

Subpart 5301.90 - CLEARANCE

Parent topic: [Part 5301 - Federal Acquisition Regulations System](#)

5301.9000 Definitions

As used in this Subpart-

"Begin negotiations" means, for the purpose of noncompetitive contract actions, starting discussions with an offeror for the purpose of reaching agreement on all aspects of the proposal. Initiation of audits and fact-finding necessary to evaluate the proposal and develop the Government's negotiation objective do not constitute negotiations.

"Business Clearance" means:

- (a) For competitive acquisitions, approval to issue the solicitation.
- (b) For noncompetitive contract actions, approval to begin negotiations.
- (c) For Broad Agency Announcements (BAAs) and Commercial Solutions Openings (CSOs) expected to result in a FAR-based award, if the total value of awards under a BAA or CSO is anticipated to be greater than or equal to the clearance threshold, approval to begin negotiations.
- (d) For Architect-Engineer Services under [FAR 36.6](#), approval to begin negotiations.

"Clearance Approval Authority (CAA)" means the individual identified at 5301.9001(b)(2) and 5301.9001(b)(3), unless otherwise directed. The CAA must be distinct from the contracting officer responsible for the contract action. When a contracting official is the Source Selection Authority (SSA), the CAA must be a level above the contracting official. If the SCO or their deputy is the SSA, the CAA must be the cognizant HCA.

"Clearance Review" means the independent review performed by the designated CR office or as otherwise selected by the CAA.

"Clearance Reviewer (CR)" means the independent reviewer and the primary advisor to the CAA for clearance. The CR ensures the CAA has the information needed to make an informed decision. The CR identifies deficiencies, assists in resolution, and advises the CAA as appropriate. When the CR is not from the designated CR office and is selected by the CAA, the CR must be an experienced contracting professional, a Government employee, and must not review their own contract action.

"Contract action" means

- (a) An action intended to result in award of any contract or modification of any contract.
- (b) An action intended to result in definitization of an undefinitized contract action (UCA), an undefinitized change order, or an undefinitized long lead contract.
- (c) An action intended to result in the pricing of:
 - (1) an unpriced option or an option with a not-to-exceed price;

- (2) a provisioned items order (PIO);
- (3) an unpriced order under a BPA or FSS contract, including a Governmentwide Acquisition Contract (GWAC); or
- (4) a noncompetitive task order or delivery order under a single or multiple award indefinite delivery-type contract.

(d) An action intended to result in issuance of a modification implementing a unilateral price determination.

(e) An order issued under Basic Ordering Agreement (BOA).

(f) An action intended to result in the exercise of an option when the option exercise is not in accordance with the previously approved pricing arrangement or other contract terms and conditions.

(g) A competitive solicitation issued or a competitive order awarded in accordance with FAR 8.4, 13, or 16.5 against an existing Multiple Award Contract (MAC) Indefinite-Delivery Indefinite-Quantity (IDIQ), GWAC, or FSS contract that requires either one or both of the following:

- (1) Establishment of specific criteria for the evaluation of proposals and selection of the awardee for the order;
- (2) Addition of any terms or conditions that are not included in the basic IDIQ contract, and/or changes to the existing terms or conditions of the basic IDIQ contract (except for provisions/clauses required by the FAR, DFARS, or DAFFARS).

(h) Contract actions excluded from business or contract clearances are:

- (1) An action that creates a UCA, undefinitized change order, or undefinitized long lead contract.
- (2) A modification for the payment of an incentive or award fee that is in accordance with the terms and conditions of the incentive plan or award fee plan.
- (3) A funding modification.
- (4) An administrative modification.

(5) A modification solely for changes as a result of Service Contract Labor Standards statute wage rates/fringe benefits or Fair Labor Standards Act minimum wages.

(6) A competitive solicitation issued or a competitive order awarded in accordance with FAR 8.4, 13, or 16.5 against an existing MAC IDIQ, GWAC, or FSS contract that does not require either one or both of the following:

- (i) Establishment of specific criteria for the evaluation of proposals and selection of the awardee for the order;
- (ii) Addition of any terms or conditions that are not included in the basic IDIQ contract, and/or changes to the existing terms or conditions of the basic IDIQ contract.

“Contract Clearance” means:

- (a) For a competitive acquisition conducted without discussions, approval by the CAA for the SSA to make the decision to award.
- (b) For a competitive acquisition with discussions –
 - (1) Approval by the CAA for the SSA to request final proposal revisions in accordance with FAR 15.307; and
 - (2) Approval by the CAA for the SSA to make a source selection decision.
- (c) For a noncompetitive contract action, approval by the CAA to award the contract action.
- (d) For a BAA, approval to award the contract action.
- (e) For a FAR 16.5 acquisition included in the definition of contract action above:
 - (1) Approval by the CAA for the SSA to request final proposal revisions (if applicable; and
 - (2) Approval by the CAA for the Fair Opportunity Decision Authority to make a selection decision.

5301.9001 Objectives, Approval Thresholds, and Procedures

- (a) Clearance Objectives. The objectives of the business and contract clearance process are to ensure that:
 - (1) Negotiations and contract actions effectively implement approved acquisition strategies;
 - (2) Negotiations and contract actions result in fair and reasonable business arrangements;
 - (3) Negotiations and contract actions are consistent with laws, regulations, and policies; and
 - (4) An independent review and assessment by the clearance authority for the proposed contract action is accomplished.
- (b) (b) Clearance Approval Thresholds. Business and contract clearance are required for actions greater than or equal to \$10M for Enterprise / PEO (Systems) and \$5M for Operational. Contract value is determined by the definition on FAR 1.108(c).
 - (1) When the HCA is SAF/AQC, use the clearance approval thresholds in Table 1 below.

Table 1 - When the HCA is at SAF/AQC

CAA	Operational	Enterprise	PEO (Systems)
HCA	≥ \$1B	≥ \$1B	≥ \$1B
SCO	> \$10M to < \$1B	> \$50M to < \$1B	> \$100M to < \$1B

Table 1 - When the HCA is at SAF/AQC

CAA	Operational	Enterprise	PEO (Systems)
COCO	> \$5M to ≤ \$10M	> \$10M to ≤ \$50M	> \$10M to ≤ \$100M

(2) When the HCA is at SDA, SpRCO, or SSC, use the clearance approval thresholds in Table 2 below.

Table 2 - When the HCA is at SDA, SpRCO, or SSC

CAA	Operational	Enterprise	PEO (Systems)
Cognizant HCA	Special interest only	Special interest only	Special interest only
SCO	> \$10M	> \$1B	> \$1B
COCO	> \$5M to ≤ \$10M	> \$10M to ≤ \$1B	> \$10M to ≤ \$1B

(3) The HCA or SCO may designate a contract action as a special interest item regardless of dollar value and assign the CAA notwithstanding the thresholds in the tables above.

(4) When the HCA is the CAA for business clearance, the SCO is the CAA for contract clearance unless otherwise stipulated by the HCA.

(5) The CAA may further delegate or waive their clearance approval authority on an individual or class basis. SCOs and COCOS are responsible for ensuring all further delegations are included on the [SCO Delegation Letters/Thresholds](#) SharePoint Page. COCOS must report clearance waivers made on a class basis to the SCO. Individual delegations and waivers must be documented in the contract file.

(6) If an SCO lowers a COCO's clearance approval authority threshold or withholds clearance approval authority from the COCO, the SCO must notify the cognizant HCA. If the SCO lowers or withholds the COCO's clearance approval authority for more than six months, the SCO must brief the cognizant HCA regarding the circumstances surrounding the decision.

(c) Clearance Approval Procedures. The CAA must ensure that the clearance process meets the objectives in paragraph (a) above. See [clearance templates](#).

(1) The procedures in [MP5301.9001\(i\)\(1\)\(i\)](#) must be followed when the CAA is SAF/AQC (DAS(C) or ADAS(C)). When the CAA is not at SAF/AQC, follow local procedures.

(2) To facilitate planning for clearances that require HCA approval, SCOs must use the [Peer Review and Clearance Forecasting Tool](#) to project upcoming HCA clearances. See [DAFFARS 5301.170\(a\)\(2\)](#).

(3) Only one clearance review may be performed prior to the contract action being presented to the

CAA. The CR is responsible for the clearance review. The CAA may select an alternate CR who meets the requirements identified in DAFFARS 5301.9000. The CAA has the authority to waive the clearance review.

(4) The CAA must seek legal advice (see DAFFARS 5301.602-2(c)(i)) and ensure that counsel has coordinated on any clearance briefings or presentations, and that counsel's comments are included in the briefing or presentation.

(5) The Milestone Decision Authority, PEO, or lead program manager must coordinate and/or participate in business clearance briefings.

(6) At the discretion of the CAA, contract clearance is not required when the negotiation team stays within the pre-set negotiation range and the parameters approved at the business clearance.

(7) If the CAA has waived business or contract clearance, a clearance review is not required unless the CAA stipulates otherwise. However, legal review is required, as applicable, in accordance with DAFFARS 5301.602-2(c)(i).

(8) If a CAA requires clearance for competitive order solicitations or orders when excluded in accordance with DAFFARS 5301.9000(b)(6), the SCO must submit a written justification to cognizant HCA upon execution.