



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(Research, Development and Acquisition)
WASHINGTON, D.C. 20350-1000

MAR 15 1996

DAR Tracking No. : 96-00002
DFARS CASE: 96-D307

MEMORANDUM FOR DISTRIBUTION

Subj: JUSTIFICATION AND APPROVAL THRESHOLDS

Encl: (1) OUSD DP(DAR) memo of 13 March 1996

Enclosure (1) is forwarded for information and implementation as appropriate. Please note that the increased J&A approval thresholds are not effective until 12 April 1996. Until then, J&A approvals continue to be subject to existing requirements.

To reduce administrative burdens, contracting activities are encouraged, when it is programatically feasible to do so, to delay seeking approval of J&A's for proposed contracts between \$10 million and \$50 million until the new thresholds are in effect.

Elliott B. Branch

Elliott B. Branch
Executive Director
Acquisition & Business
Management

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ACQUISITION AND
TECHNOLOGY
DP (DAR)

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON DC 20301-3000

March 13, 1996



In reply refer to
DAR Tracking No. : 96-00002
DFARS Case: 96-D307
D. L. 96-003

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES
DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,
ASN(RD&A)/ABM
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING) , SAF/AQC
DIRECTOR, PROCUREMENT POLICY, ASA(RD&A)/SARD-PP
DEPUTY DIRECTOR (ACQUISITION), DEFENSE LOGISTICS AGENCY

SUBJECT: Justification and Approval Thresholds

We have amended the Defense Federal Acquisition Regulation Supplement and issued a class deviation to implement Section 4102 of the FY 1996 Defense Authorization Act (Pub. L. 104-106), which revises 10 U.S.C. 2304(f) (1) (B) and 41 U.S.C. 253(f) (1) (B) to raise the dollar thresholds pertaining to approval for the use of other than full and open competition. Section 4102 increases the approval threshold range for the competition advocate for the procuring agency from between "\$100, 000 but not exceeding \$1,000,000" to between "\$500,000 but not exceeding \$10,000,000" and raises the approval threshold for the head of the procuring activity, or designee from "\$1,000,000 but not exceeding \$10,000, 000" to "\$10, 000,000 but not exceeding \$50,000,0000. "

The attached class deviation and final DFARS rule are effective 30 days after the date of this memorandum.

The class deviation will remain in effect until the FAR is revised.

Eleanor R. Spector
Director, Defense Procurement

Attachments

cc: DSMC, Ft. Belvoir

ENCLOSURE(1)



MAR 13 1996

Affected FAR Citations

6.304 Approval of the justification.

(a) * * *

(1) For a proposed contract not exceeding ~~\$100,000~~ **[\$500,000]**, the contracting officer's certification required by 6.303-2(a)(12) will serve as approval unless a higher approving level is established in agency procedures.

(2) For a proposed contract over ~~\$100,000 but not exceeding \$1,000,000~~ **[\$500,000 but not exceeding \$10,000,000]**, by the competition advocate for the procuring activity designated pursuant to 6.501 or an official described in paragraph (a)(3) or (a)(4) of this section. This authority is not delegable.

(3) For a proposed contract over ~~\$1,000,000 but not exceeding \$10,000,000~~ **[\$10,000,000 but not exceeding \$50,000,000]**, by the head of the procuring activity, or a designee who--

(i) * * *
(ii) * * *

(4) ~~Except for DOD, NASA, and the Coast Guard, f~~**[F]**or a proposed contract over ~~\$10,000,000~~ **[\$50,000,000]**, by the senior procurement executive of the agency designated pursuant to the OFPP Act (41 U.S.C. 414(3)) in accordance with agency Procedures- This authority is not delegable **[except in the case of the Under Secretary of Defense (Acquisition and Technology), acting as the senior procurement executive for the Department of Defense.]**

(b) * * *
(c) * * *
(d) * * *

206.304 Approval of the justification.

- ~~(a) (4) (A) For proposed contracts not exceeding \$50 million, the senior procurement executive may delegate this authority--~~
- ~~(1) To an officer or employee within the senior procurement executive's organization who--~~
- ~~(i) If a member of the armed forces, is a general or flag officer; or~~
- ~~(ii) If a civilian, is serving in a position in Grade GS 16 or above (or in a comparable or higher position under any other schedule of civilian officers or employees); or~~
- ~~(2) In the case of the Under Secretary of Defense (Acquisition & Technology) (USD(A&T)), to--~~
- ~~(i) An Assistant Secretary of Defense; or~~
- ~~(ii) For a defense agency, an officer or employee serving in, assigned, or detailed to that agency who--~~
- ~~If a member of the armed forces, is serving in a rank above brigadier general or rear admiral (lower half); or~~
- ~~If a civilian, is serving in a position with a grade under the General Schedule (or any other schedule for civilian officers or employees) that is comparable to or higher than rear admiral.~~
- ~~(B) For proposed contracts over \$50 million, this authority is not delegable, except in the case of the USD(A&T) who may delegate as specified in paragraph (a) (4) (A) (2) of this section.~~

- (a) (4) The Under Secretary of Defense (Acquisition & Technology) may delegate this authority to--
- (A) An Assistant Secretary of Defense; or
- (B) For a defense agency, an officer or employee serving in, assigned, or detailed to that agency who--
- (1) If a member of the armed forces, is serving in a rank above brigadier general or rear admiral (lower half); or
- (2) If a civilian, is serving in a position with a grade under the General Schedule (or any other schedule for civilian officers or employees) that is comparable to or higher than rear admiral.

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