



ACQUISITION,  
TECHNOLOGY  
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

APR 11 2003

DPAP(DAR)

In reply refer to  
DAR Tracking No. 2003-F0001

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(CONTRACTING), SAF/AQC

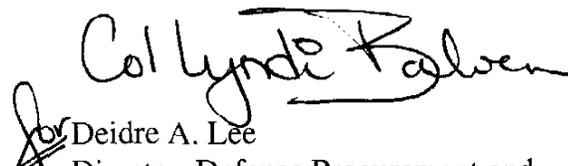
SUBJECT: Approval of Class Deviation-No-Setoff Commitment for F-16 Aircraft  
Contracts

I authorize the Deputy Assistant Secretary of the Air Force to deviate from the requirements of Federal Acquisition Regulation (FAR) 32.806(a)(2) and the clause at FAR 52.232-23, Assignment of Claims. This approval applies to foreign military sales contracts for the purchase of 48 F-16 aircraft, associated hardware, and related support equipment, training, and integrated logistics support for the Government of Poland (GOP). This procurement is delineated in the GOP's Terms of Reference, dated July 8, 2002.

Alternate I to FAR 52.232-23 implements the no-setoff commitment authorized by the Assignment of Claims Act, as amended (31 U.S.C. 3727 and 41 U.S.C. 15). The Act requires that a no-setoff commitment cover liabilities of the contractor arising independent of the contract and certain specified liabilities arising under the contract. Alternate I restricts the no-setoff commitment to only those liabilities specified in the Act.

I authorize the Air Force to use the attached modified Alternate I in lieu of the Alternate I prescribed in FAR 32.806(a)(2). The modified Alternate I extends the liabilities covered under the no-setoff commitment to any liability whether it arises independent of or under the contract. The Air Force also is authorized to deviate from the policies at FAR Subparts 32.6 and 32.8 in a manner consistent with the revised clause language.

My point of contact is Ms. Sandra Haberlin at (703) 602-0388 or  
[Sandra.Haberlin@osd.mil](mailto:Sandra.Haberlin@osd.mil).

  
Deidre A. Lee  
Director, Defense Procurement and  
Acquisition Policy

Attachment:  
As stated



**52.232-23—Assignment of Claims.**

As prescribed in 32.806(a)(1), insert the following clause:

ASSIGNMENT OF CLAIMS (JAN 1986)

(a) The Contractor, under the Assignment of Claims Act, as amended, 31 U.S.C. 3727, 41 U.S.C. 15 (hereafter referred to as "the Act"), may assign its rights to be paid amounts due or to become due as a result of the performance of this contract to a bank, trust company, or other financing institution, including any Federal lending agency. The assignee under such an assignment may thereafter further assign or reassign its right under the original assignment to any type of financing institution described in the preceding sentence.

(b) Any assignment or reassignment authorized under the Act and this clause shall cover all unpaid amounts payable under this contract, and shall not be made to more than one party, except that an assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in the financing of this contract.

(c) The Contractor shall not furnish or disclose to any assignee under this contract any classified document (including this contract) or information related to work under this contract until the Contracting Officer authorizes such action in writing.

(End of Clause)

*Alternate I (Apr 1984)(Deviation).* If a no-setoff commitment is to be included in the contract (see 32.801 and 32.803(d)), add the following sentence at the end of paragraph (a) of the basic clause:

Payments to an assignee of any amounts due or to become due under this contract shall not be subject to reduction or setoff for any contractor liability whether arising from or independent of the contract once the approved payment has been assigned. The Government still retains its right to withhold, reduce or setoff against any vouchers prior to their assignment, vouchers that will not be assigned, and vouchers submitted under other active Lockheed Martin contracts.