *Technology Innovation Center*
- MADISON –
 - *Madison Enterprise Center*
 - *FEED Kitchens*
- CAMP DOUGLAS – *Juneau County Economic Development Corporation (JCEDC)*
- WAUSAU – *Wausau Region Chamber of Commerce*
- APPLETON – *Fox Valley Technical College*



CLICK HERE TO VIEW WPI NEWSLETTER

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UPCOMING EVENTS

JANUARY 10 2018
SELLING TO UNCLE SAM-UNDERSTANDING THE GOVERNMENT MARKETPLACE
IRON MOUNTAIN, MI »

JANUARY 17 2018
END OF YEAR FEDERAL CONTRACTOR UPDATE
MILWAUKEE »

JANUARY 23 2018
PREPARING A WINNING GOVERNMENT PROPOSAL
MILWAUKEE »

JANUARY 23 2018
ACQUISITION HOUR: MARKET RESEARCH – USING THE FEDERAL PROCUREMENT DATA SYSTEMS (FPDS)
WEBINAR »

JANUARY 24 2018
ACQUISITION HOUR: CYBER SECURITY FOR CURRENT AND PROSPECTIVE DOD CONTRACTORS AND SUBCONTRACTORS
WEBINAR »

CURRENT OPPORTUNITIES (4)

SERVICES OFFERED BY WPI

- FREE Bid Matching Services
- Individual Counseling and Assistance
- Locating Local, State and Federal Opportunities
- Government Market Strategy Development
- Training in use of Government websites and tools
- Assistance with System for Award Management (SAM) Registration
- Assisting in Market Research Process
- Development of Market Profile
- Small Business Subcontracting Plans Development, Outreach and Reporting
- Small Group Training
- Outreach and training with Local, State and Federal agencies
- Assist with Pre and Post Award Functions
- Assistance with Agency Specific Contracting Requirements
- Assistance with Contracting Regulations and Requirements, including FAR, DFAR, CFR
- Assistance with GSA Schedule Preparation and Administration
- Assistance with Local, State and Federal Certifications, including:
 - Service Disabled & Veteran Owned Small Business, HUBZone, Woman Owned Small Business, 8(a) Business Development Program
 - State
 - Local
 - DBE
- Bid review and Submission Assistance
- Proposal review and Submission Assistance
- Capabilities Statement and Related Government Marketing Material Development
- Assistance in Locating and Developing Teaming Partners and Subcontractors
- Updated Government Market Information

WHAT WE WILL COVER TODAY

- Contract Closeouts: Preparing for a Smooth Ending

Contract Closeouts:

Preparing for a Smooth Ending

Mark Dennis

April 3, 2018

What is Contract Closeout?

- Closeout:
 - The process of settling all outstanding issues
 - To ensure that each party has met all its obligations
 - and documenting the contract file accordingly.

Objectives of a good closeout:

- Identify and resolve any uncompleted obligations or pending liabilities on the part of either the Government or the contractor.
- To ensure that contract-related decisions and actions have been properly documented, i.e. any necessary modifications.

In The Beginning:

Set up Contract Administration for:

- Government Property Management (GPM): Do we have it?
- Invoice Tracking: Did we bill it?
- Payment Tracking: Did we get it?
- Record Retention Policy and Contract Requirements: “Ours vs. Theirs.”
- Deliverables and Shipments: Proof of Delivery? Where recorded?
- The value of “Clean As You Go” approach.
- Final Contract Audits

- “Begin with the End in Mind.”

– Stephen Covey, *The 7 Habits of Highly Effective People*.



KEEP
CALM
THE
END
IS NEAR

- Make closeout a part of project planning.
- Project the final delivery date, then back-date from there.
- Indefinite contracts (IDIQ): At least, have your close-out plan in place, to be put into motion when the actual contract end can be forecast.
- Generously estimate how long closeout items might take, and begin as early as feasible, especially property and records.

Cross-Functional Planning Sessions:

- Beginning, Middle, Near the End of the Contract.
 - Contract managers and administrators:
 - Chair and advise the meeting.
 - Finance: Payables and Receivables,
“The Importance of Staying Current.”
 - Plant Production and Planning: Use and Storage of GFM / GFP, Damage / Loss / Theft policies. Copy of relevant procedures.
 - Purchasing: Keeping subcontractors and vendors informed.
 - Purchase Order controls, right-sized ordering.

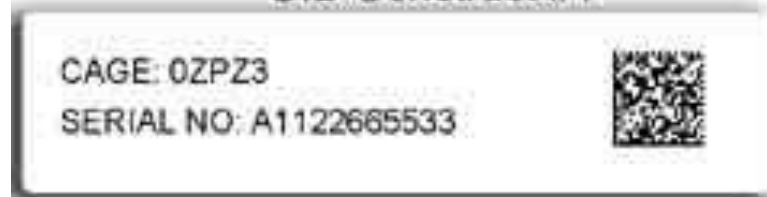


Cross-Functional Planning Session(s):

- Inventory and Warehouse:
- GFM / GFP segregation and inventory. (FAR 52.245)
- GFM Procedures: Written, Reviewed, Approved.
- Shipping: Final Deliverables, GFM shipments
- Human Resources (vital if staffing will be impacted)
- Legal: Record Retention, Contract Reviews
- Top Management: “No surprises at the end.”

Government Property Management (*checklist graphic)

UID Construct #1



UID Construct #2



Dataplates



- FAR Part 45
- Documented GPM System (FAR 45.105)
(Example: DCMA Instruction INST-124.)
- Document the required internal inventories and audits
- Clearly identified, segregated and tagged Government Furnished Property or Materials (FAR 52.245).

Government Property Management



- Meet your Government Property Administrator (PA), early.
- Meet your Plant Clearance Officer, if applicable.
- Plan for when and how to return GFM / GFP. (FAR 45.602)
- Use Up, Return or Disposition, “Clean As You Go” any GFP / GFM no longer needed.
- Learn what GFP you can / cannot scrap, how, and the procedures (FAR 45.606)
- Final Closeout Visit, Tour, Record Review.

Clean As You Go:

- Periodic Internal Audits (see contract requirements and your own Quality Plan)
- Contract Review: Overlooked / Postponed Requirements?
- GPM audits and inventories, Loss / Damage/ Theft Reports if needed. (FAR 45.104)
- Return or disposition GPM that is no longer needed – don't accumulate!
- Clean House: Using up materials including GFM, right-sizing materials orders near the end.

Clean As You Go:

- Did we send all the invoices?
- Did we receive all the payments?
- Can we prove all the deliveries?
- File records ready for storage / backups?

Physically Completed Contracts

- Supply Contracts: All required supplies have been delivered, inspected and accepted.
- Service Contracts: All services performed and accepted.
- All options have expired.
- Final Receiving Reports (DD250)
- Notice of Completion
- Program Management Acknowledgment

Administratively Completed Contracts

- Data Items (CDRL) delivered and accepted.
- Contract Deliverables.
- Modifications approved, signed and received.
- Change Orders and Approvals documented.
- Request for Equitable Adjustments. (FAR 49.2)
- Property.

Finance and Closing Audit Preparation

- Review contract types for potential Agency closing deadlines and audits. (FAR 4.804, Closeout of Contract Files)
- Realize that there are time requirements for ACOs to reduce and eliminate Un-liquidated Obligations (ULO) and return un-used contract funds to the Treasury. (FAR 4.804).
- Resolve any outstanding invoicing or payment issues ASAP. before the final delivery, or immediately afterward. (“Clean As You Go”).
- FAR 42: Final Billing and Release of Claims.
- Contact your ACO office to confirm the requirements and estimated closing times.

Finance and Closing Audit Preparation

- Have all Direct and Indirect Costs been recorded and separated?
- Have all subcontracts been paid and closed out?
- Have final overhead rates been settled?
- Resolving withholds?
- Have interim and final Indirect Cost Proposals been submitted, in accordance with FAR 52.216-7 (if this clause is in your contract)?

Finance and Closing Audit Preparation

- Determine whom / what department in your company will represent the company during an audit.
- Gather shipment, delivery, invoicing and payment records where they will be readily available. Arrange for safe storage, backups, and do not destroy!
- Don't forget to review other records: GPM, Subcontractor Plans and Records, Timesheets. (reference "Contract Data Management," *Contract Management* magazine, March 2016)
- ***Don't Shred!*** Contract-specific records should be retained until after the audits are "completely completed."

“Partners Through The End:”

Subcontractors and Vendors

- No Surprises: Inform subcontractors early about the contract closeout date.
- Contract flow downs including applicable closeout clauses
- Clear communications on order quantities and delivery dates
- Caution suppliers against overstocking materials.
- Don't hedge bets on follow-on awards or contract extensions!

“Partners Through The End:”

Subcontractors and Vendors

- Review invoices, payments, shipments.
- Subcontractor Plan: get the final year’s data for reporting.
- Prepare for record transfers and retention.
- Subcontractor closeout is similar to prime closeout, but must be completed earlier !
- Consider a subcontractor Awards / Recognition event for a successful partnership.

Your Employees and the End of a Contract

- Human Resources is a key player, especially if a plant closure or layoff is coming as a result of a contract termination.
- Keep HR informed, and plan with HR on keeping employees informed.
- Employees should know that a contract is temporary, and will definitely end.
- Proper Channels: HR may determine how to inform the various types of employees who may be: full-time; union-represented; agency-provided; temporary; subcontractors.
- If layoffs are coming, HR may partner with State Employment / Workforce Development Office:
 - Unemployment policies and benefits
 - Re-employment Services
 - Resume Workshops

Your Employees and the End of a Contract

- **Morale:** Have frequent update meetings. Keeping employees informed is one of the best keys to maintaining a positive workplace environment. It builds trust and communication.
- Involve employees in the close-out and its tasks.
- Coordinate meetings and announcements to reduce the rumor mill.
- If you are a contract manager or administrator, guard against small talk!
- Supervisors write up letters of recommendation / reference, well before the end.
- Consider having a final Awards Banquet, cook-out, other employee recognitions.
- Go out on a high note.

Summary

- In The Beginning: set up systems to make closeout a success.
- Cross-Functional Planning to include closeout strategy.
- Government Property Management
- Clean As You Go
- Finance and Audit Preparation
- Record Retention
- Subcontractors and Vendors
- Your Employees

Questions and Discussion

Resources and References

- *Your Contract ! Read all of it!*
- Your Administrative Contracting Office
- Federal Acquisition Regulations: <http://farsite.hill.af.mil/>
- For Defense Contracts:
 - DCMA-INST 111 (IPC-1), Plant Clearance
 - DCMA-INST-124, Contract Property Management
 - DCAA Manual 7641.90, Information for Contractors

Mark Dennis, email mdenn444@gmail.com

UPCOMING TRAINING - EVENTS

ACQUISITION HOUR LIVE WEBINAR SERIES

- April 4, 2018 – **Export Controls – ITAR and Associated Requirements** – [CLICK HERE](#) for additional information – presented by Marc Violante – Wisconsin Procurement Institute (WPI)
- April 17, 2018 – **eSRS Individual Subcontractor Reporting (ISR) Basics** – [CLICK HERE](#) for additional information – presented by Kim Garber – Wisconsin Procurement Institute (WPI)
- April 25, 2018 – **Learning About Surety Bond Guarantee From the U.S SBA** – [CLICK HERE](#) for additional information – presented by Tamara Murray – Underwriting Marketing Specialist – U.S Small Business Administration, Office of Surety Guarantees
- May 8, 2018 – **How to Quickly Analyze Solicitations** – [CLICK HERE](#) for additional information – presented by Carol Murphy – Wisconsin Procurement Institute (WPI)

ACQUISITION HOUR LIVE WEBINAR SERIES

- May 9, 2018 – **Change in Ownership on a Small Business and Consequences for Government Contracts, Certifications and Succession Planning** – [CLICK HERE](#) for additional information – presented by Emily A. Constantine – Attorney – Husch Blackwell LLP
- May 22, 2018 – **Export Compliance and Small Business** – [CLICK HERE](#) for additional information – presented by Emily A. Constantine – Attorney – Husch Blackwell LLP
- May 23, 2018 – **Cyber Security for Current and Prospective DOD Contractors and Subcontractors** – [CLICK HERE](#) for additional information – presented by Marc Violante – Wisconsin Procurement Institute (WPI)
- June 6, 2018 – **Flow-down Clauses – Management and Responsibilities for Federal Contractors** – [CLICK HERE](#) for additional information – presented by Carol Murphy – Wisconsin Procurement Institute (WPI)

UPCOMING EVENTS

[Federal Acquisition Regulations \(FAR\) Review](#) – Tuesday Evenings – Webinar

[Society of American Military Engineers \(SAME\) Joint Industry Days and Federal Agency Forum \(JIDFAF\)](#) – April 9 – 10, 2018 – Northbrook, IL

[Federal Acquisition Regulations, Understanding the Basics](#) – April 11, 2018 – Iron Mountain, MI

[Preparing a Winning Government Proposal](#) – April 26, 2018 – Milwaukee, WI

[6TH Annual U.S. Department of Veteran Affairs Business Conference](#) – May 16, 2018 – West Allis, WI

[12th Annual Volk Field-Fort McCoy Small Business Conference](#) – June 19-20, 2018 – Fort McCoy, WI

SOCIETY OF AMERICAN MILITARY ENGINEERS (SAME) JOINT INDUSTRY DAYS AND FEDERAL AGENCY FORUM (JIDFAF)

APRIL 9, 2018 NORTHBROOK

| | |
|-----------------|---|
| Start Date | April 9, 2018 |
| End Date | April 10, 2018 |
| Facility | Hilton Chicago/Northbrook |
| Address | 2855 N Milwaukee Ave, Northbrook, IL 60062 |
| Contact Info | Joseph Smetak josephs@wispro.org 414-270-3600 |
| Details | Read More Information |
| Agenda | View The Agenda |
| Register Online | Register for Event |

Supporting Small Businesses in Construction, A/E, Environmental and Related Trades / Services ** Formerly known as the SAME Midwest Small Business EXPO.

Registration now open! Visit the conference website for additional information: <https://samejidfaf.org/>



[REGISTER](#)

Society of American Military Engineers (SAME) Lake Michigan & Chicago Posts

Wisconsin Procurement Institute (WPI)

6TH ANNUAL U.S. DEPARTMENT OF VETERANS AFFAIRS BUSINESS CONFERENCE

MAY 16, 2018 WEST ALLIS

| | |
|--------------|--|
| Start Date | May 16, 2018 |
| End Date | May 16, 2018 |
| Time | 8:00 am - 4:30 pm |
| Facility | Hampton Inn |
| Address | 8201 W Greenfield Ave, West Allis, WI 53214 |
| Contact Info | Carol Murphy carolm@wispro.org 414-270-3600 |

Save the date! Additional information will be posted soon.



U.S. Department of Veterans Affairs (VA)

National Contract Management Association (NCMA) – Wisconsin Chapter

Wisconsin Procurement Institute (WPI)

12TH ANNUAL VOLK FIELD – FORT MCCOY SMALL BUSINESS CONFERENCE

JUNE 19, 2018 FORT MCCOY, WI

| | |
|--------------|--|
| Start Date | June 19, 2018 |
| End Date | June 20, 2018 |
| Facility | Ft. McCoy Building 90 Wisconsin Military Academy |
| Address | Ft. McCoy Building 90 Wisconsin Military Academy 90 S. 10th Avenue |
| Contact Info | Dave Olson davido@wispro.org (608) 338-8018 |

Previously known as the Annual Volk Field Small Business Conference – this year, the conference will be held at Ft. McCoy.

SAVE THE DATE!



Fort McCoy

Juneau County Economic Development Corporation

Small Business Administration (SBA)

Volk Field Air National Guard Base

Western Dairyland

Wisconsin Procurement Institute (WPI)



WISCONSIN ECONOMIC
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SAVE THE DATES
2018 MARKETPLACE
December 12-13, 2018

LOCATION:
Potawatomi Conference Center
Milwaukee, Wisconsin

THANK YOU

2017



QUESTIONS?

SURVEY



CONTINUING PROFESSIONAL EDUCATION



CPE Certificate available, please contact:

Benjamin Blanc

benjaminb@wispro.org

PRESENTED BY

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