



ACQUISITION
AND SUSTAINMENT

OFFICE OF THE ASSISTANT SECRETARY OF WAR

**3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000**

In reply refer to

DARS Tracking Number: 2026-O0002

MEMORANDUM FOR COMMANDER, UNITED STATES CYBER
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS

SUBJECT: Class Deviation—Revolutionary Federal Acquisition Regulation (FAR) Overhaul
Part 1, Defense FAR Supplement (DFARS) Part 201

Effective February 1, 2026, contracting officers shall use—

- The revised FAR Part 1, Federal Acquisition Regulations System published on the Revolutionary FAR Overhaul web page at <https://www.acquisition.gov/far-overhaul/far-part-deviation-guide/far-overhaul-part-1> in lieu of the text codified at 48 CFR chapter 1 (<https://www.ecfr.gov>).
- The attached DFARS Part 201, Federal Acquisition Regulation Systems in lieu of the text codified at 48 CFR chapter 201; and
- The attached DFARS Procedures, Guidance, and Information (PGI) 201, Federal Acquisition Regulation Systems in lieu of the PGI text published on the Defense Pricing, Contracting, and Acquisition Policy web page at <https://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html>.

This class deviation implements the following:

- Section 2 of E.O. 14275, Restoring Common Sense to Federal Procurement, which establishes the policy that the FAR “should only contain provisions required by

statute or essential to sound procurement, and any FAR provisions that do not advance these objectives should be removed.

- Section 4(a) of E.O. 14265, Modernizing Defense Acquisitions and Spurring Innovation in the Defense Industrial Base which requires the Secretary of War to eliminate or revise any unnecessary supplemental regulations or any other internal guidance, such as relevant parts of the Financial Management Regulation and Defense Federal Acquisition Regulation Supplement.
- The Office of Management and Budget memorandum, M-25-26 issued on May 2, 2025, titled, Overhauling the Federal Acquisition Regulation, which provided additional guidance to federal agencies regarding the FAR overhaul.

This class deviation remains in effect until rescinded or incorporated into the FAR, DFARS, and DFARS PGI. Inquiries regarding this class deviation can be addressed to osd.pentagon.ousd-a-s.mbx.dfars@mail.mil.

John M. Tenaglia
Principal Director,
Defense Pricing, Contracting, and
Acquisition Policy

Attachments:
As stated

PART 201—FEDERAL ACQUISITION REGULATIONS SYSTEM**SUBPART 201.1—FRAMEWORK****201.101 Framework.**

(a)(2) DoD implementation and supplementation of the FAR is issued in the Defense Federal Acquisition Regulation Supplement (DFARS) under the authority and control of the Secretary of Defense. The DFARS is codified in chapter 2 of Title 48, Code of Federal Regulations (CFR). The DFARS contains—

- (A) Requirements of law;
- (B) DoD-wide policies;
- (C) Delegations of FAR authorities;
- (D) Deviations from FAR requirements; and
- (E) Policies and procedures that have a significant effect beyond the internal operating procedures of DoD or a significant cost or administrative impact on contractors or offerors.

(b) Relevant procedures, guidance, and information that do not meet the criteria in paragraph (a)(2) of this section are issued in the DFARS Procedures, Guidance, and Information (PGI).

201.101-70 Maintenance of the FAR, DFARS, and PGI.

See PGI 201.101-70 for policies and procedures for maintaining the FAR, DFARS, and PGI.

201.103 Authority.

(1) The defense acquisition system, as defined in 10 U.S.C. 3001(a), exists to manage the investments of the United States in technologies, programs, and product support necessary to achieve the national security strategy prescribed by the President pursuant to section 108 of the National Security Act of 1947 (50 U.S.C. 3043) and to support the United States Armed Forces.

(2) The investment strategy of DoD shall be postured to support not only the current United States Armed Forces, but also future Armed Forces of the United States.

(3) The primary objective of DoD acquisition is to acquire quality supplies and services that satisfy user needs with measurable improvements to mission capability and operational support at a fair and reasonable price.

201.103-70 Applicability.

The FAR and the Defense Federal Acquisition Regulation Supplement (DFARS) also apply to purchases and contracts by DoD contracting activities made in support of

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foreign military sales or North Atlantic Treaty Organization cooperative projects without regard to the nature or sources of funds obligated, unless otherwise specified in this regulation.

201.104-70 Publication and code arrangement.

- (a) The CFR provides the official version of the DFARS at <https://www.ecfr.gov>.
- (b) The DFARS and the [official version of the DFARS PGI are available in one location at <https://www.acq.osd.mil/dpap/dars/dfarspgi/current/index.html>.
- (c) The Principal Director, DPCAP publishes changes to the DFARS in the *Federal Register* at <https://www.federalregister.gov> and on the DPCAP website at https://www.acq.osd.mil/dpap/dars/change_notices.html. Each change includes an effective date. See FAR 1.107(d) for direction on inclusion of]any new or revised clauses, provisions, or forms in solicitations.

201.105 OMB approval under the Paperwork Reduction Act.

See PGI 201.105 for a list of the DFARS information collection and recordkeeping requirements that have been approved by the Office of Management and Budget.

201.106 Certifications.

In accordance with 41 U.S.C. 1304, the DFARS and DoD component supplements must not include a new requirement for a certification by a contractor or offeror unless—

- (1) The certification requirement is specifically imposed by statute; or
- (2) Written justification for such certification is provided to the Secretary of Defense by the Under Secretary of Defense (Acquisition and Sustainment), and the Secretary of Defense approves in writing the inclusion of such certification requirement.

201.107 FAR conventions.

The following conventions apply to the DFARS:

- (1) If a provision or clause applies to commercial products or commercial services, the prescription will state the applicability. If the prescription is silent regarding commercial products and commercial services, then the provision or clause does not apply to those products and services.
- (2) Unless the prescription states otherwise, a provision or clause that applies to commercial products also applies to commercially available off-the-shelf items.]

201.108 Statutory acquisition-related dollar thresholds—adjustment for inflation.

- (a)(i) Except as provided at paragraph (b)(2) of the statute, 41 U.S.C. 1908 requires the adjustment for inflation of all statutory acquisition-related dollar thresholds in the DFARS be applied to contracts and subcontracts without regard to the date of award of the contract or subcontract.

(ii) Section 814(b) of the National Defense Authorization Act for Fiscal Year 2012 (Pub. L. 112-81) requires that the threshold established in 10 U.S.C. 2253(a)(2) for the acquisition of right-hand drive passenger sedans be adjusted for inflation in accordance with the requirements of 41 U.S.C. 1908, as appropriate.

(d) A matrix showing the most recent escalation adjustments of statutory acquisition-related dollar thresholds is available at [PGI 201.108](#).

201.170 Peer reviews.

All peer reviews must be conducted in accordance with the procedures at PGI 201.170.

SUBPART 201.2—AGENCY ACQUISITION REGULATIONS

201.201 Policy.

(a)(1)(A) See PGI 201.201 for information on the numbering of the DFARS and department, agency, or component supplements.

(B) Departments and agencies and their component organizations may issue acquisition regulations as necessary to implement or supplement the FAR or DFARS. Approval of the Under Secretary of Defense for Acquisition and Sustainment (USD(A&S)) is required before including in a department, agency, or component supplement, or any other contracting regulation document such as a policy letter or clause book, any policy, procedure, clause, or form that has—

(1) A significant effect beyond the internal operating procedures of the agency; or

(2) A significant cost or administrative impact on contractors or offerors.

(C) The USD(A&S) has delegated authority to the Principal Director, Defense Pricing, Contracting, and Acquisition Policy (DPCAP) to approve or disapprove the policies, procedures, clauses, and forms subject to paragraph (a)(1)(B) of this section.

201.270 Agency control and compliance procedures.

See PGI 201.270 for the requirement to control the use of local provisions and clauses.

SUBPART 201.3—DEVIATIONS FROM THE FAR

201.302 Policy.

(1) The Principal Director, Defense Pricing, Contracting, and Acquisition Policy, Office of the Under Secretary of Defense (Acquisition and Sustainment) (OUSD(A&S)DPCAP), is the approval authority within DoD for any individual or class deviation from—

(i) FAR 3.104, Procurement Integrity, or DFARS [203.104](#), Procurement Integrity;

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- (ii) FAR subpart 27.4, Rights in Data and Copyrights, or DFARS subpart [227.4](#), Rights in Data and Copyrights;
- (iii) FAR part 30, Cost Accounting Standards Administration, or DFARS part 230, Cost Accounting Standards Administration;
- (iv) FAR subpart 31.1, Applicability, or DFARS subpart [231.1](#), Applicability (contract cost principles);
- (v) FAR subpart 31.2, Contracts with Commercial Organizations, or DFARS subpart [231.2](#), Contracts with Commercial Organizations; or
- (vi) FAR part 32, Contract Financing (except subparts 32.7 and 32.8 and the payment clauses prescribed by subpart 32.1), or DFARS part 232, Contract Financing (except subparts [232.7](#) and [232.8](#)).

(2) Submit requests for deviation approval through department or agency channels to the approval authority in paragraph (1) of this section as appropriate. Submit deviations that require OUSD(A&S)DPCAP approval through the Director of the DAR Council via email at osd.pentagon.ousd-a-s.mbx.dfar@mail.mil. At a minimum, each request must—

- (i) Identify the department, agency, or component if applicable, requesting the deviation;
- (ii) Identify the FAR or DFARS citation from which a deviation is needed, state what that citation requires, and indicate whether the request is for an individual or class deviation;
- (iii) Describe the deviation and indicate which of paragraphs (a) through (f) of FAR 1.301 best categorizes the deviation;
- (iv) State whether the deviation will have a significant effect beyond the internal operating procedures of the agency and/or a significant cost or administrative impact on contractors or offerors, and give reasons to support the statement;
- (v) State the period of time for which the deviation is required;
- (vi) State whether approval for the same deviation has been received previously, and if so, when;
- (vii) State whether the proposed deviation was published in the Federal Register and provide analysis of comments;
- (viii) State whether legal counsel has reviewed the request for deviation, and if so, state results; and
- (ix) Give detailed rationale for the request. State what problem or situation will be avoided, corrected, or improved if request is approved.

201.303 Individual deviations.

Individual deviations, except those described in 201.302(1) and 201.305, must be approved in accordance with [201.304](#).

201.304 Class deviations.

(b)(i) Except as provided in paragraph (b)(ii) of this section, OUSD(A&S)DPCAP is the approval authority within DoD for any class deviation.

(ii) The senior procurement executives for the Army, Navy, and Air Force, and the Directors of the Defense Commissary Agency, the Defense Contract Management Agency, and the Defense Logistics Agency, may approve any class deviation, other than those described in 201.302(1), that does not—

(A) Have a significant effect beyond the internal operating procedures of the department or agency;

(B) Have a significant cost or administrative impact on contractors or offerors;

(C) Diminish any preference given small business concerns by the FAR or DFARS; or

(D) Extend to requirements imposed by statute or by regulations of other agencies such as the Small Business Administration and the Department of Labor.

201.305 Deviations pertaining to treaties and executive agreements.

Contracting officers outside the United States may deviate from prescribed nonstatutory FAR and DFARS clauses when—

(1) Contracting for support services, supplies, or construction, with the governments of North Atlantic Treaty Organization (NATO) countries or other allies (as described in 10 U.S.C. 2341(2)), or with United Nations or NATO organizations; and

(2) Such governments or organizations will not agree to the standard clauses.

SUBPART 201.4—CAREER DEVELOPMENT, CONTRACTING AUTHORITY, AND RESPONSIBILITIES**201.403 Selecting, appointing, and terminating the appointment for contracting officers.****201.403-1 General.**

(1) In accordance with 10 U.S.C. 1724, in order to qualify to serve as a contracting officer with authority to award or administer contracts for amounts above the simplified acquisition threshold, a person must—

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(i) Have completed all contracting courses required for a contracting officer to serve in the grade in which the employee or member of the armed forces will serve;

(ii) Have at least 2 years experience in a contracting position;

(iii) Have received a baccalaureate degree from an accredited educational institution; and

(iv) Meet such additional requirements, based on the dollar value and complexity of the contracts awarded or administered in the position, as may be established by the Secretary of Defense.

(2) The qualification requirements in paragraph (1)(iii) of this section do not apply to a DoD employee or member of the armed forces who—

(i) On or before September 30, 2000, occupied—

(A) A contracting officer position with authority to award or administer contracts above the simplified acquisition threshold; or

(B) A position either as an employee in the 1102 occupational series or a member of the armed forces in an occupational specialty similar to the 1102 series;

(ii) Is in a contingency contracting force; or

(iii) Is an individual appointed to a 3-year developmental position. Information on developmental opportunities is contained in DoD Instruction 5000.66, Defense Acquisition Workforce Education, Training, Experience, and Career Development Program.

(3) See DoD Instruction 5000.66 for information on waivers to the requirements in paragraph (1) of this section.

201.403-2 Appointment.

(a) Certificates of Appointment executed under the Defense Acquisition Regulation have the same effect as if they had been issued under FAR.

(b) Agency heads may delegate the purchase authority in [213.301](#) to DoD civilian employees and members of the U.S. Armed Forces.

201.404 Contracting officer's representative.

(c) Follow the procedures at PGI 201.404 regarding designation, assignment, qualifications, and responsibilities of a contracting officer's representative (COR).

(1) A COR must be an employee, military or civilian, of the U.S. Government, a foreign government, or a North Atlantic Treaty Organization or coalition partner. Contractor personnel must never serve as CORs.

201.404-70 Contract clause.

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Use the clause at [252.201-7000](#), Contracting Officer's Representative, in solicitations and contracts when appointment of a contracting officer's representative is anticipated.

201.470 Appointment of property administrators and plant clearance officers.

- (a) The appropriate agency authority must appoint or terminate (in writing) property administrators and plant clearance officers.
- (b) In appointing qualified property administrators and plant clearance officers, the appointing authority must consider experience, training, education, business acumen, judgment, character, and ethics.

PGI 201—FEDERAL ACQUISITION REGULATIONS SYSTEM

PGI 201.1—FRAMEWORK

PGI 201.101-70 Maintenance of the FAR, DFARS, and PGI.

(a) DoD Instruction 5000.35, Defense Acquisition Regulations (DAR) System prescribes the composition and operation of the DAR Council.

(b)(1) Departments and agencies process proposed revisions of FAR or DFARS through channels to the Director of the DAR Council. Process the proposed revision as a memorandum in the following format, addressed to the Director, DAR Council via email at osd.pentagon.ousd-a-s.mbx.dfars@mail.mil.

I. PROBLEM: Succinctly state the problem created by current FAR and/or DFARS coverage and describe the factual and/or legal reasons necessitating the change to the regulation.

II. RECOMMENDATION: Identify the FAR and/or DFARS citations to be revised. Attach as TAB A a copy of the existing coverage, conformed to include the proposed additions and deletions. Indicate deleted coverage by using strikethrough to mark the current words being deleted, and insert proposed language in brackets at the appropriate locations within the existing coverage.

III. DISCUSSION: Include a complete, convincing explanation of why the change is necessary and how the recommended revision will solve the problem. Address advantages and disadvantages of the proposed revision, as well as any cost or administrative impact on Government activities and contractors. Identify any potential impact of the change on automated systems, e.g., automated financial and procurement systems. Provide any other background information that would be helpful in explaining the issue.

IV. COLLATERALS: Address the need for public comment (FAR 1.201(b)), the Paperwork Reduction Act, and the Regulatory Flexibility Act (FAR 1.201(b)(2)).

V. DEVIATIONS: If a recommended DFARS revision is a deviation from the FAR, identify the deviation and include under separate TAB a justification for the deviation that addresses the requirements of DFARS 201.302(2). The justification should be in the form of a memorandum for the Principal Director, Defense Pricing, Contracting, and Acquisition Policy, Office of the Under Secretary of Defense (Acquisition and Sustainment) (USD(A&S)).

(ii) The public may offer proposed revisions of FAR or DFARS by submission of a memorandum, in the format (including all of the information) prescribed in paragraph (b)(1) of this section, to the Director of the DAR Council.

(c) The DAR Council is also responsible for maintenance of the DFARS Procedures, Guidance, and Information (PGI).

PGI 201.105 OMB approval under the Paperwork Reduction Act.

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The information collection and recordkeeping requirements contained in the DFARS and PGI have been approved by the Office of Management and Budget. The following OMB control numbers apply:

DFARS Segment	OMB Control No.
215.403-5	0704-0497
217.7004(a)	0704-0214
217.7404-3(b)	0704-0214
217.7505(d)	0704-0214
231.205-18	0704-0483
232.10	0704-0359
239.7408	0704-0341
242.1106	0704-0250
252.204-7000	0704-0225
252.204-7008	0704-0478
252.204-7010	0704-0454
252.204-7012	0704-0478
252.204-7023	0704-0519
252.205-7000	0704-0286
252.208-7000	0704-0187
252.209-7001	0704-0187
252.209-7002	0704-0187
252.209-7004	0704-0187
252.209-7008	0704-0477
252.215-7002	0704-0232
252.215-7008	0704-0574
252.215-7010	0704-0574
252.216-7000	0704-0259
252.216-7001	0704-0259
252.216-7003	0704-0259
252.217-7012	0704-0214
252.217-7026	0704-0214
252.217-7028	0704-0214
252.219-7003	0704-0386
252.223-7001	0704-0272
252.223-7002	0704-0272
252.223-7003	0704-0272
252.223-7004	0704-0272
252.223-7007	0704-0272

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DFARS Segment	OMB Control No.
252.225-7000	0704-0229
252.225-7003	0704-0229
252.225-7004	0704-0229
252.225-7005	0704-0229
252.225-7010	0704-0229
252.225-7013	0704-0229
252.225-7018	0704-0229
252.225-7020	0704-0229
252.225-7021	0704-0229
252.225-7023	0704-0229
252.225-7025	0704-0229
252.225-7032	0704-0229
252.225-7033	0704-0229
252.225-7035	0704-0229
252.225-7039	0704-0549
252.225-7040	0704-0460
252.225-7046	0704-0229
252.225-7049	0704-0525
252.225-7050	0704-0187
252.225-7057	0750-0005
252.225-7058	0750-0005
252.227-7013	0704-0369
252.227-7014	0704-0369
252.227-7017	0704-0369
252.227-7018	0704-0369
252.227-7019	0704-0369
252.227-7025	0704-0369
252.227-7028	0704-0369
252.227-7037	0704-0369
252.228-7000	0704-0216
252.228-7005	0704-0216
252.228-7006	0704-0216
252.229-7010	0704-0390
252.232-7002	0704-0321
252.232-7007	0704-0359
252.234-7002	0704-0479
252.235-7000	0704-0187

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DFARS Segment	OMB Control No.
252.235-7001	0704-0187
252.235-7003	0704-0187
252.236-7000	0704-0255
252.236-7002	0704-0255
252.236-7003	0704-0255
252.236-7004	0704-0255
252.236-7010	0704-0255
252.236-7012	0704-0255
252.237-7000	0704-0231
252.237-7011	0704-0231
252.237-7023	0704-0231
252.237-7024	0704-0231
252.239-7000	0704-0341
252.239-7009	0704-0478
252.239-7010	0704-0478
252.242-7004	0704-0250
252.243-7002	0704-0397
252.244-7001	0704-0253
252.245-7003	0704-0246
252.245-7005	0704-0246
252.246-7003	0704-0441
252.246-7005	0704-0441
252.246-7006	0704-0441
252.246-7008	0704-0441
252.247-7000	0704-0245
252.247-7001	0704-0245
252.247-7002	0704-0245
252.247-7007	0704-0245
252.247-7022	0704-0245
252.247-7023	0704-0245
252.247-7026	0704-0245
252.247-7028	0704-0245
252.249-7002	0704-0533
252.251-7000	0704-0252
252.270-7002	0750-0012
Appendix F	0704-0248
Appendix I	0704-0332

DFARS Segment	OMB Control No.
DD Form 1639	0704-0246
DD Form 1659	0704-0245
DD Form 2063	0704-0231
DD Form 2139	0704-0229
DD Form 250	0704-0248
DD Form 250-1	0704-0248

PGI 201.108 Statutory acquisition-related dollar thresholds—adjustment for inflation.

The matrix showing the most recent escalation adjustments of statutory acquisition-related dollar thresholds in the DFARS is available at

[https://www.acq.osd.mil/dpap/dars/pgi/docs/2024-D002 \(f\) Threshold Matrix APR 25 CPI 7.30.2025.xls](https://www.acq.osd.mil/dpap/dars/pgi/docs/2024-D002%20(f)%20Threshold%20Matrix%20APR%2025%20CPI%207.30.2025.xls).

PGI 201.170 Peer reviews.(a) *Defense Pricing, Contracting, and Acquisition Policy peer reviews.*

(1) The Office of the Principal Director, Defense Pricing, Contracting, and Acquisition Policy (DPCAP), using the procedures in this section, will organize teams of reviewers and facilitate peer reviews for solicitations and contracts as follows:

(i) DPCAP will conduct the preaward peer reviews for competitive procurements prior to the three phases of the acquisition (see PGI 201.170-2(a)) for all procurements with an estimated value of \$1 billion or more under major defense acquisition programs for which USD(A&S) is the milestone decision authority or USD(A&S) designates as requiring a peer review regardless of value. DoD components may request DPCAP-led peer reviews for acquisitions valued below the \$1 billion threshold. DPCAP will conduct these reviews upon approval by the Director, DPCAP (Contract Policy).

(ii) DPCAP will conduct the preaward peer reviews for noncompetitive procurements prior to the two phases of the acquisition (see PGI 201.170-2(b)) for contract actions, e.g., new contracts, modifications to existing contracts, requests for equitable adjustment, claims valued at \$1 billion or more, or for any other contract action USD(A&S) designates as requiring a peer review regardless of value. DoD components may request DPCAP-led peer reviews for contract actions valued below the \$1 billion threshold. DPCAP will conduct these reviews upon approval by the Director, DPCAP (Price, Cost and Finance).

(iii) Use the following criteria to identify actions that are subject to peer review:

(A) If the not-to-exceed amount for an undefinitized contract action or an unpriced change order exceeds the peer review threshold, then the resulting definitization modification(s) will be subject to peer review regardless of actual performance up to the point of definitization.

(B) For indefinite-delivery indefinite-quantity (IDIQ) contracts that will establish pricing terms that apply to orders, use the total maximum dollar value for purposes of the peer review threshold. IDIQ contracts that will not establish pricing terms in the basic

contract are not subject to peer review, but individual orders that exceed the threshold are subject to peer review.

(C) For noncompetitive contract actions, use the greater of the following when considering the firm requirement for all supplies or services:

- (1) The approved Government objective amount.
- (2) The contractor proposed amount.

(2) To facilitate planning for peer reviews, the military departments and defense agencies must provide a rolling annual forecast of acquisitions that will be subject to DPCAP peer reviews at the end of each quarter (i.e., March 31; June 30; September 30; December 31).

(i) Military departments and defense agencies must submit quarterly forecasts for competitive peer reviews to the Director, DPCAP (Contract Policy), at osd.pentagon.ousd-a-s.mbx.dpc-cp@mail.mil.

(ii) Military departments and defense agencies must submit quarterly forecasts for noncompetitive peer reviews to the Director, DPCAP (Price, Cost and Finance), at osd.pentagon.ousd-a-s.mbx.dpc-pcf-peer-reviews@mail.mil.

(b) *Component peer reviews.* The military departments and defense agencies must establish procedures for—

(1) Preaward peer reviews of solicitations for competitive procurements not subject to paragraph (a)(1)(i) of this section; and

(2) Preaward peer reviews of noncompetitive procurements not subject to paragraph (a)(1)(ii) of this section.

(c) DoD components may request a DPCAP-led peer review for procurements that would not otherwise require a DPCAP-led peer review.

(d) Military departments and defense agencies must, on or about June 30 and December 31 of each year, submit recommended best practices and lessons learned from competitive acquisition peer reviews under major defense acquisition programs to osd.pentagon.ousd-a-s.mbx.dpc-cp@mail.mil. Submissions that have broad applicability may be selected for posting at <https://www.acq.osd.mil/asda/dpc/cp/policy/competitive-source-selection.html>.

PGI 201.170-1 Objectives of peer reviews.

The objectives of peer reviews are to—

- (a) Ensure that DoD contracting officers are implementing policy and regulations in a consistent and appropriate manner;
- (b) Continue to improve the quality of contracting processes throughout DoD; and

(c) Facilitate cross-sharing of best practices and lessons learned throughout DoD. DPCAP maintains a compilation of peer review lessons learned and best practices that is available at <https://www.acq.osd.mil/asda/dpc/cp/policy/peer-reviews.html> for competitive peer reviews and at <https://www.acq.osd.mil/asda/dpc/pcf/ss-peer-reviews.html> for noncompetitive peer reviews.

PGI 201.170-2 Preadward peer reviews.

(a) Preadward peer reviews for competitive acquisitions must be conducted prior to each of the following three phases of the acquisition:

- (1) Issuance of the solicitation.
- (2) Request for final proposal revisions (if applicable).
- (3) Contract award.

(b) Preadward peer reviews for noncompetitive acquisitions must be conducted prior to each of the following two phases of the acquisition:

- (1) Negotiation.
- (2) Contract award.

PGI 201.170-3 Administration of peer reviews.

(a) The results and recommendations that are products of peer reviews are intended to be advisory in nature; however, in the event the peer review report includes a recommendation that is identified as “significant” and the contracting officer does not intend to follow that recommendation, the senior procurement official of the contracting activity for the reviewed organization must be made aware of this fact before action is taken (or inaction, as applicable) that is contrary to the recommendation. Reviews will be conducted in a manner that preserves the authority, judgment, and discretion of the contracting officer and the senior officials of the requiring activity.

(b) Peer review teams should be comprised of senior contracting officials and attorneys as appropriate. Teams may include civilian employees or military personnel external to the department, agency, or component that is the subject of the peer review.

(c) Reviews are generally conducted remotely. However, a peer review may be conducted at the location of the executing contracting organization when appropriate.

(d) See paragraph (g) of this section for a list of the documents that must be made available to the competitive peer review team, along with the specific elements the team will examine. See paragraph (h) of this section for a list of the documents that must be made available to the noncompetitive peer review team, along with a link to the noncompetitive peer review preparation resource.

(e) The review team observations and recommendations will be communicated to the contracting officer and the senior procurement official immediately upon completion of a review.

(f) The contracting officer must document the disposition of all peer review recommendations (i.e., state whether the recommendation will be followed and, if not, why not) as a signed memorandum for the record in the applicable contract file. For competitive acquisitions, the contracting officer must submit this memorandum to osd.pentagon.ousd-a-s.mbx.dpc-cp@mail.mil prior to the next phase peer review or prior to contract award for phase 3 reviews. For noncompetitive acquisitions, the contracting officer must submit this memorandum to osd.pentagon.ousd-a-s.mbx.dpc-pcf-peer-reviews@mail.mil prior to the phase 2 peer review or prior to contract award for phase 2 reviews.

(g) *Required documents and elements for competitive acquisition preaward peer review.* Submit any required peer review documents to osd.pentagon.ousd-a-s.mbx.dpc-cp@mail.mil.

(1) *Required documents.* At a minimum, peer review teams must have access to the following documents, as applicable, at least 5 business days prior to the scheduled date of a peer review:

- (i) The most recent acquisition decision memorandum for the program.
- (ii) The acquisition strategy, or acquisition plan.
- (iii) The source selection plan.
- (iv) The draft for phase 1 or final request for proposals (RFP) and all amendments, with a synopsis of what, if any, RFP requirements (technical and contractual) were changed and why.
- (v) The source selection evaluation board (SSEB) analysis and findings to ensure the evaluation of offers was consistent with the source selection plan and RFP criteria.
- (vi) Any meeting minutes memorializing discussions between the Government and offerors.
- (vii) All evaluation notices generated as a result of deficiencies in the offerors' proposals as well as the offerors' responses to those evaluation notices.
- (viii) All minutes memorializing the conduct of source selection advisory council (SSAC) deliberations held to date.
- (ix) The offerors' responses to the request for final proposal revision.
- (x) The final SSAC deliberation.
- (xi) The final source selection authority (SSA) determination and source selection decision.
- (xii) Award or incentive fee arrangements, documentation of any required head of the contracting activity determinations and findings regarding nonavailability of objective criteria.

(2) Peer review teams may make recommendations on any aspect of the procurement, including the following:

- (i) The process was well understood by both Government and Industry.
- (ii) Source selection was carried out in accordance with the source selection plan and RFP.
- (iii) The SSEB evaluation was clearly documented.
- (iv) The SSAC advisory panel recommendation was clearly documented.
- (v) The SSA decision was clearly derived from the conduct of the source selection process.
- (vi) All source selection documentation is consistent with the Section M evaluation criteria.
- (vii) The business arrangement.

(h) *Required documents and preparation resource for noncompetitive acquisition preaward peer review.* Submit any required peer review documents to osd.pentagon.ousd-a-s.mbx.dpc-pcf-peer-reviews@mail.mil.

(1) *Required documents.* At a minimum, peer review teams must have access to the following documents, as applicable, at least 5 business days prior to the scheduled date of a peer review:

- (i) Preliminary price negotiation memorandum or business clearance for phase 1 or price negotiation memorandum or business clearance for phase 2, including all listed attachments.
- (ii) Summary documents to support a discussion of salient aspects of the acquisition, e.g., business/contract clearance charts. Special charts do not need to be developed for the peer review.
- (iii) The anticipated or negotiated language of clauses affecting the price or the business arrangement, e.g., economic price adjustment, performance-based payments, incentive, award-fee, or award-term provisions, terms establishing price adjustment when using demand bands, reopeners clauses, exchange rate clauses, or other clauses.
- (iv) Award-fee plan and documentation of any required head of the contracting activity determination and findings regarding nonavailability of objective criteria (see FAR 16.401(e)(1)).
- (v) Defense Contract Audit Agency audits and Defense Contract Management Agency technical and/or price analyses, upon request.

(vi) The proposed performance-based payments schedule and Government analysis, if use of performance-based payments is contemplated.

(vii) Any other documents deemed necessary by the review team.

(2) *Noncompetitive peer review preparation resource.* The noncompetitive peer review preparation resource is available at <https://www.acq.osd.mil/asda/dpc/pcf/ss-peer-reviews.html>. The resource identifies frequently addressed areas of emphasis. It is recommended that acquisition teams review these listed areas of interest in advance of releasing a request for proposal.

PGI 201.2—AGENCY ACQUISITION REGULATIONS

PGI 201.201 Policy.

PGI 201.201-70 Numbering.

(a) Text that supplements the FAR uses the same numbering as its FAR counterpart, with the number 70 and up added to the FAR part, subpart, or section number. When the text exceeds one paragraph, the paragraphs use the FAR numbering sequence, which is (a)(1)(i)(A)(1)(i). For example, DFARS text supplementing FAR 1.101 would be numbered 201.101-70. The paragraphs in 201.101-70 would be (a), (b), and (c).

(b) Text that implements the FAR uses the same numbering as its FAR counterpart. However, when the text uses a different number of paragraphs than the FAR, the text uses supplemental numbering.

(c) Paragraph numbering below the 4th level (i.e., (A)) does not repeat the numbering sequence. It uses italicized Arabic numerals (e.g., 1) at the 5th level and then italicized lower case Roman numerals (e.g., i) at the final level.

(d) Examples of DFARS numbering are in Table 1, DFARS Numbering.

(e) Department, agency, and component supplements must parallel the FAR and DFARS numbering, except department and agency supplemental numbering uses section numbers of 90 and up, instead of 70 and up.

TABLE 1, DFARS NUMBERING		
FAR	Is Implemented As	Is Supplemented As
19	219	219.70
19.5	219.5	219.570
19.501	219.501	219.501-70
19.501-1	219.501-1	219.501-70 or 219.570
19.501-1(a)	219.501-1(a)	219.501-70 or 219.570
19.501-1(a)(1)	219.501-1(a)(1)	219.501-70 or 219.570

201.201-71 Local solicitation provisions and contract clauses.

(a) Contract clauses and solicitation provisions developed by departments and agencies (i.e., local clauses) that constitute a significant revision must be published for public comment in the *Federal Register* in accordance with DFARS 201.101.

(1) A local clause is considered a significant revision if the clause—

(i) Contains a new certification requirement for contractors or offerors that is not imposed by statute (see FAR 1.106 and DFARS 201.106);

(ii) Constitutes a deviation (as defined at FAR 1.3) from the parts and subparts identified at DFARS 201.302; or

(iii) Will be used on a repetitive basis and—

(A) Imposes a new requirement for the collection of information from 10 or more members of the public (see FAR 1.105); or

(B) Has any cost or administrative impact on contractors or offerors beyond that contained in the FAR or DFARS.

(2) A local clause is not considered a significant revision, if the clause—

(i) Is for a one-time use intended to meet the needs of an individual acquisition (e.g., a clause developed as a result of negotiations and documented in the business clearance or similar document), except for clauses that constitute a deviation (as defined at FAR 1.301) from the parts and subparts identified at DFARS 201.302; or

(ii) May be used on a repetitive basis and has no new or additional cost or administrative impact on contractors or offerors beyond any cost or administrative impact contained in existing FAR or DFARS coverage.

PGI 201.270 Agency control and compliance procedures.

(a) Agencies must control the use of clauses or provisions other than those prescribed by the FAR or DFARS (i.e., local clauses) and shall include procedures to ensure that a local clause—

(1) Is evaluated to determine whether the local clause constitutes a significant revision;

(2) Is numbered in accordance with FAR 52.1 and DFARS 252.1 (see 252.103);

(3) Is accompanied by a prescription in the appropriate part and subpart of the department or agency FAR supplement where the subject matter of the clause receives its primary treatment;

(4) If it constitutes a significant revision—

(i) Is published for public comment in the *Federal Register* in accordance with FAR 1.201 and DFARS 201.201;

(ii) Complies with the Paperwork Reduction Act 1980 (44 USC chapter 35), in accordance with FAR 1.105 and 1.301; and

(iii) Complies with the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*), in accordance with FAR 1.301; and

(5) When *Federal Register* publication is required for any policy, procedure, clause, or form, the department or agency requesting Under Secretary of Defense (Acquisition and Sustainment) approval for use of the policy, procedure, clause, or form must include an analysis of the public comments in the request for approval.

PGI 201.4—CAREER DEVELOPMENT, CONTRACTING AUTHORITY, AND RESPONSIBILITIES

PGI 201.404 Contracting officer's representative.

PGI 201.404-70 Roles and responsibilities.

Contracting officers must inform all individuals performing on their behalf of their delegated roles and responsibilities and the relationships among the parties.

(a) When designating Department of State personnel as a contracting officer's representative (COR for contracts executed by DoD in support of Department of State in Iraq), follow the procedures in the Director, Defense Procurement and Acquisition Policy memorandum dated July 11, 2011, Contracting Officer's Representative Designation—Iraq.

(b) DoD COR certification standards define minimum COR competencies, experience, and training requirements according to the nature and complexity of the requirement and contract performance risk. These COR certification standards should be considered when developing service requirements, soliciting proposals, and performing surveillance during contract performance. The DoD standards and policy are provided in [DoD Instruction 5000.72, DoD Standard for Contracting Officer's Representative \(COR\) Certification](#).

(c) Guidance on the appointment and duties of CORs is provided in the DoD COR Guidebook.

(d) DoD components must use the Joint Appointment Module (JAM), within the Procurement Integrated Enterprise Environment (PIEE), to electronically track COR nominations, appointments, terminations, and training certifications for contracts assigned a COR. Components must use the Surveillance and Performance Monitoring (SPM) Module, located in the PIEE, for all other contract surveillance actions. Further guidance on the use of JAM and SPM Module is available at <https://piee.eb.mil/piee-landing/>.

(e) A COR assists in the technical monitoring or administration of a contract.

(1) Unless an exemption applies, contracting officers must designate a COR for all service contracts, including both firm-fixed-price and other than firm-fixed-price contracts, and supply contracts with cost-reimbursable line items awarded by a DoD component or by any other Federal agency on behalf of DoD within 3 business days of contract award. The surveillance activities performed by CORs should be tailored to the

dollar value and complexity of the specific contract for which they are designated. For geographically dispersed large contracts with multiple task orders, contracting officers should consider appointing multiple or alternate CORs to assist with surveillance duties. These CORs should have specific duties based on criteria, such as geographic region or distinct task areas, to avoid conflicting or duplicative direction. Contracting officers may exempt service contracts from this requirement when—

- (i) The contract will be awarded using simplified acquisition procedures;
- (ii) The requirement is not complex; and
- (iii) The contracting officer documents the file, in writing, with the specific reasons why the appointment of a COR is unnecessary.

(2) For supply contracts with cost-reimbursement contracts line items, contracting officers must either retain or delegate surveillance activities to a COR or DCMA. Contracting officers may delegate surveillance activities to both a COR and DCMA on the same contract. However, contracting officers must not delegate the same surveillance activities to the COR and DCMA.

(3) The contracting officer must ensure the written designation required by FAR 1.404(a)(1) is maintained in JAM or the SPM Module.

(f) A COR must maintain an electronic COR Surveillance file in the SPM Module for each contract assigned. This file must include, at a minimum—

- (1) A copy of the contracting officer's letter of designation and other documentation describing the COR's duties and responsibilities; and
- (2) Documentation of actions taken in accordance with the delegation of authority.

(g) Contracting officers, must, at a minimum, review the COR's files within six months of contract award and annually thereafter, for accuracy and completeness. More frequent reviews may be conducted in subsequent years based upon the risks, complexity, and value of the contract. The results of the contracting officer's review must be documented in the SPM Module.

(h) Within 30 days of completing the COR file review, contracting officers must—

- (1) Provide COR performance feedback to their supervisor; and
- (2) Discuss any performance inadequacies with the COR.

(i) Prior to contract closeout, the COR will ensure the COR Surveillance files for the assigned contract are complete and available to the contracting officer.