

material misstatement of such information will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is—

- (1) Probable; or
- (2) More than remote but less than likely (section 806 of Pub. L. 116–283).

* * * * *

(d) *Material weaknesses.* (1) The Contracting Officer will provide notification of initial determination to the Contractor, in writing, of any material weaknesses. The initial determination will describe the underlying deficiency in sufficient detail to allow the Contractor to understand the weakness or deficiency.

(2) The Contractor shall respond within 30 days to a written initial determination from the Contracting Officer that identifies material weaknesses in the Contractor's purchasing system. If the Contractor disagrees with the initial determination, the Contractor shall state, in writing, its rationale for disagreeing.

(3) The Contracting Officer will evaluate the Contractor's response and notify the Contractor, in writing, of the Contracting Officer's final determination concerning—

- (i) Remaining material weaknesses;
- (ii) The adequacy of any proposed or completed corrective action; and
- (iii) System disapproval, if the Contracting Officer determines that one or more material weaknesses remain.

(e) If the Contractor receives the Contracting Officer's final determination of material weaknesses, the Contractor shall, within 45 days of receipt of the final determination, either correct the material weaknesses or submit an acceptable corrective action plan showing milestones and actions to eliminate the weaknesses.

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Alternate I. * * *

Contractor Purchasing System Administration—Alternate I (Jan 2025)

(a) * * *

Material weakness means a deficiency or combination of deficiencies in the internal control over information in contractor business systems, such that there is a reasonable possibility that a material misstatement of such information will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is—

- (1) Probable; or
- (2) More than remote but less than likely (section 806 of Pub. L. 116–283).

* * * * *

(d) *Material weaknesses.* (1) The Contracting Officer will provide notification of initial determination to the Contractor, in writing, of any material weaknesses. The initial determination will describe the underlying deficiency in sufficient detail to allow the Contractor to understand the weaknesses or deficiency.

(2) The Contractor shall respond within 30 days to a written initial determination from the Contracting Officer that identifies material weaknesses in the Contractor's purchasing system. If the Contractor disagrees with the initial determination, the Contractor shall state, in writing, its rationale for disagreeing.

(3) The Contracting Officer will evaluate the Contractor's response and notify the Contractor, in writing, of the Contracting Officer's final determination concerning—

- (i) Remaining material weaknesses;
- (ii) The adequacy of any proposed or completed corrective action; and
- (iii) System disapproval, if the Contracting Officer determines that one or more material weaknesses remain.

(e) If the Contractor receives the Contracting Officer's final determination of material weaknesses, the Contractor shall, within 45 days of receipt of the final determination, either correct the material weaknesses or submit an acceptable corrective action plan showing milestones and actions to eliminate the weaknesses.

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■ 23. Amend section 252.245–7003—

- a. By revising the clause date;
- b. In paragraph (a) by—
 - i. Adding in alphabetical order the definition of “Material weakness”; and
 - ii. Removing the definition of “Significant deficiency”;
- c. In paragraph (c), by removing “paragraph (f)” and adding “paragraphs (b) and (f)” in its place;
- d. By revising and republishing paragraph (d); and
- e. By revising paragraph (e).

The addition, revisions, and republication read as follows:

252.245–7003 Contractor Property Management System Administration.

* * * * *

Contractor Property Management System Administration (Jan 2025)

(a) * * *

Material weakness means a deficiency or combination of deficiencies in the internal control over information in contractor business systems, such that there is a reasonable possibility that a material misstatement of such

information will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is—

- (1) Probable; or
- (2) More than remote but less than likely (section 806 of Pub. L. 116–283).

* * * * *

(d) *Material weaknesses.* (1) The Contracting Officer will provide an initial determination to the Contractor, in writing, of any material weaknesses. The initial determination will describe the underlying deficiency in sufficient detail to allow the Contractor to understand the weaknesses or deficiency.

(2) The Contractor shall respond within 30 days to a written initial determination from the Contracting Officer that identifies material weaknesses in the Contractor's property management system. If the Contractor disagrees with the initial determination, the Contractor shall state, in writing, its rationale for disagreeing.

(3) The Contracting Officer will evaluate the Contractor's response and notify the Contractor, in writing, of the Contracting Officer's final determination concerning—

- (i) Remaining material weaknesses;
- (ii) The adequacy of any proposed or completed corrective action; and
- (iii) System disapproval, if the Contracting Officer determines that one or more material weaknesses remain.

(e) If the Contractor receives the Contracting Officer's final determination of material weaknesses, the Contractor shall, within 45 days of receipt of the final determination, either correct the material weaknesses or submit an acceptable corrective action plan showing milestones and actions to eliminate the material weaknesses.

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[FR Doc. 2025–00721 Filed 1–16–25; 8:45 am]

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DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Parts 206, 217, 219, and 252

[Docket DARS–2024–0001]

Defense Federal Acquisition Regulation Supplement; Technical Amendments

AGENCY: Defense Acquisition Regulations System, Department of Defense (DoD).

ACTION: Final rule; technical amendment.

SUMMARY: DoD is amending the Defense Federal Acquisition Regulation Supplement (DFARS) to make needed editorial changes.

DATES: Effective January 17, 2025.

FOR FURTHER INFORMATION CONTACT: Ms. Jennifer D. Johnson, Defense Acquisition Regulations System, telephone 703-717-8226.

SUPPLEMENTARY INFORMATION: This final rule amends the DFARS to make needed editorial changes to comply with DFARS drafting conventions.

List of Subjects in 48 CFR Parts 206, 217, 219, and 252

Government procurement.

Jennifer D. Johnson,
Editor/Publisher, Defense Acquisition Regulations System.

Therefore, the Defense Acquisition Regulations System amends 48 CFR parts 206, 217, 219, and 252 as follows:

■ 1. The authority citation for 48 CFR parts 206, 217, 219, and 252 continues to read as follows:

Authority: 41 U.S.C. 1303 and 48 CFR chapter 1.

PART 206—COMPETITION REQUIREMENTS

206.303-1 [Amended]

■ 2. Amend section 206.303-1 in paragraphs (b) introductory text and (b)(1) by removing “sole source” and adding “sole-source” in its place.

PART 217—SPECIAL CONTRACTING METHODS

■ 3. Amend section 217.172 by revising paragraph (f)(2) to read as follows:

217.172 Multiyear contracts for supplies.

* * * *

(f) * * *

(2) In addition, for contracts equal to or greater than \$750 million, the head of the contracting activity must determine that the conditions required by paragraphs (h)(2)(i) through (vii) of this section will be met by such contract, in accordance with the Secretary’s certification and determination required by paragraph (h)(2) of this section.

* * * *

PART 219—SMALL BUSINESS PROGRAMS

219.808-1 [Amended]

■ 4. Amend section 219.808-1 in the introductory text by removing “sole source” and adding “sole-source” in its place.

PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

■ 5. Amend section 252.225-7003—

■ a. By revising the provision heading and date;

■ b. In paragraphs (b) introductory text and (b)(2) introductory text, by removing “offeror” wherever it appears and adding “Offeror” in its place; and

■ c. In paragraphs (d) introductory text and (e), by removing “offeror” and adding “Offeror” in its place.

The revisions read as follows:

252.225-7003 Report of Intended Performance Outside the United States and Canada—Submission with Offer.

* * * *

REPORT OF INTENDED PERFORMANCE OUTSIDE THE UNITED STATES AND CANADA—SUBMISSION WITH OFFER (JAN 2025)

* * * *

[FR Doc. 2024-31569 Filed 1-16-25; 8:45 am]

BILLING CODE 6001-FR-P

DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Part 252

[Docket DARS-2022-0030]

RIN 0750-AL67

Defense Federal Acquisition Regulation Supplement: Update of Challenge Period for Validation of Asserted Restrictions on Technical Data and Computer Software (DFARS Case 2022-D016)

AGENCY: Defense Acquisition Regulations System, Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: DoD is issuing a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to implement a section of the National Defense Authorization Act for Fiscal Year 2012, which addresses the validation of proprietary data restrictions.

DATES: Effective January 17, 2025.

FOR FURTHER INFORMATION CONTACT: David Johnson, telephone 202-913-5764.

SUPPLEMENTARY INFORMATION:

I. Background

DoD published a proposed rule in the **Federal Register** at 89 FR 31686 on April 25, 2024, to implement section

815(b) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2012 (Pub. L. 112-81). Section 815(b) amended 10 U.S.C. 2321 (currently 10 U.S.C. 3782) by increasing the validation period for asserted restrictions from three years to six years. Section 815(b) also amended 10 U.S.C. 2321 to provide an exception to the prescribed time limit for validation of asserted restrictions if the technical data involved are the subject of a fraudulently asserted use or release restriction. Two respondents submitted public comments in response to the proposed rule. DoD also held a public meeting on May 17, 2024.

II. Discussion and Analysis

DoD reviewed the public comments in the development of the final rule. A discussion of the comments and the changes made to the rule as a result of those comments is provided, as follows:

A. Summary of Significant Changes From the Proposed Rule

There are no significant changes from the proposed rule.

B. Analysis of Public Comments

1. Technical Data or Software Delivered, Furnished, or Otherwise Provided to the Government

Comment: The respondents suggested that the revisions to the clauses at DFARS 252.227-7019, Validation of Asserted Restrictions—Computer Software, and 252.227-7037, Validation of Restrictive Markings on Technical Data, to consistently reference technical data and computer software “delivered or otherwise provided to the Government” should be removed from the final rule. The existing clause language already references technical data delivered, software delivered, technical data required to be delivered, and software required to be delivered. Respondents assert that the phrase “otherwise provided to the Government” is ambiguous and inconsistent with existing statutes. The respondents also asserted that this language may result in a potential chilling effect on the relationship between Government and contractors.

Response: References to technical data and computer software “delivered or otherwise provided” to the Government appear multiple times in the current contract clauses at DFARS 252.227-7013, Rights in Technical Data—Other Than Commercial Products and Commercial Services, and DFARS 252.227-7014, Rights in Other Than Commercial Computer Software and Other Than Commercial Computer