

CHAPTER 9

E-Business in the Acquisition Process

OVERVIEW

The growth, integration, and sophistication of information technology and communications are changing our society and economy. Today, computers and other electronic devices increasingly communicate and interact directly with other devices over a variety of networks, such as the Internet. Consumers and businesses have been particularly quick to recognize the potential and realize the benefits of adopting new computer-enabled networks. Consumers now routinely use services, compare prices, and exert market leverage. Businesses use networks even more extensively to conduct and re-engineer production processes, streamline procurement processes, reach new customers, and manage internal operations. This electronic revolution in our economy is spurring additional investments in facilities, hardware, software, services, and human capital. Ultimately, it may change the structure and performance of the American economy as much as the introduction of the computer a generation ago.

Learning Objectives

Given acquisition scenarios, explain how e-business initiatives facilitate the efficiency of the acquisition process. Specifically, upon completion of this chapter, you should be able to:

- 9.1 DEFINE e-business terms.
- 9.2 DISCUSS the role and function of e-business integrated systems.
- 9.3 DISCUSS the benefits and challenges of technology in supporting business functions.
- 9.4 RECOGNIZE the impact of using inaccurate data in support of business processes.
- 9.5 EXPLAIN the end-to-end procurement process model.
- 9.6 DISCUSS the current initiatives and barriers regarding the use of information technology.

DEFINITIONS, ROLES, AND FUNCTIONS

E-Business

Electronic business (e-business) is any process that a business organization conducts over a computer network. Business organizations include any for-profit, governmental, or nonprofit entity. Their processes include production, customer, and internal or management-focused business processes.

Examples of e-business processes are:

Figure 9-1
Examples of E-Business Processes

EB Process	Example
Production	Focused processes include procurement, ordering, automated stock replenishment, payment processing, and other electronic links with suppliers, as well as production control and processes more directly related to the production process.
Customer	Focused processes include marketing, electronic selling, processing of customers orders and payments, and customer management and support.
Internal or Management	Focused processes include automated employee services, training, information sharing, video conferencing, and recruiting.

E-business includes all business transactions and supporting functions in areas such as management, administration, finance, logistics, procurement, and transportation. E-business creates the means for government and industry to develop and use an integrated, automated information environment for transactions and the exchange of business information. Electronic data interchange (EDI), e-mail, electronic bulletin boards, electronic funds transfer (EFT), and the use of the Internet and similar technologies are among the methods used to engage in e-business.

The move to e-business is replacing paper-intense business processes with re-engineered, integrated electronic processes. E-business goes beyond the simple electronic exchange of ordering information or electronic transfer of funds to a fully integrated set of business processes. It is changing not only how we share, but also how we use information to conduct business. Further, an integral part of implementing e-business is the application of business process improvement or re-engineering to streamline business processes prior to the incorporation of technologies facilitating the electronic exchange of business information.

DoD is actively involved in e-business. Released on June 23, 2000, DoD Directive 8190.2, The DoD Electronic Business/Electronic Commerce (EB/EC) Program, defines e-business as the application of e-commerce techniques and solutions to all of DoD's business processes. The directive defines e-commerce as the interchange and processing of information via electronic techniques to transact business using commercial standards and practices.

FedBizOpps

Federal Business Opportunities (FedBizOpps) was designated by the FAR as the mandatory governmentwide point of entry (GPE) effective October 1, 2001, for posting of government business opportunities greater than \$25,000, including synopses of proposed contract actions, solicitations and associated information, and subcontracting opportunity notices.

FAR 5.101 mandates that all federal agencies use FedBizOpps to publicize upcoming contracts. FedBizOpps is available at:

<http://www.fedbizopps.gov>

FedBizOpps allows contracting officers to do two things:

1. advertise upcoming contracting opportunities; and
2. post actual documents (requests for proposals, etc.).

FedBizOpps is variously referred to as FBO, GPE, or SPE. FBO is the acronym, GPE means governmentwide point of entry, and SPE means single point of entry (same idea as GPE, a single place for contractors to go on the Internet to find governmentwide contracting opportunities).

Central Contractor Registration

Central Contractor Registration (CCR) is the primary database for vendor business information. CCR is the single government repository for contractor information required for the conduct of business with the government. The CCR database is available at:

<http://www.ccr.gov>

Through CCR, contractors can avoid administrative duplication and take responsibility for the accuracy of their own important business information by supplying it directly to the government through a single registration. Contractors are required to complete a one-time registration to provide business information relevant to procurement and financial transactions. Examples of the information required include the vendor's tax identification number, Dun & Bradstreet registration number, banking information, and critical points of contact.

After the initial registration, contractors are required to review and update their registration on an annual basis. CCR validates the vendor's information and electronically shares the secure and encrypted data with the federal agencies' finance offices to facilitate paperless payments through EFT. Additionally, CCR shares the data with government procurement and electronic business systems.

In accordance with FAR 4.11, prospective contractors must be registered in the CCR database prior to award of a contract, basic agreement, basic ordering agreement, or blanket purchase agreement. The policy applies to all types of awards except the following: purchases made with a governmentwide commercial purchase card; classified contracts or purchases; contracts awarded by deployed contracting officers in the course of military operations, including contingency operations, national disasters, or national emergencies; purchases to support unusual or compelling needs; awards made to foreign vendors for work performed outside the United States; and micro-purchases that do not use EFT for payment.

Past Performance Information Retrieval System

Confidence in a prospective contractor's ability to perform satisfactorily is an important factor in making a best value selection decision. One method of gaining this confidence is the evaluation of a prospective contractor's performance on recently completed or ongoing contracts for the same or similar goods or services. The collection and use of past performance information motivate contractors to improve their performance because of the potential use of that information in future source selections.

In July 2002, the Past Performance Information Retrieval System (PPIRS) became the single, authorized application providing past performance reports to the entire federal acquisition community as a part of the President's e-government initiative, which seeks to modernize and streamline the government's interactions with business and citizens through the use of modern Internet technology and common processes. The e-government initiative seeks to simplify and unify business processes within the federal-wide enterprise. PPIRS is available at:

<http://www.ppirs.gov>

PPIRS allows federal agencies much broader access to available performance reports. Agencies use the reports to consider a contractor's track record during the source selection process. PPIRS helps federal acquisition officials make source selections by serving as the single source for contractor past performance data.

Several collection tools will submit data to PPIRS. DoD maintains three collection tools for its military departments and agencies, NASA uses its own system, and most civilian departments and many independent agencies use the Contractor Performance System (CPS) managed by the National Institutes of Health. Civilian agencies are strongly encouraged to use the CPS as their collection tool, as it can be easily and seamlessly modified to meet agency-specific requirements.

Access to the reports is controlled because of their use in source selections. Government access is controlled by designated officials within each agency. Contractor access is controlled by the marketing partner identification number (MPIN) that it has established as part of its Central Contractor Registration Account. Contractors are permitted to view their own report cards, but not those of their competitors. If a contractor has not yet created an MPIN, it must update its registration in the CCR system to add a past performance point of contact and MPIN. The MPIN and the contractor's DUNS number are then used to access their own reports in PPIRS. Over 11,000 contractors have updated their registration and are capable of accessing their reports as they become available in PPIRS.

TECHNOLOGY BENEFITS AND CHALLENGES

Benefits

The emphasis on e-business is expanding the concept of e-commerce beyond the traditional perceptions of purchasing and paying using standard transaction sets. Implementation of e-business expands our thinking and opportunities to include the relationships between a consumer and supplier and take advantage of the significant process improvement and reengineering opportunities available through the implementation of e-business concepts and technologies. This further permits expanding functional applications beyond supply, procurement, and accounting to enabling process improvements in other functional areas such as health, personnel, systems acquisition, and science and technology.

In some agencies, there is a tendency for buying offices to set up contracts differently. E-business is extremely beneficial in creating **standardization** of procurement documents. When contracts basically look the same, contractors, finance offices, and auditors can perform their functions more easily.

E-business also provides the ability to accomplish the same tasks with **less paperwork**. Once basic information is put into the system, it does not have to be put in over and over again. Electronic handling also eliminates illegible copies and documents lost in the mail.

As careful as we may be in entering and verifying contract information, we sometimes get it wrong. E-business can improve the **accuracy** of contract data through checks and balances within the data entry rules that keep errors to a minimum. In many cases, systems will prevent the entry of inaccurate data.

Finally, **accessibility** to information is increased. Multiple users in various locations can all access the same information through the use of technology. This further streamlines the process and leads to greater efficiencies and increased productivity.

The ultimate benefit of technology is the creation of an innovative and strategic acquisition enterprise focused on efficient and cost-effective delivery of the best possible capability that enables the customer to succeed.

Challenges

Implementing e-business within the federal government is a challenging task. The size, diversity of activities, and far-flung operations all serve to exacerbate the challenges.

Everyone is aware of the **fast pace of change** within the computer industry. Many people are familiar with Moore's law, which states that the number of transistors per square inch in an integrated circuit doubles every 18 months. What this means is that hardware and software quickly become obsolete and need replacement. This can be a very expensive and frustrating experience for the workforce who need almost continuous training in the new electronic environment.

Further, information sources have literally exploded over the last five to ten years. You can now access information in a couple strokes of the keyboard

that once took hours of research in a large library. But this explosion has caused its own set of issues. What is the accuracy of the information on the Internet? Can you trust it? Which are the best sources for the right information? How can you quickly find what you need? Knowledge management (KM) initiatives are attempting to deal with these issues of “**information overload**” but KM is still in its infancy.

With so many transactions and processes taking place in an automated fashion, it means that large amounts of data must be transferred between different functional organizations that may have completely different systems. Often, **interoperability** of hardware and software systems is a major problem for federal agencies. Resolving these issues requires a great deal of coordination and cooperation between the different functional communities.

Finally, **security** continues to be a major concern. Implementing appropriate security measures increases the costs of e-business projects and reduces some of the convenience of using web-based e-business tools. Although security will continue to be an issue for the foreseeable future, much progress has been and is being made.

THE IMPACT OF USING INACCURATE DATA

The procurement process is complex, highly regulated, and involves many different functional organizations. This process, like many other government processes, traditionally has been heavily paper-dependent — relying on the use of forms, manual data entry, and copy and fax machines. Many procurement regulations were specifically designed for operation in a paper-based environment. For example, regulations often specified that certain forms must be “stamped” with specific statements to designate they were being used for special purposes. As various functional processes started using computer systems, the data still transferred from one process-owner to another by paper means and then was manually entered into the computer systems.

The widespread use of computers casts doubt on the value of paper-based processes. The use of paper documents and forms is unnecessary and often results in inefficient and costly processes, such as repetitive and error-prone manual data entry, time-consuming manual processing of documents and forms, and rework of inaccurate data entries. Computer systems have enabled faster and more accurate capture of data that was once entered on

forms. This data is critical to your business processes and must be accurate, reliable, and timely.

The paper-based procurement process causes a number of problems for federal agencies, including:

- documents being lost in the mail or illegible due to poor copying or fax quality;
- inaccurate data entry; and
- misinterpretation of what the documents said.

In turn, these document processing errors caused even greater problems such as:

- contracting and financial management databases that did not match, causing a need for extensive reconciliation efforts;
- late and inaccurate payments; and
- ultimately, the inability of agencies to issue accurate financial statements.

It is important to understand the larger implications of these problems. Mismatched databases, late payments, and poor financial statements may not seem to mean much when compared with supporting user needs, but they are actually very closely related.

Mismatched Databases

Mismatched databases must be reconciled to ensure accurate accounting records and satisfy audit requirements. Reconciliation of these databases is costly and takes up resources that could be better used to provide more goods and services to the customer.

Late or Inaccurate Payments

Late and inaccurate payments have a similar impact. When we pay a vendor beyond the legal time limit (generally 30 days), we must pay interest on that late payment just as you must if you are late with a credit card payment. The money to pay late payment interest costs comes directly from a pro-

gram's budget and, once again, results in fewer dollars to buy goods and services for the customer.

Inaccurate Financial Statements

Finally, laws and regulations require all federal agencies to keep accurate financial records. Congress, representing the taxpayer, wants to know that agencies are spending appropriated dollars wisely and that scarce dollars are not being wasted. Therefore, they demand that agencies keep accounting records, just like any business does, and that agencies explain every year how they have spent their money.

An agency's inability to properly account for the money it spends reduces the confidence of both Congress and the taxpayer that the government is spending the taxpayers' money in a responsible manner. This causes the agency to spend a lot of time explaining accounting discrepancies rather than concentrating on more critical tasks.

THE END-TO-END PROCESS MODEL

Agencies need to model the data flows that its business processes require so that individual computer systems can be designed to interface correctly, thereby enabling the end purpose of seamless data sharing among many different functional processes. Many agencies currently are developing initiatives to promote the use of e-business processes.

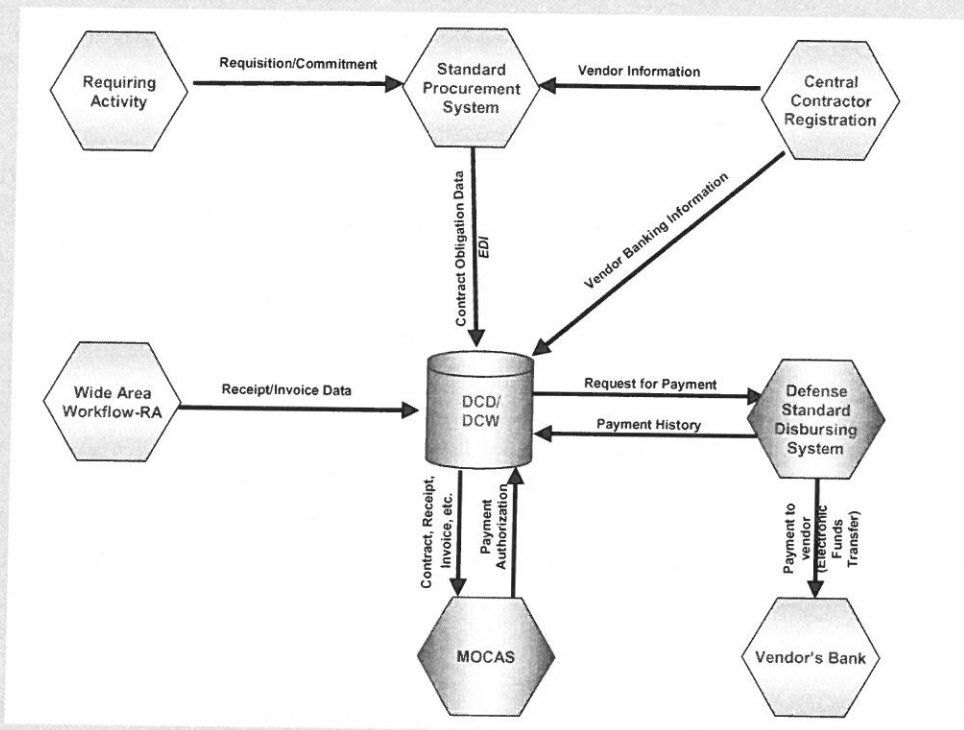
In DoD, the Secretary of Defense addressed the concept of e-business in his Defense Reform Initiative Report (DRIR) of November 1997. This report stated that "a full commitment to electronic business operations will not only result in tangible savings, but will also change the DoD's business culture, forcing managers to think differently and act more efficiently." Senior management realized that ensuring data accuracy at the point of entry and during transfer from one functional process to another was crucial to the DoD's efforts to improve financial management. The End-to-End (E2E) Procurement Process was devised as a solution.

In December 1998, the Deputy Secretary of Defense chartered a team to develop and document the future end-to-end procurement process, including accounting and payment. The objective was to take advantage of information technologies to seamlessly share data among the many functional organiza-

tions involved in the procurement process. This team developed detailed process models for each stage of the procurement process and documented where each stage interfaces with other stages. The result is the E2E Model.

In September 2000, the Deputy Secretary of Defense chartered an integrated process team to implement the E2E model throughout the DoD. The E2E model has been completed but design and deployment of the systems is currently underway and will take a number of years to complete. More information on DoD's E2E process initiatives and implementation is in Exhibit 9-1.

Figure 9-2
E2E Model



The contracting function plays a pivotal role in ensuring the accuracy and reliability of data within the procurement process. The E2E model details information needs and transfer points for all procurement sub-processes from beginning to end. These include:

- **Requirement generation to solicitation of proposals.** The E2E model process and implementation activity helps to foster greater cooperation between functional activities. This is resulting in a better understanding of each function's processes as well as information and

system needs. More and more people are recognizing they can no longer ignore the needs of other functional communities if they wish to support the DoD's overarching financial management objectives.

- **Evaluation of proposals and award of the contract.** Contracts are the fundamental source of accounting information within the process. They represent the business transactions for which the accountants must capture information. Contracts are the documents that match the critical long line of accounting (which designates what color of money should be used to pay a bill) with the item or service being purchased. If a mistake is made here, the wrong type of money may be used to pay a bill. This kind of mistake not only results in a potential violation of law, it also reduces the confidence of Congress and the taxpayer that the DoD can manage its finances. A low level of confidence means that the DoD must expend much more time and effort providing rationale for its budget requests.
- **Administration of the contract and payment of the vendor.** The way contract line items are structured determines how financing payments will be made, how items or services will be delivered, and how final delivery payments will be made. Mistakes made here result in erroneous or late payments or costly rework and reconciliation efforts.
- **Financial reporting and contract closeout.** The length of a contract can often determine how easy or hard it is to make final payments and close out a contract. Competent contracting professionals recognize the importance of these issues and accurate data flows and take them into account when developing a contracting or business strategy.

As information systems are designed and developed for each of these activities, they now have a roadmap to follow to ensure that they can communicate and share data with other systems.

CURRENT INITIATIVES AND BARRIERS

Initiatives

Governmentwide e-business initiatives concerning the procurement process are underway via the Integrated Acquisition Environment (IAE). The IAE

Project, which is managed by GSA, is one of 24 e-government initiatives in the President's Management Agenda. The goals are to:

- create a simpler, common, integrated business process for buyers and sellers that promotes competition, transparency, and integrity;
- increase data sharing to enable better business decisions in procurement, logistics, payment, and performance assessment; and
- take a unified approach to obtaining modern tools to leverage investment costs for business related processes.

Information on the Integrated Acquisition Environment is available online at:

- <http://www.gsa.gov>; or
- <http://www.acquisition.gov>

At this time, there are five business areas that form the basic framework or foundation that will allow migration to the vision of a simpler and more efficient acquisition environment.

- **Business Partner Network (BPN)** provides a single point of registration, validation, and access for all vendor data. **The Central Contractor Registration (CCR) system is the core for the new system to be used by all government agencies.** BPN replaces the multiple, manual, redundant, and often inconsistent vendor data collection systems with a single data entry system for vendor information collection and validation that will be shared with agency contract writing systems. It will also integrate with other vendor-based systems in the government to provide a single source for all information on a vendor to improve competitive sourcing and enable better business decisions. Examples include Past Performance Information Retrieval System (**PPIRS**), Excluded Parties List System (**EPLS**), Online Representations and Certifications (**ORCA**), and electronic Subcontract Reporting System (**eSRS**). BPN is located at:

<http://www.bpn.gov>

- **Intragovernmental Transactions Exchange** redesigns the process for government-to-government transactions in order to streamline or-

dering, billing, and collection and to improve the financial settlement process. Ordering, billings, and collections between federal agencies, and between organizations within some agencies, are extremely inefficient. Additionally, matching or reconciling these transactions is extremely difficult because there is no standardized process. The new standardized approach will unify the process and introduce and enforce data stewardship roles and responsibilities. This will streamline the data handling processes, reduce workload, improve billing accuracy, and reduce payment errors. It will also significantly improve the ability to identify matching intra-governmental revenues and expenses for elimination purposes in the preparation of consolidated financial statements. Finally, the buyer-generated order number and the seller-generated invoice number will provide agencies links to the data to create accounting entries within their systems.

- **Acquisition Information Reporting (AIR)** is a central point for consolidated collection and access of statistical and management information related to government acquisitions. It focuses on the **Federal Procurement Data System – Next Generation (FPDS-NG)**, which redesigns the existing Federal Procurement Data System (FPDS) and provides for better integration with agency legacy procurement systems. A governmentwide procurement reporting system is critical to understanding purchasing activity across the government. This allows the government to develop sourcing strategies including opportunities to pool spending, negotiate governmentwide contracts, and identify purchasing trends. FPDS-NG will provide timely management data and tailored reporting capability of real-time information in an automated environment. It will also eliminate the need for agency feeder systems. FPDS-NG is located at:

<https://www.fpds.gov>

- **e-Marketplace** will provide a unified federal buying environment that allows government personnel to use their back office systems, purchasing and finance tools, and the web to acquire goods and services from catalogs. It will simplify the requirements on the government's business partners while providing greater opportunities and transparency in the government purchasing arena, to the greatest extent possible to promote competition, at any dollar value. Specifically, it will centralize and integrate market research and acquisition tools by providing access to federal and open market e-Catalogs, solicitations/responses, and small business opportunities to facilitate buying

across the federal government. The e-Marketplace initiative also encompasses:

- FedTeds (www.fedteds.gov), which provides a secure location for sensitive attachments to solicitations;
 - FedBizOpps (www.fedbizopps.gov), which provides a single point of entry to post and retrieve solicitations; and
 - WDOL (www.wdol.gov), which provides electronic wage rate data for services and construction.
- **Standard Transactions** establishes standard data elements, business definitions, interfaces, and roles and responsibilities for government acquisition data. At their core, e-commerce applications are about sharing information between multiple partners. Standardized electronic transactions enhance information sharing among systems and agencies and support the “enter once, use many times” concept. The acquisition process has been analyzed to identify activities and information exchanges. All data elements will be examined to ensure that they have the same meaning and convey the same information. From this, will come the interfaces that will be used by all federal agencies and vendors to successfully operate in the IAE.

Barriers

While much progress has been and continues to be made, the IAE is a challenging effort and must overcome some difficult barriers.

COTS Modifications

First, while agencies prefer to buy COTS systems, there are few COTS systems that meet all of an agency’s needs. Therefore, the COTS products must be modified to meet all of the requirements. Industry has long realized that modification of COTS is complicated and expensive. The government experience with many of these systems mirrors industry experience.

Compatibility

Second, the IAE requires systems to work together, with the same codes, languages, definitions etc. In the big picture, the compatibility makes total sense. But to individuals doing one specific task, their job might get harder and more complicated.

Some individual existing systems might do a better job of the unique task than the replacement system. However, agencies will have to make a conscious decision to do the job right “up front” to avoid costly rework effort at the “back end.”

Data Input Rules

Lastly, the IAE requires strict adherence to data input rules. In many agencies, it is the culture to get the job done, support the customers, and do the paper clean up later. With paper being removed from the process, after-the-fact “clean up” is time-consuming and expensive, and inaccurate or missing data can actually result in delay or non-receipt of vital goods and services. Therefore, agencies can no longer afford corrections after the fact. In addition, bad data means senior decision-makers do not have the information they need to make appropriate business decisions. Finally, agencies lose credibility with the Congress and the public when bad data and poor accounting records prevent agencies from explaining how they spent the taxpayers’ money. Therefore, new contracting and financial systems require accurate data input and will include many validation and edit checks in the software. Computer systems help to reduce the opportunities for human error but also remove the human “fixing.” This will be a cultural change for some federal agency personnel who are used to “pen and ink” changes. After all, how do you make “pen and ink” changes in a paperless environment?

SUMMARY

Electronic business offers the promise of streamlined business processes, significant cost savings, and improved sharing of information. The government is actively implementing e-business solutions, many of which impact how you will do your contracting work.

It is important for you to learn about the functions of such key systems as FedBizOpps, CCR, and PPIRS.

You will need to understand that the government is attempting to field systems that are integrated and depend on accurate data entry. Implementation of these systems is evolving and will take years to complete. However, even while it is not fully deployed, there are several important points you should keep in mind. First, the too-frequently used method of getting the job done and fixing the paperwork later is no longer acceptable. A very small investment of time to ensure data accuracy at the beginning of the process pays

enormous dividends in time saved by avoiding rework and reconciliation efforts. Accurate data is crucial.

Remember that the process is cross-functional and depends on cooperation and communication between the various functional communities including contracting and the financial managers. Get to know your counterparts in these communities — they are all members of the acquisition team.

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EXHIBIT 9-1

DOD E2E INITIATIVES

In DoD, the E2E process is currently in the implementation stage and many initiatives are underway. While some are already fielded, either partially or completely, others are still in the development phase and will not be fielded for some time.

Systems	Ability
Standard Procurement System	SPS is a critical component of the E2E model. It is a contract writing system originally intended for use throughout DoD. In 1997, DoD selected Procurement-Desktop Defense, a COTS software package developed by American Management Systems (AMS) as its SPS for use throughout DoD. The commercial product provided approximately 45% of DoD's procurement functions. The SPS contract required AMS to make software enhancements to meet the remaining DoD functional requirements. Due to changes in technology and recent Congressional budget reductions, DoD is now re-evaluating its deployment strategy for SPS and how best to meet the E2E requirements for contract writing.
Central Contract Registration	CCR is used within the E2E process as the single repository for vendor data. Vendor data is used by both the buying activities and the DFAS payment and accounting centers.
DFAS Corporate Information Infrastructure	DCII is a suite of systems that DFAS will use to manage contract payment functions. It is being designed to accept, process, and transmit electronic contract data. The DCII is currently in development and test. DFAS plans to deploy the DCII over the next several years. DCII is composed of four separate information systems: ■ <u>The DFAS Corporate Database (DCD)</u> – The DCD will be the official source of contract accounting information. This information includes transactions related to commitments (dollars that have been set aside by DFAS for a particular spending purpose), obligations (dollars that have been promised by the

Systems	Ability
	contractual document), disbursement (what has been paid to the contractor), and acceptance (what goods and services we have received and can pay). The DCD contains all shared financial data for DoD and facilitates the sharing of data among systems and functions. The DCD environment will provide a high degree of data integrity by strict editing of input data against tables of valid values and ranges; limiting access (human and application) to prevent malicious use; and protecting the database from hardware and software failures that may corrupt data. The DCD will ensure that data is readily available and accessible from all applicable DoD applications regardless of location. The DCD will provide an audit trail of all data back to its original sources. ■ <u>The DFAS Corporate Warehouse (DCW)</u> – DFAS will implement a shared data warehouse, identified as the DCW, to provide a central repository of uniform data for shared access to support the DoD network. While only DFAS personnel may access the DCD, all authorized DoD personnel will be able to access the data in the DCW. On a daily basis, data will pass from the DCD to the DCW, where it can be passed to other systems or accessed to support specific activities and individuals. The DCW will serve as a historical archive for DFAS standard reports and will be in compliance with the National Archives Record Agency (NARA) requirements. ■ <u>The Mechanization of Contract Administration Services (MOCAS)</u> – MOCAS is the standard system used for calculating contract and vendor payments and other agreements and miscellaneous bills. All payments data will be maintained by both the MOCAS and DCD systems. ■ <u>The Defense Standard Disbursing System (DSDS)</u> – The DSDS will be the single standard DFAS auto-

Systems	Ability
	mated information system for collecting, processing, recording, and reporting disbursement data and transactions. The DSDS is the system used to make payments to contractors. In most cases, payments are made by EFT but, in some situations such as a payment for a classified contract, DFAS may issue a paper check.
Wide Area Workflow-Receipts and Acceptance	WAWF-RA is a web-based system that allows DoD contractors and receiving activities to submit invoices and receiving reports (DD250s) electronically to DoD and route them through a workflow system for inspection, acceptance, receiving, and payment. Until recently, DoD's payment process involved manual processing of three documents: the contract, receiving report (DD250s), and invoice. DoD's finance center extracted and manually re-entered data into a variety of accounts payable systems. The transaction volume is immense and processing time is significant. DFAS personnel process more than 18 million contractor invoices each year. The benefits for DoD are global accessibility of documents, reduced need for repetitive data entry, improved data accuracy, concurrent processing, and secure transactions with audit capability. The system will offer vendors electronic submission of invoices, faster payments, reduction of lost or misplaced documents, and online access to contract payment records. The WAWF-RA system supports DoD's efforts to reduce problem disbursements in the DoD receipt, acceptance, entitlement, and payment process through sharing data and electronic documents.

