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NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 1816, 1832 and 1852

RIN 2700-AE39

[NFS Case 2017-N014]

NASA Federal Acquisition Regulation Supplement: Revised Voucher and Invoice Submission & Payment Process

AGENCY: National Aeronautics and Space Administration.

ACTION: Proposed rule.

SUMMARY: NASA is proposing to amend the NASA Federal Acquisition Regulation Supplement (NFS) to implement revisions to the voucher and invoice submittal and payment process. These revisions are necessary in order for NASA to comply with the Office of Management and Budget (OMB) issued Memorandum M-15-19, which directed federal agencies to transition to electronic invoicing for appropriate federal procurements by the end of fiscal year 2018.

DATES: Comments on the proposed rule should be submitted in writing to the address shown below on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**, to be considered in the formation of the final rule.

ADDRESSES: Submit comments identified by NFS Case 2017- N014, using any of the following methods:

o Regulations.gov: <http://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by entering "NFS Case 2017-N014" under the heading "Enter keyword or ID" and selecting "Search." Select the link "Submit a Comment" that corresponds with "NFS Case 2017-N014." Follow the instructions provided at the "Submit a Comment" screen. Please include your name, company name (if any), and "NFS Case 2017-N014" on your attached document.

o E-mail: John.J.Lopez@nasa.gov. Include NFS Case 2017-N014 in the subject line of the message.

o Fax: (202) 358-3082.

o Mail: National Aeronautics and Space Administration, Headquarters, Office of Procurement, Contract and Grant Policy Division, Attn: John J. López, LP-011, 300 E. Street SW, Washington, DC 20546-0001.

FOR FURTHER INFORMATION CONTACT: Mr. John J. Lopez, NASA HQ, Office of Procurement, Contract and Grant Policy Division, LP-011, 300 E. Street SW, Washington, DC 20456-0001. Telephone 202-358-3740; facsimile 202-358-3082.

SUPPLEMENTARY INFORMATION:

I. Background: NASA is proposing to revise the NFS to implement revisions to the voucher submittal and payment process. These revisions are necessary in order for NASA to comply with the Office of Management and Budget (OMB) issued

Memorandum M-15-19, which directed federal agencies to transition to electronic invoicing for appropriate federal procurements by the end of fiscal year 2018. In Fiscal Year 2016, NASA revised their voucher submission and payment process to electronically process cost type vouchers under cost-reimbursement type contracts. As part of NASA's goal to have all contract payments processed electronically by 2018, this proposed rule revises NASA's submission and payment process to have invoices for fixed price contracts submitted electronically.

II. Discussion

Sections of the NFS are being revised to implement changes to NASA's voucher and invoice submission and payment process. Specifically, NASA is proposing the following changes:

- Revise the clause prescription at 1816.506-70(b) and associated clause at 1852.216-80(i) to require contractors to submit task order progress reports for all contract types.
- Revise clause prescription at 1832.908-70 to include invoices.
- Add alternate clause at 1852.232-80(i).
- Revise clause at 1852.232-80(c)(2) to list relevant back-up documentation required to be submitted with invoices and fee vouchers in order for the contracting officers to review and approve them.

III. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

IV. Regulatory Flexibility Act

NASA does not expect this rulemaking to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, because the guidance will not create additional burden to the contractor but rather the rulemaking is intended to update the current voucher and invoice submission process at NASA resulting in fewer voucher/invoice rejections, rework, and payment delays. However, an initial regulatory flexibility analysis has been performed and is summarized as follows:

NASA is proposing to revise the NFS to implement revisions to the voucher and invoice submittal and payment process. These revisions are necessary in order for NASA to comply with Office of Management and Budget (OMB) Memorandum M-15-19, which directed federal agencies to transition to electronic invoicing for appropriate federal procurements by the end of fiscal year 2018.

The objective of this rulemaking is to remove the outdated NFS payment clause and associated prescription relative to the NASA voucher and invoice submittal and payment process and replace with a new clause that will revamp NASA's voucher and invoice submission and payment process to ensure the continued prompt payment to its suppliers. The revision will also minimize cost voucher and invoice submission and payment delays to NASA suppliers as well the potential accrual of Government interest payments to contractors.

This proposed rule would apply to contractor requests for payment under all contract types. An analysis of data in the Federal Procurement Data System (FPDS) revealed that cost reimbursement and fixed priced contracts are primarily awarded to small businesses. FPDS data compiled over the past three fiscal years (FY2014 through FY2016) showed an average of 76,675 NASA contract actions, of which 45,011 (approximately 59%) were awarded to small businesses. However, there is no significant

economic or administrative cost impact to small or large businesses because fee vouchers and invoices previously processed manually will be processed electronically. NASA anticipates that the rulemaking will have a positive benefit in the way of fewer voucher rejections, rework, and payment delays. In FY16, NASA processed approximately 55,000 vendor payment requests (invoice/voucher), which are currently received by various means (70% by email, 15% by mail, 2% by fax, 13% by an electronic secure file transfer). NASA's current payment request process for fee vouchers and invoices requires manual intervention at almost every step in the process. Manual intervention decreases speed and accuracy and adds to the cost per invoice/voucher. This rulemaking will further automate the processing of contract payments thus reducing processing delays, input errors, rework, interest penalties, which all add to the cost to process each invoice and voucher. The proposed rule does not contain additional reporting requirements, recordkeeping, or other compliance requirements. The proposed rule does not duplicate, overlap, or conflict with any other Federal rules. No alternative approaches were considered, because this approach will have minimal impact on small entities. NASA invites comments from small business concerns and other interested parties on the expected impact of this rulemaking on

small entities. NASA will also consider comments from small entities concerning the existing regulations in subparts affected by this proposed rule in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 610 (NFS Case 2017-N014), in correspondence.

V. Paperwork Reduction Act

The proposed rule contains information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35; however, these changes to the NFS do not impose additional information collection requirements to the paperwork burden previously approved under OMB Control Number 9000-0070, entitled Payments - FAR Sections Affected: 52.232-1 thru 52.232-4 and 52.232-6 thru 52.232-11.

List of Subjects in 48 CFR Parts 1816, 1832, and 1852

Government procurement.

William Roets,

Director, Contract and Grant Management Division.

Accordingly, 48 CFR parts 1816, 1832, and 1852 are proposed to be amended as follows:

1. The authority citation for parts 1816, 1832, and 1852 continues to read as follows:

Authority: 51 U.S.C. 20113(a) and 48 CFR chapter 1.

PART 1816—TYPES OF CONTRACTS

2. Revise 1816.506-70 to read as follows:

1816.506-70 NASA contract clause.

Insert the clause at 1852.216-80, Task Ordering Procedure, in solicitations and contracts when an indefinite-delivery, task order contract is contemplated. The clause is applicable to both fixed-price and cost-reimbursement type contracts. The contracting officer shall use the clause with its—

(a) Alternate I, if the cost type, fixed-price with prospective price redetermination, or fixed-price incentive contract does not include a NASA Form 533M reporting requirements; or

(b) Alternate II, if a fixed price contract is contemplated.

PART 1832—CONTRACT FINANCING

3. Revise 1832.908-70 to read as follows:

1832.908-70 Submission of vouchers/invoices.

Insert clause 1852.232-80, Submission of Vouchers/Invoices for Payment, in all solicitations and contracts.

PART 1852—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

1852.216-80 [Amended]

4. Amend 1852.216-80 by revising ALTERNATE I and adding ALTERNATE II to read as follows:

1852.216-80 Task Ordering Procedure.

* * * * *

ALTERNATE I (DATE)

As prescribed in 1816.506-70(a), insert the following paragraph (i):

(i) Contractor shall submit progress reports, as required. When required, the reports shall contain, at a minimum, the following information:

(1) Contract number, task order number, and date of the order.

(2) Total estimated dollar amount of task order(s).

(3) Cost and hours incurred to date for each issued task order.

(4) Costs and hours estimated to complete each issued task order.

(5) Significant issues/problems associated with a task order.

(6) Cost summary of the status of all task orders issued under the contract.

(7) Invoice number.

ALTERNATE II (DATE)

As prescribed in 1816.506-70(b), insert the following paragraph

(i):

(i) Contractor shall submit progress reports, as required. When required, the reports shall contain, at a minimum, the following information:

(1) Contract number, task order number, and date of the order.

(2) Price and billed amounts to date for each task order.

(3) Significant issues/problems associated with the task order.

(4) Status of all task orders issued under the contract.

(5) Invoice number.

1852.232-80 [Amended]

5. Amend section 1852.232-80 by-

a. Revising clause title and date;

b. In paragraph (b), removing the words "submit all vouchers electronically using" and adding the words "submit all vouchers and invoices using" in its place;

c. Revising paragraphs (c) and (d); and

d. In paragraph (e), removing the word "vouchers" and adding "vouchers/invoices" wherever it occurs.

The revisions read as follows:

1852.232-80 Submission of Vouchers/Invoices for Payment.

As prescribed in 1832.908-70, insert the following clause:

SUBMISSION OF VOUCHERS/INVOICES FOR PAYMENT (DATE)

* * * * *

(c) *Payment requests.* (1) The payment periods are stipulated in the payment clause(s) contained in this contract.

(2) Vouchers submitted under cost-type contracts and invoices submitted under fixed-price contracts shall include the items delineated in FAR 32.905(b) supported by relevant back-up documentation. Back-up documentation shall include at a minimum, the following information:

(i) *Vouchers.* (A) Breakdown of billed labor costs and associated contractor generated supporting documentation for billed direct labor costs to include rates used and number of hours incurred.

(B) Breakdown of billed other direct costs (ODCs) and associated contractor generated supporting documentation for billed ODCs.

(C) Indirect rate(s) used to calculate the amount of billed indirect expenses.

(D) Progress reports, as required.

(ii) *Invoices.* (A) Description of goods and services delivered as part of the contract's terms and conditions, including the dates of delivery/performance.

(B) Progress reports, as required.

(C) Date goods and services were performed.

(iii) *Fee vouchers.* (A) Listing of all provisionally-billed fee by period or date earned since contract award.

(B) A reconciliation of all billed and earned fee.

(C) A clear explanation of the fee calculations.

(d) *Non-electronic payment requests.* The Contractor may submit a non-electronic voucher/invoice using the steps for non-electronic payment requests described at <https://www.nssc.nasa.gov/vendorpayment>, when any of the following conditions are met:

(1) The Contracting Officer administering the contract for payment has determined, in writing, that electronic submission would be unduly burdensome to the Contractor.

(2) The contract includes provisions allowing the contractor to submit vouchers or invoices using the steps for non-electronic payment. In such instances the Contractor agrees to submit non-electronic payment requests using the method or methods specified in Section G of the contract.

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