

SUBPART 201.1—PURPOSE, AUTHORITY, ISSUANCE
(Revised November 30, 2021)

201.101 Purpose.

(1) The defense acquisition system, as defined in 10 U.S.C 2545, exists to manage the investments of the United States in technologies, programs, and product support necessary to achieve the national security strategy prescribed by the President pursuant to section 108 of the National Security Act of 1947 (50 U.S.C. 3043) and to support the United States Armed Forces.

(2) The investment strategy of DoD shall be postured to support not only the current United States armed forces, but also future armed forces of the United States.

(3) The primary objective of DoD acquisition is to acquire quality supplies and services that satisfy user needs with measurable improvements to mission capability and operational support at a fair and reasonable price.

201.104 Applicability.

The FAR and the Defense Federal Acquisition Regulation Supplement (DFARS) also apply to purchases and contracts by DoD contracting activities made in support of foreign military sales or North Atlantic Treaty Organization cooperative projects without regard to the nature or sources of funds obligated, unless otherwise specified in this regulation.

201.105 Issuance.

201.105-3 Copies.

The DFARS and the DFARS Procedures, Guidance, and Information (PGI) are available electronically via the World Wide Web at <http://www.acq.osd.mil/dpap/dars/index.htm>.

201.106 OMB approval under the Paperwork Reduction Act.

See PGI 201.106 for a list of the information collection and recordkeeping requirements contained in this regulation that have been approved by the Office of Management and Budget.

201.107 Certifications.

In accordance with 41 U.S.C. 1304, a new requirement for a certification by a contractor or offeror may not be included in the DFARS unless—

(1) The certification requirement is specifically imposed by statute; or

(2) Written justification for such certification is provided to the Secretary of Defense by the Under Secretary of Defense (Acquisition, Technology, and Logistics), and the Secretary of Defense approves in writing the inclusion of such certification requirement.

201.109 Statutory acquisition-related dollar thresholds – adjustment for inflation.

(a)(i) 41 U.S.C. 1908(d) requires the adjustment for inflation of all statutory acquisition-related dollar thresholds in the DFARS be applied to contracts and subcontracts without regard to the date of award of the contract or subcontract, except thresholds based on the Wage Rate Requirements statute, the Service Contract Labor Standards statute, or established by the United States Trade Representative pursuant to the Trade Agreement Act, which are not escalated by the statute.

(ii) Section 814(b) of the National Defense Authorization Act for Fiscal Year 2012 (Pub. L. 112-81) requires that the threshold established in 10 U.S.C. 2253(a)(2) for the acquisition of right-hand drive passenger sedans be included in the list of dollar thresholds that are subject to adjustment for inflation in accordance with the requirements of 41 U.S.C. 1908, and is adjusted pursuant to such provisions, as appropriate.

(d) A matrix showing the most recent escalation adjustments of statutory acquisition-related dollar thresholds is available at [PGI 201.109](#).

201.170 Peer reviews.

(a) *DPC peer reviews.*

(1) The Office of the Principal Director, Defense Pricing and Contracting (DPC), using the procedures at [PGI 201.170](#), will organize teams of reviewers and facilitate peer reviews for solicitations and contracts as follows:

(i) DPC will conduct the preaward peer reviews for competitive procurements prior to the three phases of the acquisition (see [PGI 201.170-2\(a\)](#)) for all procurements with an estimated value of \$1 billion or more under major defense acquisition programs for which the Under Secretary of Defense for Acquisition and Sustainment (USD(A&S)) is the milestone decision authority or USD(A&S) designates as requiring a peer review regardless of value. DoD components may request DPC-led peer reviews for acquisitions valued below the \$1 billion threshold. DPC will conduct these reviews upon approval by the Director, Defense Pricing and Contracting (Contract Policy).

(ii) DPC will conduct the preaward peer reviews for noncompetitive procurements prior to the two phases of the acquisition (see [PGI 201.170-2\(b\)](#)) for contract actions, e.g., new contracts, modifications to existing contracts, requests for equitable adjustment, claims valued at \$1 billion or more, or for any other contract action USD(A&S) designates as requiring a peer review regardless of value. DoD components may request DPC-led peer reviews for contract actions valued below the \$1 billion threshold. DPC will conduct these reviews upon approval by the Director, Defense Pricing and Contracting (Price, Cost and Finance).

(iii) Use the following criteria to identify actions that are subject to peer review (see also FAR 1.108(c), Dollar thresholds):

(A) If the not-to-exceed amount for an undefinitized contract action or an unpriced change order exceeds the peer review threshold, then the resultant

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definitization modification(s) will be subject to peer review regardless of actual performance up to the point of definitization.

(B) For indefinite delivery indefinite quantity (IDIQ) contracts that will establish pricing terms that apply to orders, use the total maximum dollar value for purposes of the peer review threshold. IDIQ contracts that will not establish pricing terms in the basic contract are not subject to peer review, but individual orders that exceed the threshold are subject to peer review.

(C) For noncompetitive contract actions, use the greater of the following when considering the firm requirement for all supplies or services:

- (1) The approved Government objective amount.
- (2) The contractor proposed amount.

(2) To facilitate planning for peer reviews, the military departments and defense agencies shall provide a rolling annual forecast of acquisitions that will be subject to DPC peer reviews at the end of each quarter (i.e., March 31; June 30; September 30; December 31).

(i) Military departments and defense agencies shall submit quarterly forecasts for competitive peer reviews to the Director, Defense Pricing and Contracting (Contract Policy), at osd.pentagon.ousd-a-s.mbx.dpc-cp@mail.mil.

(ii) Military departments and defense agencies shall submit quarterly forecasts for noncompetitive peer reviews to the Director, Defense Pricing and Contracting (Price, Cost and Finance), at osd.pentagon.ousd-a-s.mbx.dpc-pcf@mail.mil.

(b) *Component peer reviews.* The military departments and defense agencies shall establish procedures for—

(1) Preaward peer reviews of solicitations for competitive procurements not subject to [201.170\(a\)\(1\)\(i\)](#); and

(2) Preaward peer reviews of noncompetitive procurements not subject to [201.170\(a\)\(1\)\(ii\)](#).