

Subchapter 3004.8 Government Contract Files

3004.801 General.

The COCO is designated as the head of each office performing contracting and contract administration functions. The Chief of the Finance Office of the Component is designated as the head of the office performing paying functions.

3004.803-70 Contents of contract files.

(a) There shall be an official contract file for every contract awarded, order issued, or agreement entered into by DHS Components. Beginning in FY 2020, DHS created the DHS Electronic Contract Filing System (ECFS) which will be used as the official contract file repository. Each Component, with the exception of the USCG, shall use ECFS based on the implementation schedule and in accordance with established business rules. Click [here](#) to access both documents. The USCG shall use ECFS for all awards with a total contract value greater than or equal to the SAT. New contract awards, including task\delivery orders, BPAs, and BPA calls, and Interagency Agreements (IAAs) for assisted acquisitions, issued after the Component ECFS implementation date shall be stored and maintained in ECFS as the official contract file. The use of ECFS for pre-existing indefinite delivery vehicles (IDVs) (i.e., parent awards) will vary based on the single\multiple award nature of the IDV:

- For orders placed against single award IDVs, the IDV itself must also be stored and maintained in ECFS unless the IDV will expire in less than one year.
- For orders placed against multiple award IDVs that are for a single Component's use (i.e., the IDVs were awarded by one Component and only that Component can issue orders against it) the IDV itself must also be stored and maintained in ECFS unless the IDV will expire in less than one year.
- For orders placed against multiple award IDVs that are for multiple Components' use, the Head of Contracting Activity for the Component that awarded the IDV is responsible for determining if\when the IDVs are to be stored and maintained in ECFS. The HCA determination should take into consideration the benefits and ease of access to a centralized contract file storage system vs. maintaining both a paper and electronic contract files, paper file disposal, etc.
- For orders placed against multiple award non-DHS IDVs, the IDVs do not need to be stored and maintained in ECFS.

For all other pre-existing awards, meaning awards entered into prior to the Component implementation date, paper or non-ECFS electronic contract files may continue to be used but must be maintained and archived in accordance with HSAM 3004.8.

“*Contract file*” for purposes of this policy includes all the information cited in FAR 4.803 that are applicable to the action. Once a contract file has been established in ECFS, the ECFS record shall be considered the official contract file superseding any paper records. All information typically included in contract files shall be stored in ECFS. Once a contract file is established in ECFS the use of paper contract files or storage of contract documents outside of ECFS is not permitted.

(b) Each contract file shall be organized by sections using the applicable contract file checklist. Each checklist must contain a listing of items and subitems included in the file, the respective location of the items or sub-item (e.g., documents), and a cross reference to the specific requirement in the Federal Acquisition Regulation, HSAR, HSAM, and other DHS Directives as applicable.

(c) At a minimum the contract, order or agreement file shall contain, as applicable:

- (1) The records described at FAR 4.803;
- (2) COR nomination package, including the documentation described in Appendix W, Contracting Officer's Representative (COR) Nomination and Appointment Correspondence;
- (3) The COR appointment letter;
- (4) The COR Supervisor notification letter;
- (5) A completed, final, approved copy of the FPDS Contract Action Report.

3004.804 Closeout of contract files.

3004.804-1 Closeout by the office administering the contract.

(a) FAR 4.804 outlines detailed procedures for closing out contract files. The file is normally closed out by the contracting office administering the contract; however, as permitted by FAR 42.2, there may be instances where the file is administered by a Government agency or other Component than that which awarded the contract. A contract cannot be closed out until all terms and conditions of the contract have been satisfied by the contractor and the Government.

3004.804-170 Monitoring contract closeouts.

(a) *Policy.* Contracting officers responsible for contract administration shall ensure that their contracts are closed out within the time standards set forth under FAR 4.804-1. Compliance with these standards may be beyond the contracting officer's control in situations where necessary administrative actions are required by others (e.g., cognizant audit agency, contractor, etc.). However, the contracting officer shall maintain close liaison with these entities to ensure that the necessary actions are not unduly delayed and are accomplished.

(b) *Closeout action for cost reimbursement contracts or orders.* The contracting officer shall ensure that closeout actions (e.g., request for final audit, closing documents, etc.) commences within 90 calendar days after receipt and acceptance of all contract deliverables (i.e., the contract completion date).

(c) *Tracking system.* The COCO or HCA must utilize an automated or manual contract closeout tracking information system to identify those contracts which are physically completed and ready

for closeout, but have not been administratively closed out and disposed of in accordance with FAR 4.8, HSAR 3004.8, and this subchapter.

(d) *Monitoring of tracking system.* The COCO or HCA is responsible for reviewing quarterly or as often as practical, the latest status of the contract closeouts and disposal to ensure that contracting officers are closing contracts in a timely manner.

3004.804-5 Procedures for closing out contract files.

(a) Contracting officers may use a Contract Completion Statement, to satisfy the requirements of FAR 4.804-5(b).

(b) Closeout of firm fixed price contracts or orders under the simplified acquisition threshold that involve no complexities. Contracting officers are not required to perform the same closeout activities for cost reimbursement contracts on contracts or orders that are firm fixed price with a total estimated value under the simplified acquisition threshold and have no complexities. Complexities, for the purpose of this section, are defined as any of the following: rights in data, property, patent, trademark or copyright, disputes, terminations, equitable adjustments, or any potential legal concern. These types of contracts that are for supplies are considered automatically closed once all deliverables have been received, inspected, accepted, and the final invoice paid. Contracts meeting the criteria and are for services are considered automatically closed when all deliverables have been received, the final invoice paid and there has been no activity (no invoices, vendor communication, etc.) for six months. Any remaining contract funds after final invoice payment that still reside within the finance system would be deobligated. Components must work with their Chief Financial Officer (CFO) to determine the most efficient means of identifying these records so that excess funds in the finance systems can be deobligated. A modification deobligating these excess funds in the finance system after final invoice payment is not a requirement (for example, automatic deobligation upon final invoice payment is acceptable and encouraged). Contracting Officers are still required to document the closeout process in accordance with FAR 4.804-5(b). This documentation is often satisfied by a closeout screen in Component contract writing systems.

For any closeout of a firm fixed price contract or order with an estimated contract value under the SAT, Contracting Officers shall ensure:

- all deliverables have been received, inspected, accepted or services performed and the final invoice paid; and
- there are no complexities involved with the contract or order.

(c) *Reporting Contract Closeouts.* Contracting Officers are required to report contract closeouts to FPDS.

(1) Contract modifications issued to closeout the contract must be reported to FPDS using 'Closeout' under the 'Reason for Modification' drop down (please note closeout modifications may also serve multiple purposes such as deobligation of final funds, finalization of indirect cost/overhead rates, transfer of property, settlement of disputes, etc., but the 'Closeout' reason for modification should be used). Closeout modifications

are intended to represent the last activity under a contract and are not easily corrected in FPDS, therefore Contracting Officers are required to take extra care when reporting these actions and shall thoroughly review the contract action reports before approving them. Contracting Officers must approve FPDS contract action reports for closeout modifications at the same time the modification is signed and/or released in the contract writing system.

(2) Physically complete firm fixed price contracts or orders under the SAT, with no complexities do not require a closeout modification but shall be reported to FPDS using the closeout button functionality. If for some reason a contract closeout modification was issued under these physically complete firm fixed price contracts or orders under the SAT, with no complexities, then the Contracting Officer shall report the modification to FPDS using 'Closeout' under the 'Reason for Modification' drop down instead of using the closeout button in accordance with HSAM 3004.804-5(c)(1).

In all cases Contracting Officers are required to adhere to record retention and disposal requirements.

3004.805 Storage, handling, and disposal of contract files.

(a) Contract and order files shall be disposed of in accordance with DHS MD Number 0550.1, Records Management. Contracting officers shall seek the guidance of their Component's Records Manager or their Records Coordinator for additional information concerning the requirements. In no case may the files be destroyed before the timeframes specified in FAR 4.805. The GSA and the National Archives and Records Administration (NARA) are authorized by law to establish, operate and maintain records centers for Federal agencies. The list of Records Centers (RC) is located at <http://www.archives.gov/locations/index.html>.

(b) Files sent to a Federal Records Center (FRC) shall have a disposal date annotated on the front of the file. This is the date the file can and will be destroyed by the FRC. Contracting officers shall determine this date based on the retention period specified in FAR 4.805.

(c) Prior to disposal of a file, it may become necessary to retrieve a file from the FRC; therefore, contracting officers should ensure that the Records Manager or Records Coordinator maintains a record of the files sent to the FRC.

(d) All contract files stored in ECFS will automatically be maintained in the system for the designated retention period once all closeout requirements have been met. Contract files stored in ECFS are not required to be printed out and physically sent to the FRC.

3004.805-70 Storage, handling and disposal of Governmentwide commercial purchase card records.

Governmentwide commercial purchase cards records at or below the simplified acquisition threshold for other than construction orders shall be retained for three years after final payment.

Governmentwide commercial purchase card records for construction shall be retained for six years and three months.