MEMORANDUM FOR DISTRIBUTION

Subj: CHANGE 03-11 TO THE NAVY MARINE CORPS ACQUISITION REGULATION SUPPLEMENT (NMCARS) AND CHANGE 03-8 TO THE NAVY MARINE CORPS ACQUISITION GUIDE (NMCAG)

Encl: (1) NMCARS Change 03-11
      (2) NMCAG Change 03-8

The changes identified in Enclosures (1) and (2) are hereby incorporated into the November 2003 NMCARS and NMCAG.

The NMCARS is hereby amended to make inflation adjustments to specific dollar thresholds, change some DFARS references, and change numbering on some provisions. The NMCAG is hereby amended to change the DFARS reference on one provision. These changes are effective immediately and will be reflected in the NMCARS and NMCAG online.

The point of contact for NMCARS/NMCAG is Katherine Petersen at (703) 614-9641.

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The following changes are hereby incorporated into the November 2003 NMCARS:

1. Under SUBPART 5201.6—CAREER DEVELOPMENT, CONTRACTING AUTHORITY, AND RESPONSIBILITIES, 5201.602-2 Responsibilities is revised to correct DFARS reference and align with DFARS numbering (DFARS Change Notice 2006-1201) as follows:

5201.602-2 (DFARS 201.602-2) Responsibilities.

   (2)(i) Employees of foreign governments assigned to multi-national Joint Project Offices are authorized to serve as CORs.

2. Under SUBPART 5206.2—FULL AND OPEN COMPETITION AFTER EXCLUSION OF SOURCES, 5206.202 Establishing or maintaining alternative sources is revised for an inflation adjustment of the threshold for Navy Senior Procurement Executive (NSPE) approval (FAC 2005-13) and correct the DFARS reference as follows:

5206.202 (DFARS 206.202) Establishing or maintaining alternative sources.

   (b)(1) D&Fs shall be signed as follows:

   (A) For a proposed contract not exceeding $78,500,000, the approval level is the HCA, or a designee who—

      (a) If a member of the armed forces, is a general or flag officer; or

      (b) If a civilian, is serving in a position in grade GS 16 or above under the General Schedule (or in a comparable or higher position under another schedule).

   (B) For a proposed contract over $78,500,000, the approval level is the NSPE.

3. Under SUBPART 5206.3—OTHER THAN FULL AND OPEN COMPETITION, 5206.304 Approval of the justification is revised for an inflation adjustment of the threshold for approval by the competition advocate for the procuring activity (FAC 2005-13) as follows:

5206.304 (DFARS 206.304) Approval of the justification.

   (a) If the dollar value of the contract is negotiated at a level that exceeds the authority of the official who approved the original justification, a new approval shall be obtained from the appropriate official prior to award.

   (2) DoN activities with contracting authority in excess of $550,000 may be considered "procuring activities" solely for the purpose of enabling their competition advocate to exercise the approval authority provided by FAR 6.304(a)(2).

   (4) Justifications for ASN(RDA) approval must be submitted electronically via DASN(ACQ) at rda_ja@navy.mil, accompanied by a forwarding memo. Both documents must be in the format prescribed at NMCAG 5206.3.

   (i) The applicable Acquisition Strategy (or Acquisition Plan if no Acquisition Strategy exists) must be submitted with the justification. The documents should be reviewed concurrent with preparation of the justification and updated if required. Justifications and planning documentation should be consistent; unavoidable discrepancies should be highlighted and

Enclosure (1)
explained to the approving official. The technical/requirements certification in the justification includes affirmation of the currency of the planning documents.

(ii) Historic justification information must be submitted with the proposed justification. If the prior justification was approved locally within the DoN activity, provide the entire prior justification and approval. If the prior justification was approved by ASN(RDA), provide the identifying number of the prior justification.

(c) Class justifications shall be approved in the same manner as individual justifications with the same approval thresholds. The cumulative dollar value of all actions contemplated under the class justification will be used to determine the approval authority for the class justification.

4. Under SUBPART 5223.8—OZONE DEPLETING SUBSTANCES, 5223.803 Policy is changed to delete reference to paragraph (2) of the DFARS provision (DFARS Change Notice 20061219) as follows:

5223.803 (DFARS 223.803) Policy.

Technical certification and approval requirements are set forth in paragraph 6-5.9.2 of OPNAVINST 5090.1B "Environmental and Natural Resources Program Manual".

5. Under SUBPART 5237.1—SERVICE CONTRACTS GENERAL, 5237.170-2 Approval requirements is revised for an inflation adjustment of the senior procurement executive approval threshold for services that are not performance based (DFARS Change Notice 20061219) as follows:

5237.170-2 (DFARS 237.170-2) Approval requirements.

(a) Acquisition of services through a contract or task order that is not performance based.

(1) The HCA is the agency's designee for approval of acquisition of services at or below $78,500,000 that is not performance based. For acquisitions above $5 million, HCA authority may be delegated only to the Deputy/Assistant Commander for Contracts, a Flag or General Officer or SES who is a member of the Acquisition Professional Community, or, for commands/locations without a local SES/Flag/General Officer, to the Commanding Officer, but not further.

(2) For acquisitions exceeding $78,500,000, but below $500,000,000, the approval authority is DASN(ACQ).

(b) Acquisition of services through use of a contract or task order issued by a non-DoD agency. In addition to review and approval in accordance with the DoN Management Oversight Process for Acquisition of Services, approval must be obtained from:

(1) The HCA for actions at or below $50,000,000. For acquisitions above $5 million, HCA authority may be delegated only to the Deputy/Assistant Commander for Contracts, a Flag or General Officer or SES who is a member of the Acquisition Professional Community, or, for commands/locations without a local SES/Flag/General Officer, to the Commanding Officer, but not further.

(2) DASN(ACQ) for actions exceeding $50,000,000.
The following changes are hereby incorporated into the November 2003 NMCAG:

1. Under G5215.4 CONTRACT PRICING, G5204.404-1 Proposal analysis techniques is changed to reference the FAR provision (DFARS Change Notice 20061201) as follows:

G5215.404-1 (FAR 15.404-1) Proposal analysis techniques.
   (d) Cost realism analysis. A price analysis approach where there is adequate price history may also be a suitable and efficient means to evaluate cost realism. The amount of data required will be dependent upon the complexity of the procurement and the data already available to the contracting officer (e.g. information on recent Forward Pricing Rate Agreements (FPRAs)).