



ACQUISITION
AND SUSTAINMENT

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

AUG 3 1 2018

In reply refer to
DARS Tracking Number: 2018-O0018

MEMORANDUM FOR 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
(ACQUISITION AND PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Class Deviation—Micro-Purchase Threshold, Simplified Acquisition Threshold, and
Special Emergency Procurement Authority

This class deviation rescinds and supersedes Class Deviation 2018-O0013, dated April 13, 2018. This class deviation increases the micro-purchase threshold for DoD in Class Deviation 2018-O0013, from \$5,000 to \$10,000. Please note, this class deviation does not change the micro-purchase threshold exceptions of \$2,000 for acquisitions of construction subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction); and \$2,500 for acquisitions of services subject to 41 U.S.C. chapter 67, Service Contract Labor Standards, provided in the FAR 2.101 definition of “micro-purchase threshold.”

Effective immediately, contracting officers and other individuals delegated micro-purchase authority shall use the revised definitions and procedures associated with the micro-purchase threshold, simplified acquisition threshold, and special emergency procurement authority provided in the attachments to this class deviation. Specifically, this class deviation makes the following changes from the FAR and DFARS—

- Increases the micro-purchase threshold for DoD to **\$10,000**, except the threshold is—
 - **\$10,000**, or a higher amount as determined appropriate by the head of the agency and consistent with clean audit findings under 31 U.S.C. Chapter 75, an internal institutional risk assessment, or State law, for acquisitions of supplies and services from institutions of higher education or related or affiliated nonprofit entities, or from nonprofit research organizations or independent research institutes; and
 - For acquisitions in support of a contingency operation; to facilitate defense against or recovery from cyber, nuclear, biological, chemical or radiological attack; to support a request from the Secretary of State or the Administrator of the United States Agency for International Development to facilitate provision of

Class Deviation 2018-O0018
Micro-Purchase Threshold, Simplified Acquisition Threshold,
and Special Emergency Procurement Authority

international disaster assistance pursuant to 22 U.S.C. 2292 *et seq.*); or to support a response to an emergency, or major disaster (42 U.S.C. 5122)—

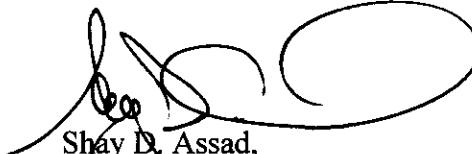
- **\$20,000** in the case of any contract to be awarded and performed, or purchase to be made, inside the United States; and
 - **\$30,000** in the case of any contract to be awarded and performed, or purchase to be made, outside the United States;
- Deletes the definition of “micro-purchase threshold” in its entirety at DFARS 202.101.
 - Increases the simplified acquisition threshold to **\$250,000**, except the threshold is—
 - For acquisitions in support of a contingency operation; to facilitate defense against or recovery from cyber, nuclear, biological, chemical or radiological attack; to support a request from the Secretary of State or the Administrator of the United States Agency for International Development to facilitate provision of international disaster assistance pursuant to 22 U.S.C. 2292 *et seq.*); or to support a response to an emergency, or major disaster (42 U.S.C. 5122)—
 - **\$750,000** in the case of any contract to be awarded and performed, or purchase to be made, inside the United States; and
 - **\$1.5 million** in the case of any contract to be awarded and performed, or purchase to be made, outside the United States; and
 - **\$500,000** for acquisitions to be used to support a humanitarian or peacekeeping operation and to be awarded and performed, or purchased, outside the United States;
 - Authorizes the supplies or services that are to be used to facilitate recovery from a cyber attack to be treated as commercial items;
 - Changes the thresholds for set-asides for small business in the Small Business Act from specified dollar amounts to the terms “micro-purchase threshold” and “simplified acquisition threshold;”
 - Delegates from the “head of the agency” to the “head of the contracting activity” the authority to determine whether an acquisition supports a humanitarian or peacekeeping operation; supports a contingency operation; facilitates defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack; facilitates the provision of international disaster assistance; or supports a response to an emergency or major disaster; and
 - Exempts acquisitions in support of a contingency operation or humanitarian or peacekeeping operation; to facilitate defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack; to facilitate the provision of international disaster assistance; or to support response to an emergency or major disaster from—
 - DoD item unique identification requirements at DFARS 211.274-2(b);

Class Deviation 2018-O0018
Micro-Purchase Threshold, Simplified Acquisition Threshold,
and Special Emergency Procurement Authority

- The policies related to receipt of only one offer at DFARS 215.371-2; and
- The approval requirements for use of time-and-materials contracts at DFARS 215.371-4.

This class deviation implements section 821 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2019 (Pub. L. 115-232). This class deviation also continues to implement sections 805 and 1702(a) of the NDAA for FY 2018 (Pub. L. 115-91) and sections 217(b), 816, and 1641 of the NDAA for FY 2017 (Pub. L. 114-328) (previously implemented under Class Deviation 2018-O0013).

This class deviation remains in effect until it is incorporated in the FAR or DFARS, or until this class deviation is otherwise rescinded. My point of contact is Mr. Greg Snyder, who is available at (703) 614-0719, or at gregory.d.snyder.civ@mail.mil.


Shay D. Assad,
Director, Defense Pricing
and Contracting

Attachment:
As stated

PART 2 - DEFINITIONS OF WORDS AND TERMS

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Subpart 2.1 -- Definitions

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"Emergency," as used in 6.208, 13.201, 13.500, 18.001, 18.202, 18.203, and subpart 26.2 means an occasion or instance for which, in the determination of the President, Federal assistance is needed to supplement State and local efforts and capabilities to save lives and to protect property and public health and safety, or to lessen or avert the threat of a catastrophe in any part of the United States (42 U.S.C. 5122).

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"Major disaster," as used in 6.208, 13.201, 13.500, 18.001, 18.202, 18.203, and subpart 26.2, means any natural catastrophe (including any hurricane, tornado, storm, high water, winddriven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought), or regardless of cause, any fire, flood, or explosion, in any part of the United States, which, in the determination of the President, causes damage of sufficient severity and magnitude to warrant major disaster assistance under the Stafford Act to supplement the efforts and available resources of States, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby (42 U.S.C. 5122).

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"Micro-purchase threshold" means \$10,000 (10 U.S.C. 2338), except it means-

(1) For acquisitions of construction subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction), \$2,000;

(2) For acquisitions of services subject to 41 U.S.C. chapter 67, Service Contract Labor Standards, \$2,500;

Attachment 1
DARS Tracking Number 2018-00018

Micro-Purchase Threshold, Simplified Acquisition Threshold, and
Special Emergency Procurement Authority
Changes are indicated by a change bar in the right-hand margin.

(3) For acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation; to facilitate defense against or recovery from cyber, nuclear, biological, chemical or radiological attack; to support a request from the Secretary of State or the Administrator of the United States Agency for International Development to facilitate provision of international disaster assistance pursuant to 22 U.S.C. 2292 et seq.); or to support a response to an emergency, or major disaster (42 U.S.C. 5122), as described in 13.201(g)(1), except for construction subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction) (41 U.S.C. 1903)–

(i) \$20,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States; and

(ii) \$30,000 in the case of any contract to be awarded and performed, or purchase to be made, outside the United States.

(4) For acquisitions of supplies or services from institutions of higher education (20 U.S.C. 1001(a)) or related or affiliated nonprofit entities, or from nonprofit research organizations or independent research institutes–

(i) \$10,000; or

(ii) A higher threshold, as determined appropriate by the head of the agency and consistent with clean audit findings under 31 U.S.C. chapter 75, Requirements for Single Audits; an internal institutional risk assessment; or State law.

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“Simplified acquisition threshold” means \$250,000 (41 U.S.C. 134), except for–

(1) Acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation; to facilitate defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack; to support a request from the Secretary of State or the Administrator of the United States Agency for International Development to facilitate provision of international disaster assistance pursuant to 22 U.S.C. 2292 et

seq.); or to support a response to an emergency, or major disaster (42 U.S.C. 5122), (41 U.S.C. 1903), the term means-

(i) \$750,000 for any contract to be awarded and performed, or purchase to be made, inside the United States; and

(ii) \$1.5 million for any contract to be awarded and performed, or purchase to be made, outside the United States; and

(2) Acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a humanitarian or peacekeeping operation (10 U.S.C. 2302), the term means \$500,000 for any contract to be awarded and performed, or purchase to be made, outside the United States.

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PART 5 - PUBLICIZING CONTRACT ACTIONS

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Subpart 5.2 -- Synopses of Proposed Contract Actions

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5.206 Notices of subcontracting opportunities.

(a) The following entities may transmit a notice to the GPE, to seek competition for subcontracts, to increase participation by qualified HUBZone small business, small, small disadvantaged, women-owned small business, veteran-owned small business and service-disabled veteran-owned small business concerns, and to meet established subcontracting plan goals:

(1) A contractor awarded a contract exceeding the simplified acquisition threshold that is likely to result in the award of any subcontracts.

(2) A subcontractor or supplier, at any tier, under a contract exceeding the simplified acquisition threshold that has a subcontracting opportunity exceeding \$15,000.

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PART 12 - ACQUISITION OF COMMERCIAL ITEMS

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12.102 Applicability. (DEVIATION 2018-00018)

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(f)(1) Contracting officers may treat any acquisition of supplies or services that, as determined by the head of the agency, are to be used to facilitate defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack, as an acquisition of commercial items (41 U.S.C. 1903(c)).

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PART 13 - SIMPLIFIED ACQUISITION PROCEDURES

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13.003 Policy. (DEVIATION 2018-00018)

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(b)(1) Acquisitions of supplies or services that have an anticipated dollar value exceeding the micro-purchase threshold but not exceeding the simplified acquisition threshold are reserved exclusively for small business concerns and shall be set aside (see 19.000, 19.203, and subpart 19.5).

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Subpart 13.2 -- Actions At or Below the Micro-Purchase Threshold

13.201 General. (DEVIATION 2018-00018)

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(g)(1) For acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support

a contingency operation; to facilitate defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack; to support a request from the Secretary of State or the Administrator of the United States Agency for International Development to facilitate provision of international disaster assistance pursuant to 22 U.S.C. 2292 et seq.; or to support response to an emergency, or major disaster (42 U.S.C. 5122), the micro-purchase threshold is—

(i) \$20,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States; and

(ii) \$30,000 in the case of any contract to be awarded and performed, or purchase to be made, outside the United States.

(2) Purchases using this authority must have a clear and direct relationship to the support of a contingency operation; the defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack; international disaster assistance; or an emergency or major disaster.

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Subpart 13.5 -- Simplified Procedures for Certain Commercial Items

13.500 General. (DEVIATION 2018-00018)

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(c) Under 41 U.S.C. 1903, the simplified acquisition procedures authorized in this subpart may be used for acquisitions that do not exceed \$13 million when—

(1) The acquisition is for commercial items that, as determined by the head of the agency, are to be used in support of a contingency operation; to facilitate the defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack; to support a request from the Secretary of State or the Administrator of the United States Agency for International Development to facilitate provision of international disaster assistance; or to support response to an emergency or major disaster; or

(2) The acquisition will be treated as an acquisition of commercial items in accordance with 12.102(f)(1).

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13.501 Special documentation requirements. (DEVIATION 2018-00018)

(a) *Sole source (including brand name) acquisitions.*

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(2) Justifications and approvals are required under this subpart for sole-source (including brand-name) acquisitions or portions of an acquisition requiring a brand-name. If the justification is to cover only the portion of the acquisition which is brand-name, then it should so state; the approval level requirements will then only apply to that portion.

(i) For a proposed contract exceeding the simplified acquisition threshold, but not exceeding \$700,000, the contracting officer's certification that the justification is accurate and complete to the best of the contracting officer's knowledge and belief will serve as approval, unless a higher approval level is established in accordance with agency procedures.

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PART 19 - SMALL BUSINESS PROGRAMS

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Subpart 19.2 -- Policies

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19.203 Relationship among small business programs. (DEVIATION 2018-00018)

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(b) *At or below the simplified acquisition threshold.* For acquisitions of supplies or services that have an anticipated dollar value exceeding the micro-purchase threshold, but not exceeding the simplified acquisition threshold, the requirement at 19.502-2(a) to exclusively reserve acquisitions for small business concerns does not preclude the contracting officer from awarding a contract to a small business under the 8(a) Program, HUBZone Program, SDVOSB Program, or WOSB Program.

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Subpart 19.5 -- Set-Asides for Small Business

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19.502 Setting Aside Acquisitions.

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19.502-1 Requirements for setting aside acquisitions. (DEVIATION 2018-00018)

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(b) This requirement does not apply to purchases valued at or below the micro-purchase threshold for acquisitions, or as described in 13.201(g)(1)), or purchases from required sources of supply under Part 8 (e.g., Committee for Purchase From People Who are Blind or Severely Disabled, and Federal Supply Schedule contracts).

19.502-2 Total small business set-asides. (DEVIATION 2018-00018)

(a) Before setting aside an acquisition under this paragraph, refer to 19.203(b). Each acquisition of supplies or services that has an anticipated dollar value exceeding the micro-purchase threshold for acquisitions as described in 13.201(g)(1)), but not exceeding the simplified acquisition threshold, is automatically reserved exclusively for small business concerns and shall be set aside for small business unless the contracting officer determines there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns that are competitive in terms of market prices, quality, and delivery. * * *

(b) Before setting aside an acquisition under this paragraph, refer to 19.203(c). The contracting officer shall set aside any acquisition over the simplified acquisition threshold for small business participation when there is a reasonable expectation that—

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19.508 Solicitation provisions and contract clauses. (DEVIATION 2018-00018)

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(e) The contracting officer shall insert the clause at 52.219-14, Limitations on Subcontracting, in solicitations and contracts for supplies, services, and construction, if any portion of the requirement is to be set aside or reserved for small business and the contract amount is expected to exceed the simplified acquisition threshold. This includes multiple-award contracts when orders may be set aside for small business concerns, as described in 8.405-5 and 16.505(b)(2)(i)(F).

Part 52 – Solicitation Provisions and Contract Clauses

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Subpart 52.2 -- Text of Provisions and Clauses

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52.203-16 Preventing Personal Conflicts of Interest. (DEVIATION 2018-00018)

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(d) *Subcontract flowdown.* The Contractor shall include the substance of this clause, including this paragraph (d), in subcontracts—

- (1) That exceed the simplified acquisition threshold; and

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52.212-1 Instructions to Offerors--Commercial Items. (DEVIATION 2018-00018)

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(j) *Unique entity identifier.* (Applies to all offers exceeding the micro-purchase threshold and offers at any dollar value if the solicitation requires the Contractor to be registered in the System for Award Management (SAM) database.) * * *

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52.219-9 Small Business Subcontracting Plan. (DEVIATION 2018-00018)

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(d) The Offeror's subcontracting plan shall include the following:

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(11) A description of the types of records that will be maintained concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the offeror's efforts to locate small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):

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(iii) Records on each subcontract solicitation resulting in an award of more than the simplified acquisition threshold, indicating-

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52.219-9 Small Business Subcontracting Plan. Alternate IV. (DEVIATION 2018-00018)

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(d) The Contractor's subcontracting plan shall include the following:

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(11) A description of the types of records that will be maintained concerning procedures that have been adopted to comply with the requirements and goals in the plan, including establishing source lists; and a description of the Contractor's efforts to locate small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and women-owned small business concerns and award subcontracts to them. The records shall include at least the following (on a plant-wide or company-wide basis, unless otherwise indicated):

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(iii) Records on each subcontract solicitation resulting in an award of more than the simplified acquisition threshold, indicating-

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PART 211—DESCRIBING AGENCY NEEDS

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SUBPART 211.2—USING AND MAINTAINING REQUIREMENTS DOCUMENTS

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211.274-2 Policy for item unique identification. (DEVIATION 2018-O0018)

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(b) *Exceptions.* The contractor will not be required to provide DoD item unique identification if—

(1) The items, as determined by the head of the contracting activity, are to be used to support a contingency operation; to facilitate defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack; to facilitate the provision of international disaster assistance; or to support response to an emergency or major disaster; or

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PART 215—CONTRACTING BY NEGOTIATION

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SUBPART 215.3—SOURCE SELECTION

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215.371-4 Exceptions. (DEVIATION 2018-O0018)

(a) The requirements at sections 215.371-2 do not apply to—

(1) Acquisitions at or below the simplified acquisition threshold;

(2) Acquisitions in support of contingency or humanitarian or peacekeeping operations; to facilitate defense against or recovery from cyber, nuclear, biological,

chemical, or radiological attack; to facilitate the provision of international disaster assistance; or to support response to an emergency or major disaster;

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PART 216—TYPES OF CONTRACTS

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SUBPART 216.6—TIME-AND-MATERIALS, LABOR-HOUR, AND LETTER CONTRACTS

216.601 Time-and-materials contracts. (DEVIATION 2018-O0018)

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(d) *Limitations.*

(i)(A) *Approval of determination and findings for time-and-materials or labor-hour contracts.*

(3) *Exception.* The approval requirements in paragraphs (d)(i)(A)(1) and (2) of this section do not apply to contracts that—

(i) Support contingency or humanitarian or peacekeeping operations;

(ii) Facilitate defense against or recovery from conventional, cyber, nuclear, biological, chemical, or radiological attack;

(iii) Facilitate the provision of international disaster assistance;
or

(iv) Support response to an emergency or major disaster.

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PART 218—EMERGENCY ACQUISITIONS

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SUBPART 218.2—EMERGENCY ACQUISITION FLEXIBILITIES

218.201 Contingency operation. (DEVIATION 2018-O0018)

(2) *Policy for item unique identification.* Contractors will not be required to provide DoD item unique identification if the items, as determined by the head of the contracting activity, are to be used to support a contingency operation. See 211.274-2(b).

218.202 Defense or recovery from certain events. (DEVIATION 2018-O0018)

Policy for unique item identification. Contractors will not be required to provide DoD unique item identification if the items, as determined by the head of the contracting activity, are to be used to facilitate defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack; to facilitate provision of international disaster assistance; or to support response to an emergency or major disaster. See 211.274-2(b).

218.271 Head of contracting activity determinations. (DEVIATION 2018-O0018)

The term “head of the agency” is replaced with “head of the contracting activity,” as defined in FAR 2.101, in the following locations:

(a) FAR 2.101: (DEVIATION 2018-O0018)

- (1) Definition of “Micro-purchase threshold,” paragraph (4).
- (2) Definition of “Simplified acquisition threshold.”

(b) 12.102(f). (DEVIATION 2018-O0018)

Attachment 2
DARS Tracking Number 2018-O0018
Micro-Purchase Threshold, Simplified Acquisition Threshold,
and Special Emergency Procurement Authority
Changes are indicated by a change bar in the right-hand margin.

(c) FAR 13.201(g). (DEVIATION 2018-O0018)

(d) FAR 13.500(c). (DEVIATION 2018-O0018)

(e) FAR subpart 18.2.

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