In reply refer to
DARS Tracking Number: 2019-00009

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES CYBER COMMAND (ATTN: ACQUISITION EXECUTIVE)
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT), ASA (ALT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY (ACQUISITION & LOGISTICS MANAGEMENT), ASN (RDA)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (CONTRACTING), SAF/AQC
DIRECTORS, DEFENSE AGENCIES
DIRECTORS, DEFENSE FIELD ACTIVITIES

SUBJECT: Class Deviation—Quick-Closeout Procedures Threshold

Effective immediately, contracting officers shall deviate from the quick-closeout procedures in Federal Acquisition Regulation (FAR) 42.708(a) for cost reimbursement, time and material, labor hour, fixed-price incentive, and fixed-price redeterminable contracts, task orders, and delivery orders. Specifically, in lieu of the thresholds at FAR 42.708(a)(2)(i) and (ii), contracting officers shall consider cost amounts to be relatively insignificant when the total unsettled direct and indirect costs to be allocated to any one contract, task order, or delivery order do not exceed $2 million.

Defense Contract Management Agency (DCMA) Administrative Contracting Officers (ACOs) are further authorized to deviate from FAR 42.708(a)(2) and negotiate the settlement of direct and indirect costs for a specific contract, task order, or delivery order to be closed in advance of the determination of final direct costs and indirect rates set forth in FAR 42.705 regardless of the dollar value or percent of unsettled direct or indirect costs allocable to the contract. This class deviation supersedes and incorporates the DCMA Quick-Closeout Procedure Class Deviation (DCMA 17-142), dated August 15, 2017.
This class deviation remains in effect until it is incorporated in the Defense Federal Acquisition Regulation Supplement, or is otherwise rescinded. My point of contact is Mr. Bruce Propert, who is available at 703-697-4384 or david.b.propert2.civ@mail.mil.

Kim Herrington
Acting Principal Director, Defense Pricing and Contracting