

# PGI 209.570-3 Procedures.

(1) After assessing the offeror's direct financial interests in the development or construction of any individual system or element of any system of systems, if the offeror—

(i) Has no direct financial interest in such systems, the contracting officer shall document the contract file to that effect and may then further consider the offeror for award of the contract;

(ii) Has a direct financial interest in such systems, but the exception in DFARS [209.570-2\(b\)\(2\)](#) applies, the contracting officer shall document the contract file to that effect and may then further consider the offeror for award of the contract;

(iii) Has a direct financial interest in such systems and the exception in DFARS [209.570-2\(b\)\(2\)](#) does not apply, but the conditions in DFARS [209.570-2\(b\)\(1\)\(i\)](#) and (ii) do apply, the contracting officer—

(A) Shall document the contract file to that effect;

(B) May, in coordination with program officials, request an exception for the offeror from the Secretary of Defense, in accordance with paragraph (2) of this subsection; and

(C) Shall not award to the offeror unless the Secretary of Defense grants the exception and provides the required certification to Congress; or

(iv) Has a direct financial interest in such systems and the exceptions in DFARS [209.570-2\(b\)\(1\)](#) and (2) do not apply, the contracting officer shall not award to the offeror.

(2)(i) To process an exception under DFARS [209.570-2\(b\)\(1\)](#), the contracting officer shall submit the request and appropriate documentation to the Office of the Principal Director, Defense Pricing, Contracting, and Acquisition Policy (Contract Policy) (DPCAP/CP) at [osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil](mailto:osd.pentagon.ousd-a-s.mbx.asda-dp-c-contractpolicy@mail.mil).

(ii) The DPCAP action officer will process the request through the Office of the Secretary of Defense and, if approved, to the appropriate committees of Congress. The contracting officer shall not award a contract to the affected offeror until notified by the DPCAP/CP action officer that the exception has been approved and transmitted to Congress.

**Parent topic:** [PGI 209.570 Limitations on contractors acting as lead system integrators.](#)