



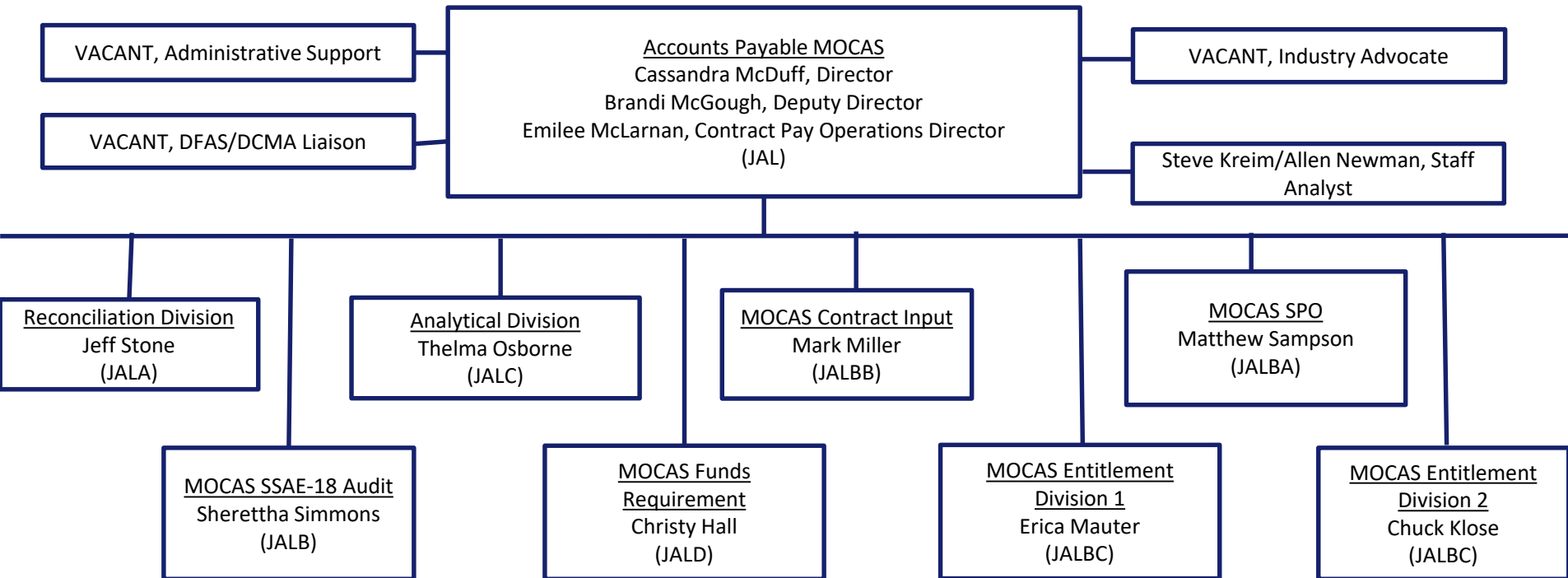
Accounts Payable MOCAS Operations Overview

Defense Finance and Accounting Service

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Accounts Payable MOCAS
March 11, 2020



Accounts Payable – MOCAS



What is MOCAS?



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WHAT IS MOCAS?

- ▶ Integrated system supporting post-award administration

WHO USES MOCAS?



WHY MOCAS?

- ▶ Pays More Complex Contracts
 - ✓ High Dollar
 - ✓ Multi-Year Contracts
 - ✓ Multi-Service Contracts
 - ✓ High Volume Deliverables
 - ✓ Foreign Currency
 - ✓ Foreign Military Sales
- ▶ Pays Financing Payments
 - ✓ Progress Payments
 - ✓ Performance-Based Payments
 - ✓ Commercial Item Financing
 - ✓ Interim Cost Payments

MOCAS Magnitude of Operations



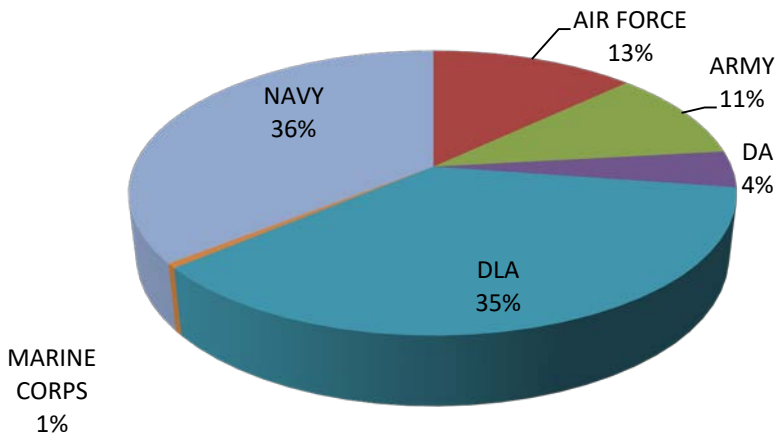
FY19

- 338,310 Active Contracts
- 18,721 Active Contractors
- \$2.33 Trillion Obligations
- 742,647 Invoices processed
- \$186.2 Billion Disbursed

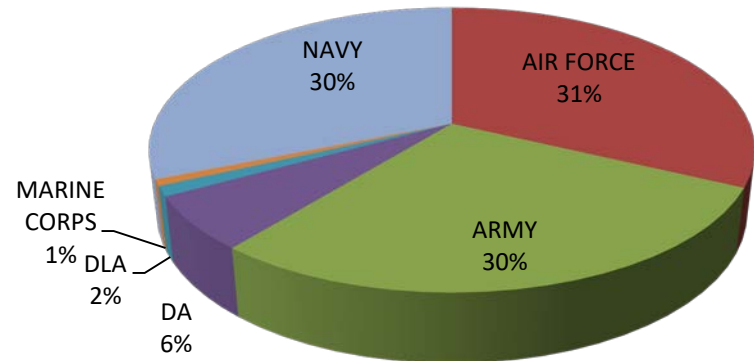
FY20

- 347,756 Active Contracts,
- 18,517 Active Contractors
- \$2.37 Trillion Obligations
- 238,996 Invoices Processed
- \$66.9 Billion Disbursed

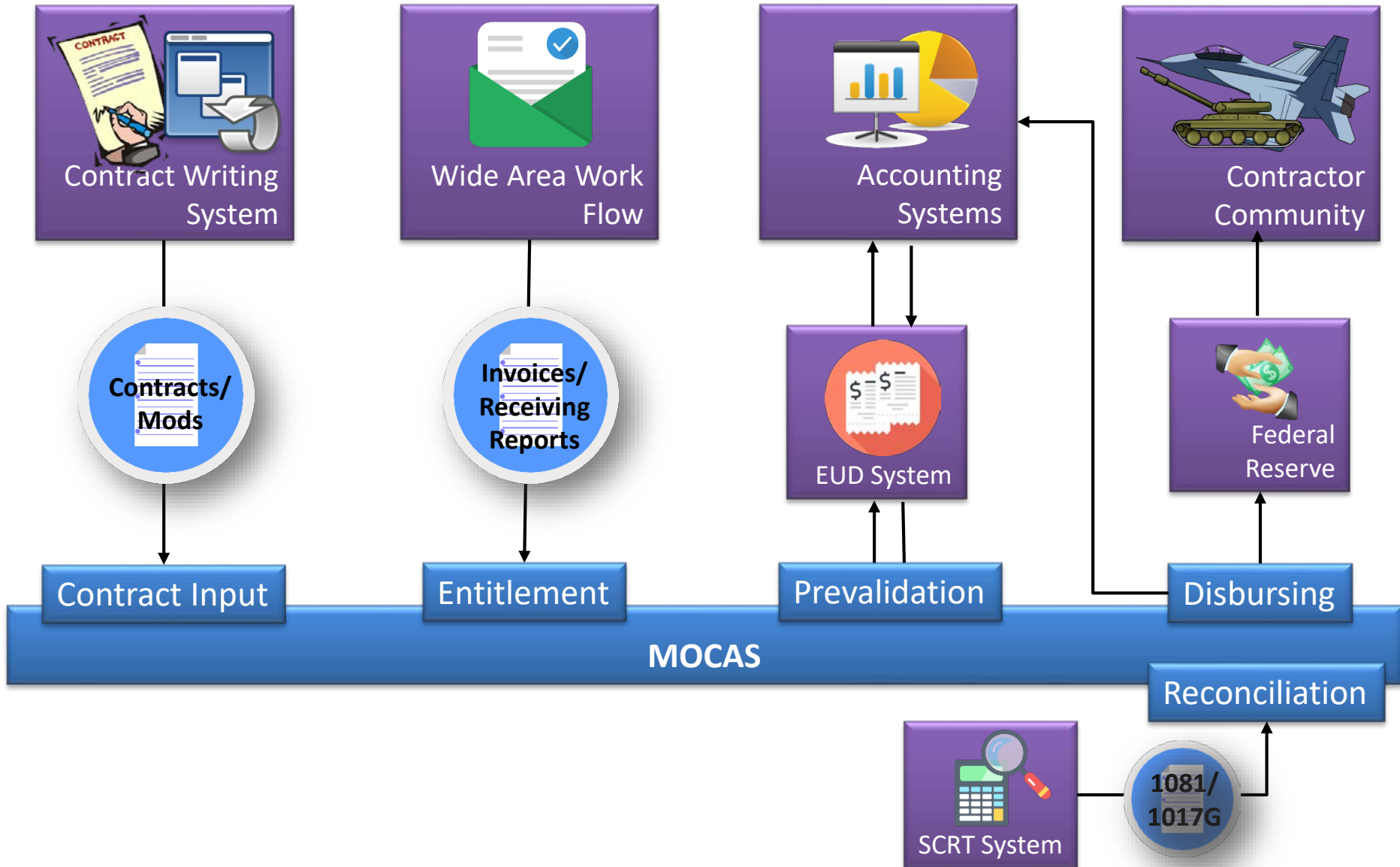
Total Contracts by Service FY 20



Obligation Dollars by Service FY 20



High-Level MOCAS Processing





► MOCAS FY20 Billing Rates (same rates for DCMA and non-DCMA Admin)

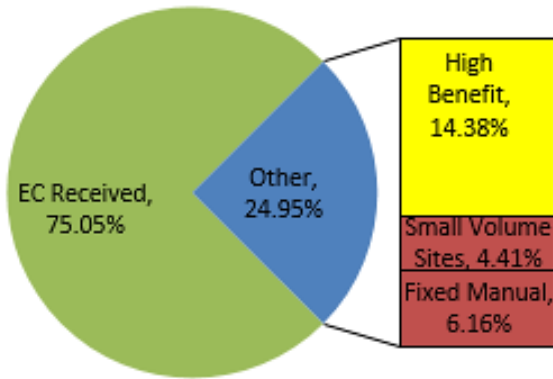
- ✓ Manual (Output 06) - \$29.51
- ✓ Partial Electronic (Output 26) - \$19.45
- ✓ Full Electronic (Output 36) - \$9.81
- ✓ Reconciliation (Output 16) - \$79.86
 - Per Hour

Cost of Doing Business (con't)



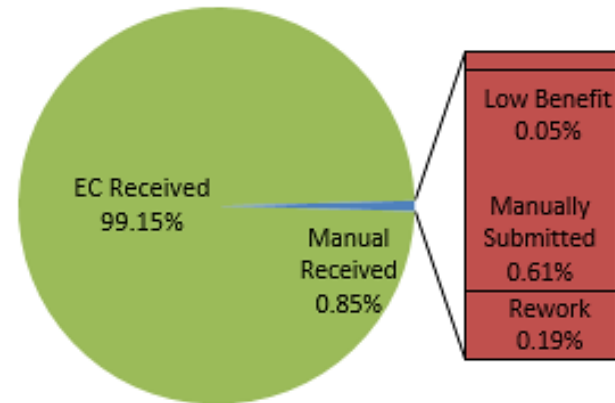
Contracts Received December 2019

Target EC Rate: 80% Baseline EC Rate: 75.05%
 TR: 14.4K Nov 19 EC Rate: 83.21%
 ECR: 10.6K Oct 19 EC Rate: 66.99%



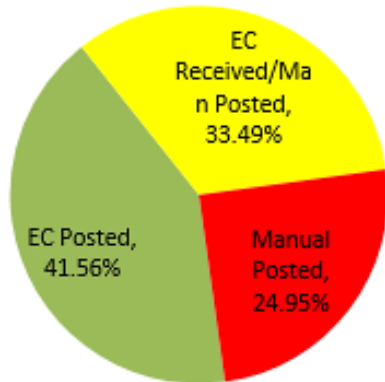
Invoices Received December 2019

Target EC Rate: 98.7% Baseline EC Rate: 99.15%
 TR: 62.0K Nov 19 EC Rate: 99.46%
 ECR: 61.7K Oct 19 EC Rate: 99.31%



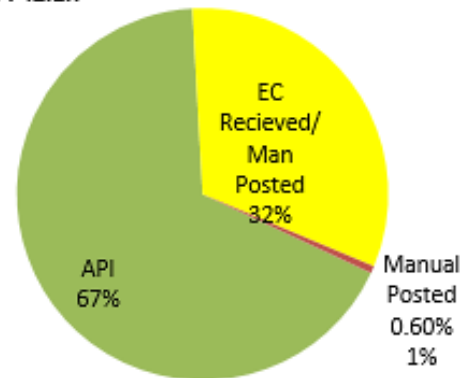
Contracts Posted December 2019

Target EC Rate: 52.2% Baseline EC Rate: 41.56%
 TR: 10.6K Nov 19 EC Rate: 51.51%
 ECP: 6.0K Oct 19 EC Rate: 40.09%



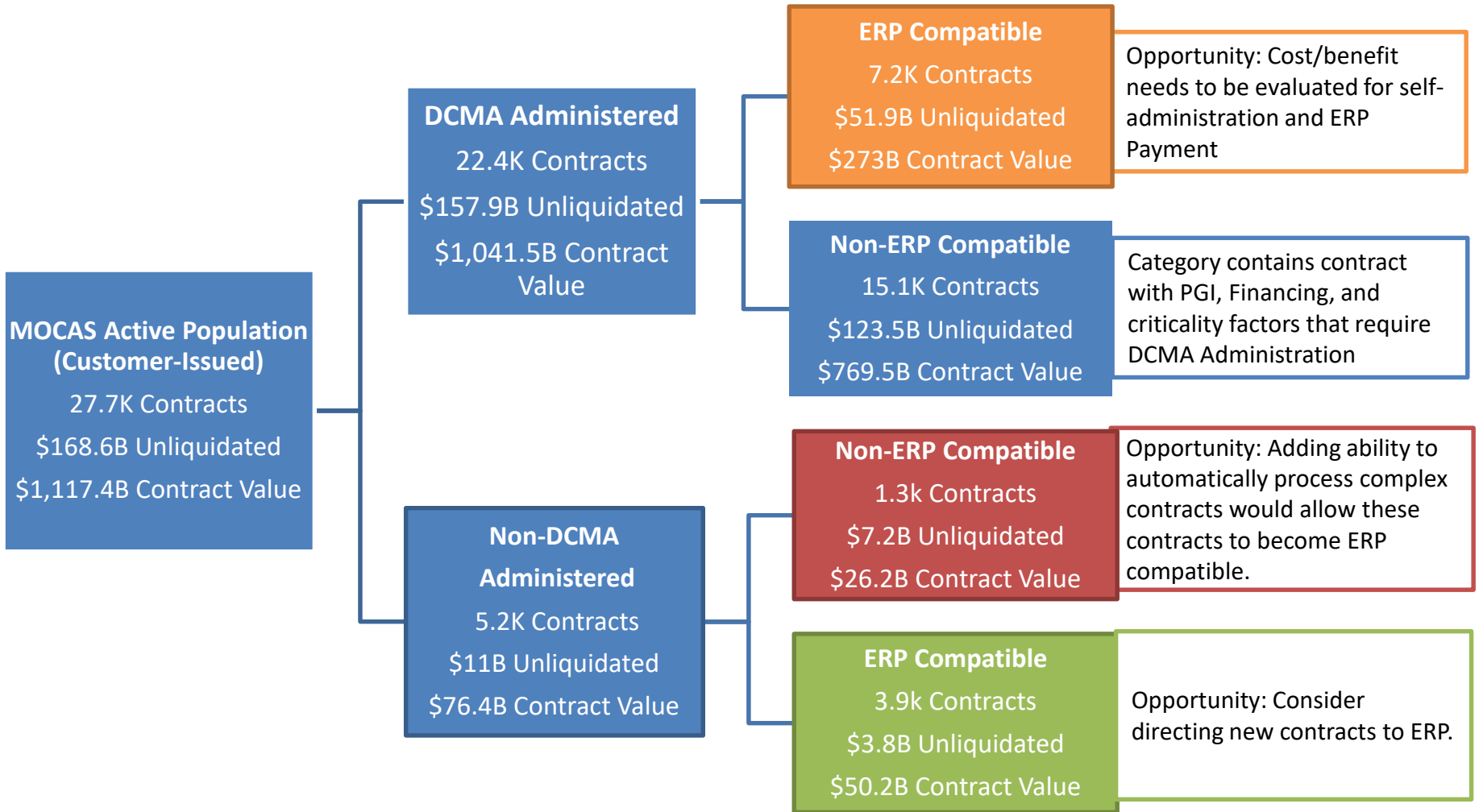
API Invoices December 2019

Target EC Rate: 81.7% Baseline API Rate: 67.17%
 TR: 62.6K Nov 19 API Rate: 69.70%
 ECP: 42.1K Oct 19 API Rate: 71.15%



Posted percentages are based on API payments

MOCAS Open Contract Population Analysis





- ▶ DFAS can continue to be the pay office when a contract is not administered by DCMA. This is preferable when the contract
 - ✓ Contains financing
 - ✓ Contains cost
 - ✓ Is multi-funded

- ▶ FY 2019
 - ✓ 38,431 Active Part C contracts in MOCAS
 - ✓ 104,451 Part C invoices paid
 - ✓ \$21,127,245,127.34 disbursed on Part C contracts





- ▶ Progress Payments and non-DCMA administered contracts
 - ✓ No progress payment master is established
 - ✓ Progress payment request is submitted through WAWF to the service ACO for approval
 - ✓ Once approved, DFAS technician processes progress payment based on the service ACO's approval
 - ✓ This is a manual process
 - ✓ Strict coordination is required between the service ACO and MOCAS management staff





2014 DPC Memo

Any FY 2015 contract that does not meet the DFARS rules for line item construction will be unable to be processed for payment automatically. These contracts will impede industry's ability to enter data correctly in WAWF and result in expensive manual invoice processing. Proper line item structure is critical to contract administration and financial audit requirements. Line item quantity and unit of measure must match the actual deliveries that are required of the contractor to ensure the contractor can report that the terms of the contract have been met. It is critical that FY 2015 contracts for supplies meet these requirements to avoid incurring interest costs.

2019 DFAS Memo

Effective October 1, 2019, the Defense Finance and Accounting Service (DFAS) Mechanization of Contract Administration Services (MOCAS) payment office will discontinue disbursement of invoices partially billing against contract line items with a quantity of "1". This is most often presented contractually as a quantity of "one" with a "LOT" unit of measure. **This policy change will apply to FY20 and future contracts.**





- ▶ While the DPC memo applies to all, the DFAS memo applies only to MOCAS paid contracts
- ▶ Effective for all contracts and delivery orders issued October 1, 2019 or after
- ▶ Does not apply to Cost, T&M and Labor CLINs
- ▶ Does not impact traditional progress payments
- ▶ Frequently Asked Questions document in the works
- ▶ See also: DFARS PGI 204.7103 (d)
 - ✓ Establishes that “no contract line item shall contain a quantity less than the number of deliveries anticipated on the line item”





- ▶ Reduce DMACT Invoices
 - ✓ Work cancelling funds balances early!
 - ✓ Cancelling funds invoices in by July 1, 2020
 - ✓ End of year efforts

- ▶ PGI Special Payment Instructions
 - ✓ New matrix – must still site payment clauses
 - ✓ DFARS case 2017-D036

- ▶ Contract Closeout
 - ✓ NDAA Closeout Authority

- ▶ Audit Steadiness

- ▶ Upcoming MOCAS System Changes



Questions?

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America's Heroes

