

**213.7001 [Removed]**

6. Section 213.7001 is removed.

**213.7002 and 213.7003 [Redesignated]**

7. Sections 213.7002 and 213.7003 are redesignated as 213.7001 and 213.7002, respectively.

8. Newly designated section 213.7002 is revised to read as follows:

**213.7002 Purchase orders.**

The contracting officer need not obtain a contractor's written acceptance of a purchase order or modification of a purchase order for an acquisition under the 8(a) Program pursuant to 219.804-2(2).

**213.7003-1 and 213.7003-2 [Removed]**

9. Sections 213.7003-1 and 213.7003-2 are removed.

**PART 253—FORMS**

10. Section 253.213 is revised to read as follows:

**253.213 Simplified acquisition procedures (SF's 18, 30, 44, 1165, 1449, and OF's 336, 347, and 348).**

(f) DoD uses the DD Form 1155, Order for Supplies or Services, instead of OF 347; and OF 336, Continuation Sheet, instead of OF 348. Follow the procedures at PGI 253.213(f) for use of forms.

11. Section 253.213-70 is revised to read as follows:

**253.213-70 Completion of DD Form 1155, Order for Supplies or Services.**

Follow the procedures at PGI 253.213-70 for completion of DD Form 1155.

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**DEPARTMENT OF DEFENSE****48 CFR Parts 242 and 252**

[DFARS Case 2003-D023]

**Defense Federal Acquisition Regulation Supplement; Contract Administration**

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

**ACTION:** Proposed rule with request for comments.

**SUMMARY:** DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to update text pertaining to contract administration and audit services. This proposed rule is a result of a transformation initiative undertaken by DoD to dramatically change the purpose and content of the DFARS.

**DATES:** Comments on the proposed rule should be submitted in writing to the address shown below on or before June 13, 2005, to be considered in the formation of the final rule.

**ADDRESSES:** You may submit comments, identified by DFARS Case 2003-D023, using any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

- Defense Acquisition Regulations Web site: <http://emissary.acq.osd.mil/dar/dfars.nsf/pubcomm>. Follow the instructions for submitting comments.

- E-mail: [dfars@osd.mil](mailto:dfars@osd.mil). Include DFARS Case 2003-D023 in the subject line of the message.

- Fax: (703) 602-0350.

- Mail: Defense Acquisition Regulations Council, Attn: Ms. Debbie Tronic, OUSD (AT&L) DPAP (DAR), IMD 3C132, 3062 Defense Pentagon, Washington, DC 20301-3062.

- Hand Delivery/Courier: Defense Acquisition Regulations Council, Crystal Square 4, Suite 200A, 241 18th Street, Arlington, VA 22202-3402.

All comments received will be posted to <http://emissary.acq.osd.mil/dar/dfars.nsf>.

**FOR FURTHER INFORMATION CONTACT:** Ms. Debbie Tronic, (703) 602-0289.

**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/dfars/transf.htm>.

This proposed rule is a result of the DFARS Transformation initiative.

The proposed changes—

- Delete text that is unnecessary or duplicative of FAR policy in the areas of visits to contractor facilities; conduct of postaward conferences; review and negotiation of contractor costs and billing rates; use of contractor past performance information; and contractor internal controls.

- Delete text on providing contract administration services to foreign

governments and international organizations; coordination between corporate and individual administrative contracting officers; processing of contractor novation and change-of-name agreements; processing of voluntary refunds from contractors; and providing technical representatives at contractor facilities. This text will be relocated to the new DFARS companion resource, Procedures, Guidance, and Information (PGI), available at <http://www.acq.osd.mil/dpap/dars/pgi>.

- Update terminology at DFARS 242.202(a)(i)(D).

- Update the clause at DFARS 252.242-7004, Material Management and Accounting Systems, for consistency with the policy found at DFARS 242.7203(d)(5) regarding corrective action for a contractor's failure to make adequate progress in correcting system deficiencies.

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 does not expect this rule to 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 makes no significant change to DoD contracting policy. Therefore, DoD has not performed an initial regulatory flexibility analysis. DoD invites comments from small businesses and other interested parties. DoD also will consider comments from small entities concerning the affected DFARS subparts in accordance with 5 U.S.C. 610. Such comments should be submitted separately and should cite DFARS Case 2003-D023.

**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 242 and 252**

Government procurement.

**Michele P. Peterson,**

*Editor, Defense Acquisition Regulations System.*

Therefore, DoD proposes to amend 48 CFR Parts 242 and 252 as follows:

1. The authority citation for 48 CFR Parts 242 and 252 continues to read as follows:

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

## PART 242—CONTRACT ADMINISTRATION AND AUDIT SERVICES

2. Section 242.002 is amended by revising paragraph (S-70)(iii) to read as follows:

### 242.002 Interagency agreements.

\* \* \* \* \*

(S-70) \* \* \*

(iii) Other foreign governments (including Canadian government organizations other than SSC) and international organizations send their requests for contract administration services to the DoD Central Control Point (CCP) at the Headquarters, Defense Contract Management Agency, International and Federal Business Team. Contract administration offices provide services only upon request from the CCP. The CCP shall follow the procedures at PGI 242.002 (S-70)(iii).

3. Section 242.202 is amended by revising paragraph (a)(i)(D) to read as follows:

### 242.202 Assignment of contract administration.

(a)(i) \* \* \*

(D) Management and professional support services;

\* \* \* \* \*

### Subpart 242.4—[Removed]

4. Subpart 242.4 is removed.

5. Section 242.503-2 is revised to read as follows:

### 242.503-2 Postaward conference procedure.

DD Form 1484, Post-Award Conference Record, may be used in conducting the conference and in preparing the conference report.

### 242.503-3, 242.570, and 242.704 [Removed]

6. Sections 242.503-3, 242.570, and 242.704 are removed.

7. Section 242.705-1 is revised to read as follows:

### 242.705-1 Contracting officer determination procedure.

(a) *Applicability and responsibility.*

(1) The corporate administrative contracting officer (CACO) and individual administrative contracting officers (ACOs) shall jointly decide how to conduct negotiations. Follow the procedures at PGI 242.705-1(a)(1) when negotiations are conducted on a coordinated basis.

### 242.705-2 [Amended]

8. Section 242.705-2 is amended in paragraph (b)(2)(iii) by removing the last sentence.

### 242.705-3, 242.801, and 242.1202 [Removed]

9. Sections 242.705-3, 242.801, and 242.1202 are removed.

10. Section 242.1203 is revised to read as follows:

### 242.1203 Processing agreements.

The responsible contracting officer shall process and execute novation and change-of-name agreements in accordance with the procedures at PGI 242.1203.

### Subpart 242.15—[Removed]

11. Subpart 242.15 is removed.

12. Section 242.7100 is revised to read as follows:

### 242.7100 General.

A voluntary refund is a payment or credit (adjustment under one or more contracts or subcontracts) to the Government from a contractor or subcontractor that is not required by any contractual or other legal obligation. Follow the procedures at PGI 242.7100 for voluntary refunds.

### 242.7101 and 242.7102 [Removed]

13. Sections 242.7101 and 242.7102 are removed.

14. Sections 242.7400 and 242.7401 are revised to read as follows:

### 242.7400 General.

(a) Program managers may conclude that they need technical representation in contractor facilities to perform non-contract administration service (CAS) technical duties and to provide liaison, guidance, and assistance on systems and programs. In these cases, the program manager may assign technical representatives under the procedures in 242.7401.

(b) A technical representative is a representative of a DoD program, project, or system office performing non-CAS technical duties at or near a contractor facility. A technical representative is not—

(1) A representative of a contract administration or contract audit component; or

(2) A contracting officer's representative (*see* 201.602).

### 242.7401 Procedures.

When the program, project, or system manager determines that a technical representative is required, follow the procedures at PGI 242.7401.

### 242.7500 and 242.7501 [Removed]

15. Sections 242.7500 and 242.7501 are removed.

### 242.7502 and 242.7503 [Redesignated]

16. Sections 242.7502 and 242.7503 are redesignated as sections 242.7501 and 242.7502, respectively.

## PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

### 252.242-7000 [Removed and Reserved]

17. Section 252.242-7000 is removed and reserved.

18. Section 252.242-7004 is amended by revising the clause date and adding paragraph (d)(4) to read as follows:

### 252.242-7004 Material Management and Accounting System.

\* \* \* \* \*

### MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM (XXX 2005)

\* \* \* \* \*

(d) \* \* \*

(4) If the contractor fails to make adequate progress, the ACO must take further action. The ACO may—

(i) Elevate the issue to higher level management;

(ii) Further reduce progress payments and/or disallow costs on vouchers;

(iii) Notify the contractor of the inadequacy of the contractor's cost estimating system and/or cost accounting system; and

(iv) Issue cautions to contracting activities regarding the award of future contracts.

\* \* \* \* \*

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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:** Proposed rule with request for comments.

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

**DATES:** Comments on the proposed rule should be submitted in writing to the address shown below on or before June 13, 2005, to be considered in the formation of the final rule.