MEMORANDUM FOR THE DEPARTMENT OF NAVY ACQUISITION COMMUNITY

SUBJ: CLASS DEVIATION – PROHIBITION AGAINST CONTRACTING WITH CORPORATIONS THAT HAVE AN UNPAID DELINQUENT TAX LIABILITY OR A FELONY CONVICTION UNDER FEDERAL LAW

As detailed in the attached memorandum, dated January 23, 2012, from the Director of Defense Procurement and Acquisition Policy, contracting officers must seek clearance from their agency’s debarring and suspending official before awarding a contract to a corporation that has provided an affirmative response to the DFARS 252.209-7999 representation, regarding a tax liability or felony conviction.

All contracting officer inquiries to the Department of the Navy Suspending and Debarring Official shall be made to the Acquisition Integrity Office by contacting Mr. Patrick Costello at 202-685-6941 or patrick.costello.1@navy.mil.

Josie C. Dristy
Assistant General Counsel
(Acquisition Integrity)
Suspending and Debarring Official

Attachment:
As stated
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) DEPUTY ASSISTANT SECRETARY OF THE NAVY (ACQUISITION AND PROCUREMENT) DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (CONTRACTING) DIRECTORS OF THE DEFENSE AGENCIES DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Class Deviation—Prohibition Against Contracting With Corporations That Have An Unpaid Delinquent Tax Liability or a Felony Conviction under Federal Law

Effective immediately, none of the funds made available by Division A of the Consolidated Appropriations Act, 2012 (Pub. L. 112-74) may be used to enter into a contract with any corporation which –

- Has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, where the awarding agency is aware of the unpaid tax liability, unless the agency has considered suspension or debarment of the corporation and made a determination that this action is not necessary to protect the interests of the Government; or

- Was convicted of a felony criminal violation under any Federal law within the preceding 24 months, where the awarding agency is aware of the conviction, unless the agency has considered suspension or debarment of the corporation and made a determination that this action is not necessary to protect the interests of the Government.
Contracting officers shall include the attached provision 252.209-7999 in all solicitations that will use funds made available by Division A of the Consolidated Appropriations Act, 2012 (Pub. L. 112-74), including solicitations for acquisition of commercial items under FAR part 12, and shall apply the following restrictions:

In accordance with sections 8124 and 8125 of Division A of the Consolidated Appropriations Act, 2012 (Pub. L. 112-74), except as provided in the following paragraph of this memorandum, the contracting officer shall not award a contract to any corporation that provides an affirmative response to the representation in the provision at 252.209-7999 at Attachment 1 of this deviation, with regard to any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability or with regard to conviction of a felony criminal violation of Federal law within the preceding 24 months.

However, contracting officers may make an award despite these restrictions if the agency debarring and suspending official has considered suspension or debarment of the corporation and has made a written determination that this action is not necessary to protect the interests of the Government. Upon receipt of an affirmative response to the representation, contracting officers shall consult with the agency debarring and suspending official.

This class deviation is effective upon signature, and remains in effect until incorporated in the FAR or DFARS or otherwise rescinded. My point of contact is Ms. Amy Williams, who may be reached at 703-602-0328, or amy.williams@osd.mil.

Richard Ginman
Director, Defense Procurement and Acquisition Policy

Attachment:
As stated
Representation by Corporations Regarding an Unpaid Delinquent Tax Liability or a Felony Conviction under any Federal Law.

REPRESENTATION BY CORPORATIONS REGARDING AN UNPAID DELINQUENT TAX LIABILITY OR A FELONY CONVICTION UNDER ANY FEDERAL LAW (DEVIAITION 2012-00004) (JAN 2012)

(a) In accordance with sections 8124 and 8125 of Division A of the Consolidated Appropriations Act, 2012, (Pub. L. 112-74) none of the funds made available by that Act may be used to enter into a contract with any corporation that—

(1) Has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, where the awarding agency is aware of the unpaid tax liability, unless the agency has considered suspension or debarment of the corporation and made a determination that this further action is not necessary to protect the interests of the Government.

(2) Was convicted of a felony criminal violation under any Federal law within the preceding 24 months, where the awarding agency is aware of the conviction, unless the agency has considered suspension or debarment of the corporation and made a determination that this action is not necessary to protect the interests of the Government.

(b) The Offeror represents that—

(1) It is [ ] is not [ ] a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability,

(2) It is [ ] is not [ ] a corporation that was convicted of a felony criminal violation under a Federal law within the preceding 24 months.