



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FORT BELVOIR, VIRGINIA 22060-6221

J-33
IN REPLY REFER TO PROCLTR 04-02

FEB 06 2004

MEMORANDUM FOR PROCLTR DISTRIBUTION LIST

SUBJECT: Interim Guidance for Implementation of Special Emergency Procurement Authority (SEPA) under the Fiscal Year 2004 Defense Authorization Act

The purpose of this PROCLTR is to provide interim guidance regarding SEPA, which became effective on November 24, 2003. Section 1443 of the Defense Authorization Act of 2004 provides continuing authorities for acquisitions of property or services by or for an executive agency that are to be used in support of a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack. Please note that Federal Acquisition Regulation (FAR) implementation is forthcoming. However, until FAR guidance is issued, the following guidance applies.

The authority may be used in conjunction with any requirement for which the requirer has provided written documentation that the acquisition has a clear and direct relationship in support of a contingency operation or defense against or recovery from nuclear, biological, chemical or radiological attack against the United States. Under this authority, the following thresholds are in effect for eligible requirements:

- a. The micropurchase threshold is \$15,000.
- b. The Simplified Acquisition Threshold (SAT) is \$250,000 for acquisitions awarded and performed within the U.S.
- c. The SAT threshold is \$500,000 for acquisitions awarded and performed outside the U.S.
- d. The threshold for commercial acquisitions using the simplified procedures authorized by the test program (FAR 13.5), is increased to \$10 million. Furthermore, if the acquisition is sole source, the justification shall cite that the authority is based on the 2004 Defense Authorization Act.

Acquisitions for supplies or services not otherwise qualified as commercial items as defined in FAR Part 2.101, may be treated as commercial items acquisitions if they are to be used to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack. An acquisition in an amount greater than \$15 million that is awarded on a sole source basis for an item or service treated as a commercial item shall not be exempt from cost accounting standards or cost or pricing data requirements.

This guidance applies to all new acquisitions after the date of this PROCLTR and expires upon the implementation of FAR coverage. Please keep this office advised about SEPA implementation issues as they arise to ensure a consistent Agency approach. The point of contact is Mr. Kevin Conneen, J-3311, at DSN 427-1472, (703) 767-1472, or via e-mail Kevin.Conneen@dla.mil.


CLAUDIA S. KNOTT
Senior Procurement Executive

