

07/16/12

POLICY ALERT
No. 12-46
Management of Undefined Contract Actions

REFERENCE: [Defense Federal Acquisition Regulation Supplement Publication Notice 20120615](#), Defense Federal Acquisition Regulation Supplement Procedures, Guidance, and Information Case 2012-P005, Management of Undefined Contract Actions

TYPE OF ACTION: Defense Federal Acquisition Regulation Supplement Procedures, Guidance, and Information

EFFECTIVE DATE: June 15, 2012

SUMMARY: The Department of Defense (DoD) issued a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) Procedures, Guidance, and Information (PGI) 217.74 on obtaining approval to authorize use of an undefined contract action, documentation requirements, and reporting. Some changes to the PGI include:

- The requiring activity, in coordination with the contracting office, will prepare the request for approval package for an undefined contract action requirement. In addition, the required contents of the approval package are identified. A sample format entitled "[Determination to Use Undefined Contract Action Template](#)" is provided.
- Requires that the rationale for the not-to-exceed price be documented and retained in the contract file. It defines what is considered to be the maximum not to exceed price for various contract types.
- Discusses coordination and monitoring of the definitization schedule.
- Requires Contracting Officers follow the mandatory instructions at DFARS 215.404-71-3(d)(2) regarding lowering contract type risk assessments for the incurred costs when performing weighted guidelines analysis.

ACTION REQUIRED: Contracting Officers shall comply with these changes to DFARS PGI.

This Policy Alert is effective on the date indicated above, and remains in effect until incorporated into a policy document(s) or until otherwise rescinded.

You may direct comments/questions on this Policy Alert to the Contract Policy and Pricing Branch at 303-676-3985.

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