



DEPARTMENT OF THE NAVY  
OFFICE OF THE ASSISTANT SECRETARY  
(RESEARCH, DEVELOPMENT AND ACQUISITION)  
1000 NAVY PENTAGON  
WASHINGTON DC 20350-1000

JUN - 8 2010

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Class Deviation—Delegation of Approval for Use of Incentive-Fee Contracts

On May 21, 2010, the Director, Defense Procurement and Acquisition Policy issued the attached class deviation to delegate signature authority for approvals of determinations and findings (D&Fs) required by FAR 16.401(d). These D&Fs must be executed before the use of incentive- and award-fee contracts and are subject to the following signature authority:

Award-fee contracts: The HCA may delegate the authority to sign required D&Fs to a designee no lower than one level below the HCA. The D&Fs must address all of the suitability items in 16.401(e)(1).

All other incentive contracts: The HCA may delegate the authority to sign required D&Fs to a designee no lower than one level above the contracting officer. The D&Fs must address the rationale justifying how the planned incentive contract results in the best interest of the government.

These authorities may not be further delegated. This deviation is effective immediately and remains in effect until DPAP incorporates it in the DFARS or otherwise rescinds it. My point of contact for this memorandum is Ms. Evelyn Ortiz at (703) 614-9640 or [evelyn.ortiz@navy.mil](mailto:evelyn.ortiz@navy.mil).

A handwritten signature in cursive script, reading "Elliott B. Branch".

Elliott B. Branch  
Executive Director  
DASN(A&LM)

Attachment:  
As stated

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Contracts

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AND LOGISTICS

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MAY 21 2010

In reply refer to  
DARS Tracking Number: 2010-O0012

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS  
COMMAND (ATTN: ACQUISITION EXECUTIVE)  
COMMANDER, UNITED STATES TRANSPORTATION  
COMMAND (ATTN: ACQUISITION EXECUTIVE)  
DEPUTY ASSISTANT SECRETARY OF THE ARMY  
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(CONTRACTING)  
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DIRECTORS, DOD FIELD ACTIVITIES

SUBJECT: Class Deviation– Delegation of Approval for Use of Incentive-Fee Contracts

Effective immediately, the determination and finding required by FAR 16.401(d) to justify that the use of an award-fee contract is in the best interest of the Government, shall be signed by the head of the contracting activity (HCA) or designee no lower than one level below the HCA. The determination and finding required by FAR 16.401(d) for all other incentive contracts may be signed at one level above the contracting officer. This authority may not be further delegated.

This deviation remains in effect until incorporated in the DFARS or otherwise rescinded. My point of contact for this matter is Mr. Mark Gomersall, 703-602-0302 or [mark.gomersall@osd.mil](mailto:mark.gomersall@osd.mil).

Shay D. Assad  
Director, Defense Procurement  
and Acquisition Policy