2834.002 Policy.

The Small Business and Federal Procurement Competition Enhancement Act of 1984 allows an executive agency to establish a dollar threshold for the designation of a major system, in accordance with Public Law 98-577. Dollar thresholds for a major system under OMB Circular A-109 are designated in this section.

(a) *Major automated information system.* Within DOJ, a major automated information system is one whose life-cycle cost is in excess of $100 million.

(b) *Major real property system.*

(1) By purchase, when the assessed value of the property exceeds $60 million.

(2) By lease, when the annual rental charges, including basic services (*e.g.,* cleaning, guards, maintenance), exceed $1.8 million.

(3) By transfer from another agency at no cost when the assessed value of the property exceeds $12 million.

(c) *Research and development (R&D) system.* Any R&D activity expected to exceed $500,000 for the R&D phase is subject to OMB Circular A-109, unless exempted by the HCA or designee under paragraph (e) of this section.

(d) *Any other system or activity.* The HCA or designee responsible for the system may designate any system or activity as a Major System under OMB Circular A-109, *e.g.,* selected systems designed to support more than one principal organizational unit.

(e) *Exemption.* The CAO, upon recommendation by the HCA or designee responsible for the system, may determine that, because of the routine nature of the acquisition, the system (*e.g.,* an information system utilizing only off-the-shelf hardware or software) will be exempt from the OMB Circular A-109 process, even where by virtue of the life cycle costs it would otherwise be identified as “major” in response to OMB Circular A-109.

Parent topic: Subpart 2834.0—General