MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES
DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,
ASN(RD&A)/ABM
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING), SAF/AQC
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)
DEPUTY DIRECTOR (ACQUISITION), DEFENSE LOGISTICS AGENCY

SUBJECT: Use of Auctions, Spot Bids, or Retail Sales of Surplus
Contractor Inventory by the Contractor

We have amended the Defense Federal Acquisition Regulation
Supplement (DFARS) to lower the level of approval required for the use
of auctions, spot bids, or retail sales of surplus contractor
inventory, from the headquarters of the contract administration
activity, to the commander of the contract administration office.

The attached final DFARS rule is effective immediately and will
be published in a future Defense Acquisition Circular.

Eleanor R. Spector
Director, Defense Procurement

Attachment

cc: DSMC, Ft. Belvoir
DFARS Case 98-D004, Use of Auctions, Spot Bids, or Retail Sales of Surplus Contractor Inventory by the Contractor
Final rule

245.7301 Policy.

(a) Screening must be completed before any surplus contractor inventory sale.

(b) Except as provided in 245.7307, sales of surplus contractor inventory shall be competitive.

(c) The headquarters [commander] of the contract administration activity [office] must approve the use of auctions, spot bids, or retail sales.

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