OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301 3000

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

APRIL 4, 2003

MEMORANDUM FOR DIRECTORS, DEFENSE AGENCIES
ACTING DEPUTY ASSISTANT SECRETARY OF THE ARMY (POLICY AND PROCUREMENT), ASA(ALT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY (ACQUISITION MANAGEMENT), ASN(RDA)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (CONTRACTING), SAF/AQC
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY
EXECUTIVE DIRECTOR, ACQUISITION, TECHNOLOGY, AND SUPPLY (DLA)

SUBJECT: Acquisition Flexibility for Urgent Needs

We are challenged every day to solicit industry, award and modify contracts, deliver capability and make payment faster. Speed is increasingly a critical measure of success particularly as we support overseas military operations and the defense against terrorism. As we create strategies to quickly meet these needs, we should use the flexibility of FAR and DoD FAR Supplement (DFARS) authorities that exist to support urgent situations and national security requirements. In those circumstances where you are specifically precluded from taking actions you determine necessary, I expect you to support, authorize or seek appropriate deviations and give me feedback.

The Air Force recently issued guidance highlighting many existing techniques for rapid, agile contracting support (available at http://www.acq.osd.mil/dpap). I wholeheartedly support these techniques and urge you to put them into practice where appropriate. Recently, we published significant changes to the FAR authorized by the Homeland Security Act. These authorities, coupled with DoD's temporary emergency procurement authority, increase the thresholds for using simplified acquisition procedures. They also allow us to treat buys that directly support defense against or recovery from terrorism or chemical, biological, nuclear or radiological attack as commercial items with no dollar limitation for use of simplified acquisition procedures. These are bold opportunities, if used with diligence, can achieve significant results for our customers. You may find the attached matrix helpful in promoting the use of these authorities.

I challenge the acquisition leadership to push new and existing authorities to the contracting officer and aggressively pursue and approve FAR and DFARS deviations when needed. Please let me know when you identify opportunities to improve processes,

shorten cycle times, and enhance responsiveness to the customer. Our web site to collect this information is www.acq.osd.mil/dp/dars/transf. We will use your input to assess results and make needed changes.

Please pass on my gratitude to the acquisition workforce for their continued dedication and commitment to the Department's mission. My points of contact are Ms. Angelena Moy (DPAP/DARS) at (703) 602-1302 or e-mail: angelena.moy@osd.mil and Mr. William Timperley (DPAP/Policy) at (703) 697-8336 or e-mail: william.timperley@osd.mil.

Deidre A. Lee
Director, Defense Procurement and
Acquisition Policy

Attachment:
As stated

Summary Matrix for
The Temp Emergency Procurement and the Homeland Security Authorities

	Current	Temp Emergency Procurement Authority **Funds Obligated by DoD** 12/28/2002 – 9/30/2003	Homeland Security Act **Solicitations Issued by Federal Agencies** 1/24/2003 – 11/24/2003
Micro-purchase Threshold (construction)	**$2,500** ($2,000)	**$15,000** ($2,000)	**$7,500** ($2,000)
Simplified Acquisition Threshold	**$100,000**	For "contingency" Inside US = **$250,000**	For "contingency Opns" Inside US = **$200,000**
Purchase outside US for Contingency or Peacekeeping/ Humanitarian Opns	**$200,000**	To support defense against terrorism or Chemical/Biological attack in contingency Outside US = **$500,000**	To support defense against, recovery from terrorism or Chem/Bio/Nuclear/Radiological attack in contingency Outside US = **$300,000**
Commercial Item Rules	Use Part 12 for Coml Items; use 13.5 SAP for Coml Items to $5M	Treat buys for Biotechnology and Biotechnology Services as Commercial Items	Treat buys to support defense against, recovery from terrorism or Chem/Bio/ Nuclear/Radiological attack as Commercial Items; Use FAR 13.5 **SAP UNLIMITED $**

*This summary matrix is intended as a quick reference tool. The FAR is the authoritative source for the use of these authorities.

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Small Business Set-Aside (FAR 19.502)	**$2,500 - $100,000**	**$15,000 -$100,00**	**$7,500 -100,000** For "contingency opns" Inside US **$7,500-$200,000**
Very Sm Business Pilot Program (FAR 19.903)	**$2,500 – $50,000**	**$15,000 –$50,000**	**$7,500 –$50,000**
Dollar limit on sole source 8(a) (FAR 19.805) HUBZone	**$5M** with (NAICS) Mfg & **$3 M** all others **$5M** (NAICS) Mfg, **$3 M** other (NAICS)	--	Eliminated dollar limitations on sole source 8(a) acquisitions and HUBZone Sole Source for buys to support defense against, recovery from terrorism or Chem/Bio/ Nuclear/Radiological attack.
Buy-American Act Clause (FAR 52.225-1)	Apply to solict. & contracts over **$2,500**	Apply to solict. & contracts over **$15,000**	Apply to solict. & contracts over **$7,500**

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