

CLIENT ALERT

It's Time for a Raise! DoD Proposes to Increase CPSR Threshold

June 11, 2019

On May 31, 2019, DoD issued a proposed rule, which would amend the Defense Acquisition Regulation Supplement (DFARS) to establish a DoD-specific Contractor Purchasing System Review (CPSR) threshold of \$50M at DFARS 244.302, to be used in lieu of \$25M threshold at FAR 44.302(a), which has remained unchanged since 1996. According to the Federal Register, it is estimated that, with this new threshold in place, DCMA ACOs can reduce the number of contractor reviews by approximately 20% (from around 667 to 534), which would reduce the burden on smaller contractors and allow a more efficient and effective use of CPSR resources to review larger contractors where more taxpayer dollars are at risk. Comments on the rule are due by July 30, 2019.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

Nicole Owren-Wiest

Partner – Washington, D.C.

Phone: +1.202.624.2863

Email: nowrenwiest@crowell.com

Catherine O. Shames

Associate – Washington, D.C.

Phone: +1.202.688.3446

Email: cshames@crowell.com