OFFICE OF THE UNDER SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-3000

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

SEP 1 4 2017

In reply refer to
DARS Tracking Number: 2017-O0010

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 2017-O0010, Independent Research and Development Technical
Interchange

Effective immediately, contracting officers shall not require a major contractor, as defined at
Defense Federal Acquisition Regulation Supplement (DFARS) 231.205-18(a)(iii), to engage in or
document a technical interchange, as described in DFARS 231.205-18(c)(iii)(C)(*4*), as part of the
criteria for determining a contractor's annual independent research and development (IR&D) costs
to be allowable.

In order for annual IR&D costs to be determined allowable for IR&D projects initiated in the
contractor's fiscal year 2017 and later, DFARS 231.205-18(c)(iii)(C)(*4*) requires a major contractor
to—

- Engage in a technical interchange with a technical or operational DoD Government
employee prior to the generation of IR&D costs; and

- Document the interchange on the online input form for IR&D projects reported to the
Defense Technical Information Center.

As a result of this deviation, the actions at DFARS 231.205-18(c)(iii)(C)(*4*) are no longer a part of
the criteria a contracting officer must consider in determining a major contractor's annual IR&D
costs to be allowable.

This class deviation is effective until it is incorporated in the DFARS or until this class deviation is otherwise rescinded. My point of contact is Mr. Mark Gomersall, who is available at 571-372-6099, or at mark.r.gomersall.civ@mail.mil.

Shay D. Assad
Director, Defense Pricing