

DEFENSE LOGISTICS AGENCY



IMPACT OF COMMERCIAL ITEM RESTRICTION

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DPAS Regulation Changes

- \$50,000 Rating Threshold (700.17(f))
 - Not required to use rating <\$50,000 provided timely delivery can be obtained
 - Also applies to rating extension by contractors (700.15(a))
- Rating of Prime Vendor & requirements contracts (700.12(b))
 - Delivery orders/requisitions against these contracts are considered rated orders



DoC DPAS Delegation 1

- Delegates certain authority to DoD for DPAS
- Also places limitations on use of rating authority
 - Prohibited from rating **end items**
 - Available in the commercial market for general consumption
 - Do not require major modification for program use
 - Available in sufficient quantities to cause no delay in meeting approved program requirements.
- PROCLTR in process to revise policy coverage



How to Implement?

- Currently all eligible items are rated, in most cases automatically.
- Will require a manual review of all contracts
- Another alternative is to rate nothing.
- By definition, spares, components, and repair parts are incorporated into **end items**.



Proposed DLA Policy

- Commercial **end items** can not be rated during normal peacetime procurement
 - Exceptions
 - urgent requirements (high priority requisitions)
 - surge and sustainment requirements
- Will require a determination of which items are stand alone **end items**, versus spares, components and repair parts.
- Will the item be incorporated into a system?



Process

- Will require a review of all items
- May be easier for Class I, II , VIII
 - Commercial versus military unique
- Much more complicated for Class IX
 - Industrial equipment & machinery
 - Material Handling equipment
 - Facilities and Construction



Impact

- This may be too hard to implement
- May require less surveillance from DCMC
- Will get no priority in delivery of items
- May never get item if commercial market is more profitable or given precedence



Summary

- May have to document problems & request relief from DoC
- May affect readiness
- More use of the SPA
- Maybe more workload for the DPAS officers