



DAR Council Issues

Presented to:
NDIA Small Business Conference

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Overview

- DFARS Transformation
- Small Business DFARS Cases
- Legislation Impacting DFARS



DFARS

Transformation



Direction for Change

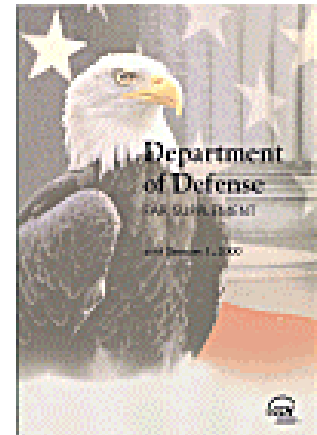
- **Conduct a comprehensive review and transformation of the DFARS**
 - **Reduce DFARS by 40%**
- **Include operational proceedings (and technology) used to revise and maintain the DFARS**



A New DFARS

DFARS, the Regulation --

- Requirements of law
- Mandatory DoD-wide policy
- Delegations of FAR authorities
- Deviations from FAR
- Policies/procedures with significant effect outside DoD internal operations



And...

- Links to Procedures, Guidance, and Information



Procedures, Guidance and Information (“PGI”)

- Procedures
 - Mandatory DoD-internal procedures*
 - Optional DoD-internal procedures**
- Guidance**
 - Helpful explanations, samples, guides, tips, etc.
- Information**
 - Reference material

**No significant impact
on the public**

Not a codified regulation

*Mandatory link in DFARS

**Optional link in DFARS



Why PGI?

VALUE

- Supports rapid change
- Fosters flexibility and innovation
- Distinguishes regulation vs procedure
- Shortens DAR Council and rule-making processes

APPROACH

- **Managed content (DARC direction and processes)**
- **Seamless access (Web based)**



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SUBPART 242.12--NOVATION AND CHANGE-OF-NAME AGREEMENTS *(Revised February 14, 2003)*

Current DFARS

242.1203 Processing agreements.

(b)(2)(A) For contracts awarded by the military departments, provide notices to the following addressees instead of individual contracting or contract administration offices—

Army

HQ, U.S. Army Material Command
ATTN: AMCCC-P
5001 Eisenhower Avenue
Alexandria, VA 22333-0001

Navy

Office of the Assistant Secretary of the Navy
Research, Development & Acquisition
Acquisition Management
2211 South Clark Place, Room 578
Arlington, VA 22202-3738

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New DFARS!

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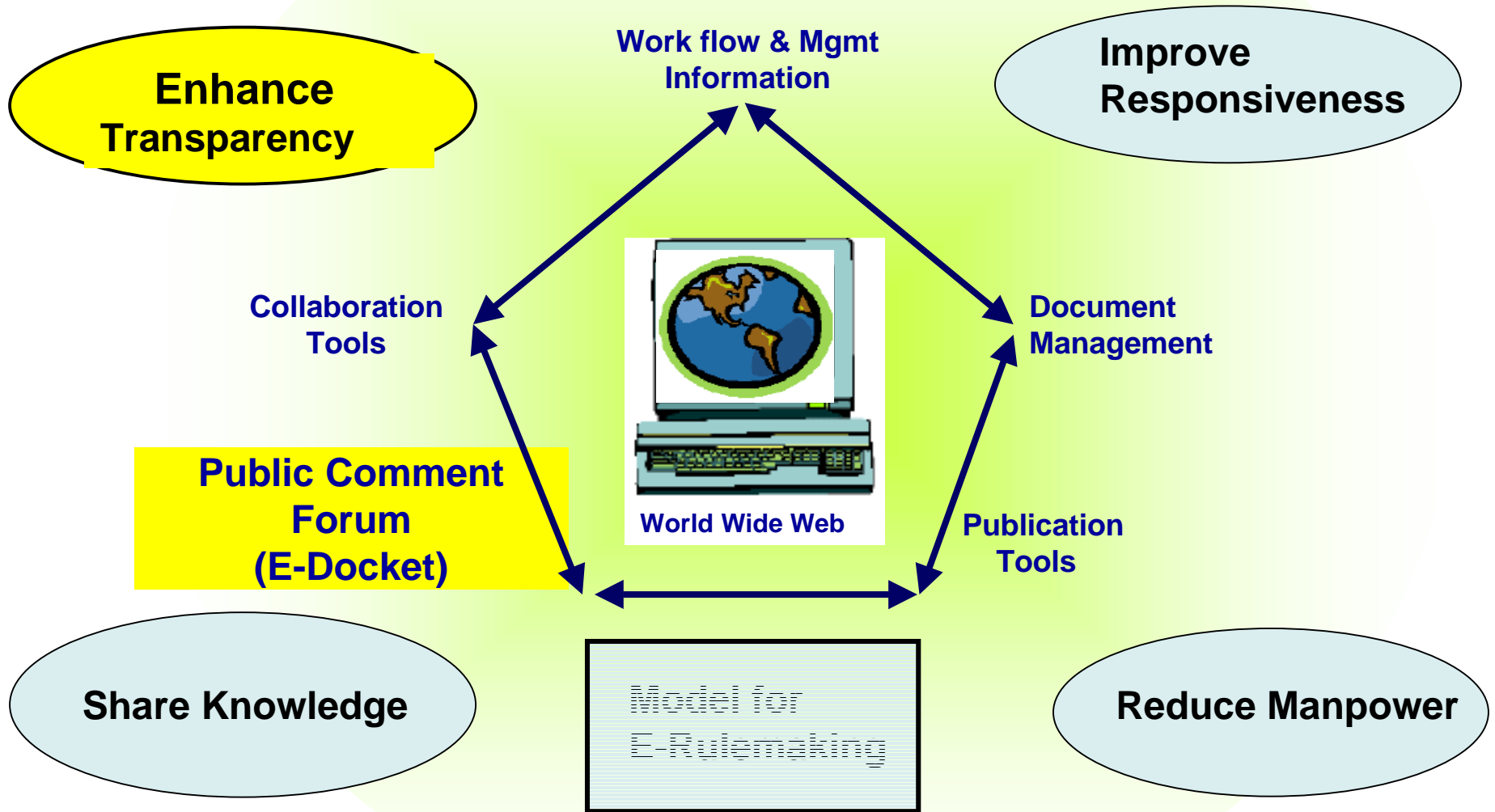
PGI 242.1203(b)(2)(A) Processing agreements.

Provide notices to the following addressees instead of individual contracting or contract administration offices—

- Army HQ, U.S. Army Material Command
 ATTN: AMCCC-P5001
 Eisenhower Avenue
 Alexandria, VA 22333-0001
- Navy Office of the Assistant Secretary of the Navy
 Research, Development & Acquisition
 Acquisition Management
 2211 South Clark Place, Room 578
 Arlington, VA 22202-3738
- Air Force HQ Air Force Materiel Command
 ATTN: HQ AFMC/PKP

* Notional Depiction Only*

Technology





DFARS Cases of Interest to Small Business



2003-D109: Consolidation

- Section 801 of the FY04 NDAA (PL 108-136)
- DoD specific - extends bundling type requirements to consolidations greater than \$5 million.
- Includes multiple award contracts.
- Draft Interim Rule currently being prepared for publication.



2003-D105: A&E Set-Aside Threshold

- Section 1427(a) of the FY04 NDAA
- Increases ceiling for mandatory set-asides for A&E services for military construction or family housing projects from \$85,000 to \$300,000.
- Interim DFARS rule in effect; public comment period ends Aug 9, 2004.



2003-D092: SDB DFARS Transformation

- Deletes 217.4, “Leader Company Contracting” – had no real value to SDBs
- Reduces approval level for SDB goals of less than 5%, at 219.705-4(d), from “two levels above PCO” to “one level above”
 - Proposal had been to delete the approval
- DAR Council agreed to a final rule July 14.



2003-D060: Clarify Threshold for SB Review

- Transformation proposal to clarify Small Business Specialist review threshold
 - Current DFARS requires SBS review of all actions above \$10,000
 - Proposal would raise to \$100,000 except for actions not already set-aside or reserved
- Proposed rule published, public comment period ended June 22, 2004 – 5 comments received
- Case will be worked jointly by the Contract Placement and Small Business Committees



2003-D047: Part 219, Small Business Programs

- 22 DFARS Transformation proposals to revise Part 219
- Mostly editorial or to better align with FAR; and relocation of procedures to PGI
- Key: 219.704 – notice by contractor to ACO of ANY substitution for subcontractors identified in a subcontracting plan
- Draft proposed rule agreed to by DAR Council June 30; to be published for comment



2003-D013: Pilot Mentor-Protégé Program

- Transformation proposal to authorize SADBUs of individual military departments or defense agencies to manage Mentor-Protégé
- Proposed rule published, public comment period ended July 12, 2004



2003-D032: Gov't Source Inspection Reqmts

- Eliminates Government Source Inspection requirements for contracts or delivery orders valued below \$250,000, unless:
 - Mandated by DoD regulation
 - MOA between DCMA and acquiring department
 - PCO determines certain conditions exist (drawings)
- Proposed rule published, public comment period ended Nov 14, 2003 – 94 comments received, including concern about payment delays
- Draft Final Rule agreed to by Council; emphasis on use of CoC and Fast Pay (when appropriate)



Legislation Impacting DFARS



Total Period Limits

- Section 843 of the NDAA (PL 108-136).
- Limits the total period of task and delivery order contracts awarded pursuant to 10 USC 2304a to 5 years.
- DPAP memo
- Interim DFARs rule March 24



Quality Control of Aviation Critical Safety Items

- Section 802 of the NDAA (PL 108-136)
- The Head of the Design Control Activity is responsible for establishing processes to manage aviation critical safety items.
- The Head of the Contracting Activity may enter into such a contract only with a source approved by the design control activity.
- DFARS interim rule in DAR Council coordination



BACK-UPS



Acquisition Regulations Framework

- FAR1.301, Policy --
 - (a)(1)... An agency head may issue...agency acquisition regulations that implement or supplement the FAR and incorporate, together with the FAR, agency policies, procedures, contract clauses, solicitation provisions, and forms that govern the contracting process or otherwise control the relationship between the agency...and contractors or prospective contractors
 - (a)(2)... An agency head may issue...internal agency guidance at any organizational level (e.g., designations and delegations of authority, assignments of responsibilities, work-flow procedures, and internal reporting requirements)



Acquisition Regulations Framework

- FAR1.301, Policy --
 - (b) Agency heads shall...ensure that agency acquisition regulations are published for public comment in the Federal Register...when they have a significant effect beyond the internal operating procedures of the agency or have a significant cost or administrative impact on contractors or offerors....publication is not required for issuances that merely implement or supplement higher level issuances that have previously undergone...public comment...[unless it results in additional significant cost or administrative impact or effect beyond the internal operating procedures of the issuer]. Issuances under 1.301(a)(2) need not be publicized for public comment.

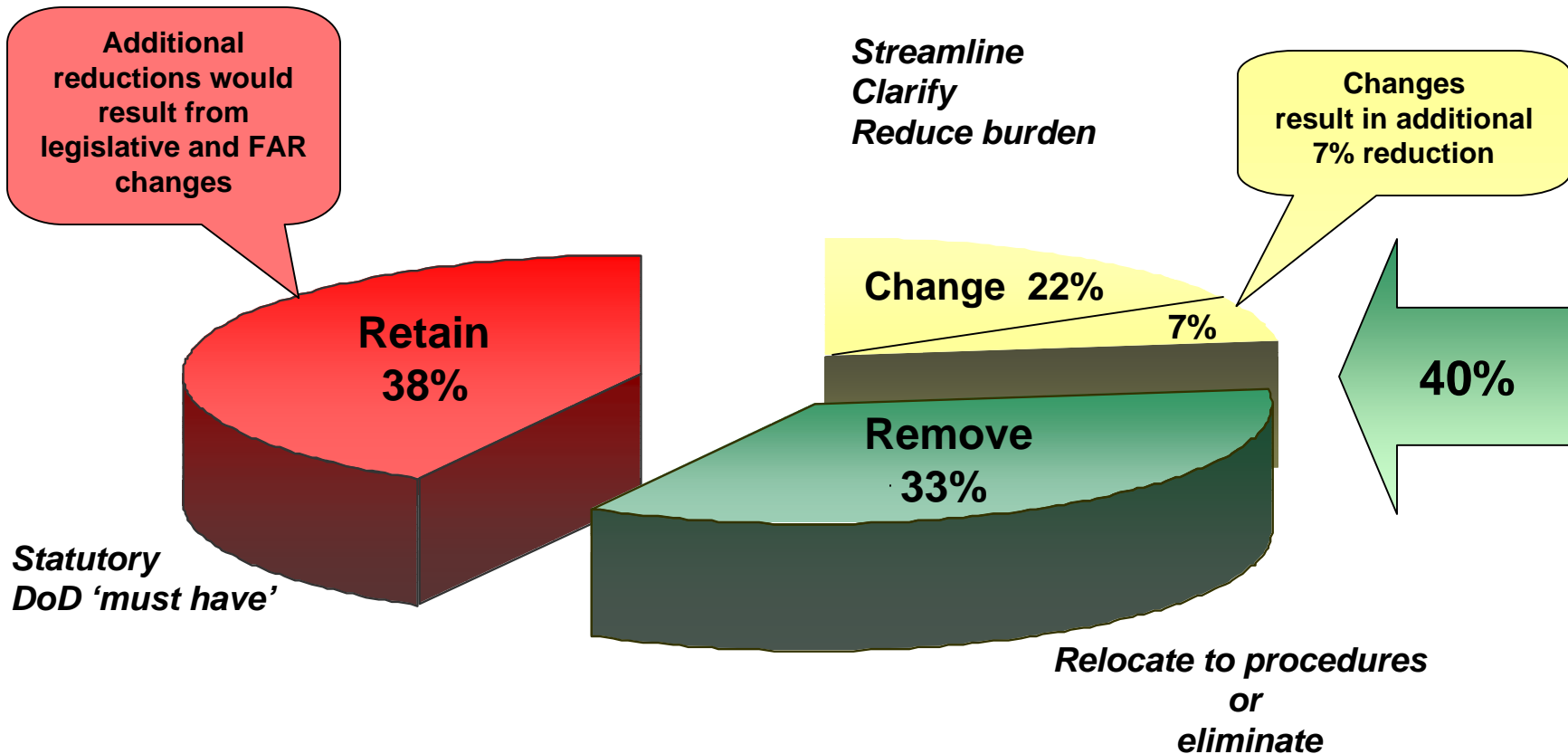


DFARS Transformation Summary

- **Comprehensive review of the regulation**
 - Add value to achieving the mission
 - Demo approaches to procedures and guidance resource
- **Transform DFARS rule making process**
 - Better process = better product with value to the acquisition community
 - Improve responsiveness, effectiveness, transparency and simplicity
 - Create a value-based product (what, why and training on how)
- **Exploit technology**
 - Build an responsive acquisition rule making system
 - Create a forum for idea generation, publishing, collaboration, feedback, data, research, retrieval
 - Bring the PCO and the public to the rule-making table - early



DFARS Transformation Results



- * Based on estimated word reductions
- * Requires full implementation of all proposals