DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

SEP -7 2012

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Class Deviation—System for Award Management (SAM)

The Director, Defense Procurement and Acquisition Policy (Dir. DPAP) memorandum of August 21, 2012, is forwarded for your information and action, as appropriate. The memorandum is available at the following link http://www.acq.osd.mil/dpap/policy/policyvault/USA004926-12-DPAP.pdf

Effective immediately, until further notice, deviation is granted from the initial registration requirements in the Central Contractor Registration (CCR) as stated in FAR subpart 4.11 and DFARS 204.1103(2)(i); and the required use of annual representations and certifications per FAR 4.1201 and DFARS 204.1202. Contractors are required to be registered in SAM prior to submitting invoices.

Released on July 29, 2012, and including capabilities of the Central Contractor Registration (CCR), Federal Agency Registration (FedReg), Online Representations and Certifications Application (ORCA), and Excluded Parties List System (EPLS), Phase 1 of SAM has had performance issues affecting the contracting workforce. Further details are provided within the memorandum.

If the Dir. DPAP deviation does not provide sufficient relief, please contact my POC for the SAM initiative Ms. Katrin Dilli at katrin.dilli@navy.mil or 703-614-9619.

Althea H. Coetzee
RDML, SC, USN
Executive Director
DASN (AP)

Attachment:
As stated

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ACQUISITION,
TECHNOLOGY
AND LOGISTICS

AUG 21 2012

In reply refer to:
DARS Tracking Number: 2012-O0015

MEMORANDUM FOR 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 (ACQUISITION AND PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Class Deviation – System for Award Management (SAM)

Effective immediately, until further notice, deviation is granted from the initial registration requirements of Federal Acquisition Regulation (FAR) subpart 4.11 and the Defense FAR Supplement (DFARS) 204.1103(2)(i); and the required use of annual representations and certifications per FAR 4.1201 and DFARS 204.1202.

The General Services Administration (GSA) implemented Phase I of SAM on July 29, 2012. It includes the functional capabilities of the retired Central Contractor Registration (CCR), Federal Agency Registration (FedReg), Online Representations and Certifications Application (ORCA), and Excluded Parties List System (EPLS) applications. Since implementation, SAM has experienced performance issues that have affected the timely processing of awards. GSA has been taking aggressive action to resolve these issues promptly. This deviation provides a brief period of time for achieving resolution of the remaining issues, and will remain in effect only until these actions are complete.

Except for awards where the Governmentwide purchase card (GPC) is used as the method of payment, contracting officers shall include the attached clause 52.204-99, System for Award Management Registration, in lieu of FAR clause 52.204-7, Central Contractor Registration, and DFARS 252.204-7004, Alternate A, Central Contractor Registration. The attached clause 52.204-99, System for Award Management Registration, shows changes from FAR clause 52.204-7, Central Contractor Registration, in bold text.

Contractors are required to be registered in SAM prior to submitting invoices. Unless planning to use the GPC as the method of payment—

- A prospective contractor is not required to be registered in SAM (formerly CCR) prior to award; and
- Contracting officers are not required to check SAM to ensure registration prior to award.

If planning to use the GPC as the method of payment on a contract, the contracting officer must still check SAM prior to award to ensure that the prospective contractor does not have delinquent Federal debt in accordance with FAR 32.1108.

With regard to use of annual representations and certifications, for the duration of this class deviation—

- Contracting officers shall include the appropriate individual provisions in solicitations in lieu of FAR 52.204-8, Annual Representations and Certifications, and DFARS 252.204-7007, Alternate A, Annual Representations and Certifications;
- If offers have already been received, contracting officers may require that the prospective contractor complete the provisions outside out of SAM prior to award. The act of completing the provisions shall be considered clarifications, and not on its own be considered opening discussions; and
- If the prospective contractor has a copy of its ORCA registration with an expiration date on or after the award date, the contracting officer may accept a complete PDF copy with the expiration date showing as completion of the provisions.

The requirements of FAR 9.405 are not changed. GSA has re-established the EPLS website (www.epls.gov) to provide contracting officers the ability to ensure a prospective contractor is not actively excluded from procurement actions.

This class deviation remains in effect until rescinded. My point of contact is Lisa Romney, lisa.romney@osd.mil, 703-588-0672.

Richard Ginman
Director, Defense Procurement
and Acquisition Policy

Attachment:
As stated

FAR 52.204-99 (DEVIATION)

System for Award Management Registration (August 2012) (DEVIATION)

(a) *Definitions.* As used in this clause—

"Central Contractor Registration (CCR) database" means the **retired** primary Government repository for Contractor information required for the conduct of business with the Government.

"Commercial and Government Entity (CAGE) code" means—

(1) A code assigned by the Defense Logistics Agency (DLA) Logistics Information Service to identify a commercial or Government entity; or

(2) A code assigned by a member of the North Atlantic Treaty Organization that DLA records and maintains in the CAGE master file. This type of code is known as an "NCAGE code."

"Data Universal Numbering System (DUNS) number" means the 9-digit number assigned by Dun and Bradstreet, Inc. (D&B) to identify unique business entities.

"Data Universal Numbering System+4 (DUNS+4) number" means the DUNS number means the number assigned by D&B plus a 4-character suffix that may be assigned by a business concern. (D&B has no affiliation with this 4-character suffix.) This 4-character suffix may be assigned at the discretion of the business concern to establish additional **SAM** records for identifying alternative Electronic Funds Transfer (EFT) accounts (see the FAR at Subpart 32.11) for the same concern.

"Registered in the **SAM** database" means that—

(1) The Contractor has entered all mandatory information, including the DUNS number or the DUNS+4 number, into the **SAM** database;

(2) The Contractor's CAGE code is in the **SAM** database; and

(3) The Government has validated all mandatory data fields, to include validation of the Taxpayer Identification Number (TIN) with the Internal Revenue Service (IRS), and has marked the record "Active". The Contractor will be required to provide consent for TIN

validation to the Government as a part of the SAM registration process.

"System for Award Management (SAM)" means the primary Government repository for prospective federal awardee information and the centralized Government system for certain contracting, grants, and other assistance related processes. It includes—

(1) Data collected from prospective federal awardees required for the conduct of business with the Government;

(2) Prospective contractor submitted annual representations and certifications in accordance with FAR Subpart 4.12; and

(3) The list of all parties suspended, proposed for debarment, debarred, declared ineligible, or excluded or disqualified under the nonprocurement common rule by agencies, Government corporations, or by the Government Accountability Office.

(b)(1) The Contractor shall be registered in the SAM database prior to submitting an invoice and through final payment of any contract, basic agreement, basic ordering agreement, or blanket purchasing agreement resulting from this solicitation.

(2) The SAM registration shall be for the same name and address identified on the contract, with its associated CAGE code and DUNS or DUNS+4.

(3) If indicated by the Government during performance, registration in an alternate system may be required in lieu of SAM.

(c) If the Contractor does not have a DUNS number, it should contact Dun and Bradstreet directly to obtain one.

(1) A contractor may obtain a DUNS number—

(i) Via the internet at http://fedgov.dnb.com/webform or if the contractor does not have internet access, it may call Dun and Bradstreet at 1-866-705-5711 if located within the United States; or

(ii) If located outside the United States, by contacting the local Dun and Bradstreet office. The contractor should indicate that it is a contractor for a U.S. Government contract when contacting the local Dun and Bradstreet office.

(2) The Contractor should be prepared to provide the following information:

(i) Company legal business name.

(ii) Tradestyle, doing business, or other name by which your entity is commonly recognized.

(iii) Company physical street address, city, state and Zip Code.

(iv) Company mailing address, city, state and Zip Code (if separate from physical).

(v) Company telephone number.

(vi) Date the company was started.

(vii) Number of employees at your location.

(viii) Chief executive officer/key manager.

(ix) Line of business (industry).

(x) Company Headquarters name and address (reporting relationship within your entity).

(d) **Reserved.**

(e) Processing time **for registration in SAM, which normally takes five business days,** should be taken into consideration when registering. **Contractors** who are not already registered should consider applying for registration **at least two weeks prior to invoicing.**

(f) The Contractor is responsible for the accuracy and completeness of the data within the **SAM** database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the **SAM** database after the initial registration, the Contractor is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in the **SAM** database to ensure it is current, accurate and complete. Updating information in the **SAM** does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(g)(1)(i) If a Contractor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, but has not completed the necessary requirements regarding novation and change-of-name agreements in Subpart 42.12, the

Contractor shall provide the responsible Contracting Officer **sufficient documentation to support the legally changed name with** a minimum of one business day's written notification of its intention to—

(A) Change the name in the **SAM** database;

(B) Comply with the requirements of subpart 42.12 of the FAR; and

(C) Agree in writing to the timeline and procedures specified by the responsible Contracting Officer.

(ii) If the Contractor fails to comply with the requirements of paragraph (g)(1)(i) of this clause, or fails to perform the agreement at paragraph (g)(1)(i)(C) of this clause, and, in the absence of a properly executed novation or change-of-name agreement, the **SAM** information that shows the Contractor to be other than the Contractor indicated in the contract will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the electronic funds transfer (EFT) clause of this contract.

(2) The Contractor shall not change the name or address for EFT payments or manual payments, as appropriate, in the **SAM** record to reflect an assignee for the purpose of assignment of claims (see FAR Subpart 32.8, Assignment of Claims). Assignees shall be separately registered in the **SAM** database. Information provided to the Contractor's **SAM** record that indicates payments, including those made by EFT, to an ultimate recipient other than that Contractor will be considered to be incorrect information within the meaning of the "Suspension of payment" paragraph of the EFT clause of this contract.

(h) Contractors may obtain information on registration and annual confirmation requirements via the **SAM** accessed through https://www.acquisition.gov or by calling **866-606-8220, or 334-206-7828 for international calls.**

(End of Clause)