CHAPTER 1

ADMINISTRATIVE AND GENERAL

A. AUTHORITY

This manual is issued under authority of the Department of Defense (DoD) Directive 4240.1 (reference (a) ) .

B. PURPOSE

1. The Military Standard Contract Administration Procedures (MILSCAP) have been established to attain a greater degree of simplification, standardization, and automation in the processing of contract and contract related logistics and financial data.

2. This manual prescribes uniform procedures, rules, data elements, codes, formats, and time standards concerning the interchange of contract related information between and among DoD Components. This standardization action provides the basis for the DoD Components to design and implement compatible internal procedures for coding, transmitting, decoding, and using logistics information.

C. APPLICABILITY

The provisions of this manual apply to all Components of DoD on contracts assigned for contract administration to Defense Contract Management Districts (DCMDs) . Federal Acquisition Regulation (FAR), subpart 42.2, establishes the policy for assignment of contract administration. All elements of DoD are encouraged to use these procedures, where possible, for those contracts not assigned for field administration.

D. POLICY

Under provisions of DoD Directive 4140.1 (reference (a)) , it is the policy of the DoD that:
1. MILSCAP shall be disseminated, as required, to the using levels of DoD Components. Supplemental procedures issued by DoD Components or other organizations are authorized when additional detailed instructions are required.

2. MILSCAP shall be implemented uniformly between DoD Components and at all levels within each DoD Component. Priority shall be given to the development and implementation of inter-DoD Component procedures before separate development and implementation of intra-DoD Component procedures.

   a. Requests for deviations or waivers shall be considered when it can be demonstrated that the system in question cannot provide a workable method or procedure or cannot accommodate interim requirements.

   b. Deviations or waivers may not be requested solely to accommodate existing internal systems and procedures or organizational environments.

E. RESPONSIBILITIES

1. Under provisions of DoD Directive 4140.1 (reference (a)), the Director of Defense Procurement (DPP) shall provide policy guidance, shall oversee MILSCAP, and shall direct implementation of and compliance with the Directive as it relates to MILSCAP. In carrying out this responsibility, the DPP shall:

   a. Approve the development of new MILSCAP assignments or revisions to existing assignments.

   b. Provide the Defense Logistics Management Standards Office (DLMSO) with policy guidance concerning the design, development, documentation, and maintenance of MILSCAP procedures.

   c. Review and approve DLMSO plans, priorities, and schedules for MILSCAP.

   d. Introduce new system improvements and expansion of MILSCAP.

   e. Approve or disapprove requests to use a system other than MILSCAP.
f. Resolve issues submitted by DLMSO concerning resources, policy, and requests for deviations or waivers from the use of MILSCAP.

2. The Chief, DLMSO, shall establish a system administrator for MILSCAP.

3. The DoD MILSCAP System Administrator shall:
   
a. Perform analysis and design functions, in coordination with the DoD Components, to implement guidance and instructions provided by the ASD(P&L) and to ensure the involvement of telecommunications planning in an integrated system design.

   b. Recommend system improvements and additional policy, as required, during the development of procedures.

   c. Develop, publish, and maintain this manual consistent with DoD 5025.1-M (reference (c)).

   d. Evaluate and coordinate proposed system revisions with DoD Components and furnish a copy of all revision proposals to the DPP.

   e. Resolve issues concerning procedural matters within 90 days after receipt of all comments from DoD Components. Issues affecting resources or policy shall be referred, together with the comments of the DoD Components and a recommendation by the DoD MILSCAP System Administrator, to the DPP for decision.

   f. Disseminate to DPP a quarterly status review of all revision proposals that have not yet been approved for publication or, that if approved, have not been implemented.

9. Ensure compatibility of assigned systems. Coordination shall be effected, when appropriate, among system administrators for assigned systems, with designated system administrators of other DoD logistics systems, and with related DoD logistics task groups. Compatibility among these systems and groups shall be attained, when appropriate, before coordination with the DoD Components.

h. Ensure uniform implementation of this manual by:

   (1) Reviewing all supplemental procedures issued by DoD Components to ensure continuing conformance of revisions to the approved system.
(2) Reviewing implementation plans and implementation dates of DoD Components and making recommendations for improvements.

(3) Conducting periodic evaluations to determine effectiveness of the system.

(4) Conducting staff assistance visits of selected system segments to determine compliance with prescribed system requirements and to furnish clarification to ensure uniform interpretation of the requirements of the system.

(5) Reporting to DPP the findings and recommendations of evaluations and staff assistance visits, along with the comments of the DoD Components concerned.

(6) Securing semiannually, from the DoD Components, status information concerning implementation of approved system revisions.

i. Review and evaluate curricula of DoD and other Defense Logistics Standard Systems (DLSS) participant training schools offering courses related to MILSCAP and make recommendations for improvements.

j. Assist in resolving problems, violations, and deviations that arise during system operations and that are reported to the DoD MILSCAP System Administrator. Unresolved problems and continued violations shall be referred to DPP for resolution or corrective action.

k. Review and coordinate with DoD Components all requests for system deviations and exemptions and make appropriate recommendations to ASD(P&L) based on factfinding studies or analysis of accompanying justification.

4. The Heads of DoD Components and other participating organizations shall:

a. Designate an office of primary responsibility for MILSCAP to serve as the MILSCAP Focal Point. They shall identify to the DoD MILSCAP System Administrator the name of a primary and alternate focal point representative for MILSCAP to:

(1) Serve on the MILSCAP Focal Point Committee.

(2) Provide the DoD Component or participating organization position and have the authority to make decisions regarding procedural aspects.
(3) Ensure continuous liaison with the DoD MILSCAP System Administrator and other DoD Components and participating organizations.

(4) Evaluate all suggested changes to MILSCAP that originate within the DoD Component or participating organization. Beneficial suggestions shall be evaluated initially by the focal point.

(a) If a suggestion is received by the DoD MILSCAP System Administrator directly for evaluation, it shall be forwarded to the appropriate DoD Component or participating organization focal point for review and evaluation.

(b) If the suggestion is considered worthy of adoption, the focal point shall submit a change proposal to the DoD MILSCAP System Administrator, stipulating specific narrative changes to the manual.

(c) Such proposed changes shall be coordinated in the normal manner with awards determined by the focal point in accordance with current procedures.

(5) Submit revision proposals to the DoD MILSCAP System Administrator with justification and expected benefits.

(6) Develop and submit to the DoD MILSCAP System Administrator a single, coordinated DoD Component position on all system revision proposals within the time limit specified by the DoD MILSCAP System Administrator.

(7) Participate in system staff assistance visits in coordination with the DoD MILSCAP System Administrator.

b. Implement approved systems and revisions thereto and provide the DoD MILSCAP System Administrator with semiannual status information concerning implementation of approved system revisions. This information shall be submitted within 15 workdays after 1 May and 1 November and shall begin with the publication of the approved system change.

c. Accomplish internal training to ensure timely and effective implementation and continued operation of MILSCAP. In addition, furnish copies of initial training instructions concerning MILSCAP to the DoD MILSCAP System Administrator.

d. Review, evaluate, and update, at least annually, curricula of internal training programs to ensure adequacy of training.
e. Provide representation to joint system design and development efforts and evaluations of the DLSS in coordination with the DoD MILSCAP System Administrator.

f. Review internal procedures continually to eliminate and prevent duplication of records, reports, and administrative functions related to information provided by the DLSS.

g. Provide the Defense Logistics Agency (DLA) with an open rider requisition using Standard Form (SF) 1, "Printing and Binding Requisition," and bulk distribution lists to cover all printed changes to this manual. The SF 1 will be sent to:

ATTN DASC-VC
8725 JOHN J KINGMAN ROAD SUITE 0119
FORT BELVOIR VA 22060-6220

h. Ensure that operating activities supporting MILSCAP functions comply with this manual.

i. Furnish to the DoD MILSCAP System Administrator copies of supplemental and internal procedures, and changes thereto, relating to the operation of MILSCAP.

j. Report to the DoD MILSCAP System Administrator violations and deviations that arise during system operations.

F. FOCAL POINT COMMITTEE

1. Organization and Management. The MILSCAP Focal Point Committee shall:

   a. Consist of representatives from the DoD Components and other participating organizations for MILSCAP.

   b. Be chaired by the DoD MILSCAP System Administrator.

   c. Meet at least quarterly. Minutes of these meetings shall be distributed by the DoD MILSCAP System Administrator within 30 days.

2. Functions. The MILSCAP committee shall participate in the development, implementation, and maintenance of MILSCAP.
3. Focal Points. The following have been designated as the office of primary responsibility or focal point for MILSCAP matters within the following organizations (DSN is the Defense Switched Network):

<table>
<thead>
<tr>
<th>Organization</th>
<th>Address</th>
</tr>
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| Army                  | US ARMY MATERIEL COMMAND
ATTN AMCAQ-I
5001 EISENHOWER AVENUE
ALEXANDRIA VA 22333-0001
(DSN 284-8347)          |
| Navy                  | FITTING OUT AND SUPPLY SUPPORT
ATTN 07A-A3
PO BOX 15129
NORFOLK VA 23511-0129
(DSN 565-1917)           |
| Air Force             | PRICING AND CONTRACT ADMINISTRATION DIVISION
ATTN SAF/AQCP
THE PENTAGON ROOM 4C251
WASHINGTON DC 20330-5040
(DSN 225-4982)           |
| Marine Corps          | COMMANDANT OF THE MARINE CORPS
ATTN HQMC-LBO
3033 WILSON BOULEVARD
ARLINGTON VA 22201-3843
(DSN 226-1018)           |
| DFAS                  | DEFEND DIRECTOR FOR POLICY
DEFENSE FINANCE AND ACCOUNTING SERVICE
ATTN DFAS-FCC ROOM 10B220
WASHINGTON DC 20376-5001
(DSN 227-0811)           |
| DLA                   | ATTN MMPRS
DEFENSE LOGISTICS AGENCY
ACQUISITION PROCUREMENT SYSTEMS TEAM
8725 JOHN J KINGMAN ROAD SUITE 3135
FORT BELVOIR VA 22060-6221
(DSN 427-1438)           |
4. DoD Components other than those shown in paragraph 3 should contact the DoD MILSCAP System Administrator:

ATTN DLMSO
DEFENSE LOGISTICS MANAGEMENT
STANDARDS OFFICE
8725 JOHN J KINGMAN ROAD SUITE 2533
FORT BELVOIR VA 22060-6221
(DSN 427-6112)

G. PUBLICATION OF THE -AL

1. Organization and Numbering

   a. In addition to the front matter (Foreword, Table of Contents, Acronyms and Abbreviations, etc.), the manual is organized into chapters and appendices.

   b. Each chapter is divided into sections and, where necessary, into paragraphs and subparagraphs. Sections are indicated by capital letters, paragraphs by numbers. Subdivisions of paragraphs are indicated by lower case letters, by numbers in parentheses, by lower case letters in parentheses, by numbers in brackets, and by lower case letters in brackets, in that order; for example:

   Chapter 1

   A. Section

   3. Paragraph

      a. Subparagraph

         (1) Subparagraph

             (a) Subparagraph

             {1} Subparagraph

             {a} Subparagraph
c. Appendices are identified by alphabetic and numerics to indicate an alphabetic group, e.g., A1, A2.

d. Pages are numbered in a separate series for each chapter and appendix. Pages’ of a chapter are numbered in sequence with arabic numerals beginning with 1. Each page number of a chapter is preceded by the number of the chapter. The page numbering system of the appendices indicates the number of the appendix, i.e., A1-, A2-, etc., followed by the page number of the appendix.

e. Reference to this manual in correspondence, messages, etc., will be shown by stating "MILSCAP" followed by the paragraph/subparagraph or appendix; for example, "MILSCAP, paragraph 5-C.2.a. (1) (a)."

2. Distribution of the Manual

a. DLA will distribute this manual and formal changes to a bulk distribution point within each DoD Component and participating organization as requested by the organization or Component in their open rider requisition. Further distribution is accomplished within each organization based upon approved distribution data generated through their internal publication channels.

b. Requests for changes in the distribution list for this manual will be submitted by a DoD Activity to its DoD Component as follows:

**Army**
COMMANDER
US ARMY MATERIEL COMMAND
ATTN AMCAQ-I
5001 EISENHOWER AVENUE
ALEXANDRIA VA 22333-0001

**Navy**
COMMANDER
NAVAL SUPPLY SYSTEMS COMMAND
ATTN SUP 26A
WASHINGTON DC 20376-5000

**Air Force**
PRICING AND CONTRACT ADMINISTRATION DIVISION
ATTN SAF/AQCP
THE PENTAGON ROOM 4C251
WASHINGTON DC 20330-5040
3. Formal and Interim Changes

   a. Formal changes (FC) to this manual will be published as needed. Each FC will be numbered consecutively and issued as page replacements. The change number will be indicated on each page and new or revised wording will be indicated by bold italics.

   b. Interim changes (IC) will be issued to publish emergency or other changes when there is insufficient time to publish a FC. Each IC will be incorporated in a FC without undue delay. Each IC will be numbered consecutively and will indicate the FC in which it will be incorporated. For example, the second IC to be incorporated in change 3 will be numbered "IC 3-2." The DoD MILSCAP System Administrator will distribute copies of each IC to the MILSCAP Focal Points.

   c. Copies of this manual may be obtained by DoD Activities through normal publication requisitioning channels of the Service/Agency involved; and by others through the Director, DLMSO.
H. PROPOSED CHANGES

1. Activities proposing revisions to this manual will forward the proposal to their focal point.

2. If concurred with, the focal point will forward the proposed change to the DoD MILSCAP System Administrator:

   ATTN DLMSO
   DEFENSE LOGISTICS MANAGEMENT
   STANDARDS OFFICE
   8725 JOHN J KINGMAN ROAD SUITE 2533
   FORT BELVOIR VA 22060-6221

3. In accordance with DoD Directive 4000.25 (reference (a)), the following information must accompany proposed changes to this manual when they are forwarded to the DoD MILSCAP System Administrator:

   a. Proposed Concept/Rationale: A narrative description of the idea underlying the proposed change and an explanation of the need for the change. (The purpose of this information is to identify both the basic idea and/or problem and why it is a problem.)

   b. Interface/Impact Requirements: Identify all known or potential impacts on the DLSS or other DoD logistics or financial systems. (The purpose of this information is to determine who should be involved with or be made aware of this proposal.)

   c. Advantages/Disadvantages: Identify the known or potential advantages or benefits that are expected to result from the proposed change. Disadvantages, when known, should also be addressed.

   d. Procedures: The proposed wording of the change for this manual and for any other publications that are affected by this proposed change.

4. The DoD MILSCAP System Administrator will promptly evaluate and, when appropriate, staff proposed changes to this manual with the MILSCAP Focal Points.

   a. Initiating Proposed MILSCAP Change Letters (PMCLS). Consecutively numbered PMCLS will be prepared for requests which demonstrate significant benefits. The PMCL will be forwarded to ASD(P&L), the participating Services/Agency, and the DoD System Administrators of other DoD Systems impacted by the proposed change.
A minimum of 60 days will be allowed for staffing. Information in regard to the establishment of an implementation date for the proposed change, if adopted, will also be requested. When required for evaluation of a proposal, the DoD MILSCAP System Administrator will request that the Services/Agency provide cost/benefit data with their responses. Nonreceipt of responses within the specified timeframes will result in the DoD MILSCAP System Administrator initiating followup correspondence with the nonresponding Service/Agency.

b. Receiving and Evaluating Service/Agency Responses.

(1) Proposed change letters not receiving complete Service/Agency concurrence will be scheduled for discussion/resolution at a subsequent meeting of the designated Service/Agency focal point representatives. The establishment of an effective date for the change, if adopted, may also be subjected to joint meeting for resolution.

(2) Issues which involve procedural matters will be resolved by the DoD MILSCAP System Administrator, normally within 90 days after the receipt of all comments from the participating Services/Agency.

(3) Matters affecting policy, together with the Service/Agency comments and a recommendation by (or from) the DoD MILSCAP System Administrator, will be referred to the ASD(P&L) for resolution.

I. APPROVED CHANGES

1. Coordination. After a proposed change to this manual is approved, the DoD MILSCAP System Administrator will, in coordination with the MILSCAP Focal Points, establish an implementation date for the change. Coordination will be effected through agreements reached during DoD MILSCAP Focal Point Committee deliberations or, in most cases, through letters to the MILSCAP Focal Points.

2. Effective Date. Following receipt and evaluation of DoD Component preferred implementation dates, the DoD MILSCAP System Administrator will select an effective date for changes to this manual. The approved change and its effective date will be formally announced by the DoD MILSCAP System Administrator through release of an approved MILSCAP change letter (AMCL).
3. **AMCLS**. These will be numbered consecutively and are provided to formally notify system participants of approved changes. **AMCLS** may also be used as planning documents to assist participants in any program or system design efforts which may be necessary to implement the changes. The DoD MILSCAP System Administrator will distribute copies of **AMCLS** to the MILSCAP Focal Points.

4. **Implementation.** DoD policy (see section D., above) requires full implementation of MILSCAP. If an approved change cannot be implemented as scheduled, the focal point must request approval for a deviation. Deviation requests must include a justification and show an understanding of the potential impact on other system participants. Deviation requests may relate to the implementation date, particular aspects of the change, or both. The DoD MILSCAP System Administrator will attempt to resolve the request. Unresolved requests for deviation will be forwarded to the DPP for resolution.

J. **SUPPLEMENTAL PROCEDURES**

Supplemental procedures issued by DoD Components are authorized when additional detailed instructions are required. The following publications supplement the provisions of this manual within the DoD Components and participating Agencies.

1. **Army:**

2. **Navy.** No implementing procedures or instructions.

3. **Air Force.** To be determined.

4. **DLA:**
K. QUARTERLY STATUS REVIEW

The DoD MILSCAP System Administrator will disseminate the Quarterly Status Review required (see paragraph E.3.f., above) by DoD Directive 4140.1 (reference (a)) within 2 weeks of the close of the quarter. The review will be in two parts; one for open proposals in process and another for approved changes which have not been implemented.

L. SEMIANNUAL IMPLEMENTATION STATUS REPORT
(RCS: DD-A&T(Q&SA) 1419)

1. Purpose and Report Control Symbol (RCS). DoD Directive 4140.1 (reference (a)) requires the DoD MILSCAP System Administrator to ensure uniform implementation of the Directive by securing from DoD Components and participating Agencies, on a semiannual basis, status information concerning implementation of approved MILSCAP revisions. The reporting requirement ends after a status of "fully implemented" throughout the Component is provided. The purpose is to identify and resolve problems prior to the effective date of the AMCL. The Directive assigned RCS: DD-A&T(Q&SA)1419 as the report control symbol.

2. Report Form. The report must provide, at a minimum, the following information:

   a. Title - Semiannual Implementation Status Report.
   c. As of Date - 1 May or 1 November.
   d. Approved MILSCAP Change Number.
   e. Effective Date - As indicated on the AMCL.

3. Due Date. The report must be forwarded to the Director, Defense Logistics Management Standards Office, ATTN: DLMSO (DLA-LM), to arrive within 15 working days of the "as of" date of the report.
M. NONCOMPLIANCE WITH PRESCRIBED MILSCAP PROCEDURES AND OTHER UNRESOLVED PROBLEMS

If reasonable attempts to obtain compliance with prescribed procedures or resolution of MILSCAP related problems are unsatisfactory, the activity having the problem will request assistance from its MILSCAP focal point. The request will include copies of all correspondence pertinent to the problem. The focal point involved will take the necessary action to resolve the issue, or problem. Necessary action may include requesting assistance from the DoD MILSCAP System Administrator, who will follow the prescribed procedures (see section E., above).

N. ADDRESSEE FOR MILSCAP DATA

1. MILSCAP data should always be transmitted to the automatic data processing (ADP) activity servicing the prescribed recipient. The MILSCAP transaction' recipient and the ADP activity servicing the recipient may not be the same point. The ADP points for contract administration offices (CAOs) are published in the "DoD Directory of Contract Administration Services Components," (reference (l)).

2. If MILSCAP data are received by the wrong activity, reasonable effort should be made to reroute the data to the correct activity. Automatic Digital Network (AUTODIN) Operating Procedures, JANAP 128, (reference (k)) will be used for rerouting data over AUTODIN. If the correct activity cannot be determined for electrically transmitted or mailed messages, return to the sender with appropriate remarks.