



**DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH, DEVELOPMENT AND ACQUISITION
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000**

June 27, 2008

MEMORANDUM FOR HEADS OF CONTRACTING ACTIVITIES

**Subj: DETERMINATION TO AWARD TASK OR DELIVERY ORDER
CONTRACTS TO A SINGLE SOURCE**

Encl: (1) DPAPPSS memorandum of May 23, 2008

Enclosure (1), distributed to Navy/Marine Corps contracting activities via e-mail on May 27, 2008, advised that Section 843 of the National Defense Authorization Act for Fiscal Year 2008 became effective on May 27, 2008. Section 843 stipulates that no task or delivery order contract in an amount estimated to exceed \$100 million (including all options) may be awarded to a single source unless the Head of the Agency determines in writing that—

- (i) the task or delivery orders under the contract are so integrally related that only a single source can reasonably perform the work;
- (ii) the contract provides only for firm, fixed unit price task or delivery orders for products or services where unit prices are established in the contract;
- (iii) only one source is qualified and capable of performing the work at a reasonable price to the government; or
- (iv) because of exceptional circumstances, it is necessary in the public interest to award to a single source.

Questions received since issuance of the notice have demonstrated the need for certain clarifications:

1. Approval to award to a single source under Section 843 may be supported by any one of the above four criteria.
2. "Awarded to a single source," as used in this context, means any task or delivery order contract other than a multiple award contract, as described in 10 USC 2304a(d)(1)(B) and FAR 16.504(c), under which task or delivery orders are competed between contract holders.

Determination packages should detail circumstances supporting use of a task or delivery order contract, address alternate acquisition strategies, and potential impact if award is not approved. For criterion (iii) above, the D&F should cite and attach any applicable justification to the package.

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Enclosure (1) indicates that the Head of the Agency may delegate authority to make the required determinations, however, to date, no such delegation has been signed. Pending further direction, single award of task or delivery order contracts between 10 million and \$100 million under criteria (i) – (iii) require HCA approval. Determinations for single awards below \$10 million under criteria (i) – (iii) may be delegated to the Chief of the Contracting Office. Determinations based on public interest shall be submitted through DASN(A&LM) for processing..

Questions may be directed to Bob Johnson at Robert.F.Johnson@Navy.Mil or 703-693-2936.


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