

DoD Proposes Rule on Cost, Records Examination Requirements Exceptions for Small Biz Contracts

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The Defense Department has proposed a rule that seeks to exclude contracts, subcontracts and contract modifications worth below \$7.5 million that were awarded to small businesses or nonconventional contractors from pricing data, records examination and cost requirements.

DoD said in a Federal Register notice published Tuesday the proposed regulation would amend the *Defense Federal Acquisition Regulation Supplement* in order to enforce the *Fiscal Year 2016 National Defense Authorization Act's* section 873.

According to the notice, such exceptions under FY 2016 NDAA's section 873 will cease on Oct. 1, 2020.

Section 873 also includes provisions that aim to require the submission of pricing and cost data and audit of records based on small businesses' previous performances and analysis of other data related to contract awards, DoD said.

DoD's Defense Acquisition Regulations System noted the proposed rule would apply to small firms that secured contracts through the *Small Business Innovation Research* program or broad agency announcements.

Comments to the proposed rule are due Oct. 31, according to the notice.