



ACQUISITION
AND SUSTAINMENT

OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

In reply refer to
DARS Tracking Number: 2022-O0005, Revision 2

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—Pilot Program for Streamlining Awards for Innovative
Technology Projects

Effective immediately, this class deviation revises and supersedes Class Deviation 2022-O0005, Revision 1, issued on September 20, 2022. This revision clarifies the application of requirements in the clause at Federal Acquisition Regulation (FAR) 52.215-2, Audit and Records—Negotiations.

Effective immediately, the list of exceptions to certified cost or pricing data requirements at FAR 15.403-1(b) is expanded to include contracts, subcontracts, or modifications of contracts or subcontracts valued at less than \$7.5 million awarded to a small business concern or nontraditional defense contractor pursuant to—

- A technical, merit-based selection procedure, such as a broad agency announcement (see FAR 35.016(b)(2));
- The Small Business Innovation Research Program; or
- The Small Business Technology Transfer Program.

In order to implement the data collection requirement of section 862 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2022, when awarding a contract, task order, delivery order, or modification using this exception to certified cost or pricing data, contracting officers will enter 873Authority (exactly as shown, without spaces) in the Description of Requirements data field of the associated contract action report. Contracting

Class Deviation 2022-O0005, Revision 2
Pilot Program for Streamlining Awards for
Innovative Technology Projects

officers may also submit comments regarding the use and benefits of this authority to osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil. Submission of comments is permissive, instead of mandatory, in order to avoid overly burdensome reporting requirements for contracting officers.

In addition, to clarify the audit and record keeping requirements, contracts, subcontracts, and modifications of contracts or subcontracts valued at less than \$7.5 million awarded to a small business concern or nontraditional defense contractor pursuant to a technical, merit-based selection procedure or the Small Business Innovation Research Program are exempt from the requirements for audit and records examination under paragraphs (c)(1) through (c)(3) of the clause at FAR 52.215-2. This exemption is not extended to covered contracts, subcontracts, or modifications under the Small Business Technology Transfer Program.

Notwithstanding the exemptions provided by this deviation, the head of the contracting activity (HCA) may determine that the requirements for submission of certified cost or pricing data or audit and records examination is required based on the past performance of the specific small business or nontraditional defense contractor, or based on analysis of other information specific to the award. If the HCA makes a determination not to apply the exemption from audit and records examination requirements, the performance audit shall be initiated within 18 months of the contract completion. Contracting officers shall notify the small business concern or nontraditional defense contractor of the HCA's determination.

This deviation implements section 873 of the NDAA for FY 2016 (Pub. L. 114-92) for the Pilot Program for Streamlining Awards for Innovative Technology Projects, as modified by sections 896 of the NDAA for FY 2017 (Pub. L. 114-328), 832 of the NDAA for FY 2021 (Pub. L. 116-283), and 862 of the NDAA for FY 2022 (Pub. L. 117-81).

This class deviation remains in effect until October 1, 2024, or otherwise rescinded. My point of contact is Mr. Larry McLaury, who may be reached at osd.pentagon.ousd-a-s.mbx.dpc-pcf@mail.mil.

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Defense Pricing and Contracting