**DFARS PGI TECHNICAL AMENDMENT**

**OUSD(A&S) Reorganization**

**October 2023**

**PGI 201—FEDERAL ACQUISITION REGULATIONS SYSTEM**

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**PGI 201.3—AGENCY ACQUISITION REGULATIONS**

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**PGI 201.304 Agency control and compliance procedures.**

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(5)(A) Prior to publication for public comment in the *Federal Register* of a local clause submit, in accordance with agency procedures, the following information electronically via email to the Director, Defense Acquisition Regulation (DAR) Council, at [~~osd.clause.control@mail.mil~~](mailto:osd.clause.control@mail.mil)**[*****osd.pentagon.ousd-a-s.mbx.dfars@mail.mil*]**:

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(C) Requests for **[Principal]** Director, Defense **[Pricing and Contracting]** ~~Procurement and Acquisition Policy~~ (DP~~AP~~**[C]**), approval of local clauses that have been published for public comment in the *Federal Register*, shall be submitted electronically via email through the Director, DAR Council, at *~~osd.clause.control@mail.mil~~***[*osd.pentagon.ousd-a-s.mbx.dfars@mail.mil*]** and shall include the following:

(*1*) A memorandum requesting **[Principal]** Director, DP~~AP~~**[C]**, approval of the local clause.

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**PGI 203—IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST**

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**PGI 203.8—LIMITATIONS ON THE PAYMENT OF FUNDS TO INFLUENCE FEDERAL TRANSACTIONS**

**[****203.806 Processing suspected violations.]**

(a) Report violations or potential violations of the Lobbying Disclosure Act (31 U.S.C. 1352) through agency channels to the ~~Deputy~~ **[Office of the Principal]** Director, Defense **[Pricing and Contracting]** ~~Procurement and Acquisition Policy~~ (Contract~~ing~~ Policy ~~and International Contracting~~)~~,~~ **[via email at]** ~~osd.pentagon.ousd-atl.mbx.cpic@mail.mil~~**[*****osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil*]**.

(b) ~~Click here to view~~**[The]** OUSD(AT&L) memorandum dated March 5, 2012, Department of Defense Inspector General (DODIG) Report 2012-030, Contractor Compliance Varies with Classification of Lobbying Costs and Reporting of Lobbying Activities (Project No. D2010-DOOOCF-0145.000)**[ is available** [***here***](https://www.acq.osd.mil/dpap/policy/policyvault/USA000430-12-DPAP.pdf)**]**.

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**PGI 204—ADMINSTRATIVE MATTERS**

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**PGI 204.71—UNIFORM CONTRACT LINE ITEM NUMBERING SYSTEM**

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**PGI 204.7107 Contract accounting classification reference number (ACRN) and agency accounting identifier (AAI).**

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(b) *Establishing an AAI.* ~~An AAI, as~~**[As]** detailed **[in the joint** **[Under Secretary of Defense (Acquisition, Technology, and Logistics) and Under Secretary of Defense (Comptroller) memorandum dated March 18, 2009](https://www.acq.osd.mil/dpap/policy/policyvault/USA002246-09-DPAP.pdf)]** *~~[http://www.acq.osd.mil/dpap/policy/policyvault/USA002246-09-DPAP.pdf](https://www.acq.osd.mil/dpap/policy/policyvault/USA002246-09-DPAP.pdf)~~*, **[an AAI]** is a six-digit data element that identifies a system in which accounting for specific funds is performed. The funding office will provide to the contracting office the AAI associated with the funding for each line item.

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**PGI 209—CONTRACTOR QUALIFICATIONS**

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**PGI 209.5—ORGANIZATIONAL AND CONSULTANT CONFLICTS OF INTEREST**

**PGI 209.570 Limitations on contractors acting as lead system integrators.**

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**PGI 209.570-3 Procedures.**

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(2)(i) To process an exception under DFARS 209.570-2(b)(1), the contracting officer shall submit the request and appropriate documentation to **[****the Office of the Principal Director, Defense Pricing and Contracting (Contract Policy) (DPC/CP) at *osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil.*]**~~—~~

~~Director, Defense Procurement and Acquisition Policy~~

~~ATTN: OUSD(AT&L) DPAP/PACC~~

~~3060 Defense Pentagon~~

~~Washington, DC 20301-3060.~~

~~Phone: 703-695-4235~~

~~FAX: 703-693-9616~~

(ii) The **[DPC/CP]** action officer ~~in the Office of the Director, Defense Procurement and Acquisition Policy, Program Acquisition and Contingency Contracting (DPAP/PACC),~~ will process the request through the Office of the Secretary of Defense and, if approved, to the appropriate committees of Congress. The contracting officer shall not award a contract to the affected offeror until notified by the ~~DPAP~~/~~PACC~~**[DPC/CP]** action officer that the exception has been approved and transmitted to Congress.

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**PGI 211—DESCRIBING AGENCY NEEDS**

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**PGI 211.2—USING AND MAINTAINING REQUIREMENTS DOCUMENTS**

**\* \* \* \* \***

**PGI 211.274 Item identification and valuation requirements.**

**PGI 211.274-2 Policy for unique item identification.**

(b)(2)(ii) Send the copy of the determination and findings required by DFARS 211.274-2(b)(2)(i) to **[****the Office of the Principal Director, Defense Pricing and Contracting (Contracting eBusiness)]** ~~DPAP/Program Development and Implementation, Deputy Director, 3060 Defense Pentagon, 3B855, Washington, DC 20301-3060; or~~ via email **[at** ***osd.pentagon.ousd-a-s.mbx.dpc-cb@mail.mil*]** ~~to: osd.pentagon.ousd-atl.mbx.pdi@mail.mil~~.

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**PGI 215—CONTRACTING BY NEGOTIATION**

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**PGI 215.4—CONTRACT PRICING**

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**[****PGI 215.406 Documentation.]**

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**PGI 215.406-1 Prenegotiation objectives.**

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(b) \* \* \*

(ii) *Adjudication Procedures.* DCAA has ~~three~~**[3]** days to elevate the issues within the contracting officer’s activity after receipt of the contracting ~~officers’~~**[officer’s]** written communication confirming the disagreement. Furthermore, DCAA may appeal the significant issues up the chain of command as established in each ~~C~~**[c]**omponent’s “Resolving Contract Audit Recommendations” policy. If issues remain, the Director, DCAA may escalate from the Defense ~~C~~**[c]**omponent’s ~~H~~**[h]**ead of ~~C~~**[c]**ontracting ~~A~~**[a]**ctivity or ~~S~~**[s]**enior ~~P~~**[p]**rocurement ~~E~~**[e]**xecutive, to the **[Principal]** Director, **[DPC]** ~~Defense Procurement and Acquisition Policy (DPAP)~~. If the DCAA Director believes that the **[Principal]** Director, DP~~AP~~**[C]** has not adequately addressed the matter, the disagreement may finally be elevated to the Under Secretary of Defense for Acquisition**[ and Sustainment]**, ~~Technology, and Logistics~~, and the Comptroller.

(iii) Notwithstanding the above, the Director, DCAA, may always raise audit issues to the **[Principal]** Director, DP~~AP~~**[C]**.

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~~(d) See Frequen.tly asked ‘Questions and Answers” at~~ *~~http://www.acq.osd.mil/dpap/cpic/cp/sec\_808\_NDAA.html~~* ~~relating to the limitations placed on the Department of Defense for aggregate annual amounts available for contracted services in accordance with section 808 of the National Defense Authorization Act for Fiscal year 2012, P.L. 112-81 and DFARS Class Deviation 2012-O0012, Limitation on Amounts Available for Contracted Services, dated July 31, 2012.~~

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**[****PGI 215.406-2 Certificate of current cost or pricing data**.

**(c)(i) Prior to the start of negotiations, contracting officers should notify offerors and contractors that—**

**(A) A Certificate of Current Cost or Pricing Data, as prescribed by FAR 15.406-2, shall be submitted as soon as practicable after agreement on price (preferably within 5 days after price agreement), but before contract award or execution of a modification (except for unpriced actions such as letter contracts).**

**(B) A Certificate of Current Cost or Pricing Data that deviates from the language specified in FAR 15.406-2, or has been amended to include certification of data submitted after the date of price agreement, will not be accepted.**

**(ii) If any data is submitted after the date of price agreement, contracting officers shall—**

**(A) Notify offerors in writing that such data will not be reviewed until after contract award and will be dispositioned in accordance with FAR 15.407-1 and FAR clause 52.215-10 or 52.215-11, as applicable; or**

**(B) Consider the previous price agreement null and void, and prior to award—**

**(*1*) Reopen negotiations to assess the impact of the data submitted after the date of price agreement (“sweep data”);**

**(2) Reestablish price agreement based on cost or pricing data that is accurate, complete, and current as of the date of the revised agreement on price; and**

**(3) Request a new Certificate of Current Cost or Pricing Data, as prescribed by FAR 15.406-2, to include the sweep data and any new or revised data submitted after the previous certification.**

**(iii) If a contractor persistently submits untimely “sweep” data or fails to timely submit cost or pricing data or the certification that the data are accurate, complete, and current as of the data of price agreement, the contracting officer should refer the matter to the Defense Contract Audit Agency (DCAA) via the Administrative Contracting Officer, Divisional Administrative Contracting Officer, or Corporate Administrative Contracting Officer, as appropriate, for consideration in DCAA’s review of the adequacy of the contractor’s estimating system.]**

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**PGI 217—SPECIAL CONTRACTING METHODS**

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**PGI 217.75—ACQUISITION OF REPLENISHMENT PARTS**

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**PGI 217.7506—SPARE PARTS BREAKOUT PROGRAM**

**PART 1—GENERAL**

\* \* \* \* \*

**1-105 Responsibilities.**

(a) The Under Secretary of Defense (Acquisition**[ and Sustainment]**~~, Technology, and Logistics~~) has authority for direction and management of the DoD Spare Parts Breakout Program, including the establishment and maintenance of implementing regulations.

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**5-502 Reporting procedures.**

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(c) Submissions will be made to the Under Secretary of Defense (Acquisition**[ and Sustainment]**~~, Technology, and Logistics~~).

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**5-503 Reporting instructions.**

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**EXHIBIT II--FULL SCREENING DECISION PROCESS SUMMARY FLOW CHART**

**[Exhibit II is available here.]**

~~NOTE: Copies of Exhibit II can be~~ ~~obtained from: Defense Acquisition Regulations System, OUSD(AT&L) DPAP/DARS, 3062 Defense Pentagon, Washington, DC 20301-3062;~~ ~~facsimile (703) 602-0350; via e-mail:~~ *~~osd.pentagon.ousd-atl.mbx.dfars@mail.mil~~*.

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**PGI 218—EMERGENCY ACQUISITIONS**

**PGI 218.2—EMERGENCY ACQUISITION FLEXIBILITIES**

**PGI 218.271 Use of electronic business tools.**

(a) \* \* \*

(b) Use of the following CBE e-business tools is mandatory when supporting a contingency or humanitarian or peacekeeping operation as defined in FAR 2.101:

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(2) The Acquisition Cross-Servicing Agreements (ACSA) Global Automated Tracking and Reporting System (AGATRS). AGATRS is an automated tool that tracks and provides visibility into worldwide ACSAs that may satisfy a requirement through support from the host nation or other nations supporting the contingency. ACSA transactions that are used in support of contingency or humanitarian or peacekeeping operations are required to be documented and tracked in AGATRS as required by the Chairman of the Joint Chiefs of Staff Instruction 2120.01~~C~~**[D]**, Acquisition **[and]** Cross Servicing Agreements ~~(~~[~~http://dtic.mil/cjcs\_directives/cdata/unlimit/2120\_01.pdf~~](http://dtic.mil/cjcs_directives/cdata/unlimit/2120_01.pdf)*~~)~~*~~.~~**[(*****<https://www.jcs.mil/Portals/36/Documents/Library/Instructions/2120_01.pdf?ver=CHcrQXsNoR43vDcR5Y80sg%3d%3d>*).]** AGATRS is accessible on the JCCS website at [*https://www.jccs.gov/olvr*](https://www.jccs.gov/olvr).

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**PGI 222—APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS**

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**PGI 222.74—RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS**

**PGI 222.7404 Waiver.**

(c) Requests for waivers to the policy at DFARS 222.7402 must be submitted to the Secretary of Defense through **[the Office of the Principal Director, Defense Pricing and Contracting (Contract Policy). Requests for waivers may be** **submitted via email at** [***osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil***](mailto:osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil)**.]**~~Contract Policy and International Contracting of Defense Procurement and Acquisition Policy, OUSD (AT&L) DPAP/CPIC at 3060 Defense Pentagon, Room 5E621, Washington, D.C. 20301-3060. Requests for waivers may be submitted electronically to the following CPIC email address: osd.pentagon.ousd-atl~~**~~.~~**~~mbx.cpic@mail.mil.~~ Include “Waiver-Mandatory Arbitration” in the subject line of the message.

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**PGI 225—FOREIGN ACQUISITION**

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**PGI 225.3 CONTRACTS PERFORMED OUTSIDE THE UNITED STATES**

**PGI 225.370 Contracts requiring performance or delivery in a foreign country.**

(a) \* \* \*

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(ii) Comply with any theater business clearance and contract administration delegation requirements set forth in **[the]** memorandum ~~(click here)~~ entitled Theater Business Clearance/Contract Administration Delegation Update—Integration of TBC with the Joint Contingency Contracting System Platform**[,]** ~~(~~which must be consistent with the combat support agency’s established functions and responsibilities**[,]**~~)~~ and set forth by the geographic combatant commander during declared contingency operations for all solicitations and contracts that relate to the delivery of supplies and services to the designated area(s) of operation. **[****The memorandum is available at** [***https://www.acq.osd.mil/dpap/policy/policyvault/USA004346-12-DPAP.pdf***](https://www.acq.osd.mil/dpap/policy/policyvault/USA004346-12-DPAP.pdf)***.*]**

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**PGI 225.7—PROHIBITED SOURCES**

**PGI 225.770 Prohibition on acquisition of ~~United States Munitions List~~[certain] items from Communist Chinese military companies.**

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**PGI 225.770-5 Waiver of prohibition.**

(c) Send ~~the DPAP~~**[a]** copy of the report **[****to the Office of the Principal Director, Defense Pricing and Contracting (Contract Policy) (DPC/CP) via email at *osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil*.]** ~~to:~~

~~Director, Defense Procurement and Acquisition Policy~~

~~ATTN: OUSD(AT&L) DPAP/CPIC~~

~~3060 Defense Pentagon~~

~~Washington, DC 20301-3060.~~

**225.771 Prohibition on contracting or subcontracting with a firm that is owned or controlled by the government of a country that is a state sponsor of terrorism.**

**225.771-3 Notification.**

Forward any information indicating that a firm, a subsidiary of a firm, or any other firm that owns or controls the firm, may be owned or controlled by the government of a country that is a state sponsor of terrorism, through agency channels, to~~:~~ **[****DPC/CP via email at *osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil*.]** ~~Deputy Director, Defense Procurement (Contract Policy and International Contracting, OUSD(AT&L) DPAP/CPIC), 3060 Defense Pentagon, Washington, DC 20301-3060.~~

**PGI 225.772 Prohibition on acquisition of [certain foreign] commercial satellite services ~~from certain foreign entities~~.**

**PGI 225.772-3 Procedures.**

(1) Forward any information required in accordance with 225.772-3 or requests for an exception **[****to DPC/CP via** **email at** ***osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil*.]** ~~to:~~

~~Director, Defense Pricing and Contracting~~

~~ATTN: OUSD(A&S) DPC/CP~~

~~3060 Defense Pentagon~~

~~Washington, DC 20301-3060.~~

(2) Consult with ~~OUSD(A&S) DPC/CP~~**[DPC/CP]**, as required in accordance with 225.772-3(c)(2), ~~by telephone at 703-697-0895 or 703-695-8569~~**[****via email at** ***osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil*]**.

**PGI 225.8—OTHER INTERNATIONAL AGREEMENTS AND COORDINATION**

**PGI 225.802 Procedures.**

(b) Information on specific memoranda of understanding and other international agreements is available as follows:

(i) Memoranda of understanding and other international agreements between the United States and the countries listed in DFARS 225.872-1 are maintained in the Office of the Principal Director, Defense Pricing and Contracting (Contract Policy) **[(DPC/CP)]**~~((703)697-9351, DSN 227-9351)~~ and are available at *https://www.acq.osd.mil/asda/dpc/cp/ic/reciprocal-procurement-mou.html*.

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**PGI 225.871 North Atlantic Treaty Organization (NATO) cooperative projects.**

**PGI 225.871-4 Statutory waivers.**

Forward any request for waiver under a cooperative project to the Deputy Secretary of Defense, through the **[Principal]** Director**[,]** ~~of~~ Defense **[Pricing and Contracting]**~~Procurement and Acquisition Policy, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics)~~. The waiver request shall include a draft Determination and Findings for signature by the Deputy Secretary of Defense establishing that the waiver is necessary to significantly further NATO standardization, rationalization, and interoperability.

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**PGI 225.72—REPORTING CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES**

**PGI 225.7203 Contracting officer distribution of reports**.

**[(a)]** Before contract award, forward a copy of any reports that are submitted with offers in accordance with the provision at 252.225-7003, Report of Intended Performance outside the United States and Canada–Submission with Offer, ~~to the Principal Director, Defense Pricing and Contracting (Contract Policy), OUSD(A&S) DPC/CP, Washington, DC 20301-3060.~~ **[to the Office of the Principal Director (Contract Policy) via email to** ***osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil*].**

**(b)]** ~~This~~**[****Forwarding the reports as described in paragraph (a) of this section]** is necessary to satisfy the requirement of 10 U.S.C. 4603 that notifications (or copies) of contract performance outside the United States and Canada be maintained in compiled form for 5 years after the date of submission.

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**PGI 225.76—SECONDARY ARAB BOYCOTT OF ISRAEL**

**PGI 225.7604 Waivers.**

Forward waiver requests ~~to the Director, Defense Procurement and Acquisition Policy, ATTN: OUSD(AT&L) DPAP/CPIC, 3060 Defense Pentagon, Washington, DC 20301- 3060~~ **[to the Office of the Principal Director (Contract Policy) via email to** ***osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil*.]**

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**PGI 226—OTHER SOCIOECONOMIC PROGRAMS**

**PGI 226.1—INDIAN INCENTIVE PROGRAM**

**PGI 226.103 Procedures.**

(1) Submit a request for funding of the Indian incentive to**[—]** ~~the~~

**[Director,]** Office of Small Business Programs~~,~~

~~Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics)~~  ~~(OUSD(AT&L) SBP),~~

201 12th Street South, Suite 406~~,~~

Arlington, VA 22202**[-5411]**.

(2) Upon receipt of funding from ~~OUSD(AT&L) SBP~~**[****the Office of the Deputy Assistant Secretary of Defense (Industrial Policy), Office of Small Business Programs]**, issue a contract modification to add the Indian incentive funding for payment of the contractor’s request for adjustment as described in the clause at DFARS 252.226-7001, Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns.

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**PGI 230—COST ACCOUNTING STANDARDS ADMINISTRATION**

**PGI 230.2—CAS PROGRAM REQUIREMENTS**

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**[PGI 230.201 Contract Requirements.]**

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**PGI 230.201-5 Waiver.**

(a)(1)(i) Unless otherwise authorized by the **[Principal]** Director**[,]** ~~of~~ Defense **[Pricing and Contracting (DPC)]** ~~Procurement and Acquisition Policy, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics)~~, the military departments must submit each CAS waiver request to ~~the Director~~**~~,~~** ~~of~~ **[DPC (Price, Cost and Finance)]** ~~Defense, Procurement and Acquisition Policy~~ for review at least 14 days before granting the waiver. **[****Submit waiver requests** **via email at *osd.pentagon.ousd-a-s.mbx.dpc-pcf@mail.mil*.]**

(ii) DoD contracting activities that are not within a military department must submit CAS waiver requests that meet the conditions in FAR 30.201-5(b) to the **[Principal]** Director**[, DPC]** ~~of Defense Procurement and Acquisition Policy~~ for approval at least 30 days before the anticipated contract award date.

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**PGI 231—CONTRACT COST PRINCIPLES AND PROCEDURES**

**PGI 231.2—CONTRACTS WITH COMMERCIAL ORGANIZATIONS**

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**[PGI 231.205 Selected costs.]**

**PGI 231.205-70 External restructuring costs.**

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(d) *Procedures and ACO responsibilities*. The cognizant ACO shall—

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(ix)(A) Submit a recommendation for determination to—

(*1*) **[****If DFARS 231.205-70(c)(4)(ii)(A) applies, submit the recommendation** **to the Office of the Principal Director, Defense Pricing and Contracting (Price, Cost and Finance) via email at *osd.pentagon.ousd-a-s.mbx.dpc-pcf@mail.mil*.]**~~The Director of Defense~~~~Procurement and Acquisition Policy, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics), ATTN: OUSD(AT&L)DPAP(P), if DFARS 231.205-70(c)(4)(ii)(A) applies; or~~

(*2*) **[****If DFARS 231.205-70(c)(4)(ii)(B) applies, submit the recommendation to]**~~To~~ the Director of the Defense Contract Management Agency, ATTN: HQ DCMA-OCB~~, if DFARS 231.205-70(c)(4)(ii)(B) applies~~.

(B) \* \* \*

(x) Consult with the **[Principal]** Director**[,]** ~~of~~ Defense **[Pricing and Contracting]** ~~Procurement and Acquisition Policy, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics),~~ or with the Director of the Defense Contract Management Agency, as appropriate, when DFARS 231.205-70(c)(4)(i)(B) applies.

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**PGI 232—CONTRACT FINANCING**

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**PGI 232.5—PROGRESS PAYMENTS BASED ON COSTS**

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**[****PGI 232.501 General.]**

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**PGI 232.501-2 Unusual progress payments.**

Unusual progress payment arrangements require the advance approval of the **[Principal]** Director**[,]** ~~of~~ Defense **[Pricing and Contracting (DPC)]** ~~Procurement and Acquisition Policy, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics) (OUSD(AT&L) DPAP)~~. Contracting officers must submit all unusual progress payment requests to the department or agency contract financing office for approval and submission to ~~OUSD(AT&L)~~ DP~~AP~~**[C]**.

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**PGI 232.10—PERFORMANCE-BASED PAYMENTS**

**PGI 232.1001 Policy.**

(a) *Contracting officer action***.** Performance-based payments are not practical for use on all fixed**[-]**price contracts and require considerable effort between the contractor and Government to identify the appropriate performance-based payment events and establish the proper completion criteria for those events. Additionally, FAR 32.1003 prohibits contracts from having both progress payments and performance-based payment financing on a contract at the same time. Additional information and instruction on performance-based payments are provided in the DoD Performance-based Payments Guide on the **[****Defense Pricing and Contracting (Price, Cost and Finance)]** ~~DPAP~~ website ~~in the~~ **[****under Pricing Topics, Performance Based Payment.]** ~~Cost, Pricing & Finance section under the Performance Based Payments – Guide Book & Analysis Tool tab~~:

*~~https://www.acq.osd.mil/asda/dpc/pcf/pricing-topics.html#pdp~~*

**[****See*****https://www.acq.osd.mil/asda/dpc/pcf/docs/resources-training/Performance\_Based\_Payment\_(PBP)\_Guide.pdf.]***

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**PGI 232.71—LEVIES ON CONTRACT PAYMENTS**

**PGI 232.7101 Policy and procedures.**

*Background*. The Internal Revenue Service (IRS) is authorized to collect overdue taxes through a continuous levy up to 100 percent of the debt on certain vendor contract payments disbursed by the Defense Finance and Accounting Service. The levy is continuous until the overdue taxes are paid in full, or other arrangements are made to satisfy the debt. Contractors are required to promptly notify the procuring contracting officer when a tax levy that may result in an inability to perform the contract is imposed, so that the contracting officer and the **[Principal]** Director, Defense **[Pricing and Contracting]** ~~Procurement and Acquisition Policy~~ (DP~~AP~~**[C]**), can take appropriate action to mitigate any possible adverse effect on national security.

(b) *Procuring contracting officer procedures for reviewing the contractor’s rationale and submitting the required documentation.*

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(iv) If the procuring contracting officer believes that the levy will impact national security and/or result in significant additional costs to DoD, the procuring contracting officer shall, in accordance with agency procedures, promptly notify the **[Principal]** Director, DP~~AP~~**[C]**, ~~by~~**[via email]** ~~e-mail~~ **[at *osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil*]** ~~or facsimile~~. The notification to the **[Principal]** Director, DP~~AP~~**[C]**, shall include—

(A) The rationale supporting the recommendation that the levy may result in an inability to perform the contract;

(B) A description of the adverse effect on national security, if applicable; and

(C) A description and estimate of the additional costs to the Government, if applicable. Since prompt notification to the **[Principal]** Director, DP~~AP~~**[C]**, is essential, the procuring contracting officer should not delay the notification while trying to achieve more precise data.

(c) ***[Principal]*** *Director, DP~~AP~~****[C*]***, procedures*. The **[Principal]** Director, DP~~AP~~**[C]**, will promptly evaluate the procuring contracting officer’s notification package.

(i) If the **[Principal]** Director, DP~~AP~~**[C]**, disagrees with the recommendation of the procuring contracting officer, the **[Principal]** Director, DP~~AP~~**[C]**, will notify the procuring contracting officer through the same agency channels that were used for submission of the notification.

(ii) If the **[Principal]** Director, DP~~AP~~**[C]**, agrees with the recommendation of the procuring contracting officer—

(A) When there is an adverse effect on national security, the **[Principal]** Director, DP~~AP~~**[C]**, will notify the payment office, the IRS, and the procuring contracting officer that the total amount of the levy should be promptly returned to the contractor; or

(B) When there is not an adverse effect on national security**[,]** but the levy will result in significant additional costs to DoD, the **[Principal]** Director, DP~~AP~~**[C]**, will promptly notify the procuring contracting officer and the IRS. The **[Principal]** Director, DP~~AP~~**[C]**, notification to the IRS will~~-~~**[—]**

\* \* \* \* \*

(d) *Procuring contracting officer procedures for notifying the contractor of the decision of the* ***[Principal]*** *Director, DP~~AP~~****[C]****.* The procuring contracting officer shall promptly notify the contractor, in writing, of the decision made by the **[Principal]** Director, DP~~AP~~**[C]**, including the actions to be taken (if any).

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**PGI 237—SERVICE CONTRACTING**

**PGI 237.1—SERVICE CONTRACTS–GENERAL**

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**[PGI 237.102 Policy.]**

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**PGI 237.102-71 Limitation on service contracts for military flight simulators.**

(1) To process a request for waiver, the contracting officer shall submit the request and appropriate documentation relating to the requirements of DFARS 237.102-71(b) **[****to the Office of the Principal Director, Defense Pricing and Contracting (Contract Policy) (DPC/CP) via email at** ***osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil*.]** ~~to:~~

~~Director, Defense Procurement and Acquisition Policy~~

~~ATTN: OUSD(AT&L) DPAP/CPIC~~

~~3060 Defense Pentagon~~

~~Washington, DC 20301-3060~~

~~Phone: 703-697-8334 FAX: 703-614-1254~~

(2) The **[DPC/CP]** action officer ~~in the Office of the Director, Defense~~ **~~[~~**~~Procurement and Acquisition Policy, Contract Policy and International Contracting (DPAP/CPIC)~~, will process the request through the Office of the Secretary of Defense and will forward the appropriate documentation to the congressional defense committees. The contracting officer shall not award a contract until notified by the DP~~AP~~**[C]**/CP~~IC~~ action officer that the waiver has been approved, the appropriate documentation has been transmitted to the congressional defense committees, and the required 30 days have passed.

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