



ACQUISITION
AND SUSTAINMENT

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

APR 05 2020

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
(ATTN: SERVICE ACQUISITION EXECUTIVES)
COMMANDERS OF THE COMBATANT COMMANDS
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES
DIRECTOR OF THE DEFENSE INNOVATION UNIT

SUBJECT: Delegation of Authority for Use of Other Transactions for Prototype Projects Under Title 10, United States Code, Section 2371b

Reference: (a) Section 13006 of the Coronavirus Aid, Relief, and Economic Security Act, (H.R.748 - CARES Act 116th Congress (2019-2020))
(b) USD(A&S) Memorandum, "Authority for Use of Other Transactions for Prototype Projects Under 10 U.S.C. 2371b," dated November 20, 2018

This memorandum identifies the approval authority, as set forth in reference (a), for Components authorized to execute Other Transaction (OT) for Prototype Project agreements under title 10, United States Code (U.S.C.), section 2371b, as designated in reference (b). For actions executed under the authority of title 10, U.S.C., section 2371b, related to the national emergency declaration for the Coronavirus Disease 2019 (COVID-19), notwithstanding the requirements of section title 10, U.S.C., section 2371b(a)(3), I hereby designate approval authority for the period covered by the COVID-19 emergency declaration, as follows:

- For OT for prototype project agreements and any follow-on production contract or OT in excess of \$100 million, to the Directors of the Defense Agencies/Field Activities with contracting authority, Commanding Officers of Combatant Commands with contracting authority, and the Director of the Defense Innovation Unit; and
- For OT for prototype project agreements and any follow-on production contract or OT in excess of \$500 million, to the Senior Procurement Executives (SPE) of the Military Departments, the Director of the Defense Advanced Research Projects Agency (DARPA) and the Director of the Missile Defense Agency (MDA). The authority to approve OT prototype actions exceeding \$100 million but not exceeding \$500 million may be delegated from the SPE or the Director to such officials as the SPE or the Director sees fit, in accordance with section 13006.
- Section 13006 relaxes the requirement set forth in section 2371b for 30-day advance notification to the congressional defense committees of a transaction in excess of \$500 million related to the national emergency for COVID-19. Section 13006(b)(2) requires, instead, that the Under Secretary of Defense for Research and Engineering or the Under Secretary of Defense for Acquisition and Sustainment submit

notification as soon as practicable after the commencement of such a transaction. The responsibility for making this notification is hereby delegated to the SPE of the Military Department, the Director of DARPA or the Director of MDA approving any such transaction.

The changes authorized in this memorandum will remain in effect until the COVID-19 national emergency declaration is rescinded.

My point of contact for this memorandum is Mr. Larry McLaury, Office of the Assistant Secretary of Defense for Acquisition, Defense Pricing and Contracting, at (703) 697-6710 or larry.j.mclaury2.civ@mail.mil.

A handwritten signature in black ink, appearing to read "Ellen M. Lord". The signature is fluid and cursive, with the first name "Ellen" and last name "Lord" clearly distinguishable.

Ellen M. Lord