



Contract Closeout Quick Reference Guide



Timely contract closeout process has been identified as a government-wide issue. A 2017 GAO report ([Federal Contracting, Additional Management Attention and Action Needed to Close Contracts and Reduce Audit Backlog](#)), identified opportunities for agencies to resolve contract close challenges. Below are quick references to assist agencies with contract closeout.

<p>Contract Closeout - Why it's Important</p> <p>A Contract Closeout occurs when a contract has met all the terms of a contract and all administrative actions have been completed, all disputes settled, and final payment has been made. This includes those administrative actions that are contractually required; i.e. property, security, patents and royalties. Timely and proper contract closeout:</p> <ul style="list-style-type: none"> • Ensures all invoices are paid • Reduces the burden on industry • Mitigates risking losing funds to interest payments • Ensure agencies remain compliant with the Prompt Payment Act (5 CFR Part 1315) • Deobligates remaining funds • Creates archived contract files in accordance with FAR 4.805 • Reduces the number of open contract files needing management 	<p>Contract Closeout Checklist</p> <ul style="list-style-type: none"> <input type="checkbox"/> Disposition of classified material is completed. <input type="checkbox"/> Final patent report is cleared. If a patent report is required, the Contracting Officer may proceed with contract closeout in accordance with the following procedures, or as otherwise prescribed by agency procedures. <input type="checkbox"/> Final patent reports should be cleared within 60 days of receipt. <input type="checkbox"/> If the final patent report is not received, the Contracting Officer shall notify the Contractor of their obligations and the Government's rights under the applicable patent rights clause, in accordance with 27.303. If the contractor fails to respond to this notification, the Contracting Officer may proceed with contract closeout upon consultation with the agency legal counsel responsible for patent matters regarding the contractor's failure to respond. <input type="checkbox"/> Final royalty report is cleared. <input type="checkbox"/> There is no outstanding value engineering change proposal. <input type="checkbox"/> Plant clearance report is received. <input type="checkbox"/> Property clearance is received. <input type="checkbox"/> All interim or disallowed costs are settled; <input type="checkbox"/> Price revision is completed; <input type="checkbox"/> Subcontracts are settled by the prime contractor; <input type="checkbox"/> Prior year indirect cost rates are settled; <input type="checkbox"/> Termination docket is completed; <input type="checkbox"/> Contract audit is completed; <input type="checkbox"/> Contractor's closing statement is completed; <input type="checkbox"/> Contractor's final invoice has been submitted. <input type="checkbox"/> Contract funds review is completed and excess funds deobligated.
<p>New Data Fields in FPDS-NG Addressing Contract Closeout</p> <p>In October 2018, Federal Procurement Data Systems- Next Generation (FPDS-NG) released a system update to include three data fields specifically designed to capture closeout information. The data fields are:</p> <ul style="list-style-type: none"> • closed status • close status date • closed by <p>These data fields will facilitate more accurate data analysis and tracking of closeouts through FPDS-NG. Further information is captured in the FPDS-NG Government User's Manual, Version 1.5.</p>	

Free up your Workforce to Focus on Mission by Using AbilityOne or GSA Schedules

AbilityOne Contract Closeout Services - A Mandatory Source ([FAR 8.002](#))

- AbilityOne offers contract closeout services
- Priority on closeout services belongs to AbilityOne
- Agencies are strongly encouraged to review AbilityOne Contract Services webpage offerings
- For more information, review the AbilityOne [Contract Management Support Services webpage](#). A consideration must be given prior to GSA in accordance with FAR 8.0002.

GSA Professional Services Under the Multiple Award Schedule

GSA’s Multiple Award Schedule offers Acquisition Management Support Services that assist in contract administration support services including assistance with reviewing contractor performance, developing contract modifications, investigating reports of contract discrepancies, and contract closeout procedures.

Acquisition Management Support is found under:
Large Category: Professional Services
Subcategory: Business Administration Services
NAICS: 541611 (Administrative Management and General Management Consulting Services)
Product Service Code: R707

As of October 2019, there are more than 400 contractors providing services related to Acquisition Management Support..

For data tracking purposes, it is recommended to use “Contract Closeout Services” in the description field of any FPDS entry of an award.

Procurement Considerations

- **Inherently Governmental:** Inherently Governmental services as identified in [FAR 7.503](#) are prohibited under GSA Schedules. It is the responsibility of the Contracting Officer placing the order to make this determination. Ordering activities must require prospective contractors to identify potential conflicts of interest and address those, prior to task order award.
- **Statements of Work (SOW):** Sample SOWs can be found on the [Acquisition Gateway](#) in the Document Library within [eBuy Open](#).
- **System Access:** Determine how files will be shared and requirements for system database access for contractors.
- **Background Investigations:** Determine physical facility access and network access requirements. Conduct risk analysis and follow agency specific requirements for background investigations.
- **Contract Audits:** When closing out a cost- reimbursable contract, you can seek additional assistance on performing [Contract Audits](#) through GSA Schedules.

Contract Closeout Regulations

The procedures for contract closeout are located in Federal Acquisition Regulation ([FAR](#)) [4.804-5](#).

Contracts using simplified acquisition procedures should be considered closed when the Contracting Officer receives evidence of receipt of property and final payment, unless otherwise specified by agency regulations. Time standards for closing out contract files are found in [FAR 4.804](#)

Quick closeout procedures (see [FAR 42.708](#)) should be used, when appropriate, to reduce administrative costs and to enable deobligation of excess funds.

Standard Closeout Timeframes

(FAR 4.804)	
Timeframes	MOCAS Codes and Contract Types
6 Months	J FIRM FIXED PRICE
36 Months	L FIXED PRICE INCENTIVE R COST-PLUS AWARD FEE S COST CONTRACT T COST SHARING U COST-PLUS-FIXED-FEE V COST PLUS INCENTIVE FEE Y TIME AND MATERIALS Z LABOR HOUR
20 Months	A FIXED PRICE REDETERMINATION K FIXED PRICE W/ECONOMIC PRICE ADJUSTMENT O OTHER – BASIC ORDERING AGREEMENT/BLANKET PURCHASE AGREEMENT (BOA/BPA)

For general assistance in evaluating contract closeout alternatives, please email professionalservices@gsa.gov