



OFFICE OF THE UNDER SECRETARY OF DEFENSE  
3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

ACQUISITION  
AND SUSTAINMENT

APR 01 2019

In reply refer to  
DARS Tracking Number: 2019-O0008

MEMORANDUM FOR COMMANDER, UNITED STATES CYBER  
COMMAND (ATTN: ACQUISITION EXECUTIVE)  
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 & LOGISTICS MANAGEMENT)  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(CONTRACTING)  
DIRECTORS, DEFENSE AGENCIES  
DIRECTORS, DOD FIELD ACTIVITIES

SUBJECT: Class Deviation—Section 890 Pilot Program to Accelerate Contracting and Pricing Processes

Effective immediately, subject to prior approval by the Principal Director, Defense Pricing and Contracting (DPC), Department of Defense (DoD) contracting officers may deviate from the requirements of DFARS 215.403-1(c)(4)(A) for the exceptional circumstances waiver of submission of certified cost or pricing data, and shall include the attached clause 252.215-7998, Pilot Program to Accelerate Contracting and Pricing Processes (DEVIATION 2019-O0008) in the solicitations and contracts selected to participate in the “Section 890 Pilot Program to Accelerate Contracting and Pricing Processes.”

For solicitations and contracts authorized by the Principal Director, DPC, for participation in the Pilot Program, when applying an exceptional circumstances waiver or partial waiver of submission of certified cost or pricing data, the head of the contracting activity is not required to determine that the property or services cannot reasonably be obtained under the contract, subcontract, or modification, without the granting of the waiver, or that there are demonstrated benefits to granting the waiver. However, the exceptional circumstances waiver shall only be executed if the price can be determined by the contracting officer to be fair and reasonable without the submission of certified cost or pricing data.

Departments and agencies participating in the Pilot Program shall submit the annual report of waiver of Truth in Negotiations Act requirements in accordance with DFARS 215.403-1(c)(4)(B); however, departments and agencies shall—

- In lieu of the requirement to describe why the item(s) could not be obtained without a waiver at DFARS PGI 215.403-1(c)(4)(B)(5), indicate that the exceptional circumstances waiver was applied in accordance with the Section 890 Pilot Program; and
- For the requirement to describe the demonstrated benefits of granting the waiver at DFARS PGI 215.403-1(c)(4)(B)(7), provide the verifiable information submitted by the contractor in accordance with paragraph (b) of the attached deviation clause.

This deviation supports implementation of section 890 of the National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232). Section 890 authorizes the Secretary of Defense to conduct a pilot program with contracts in excess of \$50,000,000 (excluding those that are a part of a major defense acquisition program, as defined at 10 U.S.C. 2430) by—

- Basing price reasonableness determinations on actual cost and pricing data for purchases of the same or similar products for the DoD; and
- Reducing the cost and pricing data to be submitted in accordance with 10 U.S.C. 2306a.

This authority affords the Department a unique opportunity in a pilot setting to assess the impact of the efficiencies achieved under this pilot program including reducing contractor proposal costs and the time required to award contracts in excess of \$50,000,000.

This class deviation remains in effect until January 2, 2021, or otherwise rescinded. My point of contact is Mr. Mark Gomersall, who is available at 703-697-3619, or at [mark.r.gomersall.civ@mail.mil](mailto:mark.r.gomersall.civ@mail.mil).



Kim Herrington  
Acting Principal Director,  
Defense Pricing and Contracting

Attachment:  
As stated

**252.215-7998 -- Pilot Program to Accelerate Contracting and Pricing Processes (DEVIATION 2019-O0008)**

Include the following clause in solicitations and resulting contracts that the Principal Director, Defense Pricing and Contracting, has authorized for participation in the pilot program implementing section 890 of the National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232).

**PILOT PROGRAM TO ACCELERATE CONTRACTING AND PRICING PROCESSES (DEVIATION 2019-O0008) (APR 2019)**

(a) Section 890 of the National Defense Authorization Act for Fiscal Year 2019 (Pub. L. 115-232) as implemented under Class Deviation 2019-O0008, Section 890 Pilot Program to Accelerate Contracting and Pricing Processes, authorizes DoD to implement a pilot program for contracts in excess of \$50,000,000 (excluding those that are a part of a major defense acquisition program, as defined at 10 U.S.C. 2430) to—

(1) Permit price reasonableness determinations to be based on actual cost and pricing data for purchases of the same or similar products for the DoD; and

(2) Reduce the cost and pricing data to be submitted in accordance with 10 U.S.C. 2306a.

(b) As a condition of participating in this pilot program, the Contractor shall submit verifiable data documenting any savings (time and money) achieved as a result of this pilot within 3 months after award or modification of this contract.

(End of clause)