5301.9001 Policy, Thresholds, and Approvals

(a) The objectives of the business and contract clearance process are to ensure that:

(1) Contract actions effectively implement approved acquisition strategies;

(2) Negotiations and contract actions result in fair and reasonable business arrangements;

(3) Negotiations and contract actions are consistent with laws, regulations, and policies; and

(4) An independent review and assessment by the clearance authority for the proposed contract action is accomplished.

(b) The CAA must ensure that the clearance process meets the objectives in paragraph (a) above.

(c) The CAA must seek legal advice (see DAFFARS 5301.602-2(c)(i)) and ensure that counsel has coordinated on any clearance briefings or presentations, and that counsel's comments are included in the briefing or presentation.

(d) Only one clearance review may be performed prior to the contract action being presented to the CAA. The CR is responsible for the clearance review. The CAA may select an alternate CR who meets the requirements identified in paragraph DAFFARS 5301.9000(f). The CAA, in conjunction with the SCO, has the authority to waive the clearance review.

(e) At the discretion of the CAA, contract clearance is not required when the negotiation team stays within the pre-set negotiation range and the parameters approved at the business clearance.

(f) If a CAA requires clearance for competitive order solicitations or orders when excluded in accordance with DAFFARS 5301.9000(b)(6), the SCO must submit a written justification to cognizant HCA upon execution.

(g) The Source Selection Authority (SSA) must not be the CAA

(h) The Milestone Decision Authority, PEO, or lead program manager must coordinate and/or participate in business clearance briefings.

(i) Contract actions meeting the contract value thresholds established below must not be awarded without obtaining business and contract clearance approval from the CAA (See associated clearance templates). Contract value is determined by the definition in FAR 1.108(c).

(1) Clearance Approval (See (2) below for SSC clearance approvals):

Unit	**Clearance Approval Authority**	**Clearance Approval Authority**	**Clearance Approval Authority ≥ $1B**
Operational	COCO ≤ $10M	SCO > $10M to < $1B	HCA
Enterprise	COCO ≤ $50M	SCO > $50M to < $1B	HCA

PEO (Systems)	COCO ≤ $100M	SCO > $100M to < $1B	HCA

Table 1

(i) The cognizant HCA is the business clearance approval authority for all contract actions ≥$1B; and any other contract action identified as special interest by the cognizant HCA regardless of dollar amount. The HCA may delegate clearance authority on a case-by-case basis. The procedures in MP5301.9001(i)(1)(i) must be followed for clearance when SAF/AQC (DAS(C) or ADAS(C)) is the clearance approval authority. SCOs retain contract clearance approval authority.

(ii) The CAA is the approval authority for all contract actions as delegated in TABLE 1. The Table 1 thresholds represent the minimum delegation that must be made. SCOs may increase the specified dollar thresholds at their discretion.

(iii) If a SCO reduces the thresholds or withholds the clearance approval authority from the designees in TABLE 1, the SCO must notify the cognizant HCA. If the SCO reduces or withholds clearance approval authority for more than six months, the SCO must brief the cognizant HCA regarding the circumstances surrounding the decision. regarding the circumstances surrounding the decision.

(iv) To facilitate planning for clearances that require SAF/AQC approval, SCOs must use the Peer Review and Clearance Forecasting Tool to project upcoming SAF/AQC clearances.

(v) For PEO and Enterprise contracting, business and contract clearance are required for actions greater than or equal to $5M.

(vi) For Operational contracting, business and contract clearance are required for actions greater than or equal to $3M.

(vii) SCOs are responsible for ensuring all further delegations of clearance approval authorities are included on the SCO Delegation Letters/Thresholds SharePoint page.

(viii) When a contracting official is the Source Selection Authority (SSA) for a particular acquisition, the CAA must be a level above the contracting official. If the SCO or their deputy is the SSA, the CAA for that acquisition must be the cognizant HCA.

(2) Clearance when the HCA is SSC/PK Director, SDA Director, or SpRCO Director of Contracting.

(i) The SCO is the CAA for Non-Operational actions valued at greater than or equal to $1B and for Operational actions valued at greater than or equal to $10M. The HCA or SCO may designate an action as Special Interest regardless of dollar value and assign the CAA notwithstanding further delegations below.

(ii) The COCO is the CAA for Non-Operational actions valued at less than $1B, and for Operational actions valued at less than $10M.

(iii) The COCO may further delegate CAA within their portfolio on either a class or individual basis without restriction. The COCO may also set a threshold at which the contracting officer is not required to seek clearance approval.

(iv) The COCO shall report clearance delegations made on a class basis to the cognizant HCA

Workflow. SSC COCO class delegations can be found here. Individual delegations must be documented in the contract file.

(v) The CAA shall, in all cases, be distinct from the contracting officer responsible for executing the proposed action.

(vi) When the HCA is SSC/PK Director, follow the procedures at MP5301.9001(i)(2)(vi) when conducting clearance.

Parent topic: Subpart 5301.90 - CLEARANCE