



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

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In reply refer to
DARS Tracking Number: 2017-O0002

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ACQUISITION AND PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Class Deviation— Enhancing the Effectiveness of Independent Research and
Development

Effective immediately, in lieu of the requirements at Defense Federal Acquisition
Regulation Supplement (DFARS) 231.205-18(c)(iii)(C)(4), contracting officers shall apply the
following cost principle in order for annual independent research and development (IR&D) costs
to be allowable:

(4) For IR&D projects initiated in the contractor's fiscal year 2017, as a
prerequisite for the subsequent determination of allowability, the contractor shall—

(i) Engage in a technical interchange with a technical or operational DoD
Government employee sometime during the contractor's fiscal year 2017 so that contractor plans
and goals for IR&D projects benefit from the awareness of and feedback by a DoD Government
employee who is informed of related ongoing and future potential interest opportunities. If the
contractor does not have a point of contact for the technical interchange, the contractor may
contact the Office of the Assistant Secretary of Defense for Research and Engineering (OASD
R&E). Contact information for OASD R&E can be found at
<http://www.acq.osd.mil/rd/contacts/>; and

(ii) Use the online input form for IR&D projects reported to DTIC to
document the technical interchange, which includes the name of the DoD Government employee
and the date the technical interchange occurred.

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Enhancing the Effectiveness of Independent Research and Development

This class deviation alleviates the requirement that the technical interchanges occur before costs are generated for IR&D projects initiated in the contractor's fiscal year 2017 to afford contractors a phase-in period to develop processes and procedures.

This class deviation remains in effect until incorporated in the DFARS or otherwise rescinded. My point of contact is Mr. Mark Gomersall, who may be reached at 571-372-6099, or at mark.r.gomersall.civ@mail.mil.



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and Acquisition Policy