



End User Procedure

Novate a Contract (End User Procedure)

Purpose

A contractor wishes the Government to recognize a successor in interest to its contracts or a name change, and submits a written request.

Trigger

The contract document being modified has been approved and executed by the Contracting Officer.

Prerequisites

The Buyer determines if the Novation is a Vendor or Contract level novation:

Vendor Level Novation: The Purchasing Vendor Master Maintainer and the Vendor Master Maintainer are responsible for updating Vendor Master records for Vendor Level Novation Agreements. Buyer/Center representative creates an SR for the vendor to be changed by the Competency Center.

Contract Level Novation:

Converted Opt-Out Contract Level Novation (non-outline agreements) – Access the contract to be novated. If the funds are unused, and the funds are contained on a Converted, rolled up line item, contact an SAP Superuser to perform deobligation activities. After the funds are deobligated, contact an SAP Requisitioner to decommit funds and place funds on a new PR. The Buyer must then create a new contract for the unused portion of the contract value and fund it using the remaining funds that have been transferred to a new Requisition, referencing the old novated contract in the PRISM Header Text fields.

Converted Opt-In Contract Level Novation (outline agreements, BOAs, Converted only BPAs, IDIQ contracts) – Determine the unused value left on each line item of the outline agreement/contract/BOA/BPA. Reduce the value of each line item of the contract, BOA, BPA to the amount that has been consumed/awarded under previous TO/Dos or BPA calls. Create a new PRISM contract, or BOA, reflecting the unused value from the previous document and reference the old novated contract in the PRISM header text fields. If novating a converted BPA (will have converted as a BOA), create a new BPA in PRISM. A BPA in PRISM will not create an outline agreement in SAP. Determine if there is any unused (costed and disbursed) funding left on any Task Orders or BPA calls linked to the contract/BOA/BPA being novated. If so, determine whether or not the lines containing the funding are part of a converted, rolled up line item. If so, contact an SAP Superuser to perform deobligation activities for the rolled up PLIs. If not, proceed to step 3. If not the unused funds are not converted, perform deobligation activities on the TO/DO, or BPA call. Once the funds are deobligated, a Requisitioner must decommit the funds, and place the unused funds on a new Requisition. Once the new Requisition is released, use the new PR to create a new TO/DO, or BPA call with a new number, that is linked to the Novated contract, BOA, or BPA using the PRISM TO/DO or BPA call Header Text fields to reference the old TO/DO, BOA, or BPA call.

Non-Converted Documents – Determine the uncosted, and undisbursed portions of the contract to be novated. Deobligate the amount that is available for consumption via



modification from the old contract, and arrange for the unused amount to put on a new Requisition. Using the new Requisition containing the unused portion from the original contract, create a new contract, with a new contract number using the new vendor name for the remaining contract value and obligations. In the Header Text of the old contract, reference the new vendor and new contract number. In the newly novated contract, reference the old contract number, and previous vendor name contained on the old contract in the Header Text.

Menu Path

None.

Helpful Hints

- At no time should the User click the  button on the Web browser to go to a previous screen in PRISM.
- Screen shots are a point of reference and may not correspond to every step. In addition, the screen shots may not depict the entire screen. Use the scroll bar to view the entire screen when necessary.
- Please refer to the Search for a Document EUP to open and search for a document.

Procedure

1. Perform one of the following:

If	Then
If novation of a Non-Converted Contract	Go to step 2
If novation of a Converted Opt-In Contract (outline agreements, BOAs, Converted only BPAs, IDIQ contracts)	Go to step 4
If novation of a Converted Opt-Out Contract (non-line agreements)	Go to step 6

2. Begin this procedure by using the left hand menu on the *General Information* screen of the current document.



Determine the uncosted and undisbursed portions of the contract to be novated.

General Information (Screen shot below refers to steps 1 – 2)



The screenshot shows the CMM interface with a left-hand navigation menu and a main content area. The navigation menu includes options like Contract, Main, General, Additional Info, UCA, Text, Payments, Limits, Discount, Volume Discou, Summary, Items, Vendor, Synopsis, Package, Supporting Docs, Summary Report, and Review FPDS Rec. The main content area displays contract information for contract number NNN06DL01C, including stage (Released Award), number of items (1), version (BASE-Released), net view (Off), total amount (\$500.00), and obligation (\$500.00). Below this, a 'General Information' section lists details such as Owner (Ann E. Schaft), Award Type (Fixed-price), Award Date (05/15/2006), Effective Date (05/15/2006), Completion Date (04/26/2007), Vendor (ANALYTICAL MECHANICS ASSOCIATES INC), Buyer (TRAIN7 BUYER), Contracting Officer (NMO User), Contracting Officer Representative (NMO User), Administrative Contracting Officer (NMO User), Primary Product / Service Code (1025), Primary Product / Service Code Description (GUNS, OVER 150 MM THROUGH 200 MM), Period of Performance (05/17/2006 to 12/28/2006), and SAP OA/PO Indicator (OPTOUT - Simplified Acquisition and All Others).



Deobligate the amount that is available for consumption via modification from the old contract, and arrange for the unused amount to put on a new requisition.

Please refer to the Deobligation Modification EUP for Non-converted Line Item to deobligate the amount that is available for consumption.



Using the new requisition containing the unused portion from the original contract, create a new contract, with a new contract number using the new vendor name for the remaining contract value and obligations.

Please refer to the Create a Contract EUP to create the new contract.



In the header text of the old contract, reference the new vendor and new contract number.



In the newly novated contract, reference the old contract number, and previous vendor name contained on the old contract in the header text.

3. The procedure is complete. Click **Return to Home** on the left hand menu. The *Welcome* screen displays.
4. Begin this procedure by using the left hand menu on the *General Information* screen of the

current document.



Determine the unused value left on each line item of the outline agreement/contract/BOA/BPA.

General Information (Screen shot below refers to steps 4 – 5)



Route	View Consolidated	Mark As Complete	Modify	Closeout	Cancel	Net View On	?
Contract Information							
Contract Number:	N.A.S8-37780		Stage:	Released Award		Number of Items:	1
Version:	BASE-Released		Net View:	Off		Total Amount:	\$5,212,489.00
						Obligation:	\$5,093,401.00
General Information							
			Owner:	David A Iosco			
			Origin:	CONVERSION			
			Award Type:	Cost-plus-fixed-fee			
			Award Date:	09/23/1988			
			Vendor:	BAMSI INC			
			Buyer:	David A Iosco			
			Contracting Officer:	Becky K Crane			
			Contracting Officer Representative:	(None)			
			Administrative Contracting Officer:	(None)			
			Primary Product / Service Code:	AR91			
			Primary Product / Service Code Description:	R&D-OTHER SPACE-B RES			
			Period of Performance:	09/30/1988 to 10/31/1995			
			SAP OA/PO Indicator:	OPTOUT - Simplified Acquisition and All Others			



Reduce the value of each line item of the contract, BOA, BPA to the amount that has been consumed/awarded under previous TO/DOs or BPA Calls.

Please refer to the Deobligation Modification EUP for Converted Line Item to deobligate the value of the line item.



Create a new PRISM contract, or BOA, reflecting the unused value from the previous document and reference the old novated contract in the PRISM header text fields.

If novating a converted BPA (will have converted as a BOA), create a new BPA in PRISM. A BPA in PRISM will not create an outline agreement in SAP.

Please refer to either the Create a Contract EUP or Create a BPA Call EUP to create the new document.



Determine if there is any unused (costed and disbursed) funding left on any Task Orders or BPA calls linked to the contract/BOA/BPA being novated.

If so, determine whether or not the lines containing the funding are part of a converted, rolled up line item.



If the lines containing the funding are part of a converted, rolled up line item, contact an SAP Superuser to perform deobligation activities for the rolled up PLLs.



If the lines containing the funding are not part of a converted, rolled up line item, then perform deobligation activities on the TO/DO, or BPA Call.

Please refer to the Deobligation Modification EUP for Non-Converted Line Item to deobligate the value of the PLIs.



Once the funds are deobligated, a Requisitioner must decommit the funds, and place the unused funds on a new Requisition. Once the new Requisition is released, use the new PR to create a new TO/DO, or BPA Call with a new number, that is linked to the Novated contract, BOA, or BPA using the PRISM TO/DO or BPA call Header Text fields to reference the old TO/DO, BOA, or BPA Call.

Please refer to either the Create a DOTO External, Create a DOTO Internal, or Create a BPA Call EUPs to create the award.

5. The procedure is complete. Click **Return to Home** on the left hand menu. The *Welcome* screen displays.
6. Begin this procedure by using the left hand menu on the *General Information* screen of the current document (the contract to be novated).

General Information (Screen shot below refers to steps 6 – 7)




If the funds are unused, and the funds are contained on a Converted, rolled up line item, contact an SAP Superuser to perform deobligation activities.

After the funds are deobligated, contact an SAP Requisitioner to decommit funds and place funds on a new PR.



The Buyer must then create a new contract for the unused portion of the contract value and fund it using the remaining funds that have been transferred to a new Requisition, referencing the old novated contract in the PRISM Header Text fields.

Please refer to the Create a Contract EUP to create the new document.

- The procedure is complete. Click **Return to Home** on the left hand menu. The *Welcome* screen displays.

Result

The document has been novated.

Comments

None.