



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

01 APR 2014

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Class Deviation - Determination of Fair and Reasonable Prices When Using Federal Supply Schedule Contracts

The attached Director, Defense Procurement and Acquisition Policy memorandum of March 13, 2014 is forwarded for your information and action, as appropriate. It informs the Department of Defense contracting community of a class deviation from Federal Acquisition Regulation (FAR) 8.404(d), "Pricing," to clarify that ordering activity contracting officers are responsible for making a determination of fair and reasonable pricing when using Federal Supply Schedules. The General Services Administration has determined the prices of supplies and services offered to be fair and reasonable for the purpose of establishing the schedule contract; however, ordering activity contracting officers still are responsible for using the proposal analysis techniques at FAR 15.404-1 to determine fair and reasonable pricing for individual orders, blanket purchase agreements (BPAs), and orders placed under BPAs. The complexity and circumstances of each acquisition should determine the level of analysis required. The deviation will remain in effect until incorporated in the Defense Federal Acquisition Regulation Supplement or rescinded.

Further details are provided within the memorandum. My point of contact is Gabrielle Trickett, [gabrielle.trickett@navy.mil](mailto:gabrielle.trickett@navy.mil), 703-614-9641.

*Elliott B. Branch*

Elliott B. Branch  
DASN (AP)

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OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

MAR 13 2014

In reply refer to  
DARS Tracking Number: 2014-O0011

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  
(PROCUREMENT)  
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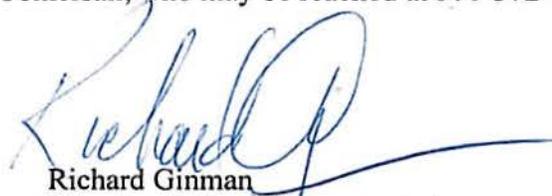
SUBJECT: Class Deviation—Determination of Fair and Reasonable Prices When Using Federal  
Supply Schedule Contracts

Effective immediately, contracting officers shall comply with the following policy, in lieu of FAR 8.404(d), Pricing, when using Federal Supply Schedules. This class deviation clarifies that ordering activity contracting officers are responsible for making a determination of fair and reasonable pricing when using Federal Supply Schedules.

8.404(d) *Pricing*. (DEVIATION)

Supplies offered on the schedule are listed at fixed prices. Services offered on the schedule are priced either at hourly rates, or at a fixed price for performance of a specific task (e.g., installation, maintenance, and repair). GSA has determined the prices of supplies and fixed-price services, and rates for services offered at hourly rates, to be fair and reasonable for the purpose of establishing the schedule contract. GSA's determination does not relieve the ordering activity contracting officer from the responsibility of making a determination of fair and reasonable pricing for individual orders, BPAs, and orders under BPAs, using the proposal analysis techniques at 15.404-1. The complexity and circumstances of each acquisition should determine the level of detail of the analysis required.

This class deviation remains in effect until incorporated in the DFARS or otherwise rescinded. My point of contact is Mr. Mark Gomersall, who may be reached at 571-372-6099, or at Mark.R.Gomersall.civ@mail.mil.

  
Richard Ginman  
Director, Defense Procurement  
and Acquisition Policy