

PART 1

FEDERAL ACQUISITION REGULATIONS SYSTEM

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SUBPART 1.1 - PURPOSE, AUTHORITY, ISSUANCE

1.101 Purpose.

The Defense Logistics Acquisition Directive (DLAD) 4105.1 is issued by the Executive Director, Procurement **Management**, by authority of the Director, Defense Logistics Agency (DLA). It implements and supplements the Federal Acquisition Regulation (FAR), the Defense FAR Supplement (DFARS) and other Department of Defense publications and, pursuant to FAR 1.304, establishes DLA procedures relating to the acquisition of supplies and services under the authority of Chapter 137, Title 10 of the United States Code, or other statutory authority. This DLAD is not a stand-alone document and must be read in conjunction with the FAR and DFARS.

1.104 Applicability.

(a) This directive is applicable to the contracting function at all DLA activities, but is not applicable to the performance of field contract administration assigned to Defense Contract Management Command (DCMC).

1.105 Issuance.

1.105-1 Publication and code arrangement

This directive is available from DLA on CD ROM disk through the Defense Logistics Agency Publishing System (DLAPS). CDs may be ordered through the **Defense Automated Printing and Support Center**, 8725 John J. Kingman Road, Suite 2533, Ft. Belvoir, VA, 22060-6221. This directive is also transmitted through the Distributed Minicomputer Systems (DMINS) E-Mail by MMPPP to DLA field activities that request it in that manner. It is also available through DLAPS on the DLA HQ Local Area Network (LAN). It is available on-line with full data base capability from private sources. DLA field activities desiring this directive in the latter mode should contact their local installation supporting library/publications personnel for subscription requests. The DLAD can also be downloaded via the Internet: <http://deskbook.osd.mil/deskbook.html>

1.105-2 Arrangement of regulations.

(c) References and citations.

(2) The Defense Logistics Acquisition Directive 4105.1 shall be referred to as the DLAD.

SUBPART 1.2 - ADMINISTRATION

1.201-90 Maintenance of the DLAD.

1.201-91 Amendment of Regulations.

Recommendations for amending the FAR or the DFARS shall be submitted to HQ DLA, ATTN: MMPPP. Submittals shall be in the form of a memorandum (without signature block) to the Director, DAR Council and be formatted in accordance with the DAR case guidance provided at 90.7. Recommendations for amending the DLAD shall be submitted in the form of a letter signed by the chief of the contracting office and be in the format of I. Problem; II. Recommendation; and III. Discussion.

1.201-92 DLAD changes.

Numbered DLAD changes are issued periodically by the Executive Director, Procurement **Management**, to revise and update the DLAD.

1.201-93 Dissemination and effective date of the regulation (including appendices, revisions, supplements, and manuals).

(a) Chiefs of contracting offices shall ensure that the FAR, DFARS, and DLAD including revisions, are available to all interested individuals.

(b) Compliance with the DLAD, including any revision to the DLAD, shall be permissive on the date of the revision and shall be mandatory 30 days after issuance, unless otherwise provided in the revision.

SUBPART 1.3 - AGENCY ACQUISITION REGULATIONS

1.301 Policy.

1.301-90 Contracting office guidance.

(a) Procedural guidance relative to the FAR, DFARS, and/or DLAD may be issued by heads of contracting activities consistent with FAR 1.304 and DFARS 201.304. This authority is delegable to the chief of the contracting office without power of redelegation. In addition, the Executive Director, Procurement **Management**, has delegated this authority to the Commander, Defense Reutilization and Marketing Service (DRMS). Requests for approval of any regulatory document meeting the criteria prescribed in DFARS 201.304(1) and (3) shall be submitted to MMPPP for submission by the Executive Director, Procurement **Management**, to the DAR Council Director for approval by the Director, Defense Procurement. The format, general plan, and numbering system of procedural guidance shall be the same as FAR, DFARS, and DLAD.

(b) Defense Supply Centers and DRMS shall furnish HQ DLA, ATTN: MMPPP, one copy of each procedural instruction for review after publication. Contracting offices need not separately request approval under DFARS 201.304(1) and will, based on the copy of the procedures provided, be advised by letter if the procedure is disapproved.

1.301-91 Contracting office clauses.

(a) Clauses and provisions that are developed as a result of negotiations or which fulfill a specific and unique requirement of the acquisition, that do not constitute a deviation from FAR, DFARS, or DLAD, and that do not require the approval of the Director, Defense Procurement shall be submitted upon incorporation in a contract to the local contract policy office, or, where no such office exists, to the chief of the contracting office, for review. A copy shall also be forwarded concurrently to HQ DLA, ATTN: MMPPP.

(b) Proposed new repetitive use or "substantially the same as" local clauses shall be reviewed by the local contract policy office or, where no such office exists, by the chief of the contracting office prior to use. Reviews should determine essentiality, ensure that the clauses do not contain material differences from those already authorized for use, and ensure that the new circumstances for use of the clauses are appropriate. These are clauses which are not deviations and which otherwise do not require Director, Defense Procurement approval. A copy shall also be forwarded to HQ DLA, ATTN: MMPPP, subsequent to review and issuance by the local contract policy office.

(c) DLAD coverage for a local clause which has been approved as a permanent deviation will include the prescription for the use of the clause, the title of the clause, the date of the clause, and the local FAR system number of the clause. Editorial changes to the local clause may be made locally. A copy of the revised clause shall be forwarded to MMPPP to update the DLAD. Any significant revision to the clause must be treated as a new deviation in accordance with 1.490.

(d) Clauses developed for local use are to be numbered in accordance with DFARS 252.101. Each activity's clauses are to be identified with a nine in the sixth position denoting an Agency or component clause and an alpha symbol in the seventh position. The alpha symbol for each activity is identified as follows:

| | | |
|-------------|-------------|-------------|
| DSCC - 9C00 | DISC - 9I00 | DDRE - 9M00 |
| DPSC - 9P00 | DDRW - 9W00 | DFSC - 9F00 |
| DRMS - 9R00 | DNSC - 9N00 | DSCR - 9G00 |
| DASC - 9A00 | | |

(e) One-time use clauses do not have to be numbered, but must be identified in accordance with FAR 52.103 by title, date, and name of organization that developed them.

(f) DLA clauses codified in the Code of Federal Regulations are to be numbered using the prefix of 54.

1.304 Agency control and compliance procedures.

(4) The plan required by DFARS 201.304(4) is **comprised of** 1.301-91, 1.403 and 1.404, **as well as this section.**

(90) The Defense Supply Centers and DRMS are precluded from adopting any new, or continuing to use any old, clause or provision, including any quality assurance provision or other contractual requirements language, that includes any nonstatutory certification without prior review and approval by the Director, Defense Procurement. Any local certification requirement considered to be mandated by statute that is currently in use or proposed for use must be submitted to HQ DLA, attn: MMP, for forwarding to DDP.

1.390 DLAD.

(a) Contents. This directive contains all Departmental policies, procedures, and instructions relating to acquisition of supplies and services within DLA, except those contained in the FAR, DFARS, DLA manuals, DLA handbooks, or other DLA regulations.

(b) Procurement letters. Numbered procurement letters (PROCLTRs) are issued by the Executive Director, Procurement **Management**, to provide information and procedural guidance to DLA contracting personnel, to emphasize existing policy, or to transmit new or changed policy promulgated by OSD or higher authority. PROCLTRs shall expire no later than 1 year from date of issue. PROCLTRs are distributed to DLA contracting offices and within Headquarters, DLA. The PROCLTR Distribution List is maintained by MMPPP.

(c) Multiple address letters. Unnumbered multiple address letters will be issued for one-time requests for comments or reports, announcements of procurement conferences and other meetings. No implementation beyond the action requested is contemplated.

SUBPART 1.4 - DEVIATIONS FROM THE FAR

1.403 Individual deviations.

(a) Except for individual deviations to the coverage listed in DFARS 201.402(1)(i), deviations from FAR, DFARS, a Department of Defense Directive, or the DLAD which affect only one contract or transaction, may be made only after approval by the Executive Director, Procurement **Management**.

(b) Requests for deviations to the coverage listed in DFARS 201.402(1)(i) (A) through (E) shall be submitted to HQ DLA, ATTN: MMPPP, for submission by the Executive Director, Procurement **Management**, to the DAR Council Director for approval by the Director, Defense Procurement.

1.404 Class deviations.

(a) Requests for class deviations shall be submitted to HQ DLA, ATTN: MMPPP, for submission by the Executive Director, Procurement **Management**, to **the Deputy Director (Acquisition) for approval, or** to the DAR Council Director for approval by the Director, Defense Procurement.

(b) Title 10 U.S.C. 2404(a) and (b) provide special authority to the Secretary of Defense for deviation from contractual requirements when petroleum market conditions are expected to adversely affect or have already adversely affected DoD's ability to acquire petroleum products.

DoDI 4220.8, Petroleum Acquisition Under Title 10, U.S.C., Section 2404 and DLAD 4220.5, Petroleum Acquisition Under Title 10, U.S.C., Section 2404 provide specific procedures for use of this authority.

(90) All class deviations for the FAR, DFARS, and DLAD which are required for longer than three years will be incorporated in the DLAD.

1.490 Submission of requests for deviations.

(a) Requests for authority to deviate from the provisions of the FAR or the DFARS shall be submitted to HQ DLA, ATTN: MMPPP. Submittals shall be formatted in accordance with the guidance at 90.702. Requests for authority to deviate from the provisions of the DLAD shall be submitted in the form of a letter signed by the chief of the contracting office and be in the format of I. Problem, II. Recommendation, and III. Discussion. The deviation request shall include a statement that the request has been reviewed and concurred in by local counsel. Pertinent comments by local counsel should be forwarded with the request.

(i) Requests for new deviations which will be needed beyond the normal three year expiration period should be submitted to HQ DLA, ATTN: MMPPP, as permanent deviations to be incorporated into the DLAD. The deviation request shall also include appropriate DLAD language.

(ii) Requests for extension of existing deviations should also be requested as permanent DLAD coverage unless superseding regulatory changes are in process.

(b) Requests for class deviations which have a significant cost or administrative impact upon contractors or offerors must be published in the Federal Register. See 1.501-2.

(i) Class deviations for which publication is required should be submitted to MMPPP in sufficient time to allow for a 60 day public comment period, resolution of public comments, review of the resolved comments by the DAR Council and approval by the Director, Defense Procurement.

(ii) If a paperwork reduction or regulatory flexibility analysis is required, additional time should be allowed for these analyses.

(c) For those class deviations which have originated in a DLA field activity and do not have significant cost or administrative impact upon contractors or offerors, the originator will initiate action for renewal or extension, when appropriate, at least 90 days prior to the expiration date.

1.491 Control of deviations.

A register shall be maintained by MMPPP of the deviations granted to the FAR, DFARS, and DLAD. Each deviation shall be recorded in the register and shall be assigned a control number (i.e., FARS DEV (FAR system deviation) YY-##). The control number shall be included in the document authorizing the deviation and shall be cited in all references to the deviation.

1.492 - Streamlined Solicitation for Defense Fuel Supply Center Contracts (DEVIATION)

Defense Fuel Supply Center (DFSC) is authorized to either eliminate or modify various clauses and provisions in buying petroleum, petroleum-related services, and coal. FAR and DFARS clauses/provisions eliminated or modified and DFSC clauses which have been modified are listed at 90.13.

1.493 National Performance Review (NPR) Reinvention Laboratory Deviation Authority.

(a) Contracting activities which have been designated as Reinvention Laboratories may grant individual or class deviations to the FAR, DFARS, or DLAD, where necessary to accomplish reinvention laboratory initiatives. This authority may be delegated by the HCA, without power of redelegation, to the chief of the contracting office. The Executive Director, Procurement **Management** has delegated this authority to the Commander of the Defense Reutilization and Marketing Service (DRMS) and the Administrator of the Defense National Stockpile Center (DNSC) without power of redelegation.

(b) This deviation authority does not apply to:

(i) Deviations which have a significant effect beyond internal operating procedures or; those which have a significant cost or administrative impact on contractors or offerors (see FAR 1.501).

(ii) Individual deviations at DFARS 201.402(1)(i) which require Director, Defense Procurement approval.

(iii) Requirements imposed by statute or that implement regulations or directives of other agencies.

(c) Reporting Requirement. A report covering all deviations exercised as a result of the Reinvention Laboratories initiative shall be forwarded to MMPPP 15 days after the end of each calendar quarter. Reports shall contain a brief description of any deviation exercised as a result of this authority including the FAR, DFARS, or DLAD citation, the action or class to which the deviation applies, and the goal which the deviation supports. The Executive Director Procurement **Management**, will consolidate and submit to the Director, Defense Procurement a quarterly report with a brief description of all deviations exercised in the last quarter.

SUBPART 1.5 - AGENCY AND PUBLIC PARTICIPATION

1.501 Solicitation of agency and public views.

1.501-2 Opportunity for public comments.

(b)(2) Contracting office comments on proposed rules published for public comment in the Federal Register shall be submitted to HQ DLA, ATTN: MMPPP. MMPPP will take appropriate action on such comments. Actions may include consideration in DAR Council Committee, submission to the DLA DAR Council Policy Member for resolution at the DAR Council, or consolidation of comments and submission directly to the FAR Secretariat or the DAR Council case manager.

(90) MMPPP will be the focal point for any Federal Register notices of proposed rules submitted by contracting offices requiring the public comment process. The appropriate contracting office will be responsible for the analysis of public comments and the preparation of a final rule. The final rule will be submitted to MMPPP for review and submission through the DAR Council to the Director, Defense Procurement.

1.590 Changes in contracting processes, techniques, or methods.

(a) General. Whenever a contracting office contemplates a significant change in a contracting process, technique, or method which may have a substantial impact on industry and/or the Government, the activity shall promptly notify HQ DLA, ATTN: MMPPP, of the contemplated change and the reasons for the change. This notification is necessary for HQ DLA to respond to any reactions from industry, the Congress, or the using Military Departments. In addition, HQ DLA has information which may not be available at the field level and can evaluate the significance of the proposed action to the Agency as a whole. Accordingly, it is essential that HQ DLA know what is contemplated before a significant change is publicized.

(b) Examples of significant changes. Examples of contemplated changes which are significant and which require notification to HQ DLA are (but not limited to) a change in--

(1) A longstanding inspection requirement or procedure;

(2) The method of providing and/or accounting for Government-provided property;

(3) A type of contract which constitutes a significant departure from the acquisition technique previously utilized;

(4) Solicitation techniques and the elements used in evaluation of offers;

(5) The region/area from which acquisition of an item has been previously accomplished;

- (6) The location of a contracting office; or
 - (7) Item specification which prompts a major change in manufacturing and/or processing techniques.
- (c) Data to support request. To determine the impact of a contemplated change in contracting method, requests for approval of a proposed change in a contracting method should contain the following information:
- (1) A description of the present and proposed contracting methods;
 - (2) A statement of the difficulties encountered in the use of the present method and/or the improvements foreseen as the result of a change;
 - (3) A statement as to the degree of impact of the change expected on industry and/or the Government; and
 - (4) A statement as to the net benefits accruing to the Government as a result of the change.

SUBPART 1.6 - CONTRACTING AUTHORITY AND RESPONSIBILITIES

1.601 General.

Authority conferred upon the Heads of contracting activities, Commanders of contracting offices or the chief of the contracting office under any paragraph of DLAD may be delegated with power of redelegation to other officials, except when specifically limited by law or the provisions of the pertinent DLAD paragraph. The chief of the contracting office will maintain a list of all delegations and promptly notify HQ, DLA, ATTN: **MMPPP**, of any changes.

1.601-90 Center Senior Procurement Official

(a) In order to minimize the risk attendant to the integration of the contracting function into multifunctional teams at the Inventory Control Points (ICPs), each Head of Contracting Activity (HCA) shall establish within the activity a position of Center Senior Procurement Official (CSPO). The CSPO shall be a strong, functionally independent procurement official. The position shall be a critical acquisition position at the civilian GM-15 or military O-6 level, and shall be filled by an individual who is certified at level III in the contracting career path under the Defense Acquisition Workforce Improvement Act (DAWIA). The CSPO shall be the "Chief of the Contracting Office" as defined in subpart 2.1.

(b) Responsibilities. The CSPO shall maintain oversight of the activity's procurement function and ensure the fundamental integrity of the activity's procurement system for and on behalf of the HCA. To accomplish this, the CSPO shall:

- (1) Have responsibility for the contract policy, pricing, and clearance and oversight functions.*
- (2) Serve as the Defense Supply Center's clearance authority (see 1.690-3(a)).*
- (3) Ensure that a review and approval channel consisting of DAWIA certified or certifiable GS-1102s or GS-1101s in the contracting career path, matrixed if necessary, is in place to provide review and approval of contracting actions specified by regulation. This review and approval channel shall also assist in the resolution of complex contracting issues that are elevated by contracting officers.*
- (4) Select, appoint, and terminate the appointment of contracting officers when such authority has been delegated to the chief of the contracting office in accordance with 1.603-1.*
- (5) Manage the activity's Contracting Officer Warrant Program (see 1.603-1(91)). The objective of this program is to ensure that only those officials who fully meet appropriate selection criteria are appointed and retained as contracting officers when an organizational need occurs.*

(6) Manage the activity's Contracting Officer Review Program (see 1.603-91).

(7) Ensure, on behalf of the HCA, that contracting officer annual performance evaluations are performed, reviewed or approved within their own career channels. The requirement that annual performance evaluations be performed, reviewed or approved by contracting career path 1101 or 1102 personnel is set forth in Under Secretary of Defense for Acquisition and Technology's letter dated June 2, 1993, subject: Functional Independence of Contracting Officers (popularly called "the Deutch memo"), forwarded to field activities by AQPLB letter, dated July 14, 1993, same subject.

(8) Ensure that contracting personnel, including those in developmental programs, obtain the mandatory training, education, and experience required by DoD 5000.52M to become certified at the appropriate levels.

(9) Assure that Defense Acquisition University (DAU) course quotas are requested in sufficient numbers to meet training requirements and that these quotas are used or returned in time for the Army Training Requirements and Resources System (ATRRS) to reallocate the spaces.

(10) Together with the HCA and the Center's Civilian Personnel Office, designate critical acquisition positions within the activity.

(11) Ensure waiver requests are processed through the HCA to the Agency's Acquisition Career Program Board (ACPB) in accordance with CAH letter dated November 10, 1994, subject: Waiver of Requirement to be a Member of the Defense Acquisition Corps. This letter states that "only persons who are members of the acquisition corps may serve in critical acquisition positions unless a waiver is obtained." The letter also provides the general criteria for a waiver request, i.e., "significant potential for advancement to levels of greater responsibility and authority -- based on demonstrated analytical and decision-making capabilities, job performance, and qualifying experience."

(12) Be the program manager for the activity's program of development for first line supervisors of multi-functional teams. The policy for this program is specified in AQP/MMS letter dated July 14, 1994, subject: Supervisory Development Programs in Commodity Business Units, Commodity Management Groups, and Like Organizations. Paragraph 5.d. of this letter establishes the requirement that "an employee residing at a senior contracting career level should be designated as program manager" for the Center's program for the development of first line supervisors of multi-functional organizations. This does not preclude the participation of personnel from other disciplines in this program.

(13) Develop a Contract Quality Management Plan that describes how integrity is preserved within the contracting function (see 1.601-91).

1.601-91 Contract Quality Management Plan.

(a) Each HCA shall be responsible for a Contract Quality Management Plan (CQMP). The purpose of the plan is to assure that each HCA has in place an effective management control plan for assuring contracting system controls and integrity and for continuous improvement of contract quality in all phases of the procurement process. The CSPO (see 1.601-90) shall develop the plan for and on behalf of the HCA.

(b) The CQMP shall address the following elements:

(1) A description of the procedures in place assuring that the CSPO has been assigned responsibility for the contract policy, pricing, and clearance and oversight functions (see 1.601-90(b)(1)).

(2) A description of how continuous contract quality improvement will be achieved utilizing the eight contract clearance standards at 1.690-4.

(3) A description of the contracting review and approval channel within the activity. This review and approval channel shall consist of

DAWIA certified or certifiable GS-1102s or 1101s in the contracting career path.

(4) A description of the activity's Contracting Officer Warrant Program (see 1.603-1(91)).

(5) A description of the activity's Contracting Officer Review Program (see 1.603-91).

(6) A description of how the activity complies with the requirement in the Under Secretary of Defense for Acquisition and Technology's memorandum of July 14, 1993, subject: Functional Independence of Contracting Officers, that requires contracting officer annual performance evaluations be performed, reviewed or approved by contracting career path 1101's or 1102's. The requirements of this memorandum may be satisfied at the appraising supervisor level, the reviewing supervisor level, or the approving official level.

(7) A description of how the CSPO ensures that activity contracting personnel, including those in a developmental program, attend mandatory DAWIA training courses and that they obtain the required education and experience.

(8) A description of how the activity's DAWIA certification process is managed.

(9) A description of how the activity's critical acquisition positions are determined and the procedures for processing a waiver request.

(10) A description of how the activity's program for developing a pool of talent for filling multi-functional supervisory vacancies is managed (see AQP/MMS letter dated July 14, 1994, subject: Supervisory Development Programs in Commodity Business Units, Commodity Management Groups, and Like Organizations).

(c) The CQMP and substantial revisions thereto shall be submitted by the HCA for approval by the Executive Director, Procurement Management. The plan shall be kept current.

1.602 Contracting officers.

1.602-1 Authority.

(a) Each appointing authority shall prepare and maintain a current listing of all of the activity's contracting officers and the limits of their authority. This list shall also include the name and location of any contracting officer assigned to an activity but physically located at other than the central activity. The listing shall be in the sample format at (b) below. A copy of this listing will be provided to HQ DLA, ATTN: **MMPPP**, annually at the beginning of each fiscal year.

(b) Sample format for listing of contracting officers:

| NAME | GRADE | DATE OF | | CANDIDATE | MEETS | INTERIM |
|------|-------|---------|--------|-------------|-------|-------------|
| | | CURRENT | DOLLAR | | | |
| | | WARRANT | LEVEL | (Yes or No) | | (Yes or No) |

1.602-2 Responsibilities.

(90) Contracting officers shall be bound in all their actions to exercise reasonable care, skill, and judgment.

(91) Contracting officers shall certify in writing annually that they have read DoD Inspector General Handbook entitled Indicators of Fraud in DoD Procurement.

1.602-3 Ratification of unauthorized commitments.

(b) Policy.

(3) Heads of contracting activities may delegate their ratification authority (FAR 1.602-3(b)(2)) for unauthorized commitments valued at or below the simplified acquisition threshold at FAR 13.101 to the Chief of the Contracting Office. The authority to ratify unauthorized commitments in excess of the simplified acquisition threshold may not be delegated. The Executive Director Procurement **Management**, has delegated the authority to ratify unauthorized commitments valued at or below the simplified acquisition threshold at FAR 13.101 to the Commander of the activities listed in (A) through (E) below, and to the Administrators of the activities listed at (F and G) below, without power of redelegation:

(A) Defense Contract Management Districts (DCMDs) and Defense Contract Management Command International (DCMCI).

(B) Defense Distribution Center (DDC).

(C) Defense Reutilization and Marketing Service (DRMS).

(D) Television - Audio Support Activity (T-ASA).

(E) Defense Automated Printing and Support Center (DAPSC).

(F) Defense National Stockpile Center (DNSC).

(4) Proposed ratification of unauthorized commitments valued in excess of the simplified acquisition threshold at FAR 13.101 from those activities in (A) through (G) above shall be forwarded by letter signed by the Commander or the Administrator, to HQ DLA, ATTN: MMPPP. Such referrals shall clearly document: (A) that the authority of FAR 1.602-3 exists and that ratification is within the limitations of FAR 1.602-3(c); (B) the circumstances surrounding the unauthorized commitment; and (C), as appropriate, a description of the corrective action taken to preclude such unauthorized commitments in the future.

1.602-90 Nonappropriated funds.

Appropriated fund contracting officers may act in an advisory capacity on nonappropriated fund contractual instruments. Appropriated fund contracting officers, however, shall not perform the duties of a contracting officer on any contractual instrument obligating only nonappropriated funds except when required by AR 215-4, Nonappropriated Fund Contracting. Contracting officers shall be separately warranted for contracting with nonappropriated funds.

1.603 Selection, appointment, and termination of appointment.

1.603-1 General.

The authority in FAR 1.603-1 for selection, appointment, and termination of appointment of contracting officers has been delegated by the Director, DLA to the DLA Heads of Contracting Activities (HCAs). This authority is delegable, without power of redelegation, at the DSCs, to the chief of the contracting office without power of redelegation. For the activities not designated as contracting activities (see DLAD 2.101), the Executive Director, Procurement **Management**, as HCA, has delegated this authority, without power of redelegation; to the Commander of those activities and to the Administrators, **DAPSC** and DNSC.

(90) Definitions.

"Appointing Authority" means any person delegated the authority to appoint contracting officers in accordance with 1.603-1 above.

"Warrant Limitations" are limitations, in addition to the DLAD, laws, Executive Orders, and other applicable regulations, which are imposed on the authority of contracting officers either by delegation or actions of the appointment authority. These limitations may include, but are not limited to, dollar obligation ceilings, interim appointment period, requirements for prior reviews by higher authority, or other approval requirements.

(91) The DLA Contracting Officer Warrant Program.

(a) As prescribed in FAR 1.603-1, DLA has established the DLA Contracting Officer Warrant Program for the selection, appointment, and termination of contracting officer warrants.

(b) The objective of this program is to ensure that only those officials who fully meet appropriate selection criteria are appointed and retained as contracting officers when an organizational need occurs.

1.603-2 Selection.

(90) Selection criteria for contracting officer appointments are listed in DFARS 201.603-2. Education and training requirements for warrants above this threshold are also set forth in DoD 5000.52M, Acquisition Career Development Program (November 1995); see especially Appendix M. There are no specific education or training requirements for contracting officers, other than those pertaining to the candidate's series and grade level, for warrants for simplified acquisitions above the micropurchase threshold but under the simplified acquisition threshold.

(a) Experience requirements and selection procedures:

(1) Candidates for simplified acquisition contracting officer warrants above \$2,500 shall have two years of recent experience in Government or commercial contracting, including 6 months experience applicable to the dollar threshold or nature of procurement actions for which the warrant will be issued.

(2) For Contracting Officer Warrants above the simplified acquisition threshold, candidates shall meet the following additional experience requirements:

(i) Warrants for up to a maximum of \$500,000: Three years of recent, progressively complex and responsible contracting and/or staff experience in Government or commercial contracting.

(ii) Warrants which exceed \$500,000: Four years of recent, progressively complex and responsible contracting and/or staff experience in Government or commercial contracting.

(3) Field buyers and Defense Subsistence Office Personnel placing calls against Blanket Purchase Agreements for fresh fruits and vegetables may be exempt from the above requirements. Appointing authorities may establish specialized selection criteria as appropriate for these two categories of warranted personnel.

(4) At the request of the supervisor, the candidate will prepare a Contracting Officer Warrant Program Selection Statement using the following format:

SAMPLE CONTRACTING OFFICER WARRANT PROGRAM SELECTION STATEMENT.

This format should be used by each contracting officer candidate when applying for a contracting officer's warrant:

1. NAME
2. TITLE, SERIES, GRADE
3. OFFICE
4. RELEVANT EXPERIENCE (Begin with current position and go back for a minimum of two years. Include up to four relevant positions.) Information on each position should include:

- A. NAME OF EMPLOYER
- B. DATES EMPLOYED
- C. TITLE OF POSITION
- D. KIND OF BUSINESS/ORGANIZATION
- E. DESCRIPTION OF WORK (Include quantity, complexity, type, and average dollar amount of documents obligated, if applicable.)

5. OTHER RELEVANT SPECIAL QUALIFICATIONS, CERTIFICATIONS, OR SKILLS
6. RELEVANT HONORS, AWARDS OR FELLOWSHIPS RECEIVED
7. EDUCATION:

- A. HIGHEST LEVEL COMPLETED
DIPLOMA RECEIVED: () YES () NO

- B. NAME OF COLLEGE/UNIVERSITY
 - (1) DATES ATTENDED
 - (2) NUMBER OF CREDITS COMPLETED (Indicate whether credits are semester or quarter hours.)
 - (3) TYPE AND YEAR OF DEGREE
 - (4) CHIEF UNDERGRADUATE COLLEGE SUBJECTS
 - (5) MAJOR FIELD OF STUDY AT HIGHEST LEVEL OF COLLEGE WORK

8. CONTRACTING RELATED TRAINING (See 1.603 -2 for training requirements):

| NAME OF COURSE ATTENDED | NAME OF SCHOOL | DATE |
|----------------------------|-------------------|------|
|----------------------------|-------------------|------|

(5) The supervisor will review this statement to determine the candidate's ability to perform the functions required to meet the organizational need.

1.603-3 Appointment.

(a) The supervisor will complete a Request for Appointment of a Contracting Officer (such as the sample below), justifying the validity of the organizational need and verifying the contracting officer candidate's compliance with selection criteria. The supervisor will sign the request and submit it through appropriate organizational channels to the appointing authority.

SAMPLE REQUEST FOR APPOINTMENT OF A CONTRACTING OFFICER.

The following findings and determinations are made pursuant to applicable law and regulation.

1. There is a clear and convincing need to appoint a contracting officer with the ability to perform at the _____ (dollar threshold) warrant level for the following reasons: (Include discussion of quantity, complexity, type, and average dollar amount of documents to be obligated).
2. Request the following contracting officer candidate be appointed a warrant with the above dollar limitation: (Name, Title, Series and Grade).
3. The contracting officer candidate will occupy the following organizational level: (Office/Branch/Division).
4. The candidate's Contracting Officer Warrant Program Selection Statement stating the candidate's background is enclosed. For the limits set forth above: (Check as applicable.)

_____ The candidate meets the selection criteria.

_____ This candidate does not meet the minimum criteria in (experience, education and/or training), namely; (Indicate deficiency)_____

_____ An interim appointment for the period of _____ is requested because _____ (Include rationale/justification needed to issue warrant despite failure to meet qualification criteria.) These experience and/or training needs will be identified in the candidate's individual development plan and must be completed by_____.

5. In addition to the limitations imposed by the Defense Logistics Acquisition Directive, the DoD FAR Supplement, the FAR, laws, Executive Orders, and other applicable regulations, the following additional warrant limitations are imposed:

Dollar threshold: _____
Other limitations: _____

6. The candidate's current conflict of interest disclosure statement, **OGE Form 450, "Executive Branch Confidential Financial Disclosure Report"**, as required by DLAD 5500.1, Standards of Conduct, is on file with the appropriate standards of conduct counselor. The above findings and determinations are made pursuant to applicable law and regulations:

SUPERVISOR:
.....

(Signature of Supervisor of the Candidate/Date)
(Typed Name, Title, Office)

APPROVED:
(Appointing Authority/Date)
(Typed Name, Title, Office)

(b) The appointing authority will review candidate applications and appoint Contracting Officers. If additional information is required by the appointing authority, the document will be returned with a request for further explanation or supporting data. The appointing authority shall determine the validity of the need, whether the candidate meets applicable selection criteria, and what warrant limitations should be applied. In the event that the appointing authority determines that there is not an organizational need for a contracting officer, the candidate will be notified of this decision.

(c) The appointing authority may have the candidate appear before a Contracting Officer Review Board as described in 1.603-92(b).

(d) The completed Request for Appointment of a Contracting Officer is subject to the Privacy Act of 1976 and shall be maintained in a secure location deemed appropriate by the appointing authority.

(e) Personnel shall not ordinarily be appointed as contracting officers if they do not meet the applicable selection criteria (see DFARS 201.603-2). If a candidate does not meet the selection criteria, an interim appointment may be granted. The appointing authority shall consider experience and past performance when making an interim appointment. Interim appointments shall normally be limited to dollar obligations at or below the simplified acquisition threshold in FAR Part 13. The appointing authority will require that all training or experience requirements will be met within 18 months. Failure to successfully fulfill the training requirements within that timeframe will result in loss of the warrant or issuance of another interim warrant, whichever is deemed necessary. If no appointment is granted, the candidate will be provided with a written explanation of the reasons.

(f) Appointments will be documented and copies filed as prescribed at FAR 1.603-3. Each SF 1402, Certificate of Appointment, shall be serially numbered by each DLA appointing authority. The SF 1402 will contain any warrant limitations, including limitations on the period of appointment. The original Certificate of Appointment shall be provided to the appointed contracting officer and retained at the contracting officer's duty station.

(g) Changes, either increasing or decreasing the warrant limitations of a contracting officer, shall be made solely at the discretion of the appointing authority. When an appointing authority determines to make such changes, a new Certificate of Appointment shall be issued based upon an updated selection statement and request for appointment.

1.603-90 Ordering Officers.

Contracting Officers, by virtue of their warrant, are authorized to designate qualified individuals as ordering officers. Such designations must be in writing. Limitations on the authority of the ordering officer shall be stated in the contract or in the letter of appointment. Ordering officers may place orders under contracts such as indefinite delivery contracts or Federal Supply Schedules and calls under blanket purchase agreements. Contracting officers shall assure that ordering officers are familiar with DoD contract reporting requirements and shall comply with the DoD contract reporting requirements for such actions.

1.603-91 Micro-purchase contracting authority.

(a) Individuals authorized to make micro-purchases shall be so designated, in writing, and, except for individuals authorized to only make such purchases with the government commercial purchase card, are required to complete the Defense Small Purchase Course.

(b) Issuance of a government-wide commercial purchase card constitutes authority to make micro-purchases (see FAR 1.603-3(b)). This procurement authority is issued under the procedures of the DLA Credit Card Instruction, DLAI 4105.3 and is not subject to the limitation on delegation

of authority for selection, appointment, or termination at 1.603 -1 or the contracting officer review program at 1.603 -92.

1.603-92 Contracting Officer Review Program.

(a) Each appointing authority will establish a Contracting Officer Warrant Review Program consisting of the following:

(1) An annual assessment of the organizational need for Contracting Officer appointments.

(2) Appointment of a Contracting Officer Review Board to accomplish the following:

(i) Review and approve initial Contracting Officer appointment procedures.

(ii) Once every three years conduct reviews of each Contracting Officer appointment as described below:

(A) An evaluation of the contracting officer's work products to include a cumulative assessment of the results of preaward and postaward reviews of contract actions by the activity contract review personnel.

(B) An examination of the contracting officer's Individual Development Plan to include completion of mandatory training courses for the level of warrant held, on-the-job training, and required college degree or 24 semester hours of business related study, unless exempted based upon criteria set forth in DFARS 201.603-2(2).

(C) A review of the contracting officer's professional competency which may include an appearance before the Contracting Officer Review Board to demonstrate that the contracting officer possesses the required knowledge of contracting officer authority and responsibility, the role of a contracting officer, activity/agency contracting procedures, decision making skills, and ethics.

(iii) Place written documentation of the results of the triannual review in the contracting officer's appointment file.

(b) The Contracting Officer Review Board will be composed of PLFA contracting personnel who have held contracting officer warrants from the following offices (or equivalent): Director or Deputy Director of Contracting, Plans, Policy and Systems Office, Business Review Office, and a senior contracting officer from a contracting team. Board results will be recorded and placed in the appointment file.

1.603-93 Selection, appointment, evaluation, and termination of appointment of contracting officers' representatives, and contracting officers' technical representatives.

(a) Designation and training. The selection, appointment, evaluation, and termination of appointment of contracting officers' representatives (CORs) and contracting officers' technical representatives (COTRs) shall be made by the contracting officer. Such appointments shall take into consideration the ability, training, and experience of COR/COTR designees and shall assure that designees are appropriately qualified to act as authorized representatives of the contracting officer. All CORs/COTRs should complete the computer based training or equivalent prior to being issued a letter of appointment (see DLAD 90.602-3). The COR/COTR designations shall be in writing and shall define the scope and limitations of the authorized representative's authority. Appointment shall be made by letter substantially in the form set forth in (d) below. Unless the appointment of a COR/COTR contains other provisions for automatic termination, the appointment shall be effective, unless sooner revoked, until the COR/COTR is reassigned or the individual's employment is terminated. Revocation of a COR/COTR appointment may be effected at any time by the appointment authority, or higher authority, or any successor to either. Revocation shall be made by letter substantially as shown in (e) below.

(b) Authority. CORs/COTRs are responsible to the contracting officer for those actions delegated by the contracting officer as specifically addressed in the letter of appointment. Compliance with DoD Directive 5500.7, Standards of Conduct, as implemented by DLAD 5500.1, Standards of

Conduct, shall be maintained. Specific guidance for CORs/COTRs is provided in Subpart 90.6. Guidance concerning contracting officer's representatives for provisioning is addressed at 17.7690.

(c) Evaluation and Documentation. Supplementing the normal monitoring of the COR/COTR by the contracting officer, the contracting officer shall maintain an activity file on each COR/COTR as a part of the contract file. The purpose of this file is to record and maintain the results of reviews conducted annually by the contracting officer of the COR's/COTR's contract related activities. The contracting officer shall annually evaluate and document the performance of the COR/COTR and provide a copy of this evaluation to the COR's/COTR's organizational head. If the contract performance period is less than 1 year, this evaluation shall be conducted prior to contract closeout. The contents of the activity file shall include, but are not limited to:

(1) A copy of the COR's/COTR's letter of appointment.

(2) Examples of indepth reviews of the COR's/COTR's performance with appropriate identification of the work performed, as well as the formal COR/ COTR evaluation required by 1.603-93(c).

(3) Documentation by the contracting officer of the date, substance, and extent of the reviews conducted.

(d) Sample letter of appointment.

SUBJECT: Appointment as (Contracting Officer's Representative)
(Contracting Officer's Technical Representative) for Contract Number

TO: (Address to individual, indicating rank or grade, branch, division, activity, and location.)

1. Under the authority vested in me by my warrant dated _____, and pursuant to paragraph 1.603-93 of the Defense Logistics Acquisition Directive (DLAD 4105.1), you are hereby designated (contracting officer's representative)/(contracting officer's technical representative) with authority conferred by the contracting officer.

2. Areas of responsibility of the COR/COTR during contract performance may include (but are not all-inclusive) as follows:

a. Monitor the contractor's performance to assure compliance with technical requirements of the contract.

b. Review and approve progress and financial reports, and other items required for approval. Notify the contracting officer if reports or other items submitted are to be rejected.

c. Notify the contracting officer if performance is not proceeding satisfactorily or if problems are anticipated.

d. Advise the contractor to submit requests for changes in writing to the contracting officer, indicating the effect the change will have on the contract terms and conditions.

e. Assure that changes in work under a contract are not implemented before written authorization or a contract modification is issued by the contracting officer.

f. Keep the contracting officer informed of communication with the contractor in order to prevent possible misunderstandings or situations that could become a basis for future claims against the Government.

3. The scope of your authority is subject to the following limitations. You are not authorized to:

a. Alter the contract in any way, either directly or by implication.

b. Issue instructions to the contractor to stop or start work.

c. Order or accept goods or services not expressly required by the contract.

d. Render a decision under the Disputes clause.

e. Authorize delivery or disposition of Government property not authorized by the contract.

f. Discuss acquisition plans or provide any advance information that might give one contractor an advantage over another contractor in forthcoming procurements.

g. (Specify any other limitations on the COR's/COTR's authority.)

4. This letter of appointment shall be in full force and effect until revoked by me or my successor in the same manner as it is hereby granted, or upon your transfer from the (branch, division, activity, and location).

DATE

/S/CONTRACTING OFFICER

(e) Sample letter for terminating appointment.

SUBJECT: Termination of Appointment as (Contracting Officer's Representative) (Contracting Officer's Technical Representative) for Contract Number _____.

TO: (Address to individual, indicating rank or grade, branch, division, activity, and location.)

Your appointment as (Contracting Officer's Representative)/(Contracting Officer's Technical Representative) contained in letter of appointment dated _____ is hereby terminated effective _____.

DATE

/S/CONTRACTING OFFICER

1.690 Contract clearance and oversight process.

1.690-1 General.

(a) Scope and applicability. The requirements of this section apply to the Defense Supply Centers and contracting offices listed in DFARS 202.1 and 2.101 of this directive.

1.690-2 Policy.

(a) The Executive Director, Procurement **Management**, establishes and maintains the contracting clearance and oversight process as a system of internal controls and as a basis for certification of the procurement system required by Executive Order 12352.

(b) Heads of contracting activities are to provide an effective management system that assures the procurement system provides goods and services with reasonable prices, timely delivery, and required quality and that it meets the statutory, regulatory, and program needs of the Agency. A contract clearance and oversight process shall be instituted which provides oversight to monitor all phases of the procurement system. The clearance and oversight process is to ensure an effective program for monitoring, evaluating, documenting, and improving the quality of the procurement system's performance. Clearance procedures are to provide for contracting supervisory review of negotiated procurements as well as independent reviews. Contracts are to be reviewed at a level appropriate to their complexity, risk, priority, and dollar value. The clearance and oversight process will embrace five key concepts: strengthening PCO ownership of the procurement process, placing accountability and responsibility at the appropriate level, enhancing professional development, streamlining the review and approval process, and focusing on process improvements.

(c) The Contract Clearance and Oversight Office (formerly the Contract Review Office) at the Defense Supply Centers (see 2.101), organized in conformance with DLAM 5810.1, is the focal point for contracting oversight. Review criteria are established by the chief of the contracting office. The establishment and/or subsequent revision of review criteria will be coordinated with the Executive Director, Procurement **Management**, prior to incorporation in local regulations. At all other DLA activities, the chief

of the contracting office will be the focal point for oversight. For those activities with no review office, a contract review board process will be employed to review selected acquisitions.

(d) Contracting officers shall review every proposed contract (FAR 2.101) and supporting file before signing the contract and before forwarding the file for review by higher authority, if required. Documentation shall be in sufficient detail to permit reconstruction of all significant actions by a reviewer without referral to the individuals who effected the acquisition. The contracting officer is responsible for the quality of the contracting arrangement.

1.690-3 Establishment of clearance approval authority.

(a) Clearance authority at the Defense Supply Centers is established in the chief of the contracting office (see 2.101).

(b) The Executive Director, Procurement **Management** (and/or the Assistant Executive Director, Procurement **Management** (Policy and Oversight) or designee)) reserves the right to review and approve any action at any critical stage when called for. Selected acquisitions will be briefed by the contracting officer to the Executive Director, Procurement **Management** and the Assistant Executive Director, Procurement **Management** (Policy and Oversight) at HQ DLA, as directed. Documentation reviews will be prepared in accordance with 1.690-7.

(c) All proposed solicitations and contracts to be executed under the authority of FAR 6.302-3, (for DPSC, only those actions in excess of \$10,000,000) and all letter contract definitizations exceeding \$500,000 for the Defense Supply Centers (for other contracting offices, see Table 1 -1 and 1.690-6(g)), are subject to HQ DLA review and approval pursuant to 1.690-7.

1.690-4 Contract clearance standards.

In accordance with 1.690-2 the following standards will be employed in the operation of a clearance and oversight process:

(a) Oversight is to focus on improvement in all phases of the contracting process.

(b) Reviews will be random, based on risk, complexity, experience and quality considerations.

(c) Procedures are to be in place to identify the need for review at any critical stage of an acquisition, including using solicitation, prenegotiation, preaward, and postaward reviews.

(d) The oversight process is to identify problems early in the acquisition cycle.

(e) Oversight is to be increased/decreased based upon proficiency, quality, and business considerations.

(f) Line elements are to participate in developing initiatives/plans to assure contracting quality, accountability, and the integrity of the procurement system. The chief of the contracting office will determine the level of oversight required based on the soundness of the initiatives/plans, and shall monitor the contracting process through an established review process.

(g) The clearance and oversight process requires a feedback system which provides timely information to all organizational levels. Feedback should address strengths, weaknesses, and significant findings, and provide techniques to ensure overall process improvement and accountability. Management is to determine the adequacy of initiatives taken to resolve quality issues identified through the feedback system.

(h) All contracting officers shall have their procurements reviewed periodically under a system of process improvement and to enhance accountability.

1.690-5 Types of actions requiring contract clearance.

(a) The chief of the contracting office at each Defense Supply Center (see 2.101) shall establish criteria for the review and approval of the following actions pursuant to 1.690-2:

- (1) Other than fixed price;
- (2) Formal source selection procedures;
- (3) Other than full and open competition;
- (4) Authorizing award of unpriced actions, and/or subsequent definitizations (see 1.690-3(c));
- (5) Advisory and assistance services;
- (6) Major programs;
- (7) Sole bids/offers;
- (8) ADP goods and services;
- (9) Awards to other than the low price;
- (10) High dollar acquisitions;
- (11) Simplified acquisitions;
- (12) Solicitations;
- (13) Negotiated actions;
- (14) Options not priced/evaluated at time of award;
- (15) Modifications;
- (16) Unilateral price determinations.

(b) For activities where the Executive Director, Procurement **Management** exercises the function of head of the contracting activity, see table 1-1 and 1.690-6.

1.690-6 Contracts/actions requiring HQ DLA clearance.

(a) General. For those activities (Table 1-1) for which the Executive Director, Procurement **Management** is the head of the contracting activity (HCA), the actions listed below require the review and approval of the Executive Director, Procurement Management/Assistant Executive Director, Policy and Oversight, or other DLA official so delegated. Any action submitted, including those under 1.690-3(b) and (c), shall be accompanied by two copies of DLA Form 677, Request for Review and Approval of Contract/Solicitation Action, signed by the chief of the contracting office. For review purposes, the dollar amount of a contract action shall be either the proposed high objective, maximum estimated, or actual amount of obligation, and shall include the amount of any option whether or not evaluated or exercised at time of award. The amount of any subsequent set-aside quantities to be awarded should not be included in the total dollar value. Actions listed below will be selected pursuant to 1.690-3(b) and (c), and 1.690-7(a).

(b) Presolicitation. Review and approval prior to issuance (see 1.690-7(c)).

- (1) Formal source selection (FAR 15.612);
- (2) Two step sealed bidding;
- (3) Contractor versus Government performance (OMB Circular No. A -76, FAR 7.3);
- (4) Acquisitions issued under authority of FAR 6.302-3, industrial mobilization; or engineering, developmental or research capability.

(c) Prenegotiation/sole bid. Review and approval prior to discussions. (See 1.690-7(d))

(1) All actions other than firm fixed-price or fixed-price with economic price adjustment.

(2) All actions resulting from an invitation for bids when award is proposed to a sole responsive, responsible bidder, and the total dollar amount exceeds that listed in Table 1-1 for the activity concerned.

(3) All actions, including priced orders issued under basic ordering agreements, resulting in receipt of a sole offer in response to a request for proposals in excess of the amount set forth in Table 1-1 for the activity concerned.

(4) All actions (excluding those covering the set -aside portion of a small business or labor surplus area set -aside) resulting in receipt of more than one offer in response to a request for proposal in excess of the amount set forth in Table 1-1 for the activity concerned.

(5) Each exercise of an option, when the option was not evaluated at time of award of the basic contract, in excess of the amount set forth in Table 1-1 for the activity concerned.

(6) Definitization of letter contracts or other undefinitized contractual actions approved in accordance with subparagraph (g) below.

(d) Preaward. During each fiscal year, each activity listed under Table 1-1 shall notify HQ DLA, MMPPB of the first three construction contracts (FAR 36.102) which exceed the amount in Table 1-1 Construction Threshold which require preaward review and approval in accordance with the procedures at 1.690-7(a) and (g).

(e) Postaward. All DLA contracts are eligible for a postaward review by HQ DLA in accordance with the procedures at 1.690-7(g). The Chief, Business and Management Oversight Team (MMPPB), may identify and request files subject to postaward review.

(f) Exclusions. Excluded from review are:

(1) Orders placed against requirements contracts of other DoD activities and other Federal agencies, orders placed against GSA schedule contracts, contracts with the National Industries for the Blind and the National Industries for the Severely Handicapped.

(2) Contracts negotiated with the Small Business Administration (SBA) pursuant to section 8(a) of the Small Business Act.

(3) Orders issued under indefinite delivery contracts or DLA multiple award schedules, where the basic contract was reviewed by HQ DLA, or where the basic contract was awarded under sealed bid procedures and the award was based on adequate price competition.

(4) Mandatory acceptance orders issued under 12.303-90(a)(6).

(5) Repurchases against any contract terminated for default.

(g) Letter contracts/other undefinitized contractual actions. Approval is required prior to award of a letter contract or other undefinitized contractual instrument when the resulting definitive contract is expected to exceed \$500,000, or the applicable criteria in Table 1-1 for the activity concerned, whichever is less. After review by the local clearance authority, the letter requesting approval shall be submitted to HQ DLA, ATTN: MMPPB. A copy of any modification issued for an action previously approved in accordance with this subparagraph shall be forwarded to HQ DLA, ATTN: MMPPB, when the modification affects the:

(1) Unit price or total price ceiling for the definitized action;

(2) Limit of the Government's liability;

(3) Definitization date; or

(4) Progress or provisional payments, as initially proposed. See 16.603-90 regarding procedural requirements for approval to award a letter contract or unpriced basic ordering agreement (BOA) order, respectively.

1.690-7 Notification, review and approval procedures.

(a) Notification. Written notification of the actions which are within three days of being forwarded for review pursuant to 1.690-3(b) and (c), and 1.690-6 should be provided to MMPPB by facsimile transmission. The notification should identify the solicitation or contract number, type of contract, item or service, estimated value, number of offers received, the requirement for and/or exception from the requirement for certified cost or pricing data and the date the review package is to be transmitted to MMPPB. MMPPB will advise by telephone within one workday which of the identified actions are to be forwarded to MMPPB for review. **Prospective suppliers/contractors shall not be advised that potential awards are to be or have been forwarded to HQ DLA for contract clearance and oversight.** Those actions not selected for review need not be forwarded, nor is the PNM required to be submitted unless called for on a postaward basis pursuant to 1.690-6(e).

(b) Local review. A local review is required (clearance and oversight office/review board pursuant to 1.690-2(c)) prior to submitting any contract action to HQ DLA for review and approval. A copy of the review results and the contracting officer's disposition of issues shall be a part of the file package sent to MMPPB.

(c) Presolicitation. Actions requiring HQ DLA presolicitation review and approval under 1.690-3(c) and 1.690-6 shall be submitted to MMPPB solicitation release date. Documentation shall include, as a minimum, copies of the solicitation and all amendments, the source selection plan, evaluation factors, evaluation standards, and acquisition plan. Files are to be forwarded using DLA Form 677.

(d) Prenegotiation, sole bid/offer and options.

(1) Review and approval of sole bids and options under 1.690-6 requires submission of DLA Form 677 and duplicate originals of documentation supporting the contracting officer's determination pursuant to **14.408-2** or 17.207 to MMPPB.

(2) Review and approval of prenegotiation briefing memoranda (PBM) under 1.690-3(c) and 1.690-6 requires submission of DLA Forms 677, the documents (duplicate originals) to be sent to MMPPB.

(i) Copy of the complete solicitation and all amendments. These may be mailed in advance of the actual request for review, and should be identified to the review package to follow.

(ii) Copy of any cost/price element reports, including all field pricing support reports (FAR 15.805-5) and supplements.

(iii) If cost or pricing data are submitted and cost/price realism or cost analysis is performed, a comparative schedule, by cost element, showing:

(A) The proposed costs and profit;

(B) Audit recommended costs;

(C) Administrative Contracting Officer (ACO) pricing report recommended position;

(D) Activity cost/price element position;

(E) Weighted guidelines profit analysis calculations with cost of money calculations and form, if applicable;

(F) The contracting officer's established objectives;

(G) Reference notes to the PBM and/or pricing report sections which support elements of cost and profit/fee for each objective.

(iv) If offers are received from two or more offerors and award is to be effected as a result of receipt of adequate price competition the PBM shall contain:

(A) The contracting officer's determination and supporting information as to why acceptance of the initial offer is in the best interest of the Government, considering the potential for price reduction, or other considerations, if discussions were conducted, or;

(B) If discussions are to be conducted, the contracting officer's rationale for establishing the competitive range, the offered prices, and the expected benefits and objectives to be achieved at the conclusion of discussions.

(v) If the offered price is based on established catalog or market prices of commercial items sold in substantial quantities to the general public, provide:

(A) The offeror's documentation (request for exemption from submission of cost or pricing data, copies of catalog pages, price lists or posted prices, etc.) supporting exemption.

(B) A statement in the PBM regarding the contracting officer's verification of the data, and rationale for granting the exemption.

(C) The contracting officer's price analysis documentation supporting price reasonableness, including any field pricing reports, as cited in subparagraph (d)(2)(ii) above.

(vi) Other documentation as may be necessary and called for by MMPPB to complete the review.

(e) Previous reviews. If an action was previously reviewed by MMPPB pursuant to 1.690-3 or 1.690-6(b) or other HQ DLA element such as that required by 7.104-90, Acquisition Planning Executive Council (APEC), the PBM shall document compliance with any review comments or conditions issued as part of the previous review.

(f) Significant changes.

(1) Significant changes to the Government objectives submitted in accordance with 1.690-6(c)(4) (receipt of more than one offer) will not significant changes to all other approved objectives will require price negotiation memorandum (PNM) preaward approval by HQ DLA. Significant changes are defined as those which exceed the maximum price objective reviewed by HQ DLA by 10 percent or \$50,000, whichever is less, or those which meet the provisions of FAR 15.606(b)(4) and (c)(changed requirements). A significant change also includes the situation where competition was initially received, but a sole offer ultimately resulted. For all other actions subject to HQ DLA approval in accordance with 1.690-6(c) a copy of the PNM and all addenda shall be submitted to MMPPB within 30 calendar days after completion of discussions. The contracting officer's compliance with previous headquarters conditions shall accompany or be documented in the PNM.

(2) Contract actions meeting the approved PBM objectives do not require further HQ DLA review or approval prior to award, unless otherwise directed on a specific action, or as required by subparagraph (f)(1) above.

(g) Preaward and postaward review. Unless otherwise directed, a complete contract file (including item/service specification or description) shall be submitted for those subject to review and approval in accordance with 1.690-6(d) and (e). Files shall be forwarded using DLA Form 677. Files shall be tabbed, assembled, and listed in accordance with DLA Form 678, Contract File Content List. A HQ DLA retain file shall be forwarded to include copies of all documentation contained at tabs: 3, 4, 5, 14, 20, 21, 22, 23, 24, 25, 29, 39, and 43 of the DLA Form 678, Contract Contents File Checklist.

1.690-8 Waiver of HQ DLA Review

(a) If extraordinary circumstances require immediate award of any contract action under this subpart, the chief of the contracting office may request a waiver of HQ DLA review and approval subsequent to selection under 1.690-7(a). DLA Form 1694, Request for Waiver of Preaward Contract Review and Approval, shall be transmitted to MMPPB. Granting a waiver does not constitute approval of the action or any deviations from applicable laws and regulations.

TABLE 1-1

Contract Review Thresholds

Amounts set forth below are the thresholds for the activity listed under the applicable subparagraphs of DLAD 1.690-6.

| ACTIVITY: | DCMDs/ DASC-C | DDRE | DDRW | DRMS | DNSC | DCMCI |
|---------------|------------------|-----------|-----------|-------------|-------------|------------------|
| Sole Bid: | \$100,000 | \$200,000 | \$200,000 | \$100,000 | \$100,000 | \$100,000 |
| Sole Offer: | \$2,000,000 | \$200,000 | \$200,000 | \$500,000 | \$500,000 | \$100,000 |
| All Other | | | | | | |
| Negotiated: | \$3,000,000 | \$200,000 | \$200,000 | \$5,000,000 | \$1,000,000 | \$100,000 |
| Options: | \$3,000,000 | \$200,000 | \$200,000 | \$5,000,000 | \$1,000,000 | \$100,000 |
| Construction: | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$100,000 |

1.691 Legal review.

(a) Legal advice and assistance of assigned legal counsel shall be obtained: in the preparation of clauses other than standard clauses which are to be contained in solicitations; prior to taking action to resolve any instance of defective cost or pricing data or false claim reported by the General Accounting Office (GAO), Department of Defense, Inspector General (DoD IG), or Defense Contract Audit Agency (DCAA); and on any questionable legal areas in the preparation and/or execution of contractual documents.

(b) Contracting activities within the DLA shall issue instructions on the legal review of solicitations and contractual documents issued by their activities.

(c) Those contracting offices listed at 2.101, "contracting activity," shall ensure that legal review is accomplished on all solicitations and contractual documents in excess of \$100,000.

1.692 Confirmation of quantity and technical requirements.

(a) Prior to solicitation of repetitively single/sole source purchases in excess of \$100,000, the contracting officer shall consider requesting review of all technical data by the responsible Specification Preparing Activity/Engineering Support Activity. Such a review should be requested if the contracting officer believes it is necessary in order to assure that the data is current, potential sources are identified, and lengthy, complex, or expensive testing requirements are eliminated to the extent practicable (i.e., qualified products list (QPL), First Article requirements). The contracting officer shall also ensure that consideration has been given to other actions that may encourage competition, i.e., Government furnished tooling, alternate contract type, provisions for economical production quantities.

(b) Immediately prior to the award of any supply contract (other than an indefinite delivery contract) in excess of \$500,000 or for mobilization requirements, the contracting officer shall confirm that the quantities are still required and that the technical requirements are still current. "Immediately prior to award" means that point in time when all required approvals have been obtained and the contract is ready for release to the contractor. Confirmation of quantity and technical requirements for Military Interdepartmental Purchase Requests (MIPRs) shall be obtained verbally from the MIPR Liaison/Coordinator or item manager levels of the requiring departments. Appropriate documentation shall be included in the contract file. Contracting offices are encouraged to establish similar procedures for significant awards below \$500,000 as may be appropriate for their types of contract actions.

SUBPART 1.7 - DETERMINATIONS AND FINDINGS

1.703 Class determinations and findings.

(b) Class determinations and findings (CDF) may not be extended beyond their effective periods. When a CDF is required for an additional period, a new CDF shall be executed. New requests

shall set forth a summary of the acquisitions completed under the earlier CDF, as well as acquisitions contemplated under the new request.

(c) Heads of contracting activities shall periodically review effective CDFs to assure that they are still needed.

SUBPART 1.9 - ADMINISTRATION OF DLAD

1.900 Administration and explanation.

The administration and explanation of the DLAD is the responsibility of the Executive Director, Procurement **Management**.