

**List of Subjects in 48 CFR Part 243**

Government procurement.

**Michele P. Peterson,**  
*Editor, Defense Acquisition Regulations System.*

■ Therefore, 48 CFR part 243 is amended as follows:

**PART 243—CONTRACT MODIFICATIONS**

■ 1. The authority citation for 48 CFR part 243 continues to read as follows:

**Authority:** 41 U.S.C. 421 and 48 CFR Chapter 1.

**243.102, 243.105, and 243.107 [Removed]**

- 2. Sections 243.102, 243.105, and 243.107 are removed.
- 3. Section 243.107-70 is amended by revising the second sentence to read as follows:

**243.107-70 Notification of substantial impact on employment.**

\* \* \* The clause prescribed at 249.7003(c) requires that the contractor notify its employees, its subcontractors, and State and local officials when a contract modification will have a substantial impact on employment.

■ 4. Sections 243.170 and 243.171 are revised to read as follows:

**243.170 Identification of foreign military sale (FMS) requirements.**

Follow the procedures at PGI 243.170 for identifying contract modifications that add FMS requirements.

**243.171 Obligation or deobligation of funds.**

Follow the procedures at PGI 243.171 when obligating or deobligating funds.

■ 5. Section 243.204 is revised to read as follows:

**243.204 Administration.**

Follow the procedures at PGI 243.204 for review and definitization of change orders.

■ 6. Section 243.204-70 is amended by revising paragraph (b) to read as follows:

**243.204-70 Certification of requests for equitable adjustment.**

\* \* \* \* \*

(b) To determine if the dollar threshold for requiring certification is met, add together the absolute value of each cost increase and each cost decrease. See PGI 243.204-70(b) for an example.

\* \* \* \* \*

**243.204-71 [Removed]**

■ 7. Section 243.204-71 is removed.

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**DEPARTMENT OF DEFENSE**

**48 CFR Parts 244 and 252**

[DFARS Case 2003-D025]

**Defense Federal Acquisition Regulation Supplement; Subcontracting Policies and Procedures**

**AGENCY:** Department of Defense (DoD).

**ACTION:** Final rule.

**SUMMARY:** DoD has issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to update text pertaining to subcontracts awarded under DoD contracts. This rule is a result of a transformation initiative undertaken by DoD to dramatically change the purpose and content of the DFARS.

**EFFECTIVE DATE:** November 9, 2005.

**FOR FURTHER INFORMATION CONTACT:** Ms. Deborah Tronic, Defense Acquisition Regulations System, OUSD(AT&L)DPAP(DAR), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301-3062. Telephone (703) 602-0289; facsimile (703) 602-0350. Please cite DFARS Case 2003-D025.

**SUPPLEMENTARY INFORMATION:**

**A. Background**

DFARS Transformation is a major DoD initiative to dramatically change the purpose and content of the DFARS. The objective is to improve the efficiency and effectiveness of the acquisition process, while allowing the acquisition workforce the flexibility to innovate. The transformed DFARS will contain only requirements of law, DoD-wide policies, delegations of FAR authorities, deviations from FAR requirements, and policies/procedures that have a significant effect beyond the internal operating procedures of DoD or a significant cost or administrative impact on contractors or offerors. Additional information on the DFARS Transformation initiative is available at <http://www.acq.osd.mil/dpap/dars/dfars/transformation/index.htm>.

This final rule is a result of the DFARS Transformation initiative. The rule:

- Revises DFARS 244.301 to clarify Government responsibilities for conducting reviews of contractor purchasing systems.
- Deletes text at DFARS 244.304 containing examples of weaknesses in a contractor's purchasing system that may indicate the need for a review. This text has been relocated to the new DFARS companion resource, Procedures, Guidance, and Information (PGI),

available at <http://www.acq.osd.mil/dpap/dars/pgi>.

• Updates the clause at DFARS 252.244-7000 to reflect the current title of the clause at FAR 52.244-6, Subcontracts for Commercial Items.

DoD published a proposed rule at 70 FR 19044 on April 12, 2005. DoD received no comments on the proposed rule. Therefore, DoD has adopted the proposed rule as a final rule without change.

This rule was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

**B. Regulatory Flexibility Act**

DoD certifies that this final rule will not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, because the rule updates, clarifies, and streamlines DFARS text, but makes no significant change to DoD contracting policy.

**C. Paperwork Reduction Act**

The Paperwork Reduction Act does not apply because the rule does not impose any information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, *et seq.*

**List of Subjects in 48 CFR Parts 244 and 252**

Government procurement.

**Michele P. Peterson,**  
*Editor, Defense Acquisition Regulations System.*

■ Therefore, 48 CFR parts 244 and 252 are amended as follows:

■ 1. The authority citation for 48 CFR parts 244 and 252 continues to read as follows:

**Authority:** 41 U.S.C. 421 and 48 CFR Chapter 1.

**PART 244—SUBCONTRACTING POLICIES AND PROCEDURES**

■ 2. Section 244.301 is revised to read as follows:

**244.301 Objective.**

The administrative contracting officer (ACO) is solely responsible for initiating reviews of the contractor's purchasing systems, but other organizations may request that the ACO initiate such reviews.

■ 3. Section 244.304 is revised to read as follows:

**244.304 Surveillance.**

(b) The ACO, or the purchasing system analyst (PSA) with the

concurrence of the ACO, may initiate a special review of specific weaknesses in the contractor's purchasing system. See PGI 244.304(b) for examples of weaknesses.

## PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

### 252.244–7000 [Amended]

■ 4. Section 252.244–7000 is amended as follows:

■ a. By revising the clause date to read “(NOV 2005)”; and

■ b. In the introductory text of the clause by removing the phrase “and Commercial Components”.

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## DEPARTMENT OF DEFENSE

### 48 CFR Part 250

[DFARS Case 2003–D048]

#### Defense Federal Acquisition Regulation Supplement; Extraordinary Contractual Actions

**AGENCY:** Department of Defense (DoD).

**ACTION:** Final rule.

**SUMMARY:** DoD has issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to update text pertaining to the processing of requests for extraordinary contract adjustments. This rule is a result of a transformation initiative undertaken by DoD to dramatically change the purpose and content of the DFARS.

**EFFECTIVE DATE:** November 9, 2005.

**FOR FURTHER INFORMATION CONTACT:** Mr. Euclides Barrera, Defense Acquisition Regulations System, OUSD(AT&L)DPAP(DAR), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301–3062. Telephone (703) 602–0296; facsimile (703) 602–0350. Please cite DFARS Case 2003–D048.

#### SUPPLEMENTARY INFORMATION:

##### A. Background

DFARS Transformation is a major DoD initiative to dramatically change the purpose and content of the DFARS. The objective is to improve the efficiency and effectiveness of the acquisition process, while allowing the acquisition workforce the flexibility to innovate. The transformed DFARS will contain only requirements of law, DoD-wide policies, delegations of FAR authorities, deviations from FAR requirements, and policies/procedures

that have a significant effect beyond the internal operating procedures of DoD or a significant cost or administrative impact on contractors or offerors. Additional information on the DFARS Transformation initiative is available at <http://www.acq.osd.mil/dpap/dars/dfars/transformation/index.htm>.

This final rule is a result of the DFARS Transformation initiative. The rule—

- Updates requirements for DoD processing of requests for extraordinary contract adjustments; and

- Deletes procedures for preparation of records and submittal of requests to a contract adjustment board. This text has been relocated to the new DFARS companion resource, Procedures, Guidance, and Information (PGI), available at <http://www.acq.osd.mil/dpap/dars/pgi>.

DoD published a proposed rule at 70 FR 6393 on February 7, 2005. DoD received no comments on the proposed rule. Therefore, DoD has adopted the proposed rule as a final rule without change.

This rule was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

##### B. Regulatory Flexibility Act

DoD certifies that this final rule will not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, because the rule relates primarily to DoD internal administrative procedures for the processing of requests for extraordinary contract adjustments.

##### C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the rule does not impose any information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, *et seq.*

##### List of Subjects in 48 CFR Part 250

Government procurement.

Michele P. Peterson,

Editor, Defense Acquisition Regulations System.

■ Therefore, 48 CFR Part 250 is amended as follows:

## PART 250—EXTRAORDINARY CONTRACTUAL ACTIONS

■ 1. The authority citation for 48 CFR Part 250 continues to read as follows:

**Authority:** 41 U.S.C. 421 and 48 CFR Chapter 1.

■ 2. Section 250.105 is revised to read as follows:

### 250.105 Records.

Follow the procedures at PGI 250.105 for preparation of records.

■ 3. Section 250.201–70 is amended by revising paragraph (a) and the last sentence of paragraph (b) introductory text to read as follows:

### 250.201–70 Delegations.

(a) *Military Departments.* The Departments of the Army, Navy, and Air Force will specify delegations and levels of authority for actions under the Act and the Executive Order in departmental supplements or agency acquisition guidance.

(b) \* \* \* The agency supplements or agency acquisition guidance shall specify the delegations and levels of authority.

\* \* \* \* \*

■ 4. Subpart 250.3 is revised to read as follows:

### Subpart 250.3—Contract Adjustments

Sec.

250.303–1 Contractor requests.

250.305 Processing cases.

250.306 Disposition.

#### 250.303–1 Contractor requests.

Requests should be filed with the procuring contracting officer (PCO). However, if filing with the PCO is impractical, requests may be filed with an authorized representative, an administrative contracting officer, or the Office of General Counsel of the applicable department or agency, for forwarding to the cognizant PCO.

#### 250.305 Processing cases.

(1) At the time the request is filed, the activity shall prepare the record described at PGI 250.105(1)(i) and forward it to the appropriate official within 30 days after the close of the month in which the record is prepared.

(2) The officer or official responsible for the case shall forward to the contract adjustment board, through departmental channels, the documentation described at PGI 250.305.

(3) Contract adjustment boards will render decisions as expeditiously as practicable. The Chair shall sign a memorandum of decision disposing of the case. The decision shall be dated and shall contain the information required by FAR 50.306. The memorandum of decision shall not contain any information classified “Confidential” or higher. The board’s decision will be sent to the appropriate official for implementation.