1246.101-70 Additional definitions.

As used in this subpart—

At no additional cost to the Government means at no increase in price for firm-fixed-price contracts, at no increase in target or ceiling price for fixed price incentive contracts (*see* FAR 46.707), or at no increase in estimated cost or fee for cost-reimbursement contracts.

Defect means any condition or characteristic in any supplies or services furnished by the contractor under the contract that is not in compliance with the requirements of the contract.

Major acquisition means an acquisition or for supplies or services that requires submission of an OMB Exhibit 300 (Capital Asset Plan/Business Case) in accordance with OMB Circular A–11, Preparation, Submission and Execution of the Budget, and for information technology or information technology related acquisitions, compliance with the Department Chief Information Officer (CIO) Policy (CIOP). A major acquisition typically has one or more of the following characteristics—

(1) Life-cycle costs of $150 million or more;

(2) Is a financial system, e-gov system, or e-business system with a life-cycle cost of $500,000 or more; or

(3) An acquisition that does not meet the dollar thresholds of paragraph

(1) or (2) of this definition but—

(i) Is mission-critical;

(ii) Requires special management attention because of its importance to an OA mission;

(iii) Plays a significant role in the administration of OA programs, processes or other resources; or

(iv) Directly supports the President's Management Agenda.

Performance requirements means the operating capabilities, maintenance, and reliability characteristics of a system that are determined to be necessary for it to fulfill the requirement for which the system is designed.

Parent topic: Subpart 1246.1—General