



DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Parts 203, 205, 209, 211, 212, 215, 216, 217, 219, 225, 236, 246, 250, and 252

[Docket DARS-2024-0039]

RIN 0750-AL99

Defense Federal Acquisition Regulation Supplement: Inflation Adjustment of Acquisition-Related Thresholds (DFARS Case 2024-D002)

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 further implement the statute that requires an adjustment every 5 years of statutory acquisition-related thresholds for inflation. The adjustment uses the Consumer Price Index for all urban consumers and does not apply to the Construction Wage Rate Requirements statute (Davis-Bacon Act), Service Contract Labor Standards statute, performance and payment bonds, and trade agreements thresholds. DoD also used the same methodology to adjust some nonstatutory DFARS acquisition-related thresholds in 2025.

DATES: Effective October 1, 2025.

FOR FURTHER INFORMATION CONTACT: Ms. Kimberly R. Ziegler, telephone 703-901-3176.

SUPPLEMENTARY INFORMATION:

I. Background

This final rule amends multiple DFARS parts to further implement 41 U.S.C. 1908. Section 1908 requires an adjustment every five years (on October 1 of each year evenly divisible by five) of statutory acquisition-related thresholds for inflation, using the Consumer Price Index (CPI) for all urban consumers, except for the Construction Wage Rate Requirements statute (Davis-Bacon Act), Service Contract Labor Standards statute, performance and payment bonds, and trade agreements thresholds (see FAR 1.109). As a matter of policy, DoD is also using the same methodology to adjust nonstatutory DFARS acquisition-related thresholds on October 1, 2025. Federal Acquisition Regulation (FAR) Case 2024-001 provides comparable changes to acquisition-related thresholds in the FAR.

DoD published a proposed rule in the **Federal Register** at 90 FR 5799 on January 17, 2025. The preamble to the proposed rule contained detailed explanation of—

- What an acquisition-related threshold is;
- What acquisition-related thresholds are not subject to escalation adjustment under this case; and
- How DoD analyzes escalation of statutory and non-statutory acquisition-related thresholds.

This is the fifth review of DFARS acquisition-related thresholds since the statute was enacted on October 28, 2004 (section 807 of the Ronald W. Reagan National Defense

Authorization Act for Fiscal Year 2005). The last review was conducted under DFARS Case 2019-D036 during fiscal year (FY) 2020. The final rule under that case was published in the **Federal Register** on September 29, 2020 (85 FR 61502), effective October 1, 2020.

No respondents submitted public comments in response to the proposed rule.

II. Discussion and Analysis

DoD has historically used the March CPI as the factor to calculate the final escalatory amounts, although the statute does not specify a certain month. The proposed rule estimated the March 2025 CPI for all urban consumers at 323.193. The actual March 2025 CPI was 319.799. This final rule uses the April 2025 CPI of 320.795. DoD has elected to use the April 2025 CPI because the April CPI was available for use in the final rule, and it provides a more accurate reflection of inflation. As a result, the thresholds at DFARS 205.303(a)(i), 211.503(b), 217.171(d), 217.172, 225.7201, 250.102-1, and the solicitation provision at DFARS 252.225-7003 will not escalate to the extent provided in the proposed rule.

Some thresholds published in the proposed rule were very close but did not reach the statutory calculation formula amount for escalation and are removed from this final rule. DoD has removed the proposed escalation for the thresholds described at DFARS 206.303-1 through 206.304, 219.808, 236.601, and 237.170-2. DoD also corrected the statutory citation and basis for

escalation at 237.170-2, which reduced the outcome of the escalation calculation.

III. Applicability to Contracts at or Below the Simplified Acquisition Threshold (SAT), for Commercial Products (Including Commercially Available Off-the-Shelf (COTS) Items), and for Commercial Services

This final rule amends the provisions and clause at DFARS 252.204-7007, Alternate A, Annual Representations and Certifications; 252.215-7016, Notification to Offerors—Postaward Debriefings; 252.216-7010, Postaward Debriefings for Task Orders and Delivery Orders; and 252.225-7003, Report of Intended Performance Outside the United States and Canada—Submission with Offer. However, the rule does not impose any new requirements on contracts at or below the SAT, for commercial products including COTS items, or for commercial services. This final rule does not change the applicability of the provisions and clause to acquisitions at or below the SAT, to acquisitions of commercial products including or excluding COTS items, and to acquisitions of commercial services.

IV. Expected Impact of the Rule

DoD does not expect this final rule to have a significant impact on the public or the Government because the rule is intended to maintain the status quo by adjusting acquisition-related thresholds for inflation. The escalation of statutory acquisition-related thresholds is mandated by 41 U.S.C. 1908, including how to calculate the escalation. DoD expects this

rule to provide the adjustments necessary to mitigate the impact of inflation on both the public and the Government as intended under 41 U.S.C. 1908. The rule does not change direction to contracting officers, nor does it change the applicability of any requirements for offerors and contractors.

V. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, as amended.

VI. Executive Order 14192

This final rule is not subject to E.O. 14192, because the final rule is not a significant regulatory action under E.O. 12866.

VII. Congressional Review Act

As required by the Congressional Review Act (5 U.S.C. 801-808) before an interim or final rule takes effect, DoD will submit a copy of the interim or final rule with the form, Submission of Federal Rules Under the Congressional Review Act, to the U.S.

Senate, the U.S. House of Representatives, and the Comptroller General of the United States. A major rule under the Congressional Review Act cannot take effect until 60 days after it is published in the **Federal Register**. The Office of Information and Regulatory Affairs has determined that this rule is not a major rule as defined by 5 U.S.C. 804.

VIII. Regulatory Flexibility Act

A final regulatory flexibility analysis has been prepared consistent with the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.* and is summarized as follows:

This final rule amends the Defense Federal Acquisition Regulation Supplement (DFARS) to implement 41 U.S.C. 1908 and to amend other acquisition-related dollar thresholds that are based on policy rather than statute in order to adjust for the changing value of the dollar. The statute at 41 U.S.C. 1908 requires adjustment every 5 years of statutory acquisition-related dollar thresholds, except for the Construction Wage Rate Requirements statute (Davis-Bacon Act), Service Contract Labor Standards statute, performance and payment bonds (formerly the Miller Act), and trade agreements thresholds. The objective of the rule is to maintain the status quo by adjusting acquisition-related thresholds for inflation.

There were no significant issues raised by the public in response to the initial regulatory flexibility analysis provided in the proposed rule.

This final rule will have a minimal impact on small entities that submit offers or are awarded contracts by DoD. However, most of the threshold changes in this rule are not expected to have any significant economic impact on small entities because the threshold changes are intended to maintain the status quo by adjusting for changes in the value of the dollar. Often any impact will be beneficial, by preventing burdensome requirements from applying to more and more acquisitions, as the dollar loses value.

According to the System for Award Management (SAM), as of December 2023, there were 361,685 entities registered as small businesses under any North American Industry Classification System code. This final rule assumes that any of the 361,685 small entities registered in SAM may experience some benefit from a reduction in burden as a result of the changes.

The final rule does not impose any new reporting, recordkeeping, or compliance requirements.

There are no practical alternatives that will accomplish the objectives of the statute.

IX. Paperwork Reduction Act

The Paperwork Reduction Act (44 U.S.C. chapter 35) applies to this final rule. However, these changes to the DFARS do not impose additional information collection requirements to the paperwork burden previously approved by the Office of Management and Budget (OMB) under OMB Control Number 9000-0189, entitled Certain Federal Acquisition Regulation Part 4 Requirements: FAR

Sections Affected 52.204-3, 52.204-6, 52.204-7, 52.204-12 thru 52.204-15, 52.204-20, 52.204-23, 52.212-1(j), 52.212-3(b), and 52.212-3(l); and OMB Control Number 0704-0229, entitled Defense Federal Acquisition Regulation Supplement Part 225, Foreign Acquisition, and related clauses.

List of Subjects in 48 CFR Parts 203, 205, 209, 211, 212, 215, 216, 217, 219, 225, 236, 246, 250, and 252

Government Procurement.

Jennifer D. Johnson,

Editor/Publisher, Defense Acquisition Regulations System.

Therefore, the Defense Acquisition Regulations System amends 48 CFR parts 203, 205, 209, 211, 212, 215, 216, 217, 219, 225, 236, 246, 250, and 252 as follows:

1. The authority citation for 48 CFR parts 203, 205, 209, 211, 212, 215, 216, 217, 219, 225, 236, 246, 250, and 252 continues to read as follows:

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

PART 203—IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

203.1004 [Amended]

2. Amend section 203.1004 in paragraph (b)(2)(ii) by removing “\$6 million” and adding “\$7.5 million” in its place.

PART 205—PUBLICIZING CONTRACT ACTIONS

3. Amend section 205.303 by revising paragraphs (a)(i) introductory text, (a)(i)(A), and (a)(i)(B) to read as follows:

205.303 Announcement of contract awards.

(a) * * *

(i) The threshold for DoD awards is \$9 million. Report all contractual actions, including modifications, that have a face value, excluding unexercised options, of more than \$9 million.

(A) For undefinitized contractual actions, report the not-to-exceed (NTE) amount. Later, if the definitized amount exceeds the NTE amount by more than \$9 million, report only the amount exceeding the NTE.

(B) For indefinite delivery, time and material, labor hour, and similar contracts, report the initial award if the estimated face value, excluding unexercised options, is more than \$9 million. Do not report orders up to the estimated value, but after the estimated value is reached, report subsequent modifications and orders that have a face value of more than \$9 million.

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PART 209—CONTRACTOR QUALIFICATIONS

209.409 [Amended]

4. Amend section 209.409 by removing "\$150,000" and adding "\$200,000" in its place.

PART 211—DESCRIBING AGENCY NEEDS

5. Amend section 211.503 by revising paragraph (b) to read as follows:

211.503 Contract clauses.

(b) Use the clause at FAR 52.211-12, Liquidated Damages—Construction, in all construction contracts exceeding \$900,000,

except cost-plus-fixed-fee contracts or contracts where the contractor cannot control the pace of the work. Use of the clause in contracts of \$900,000 or less is optional.

PART 212—ACQUISITION OF COMMERCIAL PRODUCTS AND COMMERCIAL SERVICES

212.271 [Amended]

6. Amend section 212.271 by removing "\$45,000" and adding "\$55,000" in its place.

PART 215—CONTRACTING BY NEGOTIATION

215.403-1 [Amended]

7. Amend section 215.403-1 in paragraph (c) (4) (B), by removing "\$20 million" and adding "\$25 million" in its place.

8. Amend section 215.506 by revising paragraphs (b) and (d) to read as follows:

215.506 Postaward debriefing of offerors.

(b) Notwithstanding FAR 15.506(b), when requested by a successful or unsuccessful offeror, a written or oral debriefing is required for contract awards valued at \$15 million or more (section 818 of the National Defense Authorization Act for Fiscal Year 2018 (Pub. L. 115-91)).

* * * * *

(d) In addition to the requirements of FAR 15.506(d), the minimum debriefing information shall include the following:

(i) For award of a contract in excess of \$15 million and not in excess of \$150 million with a small business or nontraditional defense contractor, an option for the small

business or nontraditional defense contractor to request disclosure of the agency's written source selection decision document, redacted to protect the confidential and proprietary information of other offerors for the contract award.

(ii) For award of a contract in excess of \$150 million, disclosure of the agency's written source selection decision document, redacted to protect the confidential and proprietary information of other offerors for the contract award.

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215.570 [Amended]

9. Amend section 215.570 by removing "\$10 million" and adding "\$15 million" in its place.

PART 216—TYPES OF CONTRACTS

10. Amend section 216.505 by revising and republishing paragraph (b) to read as follows:

216.505 Ordering.

* * * * *

(b) *Orders under multiple-award contracts—(1) Fair opportunity.*

(A) See 215.101-2-70 for the limitations and prohibitions on the use of the lowest price technically acceptable source selection process, which are applicable to orders placed against multiple award indefinite delivery contracts.

(B) See 217.7801 for the prohibition on the use of reverse auctions for personal protective equipment and aviation critical safety items.

(2) *Exceptions to the fair opportunity process.* For an order exceeding the simplified acquisition threshold, that is a follow-on to an order previously issued for the same supply or service based on a justification for an exception to fair opportunity citing the authority at FAR 16.505(b)(2)(i)(B) or (C), follow the procedures at PGI 216.505(b)(2).

(6) *Postaward notices and debriefing of awardees for orders exceeding \$7.5 million.* In addition to the notice required at FAR 16.505(b)(6), a written or oral postaward debriefing of successful and unsuccessful awardees is required for task orders and delivery orders valued at \$15 million or more (section 818 of the National Defense Authorization Act for Fiscal Year 2018 (Pub. L. 115-91)).

(ii) Follow the procedures at 215.506 and 215.506-70 when providing the postaward debriefing to successful and unsuccessful awardees for task orders or delivery orders valued at \$15 million or more.

216.506-70 [Amended]

11. Amend section 216.506-70 in paragraph (b), by removing "\$10 million" and adding "\$15 million" in its place.

PART 217—SPECIAL CONTRACTING METHODS

12. Amend section 217.170 by revising paragraphs (d)(1)(iv) and (d)(5) introductory text to read as follows:

217.170 General.

* * * * *

(d) (1) * * *

(iv) Include a cancellation ceiling in excess of \$200 million (see 10 U.S.C. 3531(d) (4) and 10 U.S.C. 3501(g) (1)).

* * * * *

(5) If the budget for a contract that contains a cancellation ceiling in excess of \$200 million does not include proposed funding for the costs of contract cancellation up to the cancellation ceiling established in the contract-

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217.171 [Amended]

13. Amend section 217.171 in paragraph (d), by removing "\$750 million" and adding "\$900 million" in its place.

14. Amend section 217.172 by revising paragraphs (c), (d), (f) (1), and (f) (2) to read as follows:

217.172 Multiyear contracts for supplies.

* * * * *

(c) Multiyear contracts in amounts exceeding \$900 million must be specifically authorized by law in an act other than an appropriations act (10 U.S.C. 3501(i) (1)).

(d) The head of the agency may not initiate a multiyear procurement contract for any system (or component thereof) if the value of the multiyear contract would exceed \$900 million unless authority for the contract is specifically provided in an appropriations act (10 U.S.C. 3501(1) (3)).

* * * * *

(f) (1) The head of the agency must not enter into or extend a multiyear contract that exceeds \$900 million (when entered into or extended) until the Secretary of Defense identifies the contract and any extension in a report submitted to the congressional defense committees (10 U.S.C. 3501(1)(5)).

(2) In addition, for contracts equal to or greater than \$900 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.

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PART 219—SMALL BUSINESS PROGRAMS

219.502-2 [Amended]

15. Revise and republish section 219.502-2 to read as follows:

219.502-2 Total small business set-asides.

Unless the contracting officer determines that the criteria for set-aside cannot be met, set aside for small business concerns acquisitions for—

- (1) Construction, including maintenance and repairs, under \$3.5 million;
- (2) Dredging under \$2 million; and
- (3) Architect-engineer services for military construction or family housing projects under \$1 million (10 U.S.C. 2855).

PART 225—FOREIGN ACQUISITION

16. Amend section 225.103 by revising and republishing paragraphs (a)(ii)(B) and (b)(ii) to read as follows:

225.103 Exceptions.

(a) * * *

(ii) * * *

(B) Except as provided in PGI 225.872-4, process a determination for a public interest exception after consideration of the factors in 10 U.S.C. 4861-

(1) At a level above the contracting officer for acquisitions valued at or below the simplified acquisition threshold;

(2) By the head of the contracting activity for acquisitions with a value greater than the simplified acquisition threshold but less than \$2 million; or

(3) By the agency head for acquisitions valued at \$2 million or more.

* * * * *

(b) * * *

(ii) A determination is not required before January 1, 2030, if there is an offer for a foreign end product that exceeds 55 percent domestic content. Except as provided in FAR 25.103(b)(3), the determination shall be approved-

(A) At a level above the contracting officer for acquisitions valued at or below the simplified acquisition threshold;

(B) By the chief of the contracting office for acquisitions with a value greater than the simplified acquisition threshold but less than \$2 million; or

(C) By the head of the contracting activity or immediate deputy for acquisitions valued at \$2 million or more.

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225.771-2 [Amended]

17. Amend section 225.771-2 in paragraph (a) introductory text, by removing "\$150,000" and adding "\$200,000" in its place.

225.771-5 [Amended]

18. Amend section 225.771-5 by removing "\$150,000" and adding "\$200,000" in its place.

225.7002-2 [Amended]

19. Amend section 225.7002-2 in paragraph (a), by removing "\$150,000" and adding "\$200,000" in its place.

225.7023-3 [Amended]

20. Amend section 225.7023-3 in paragraph (b), by removing "\$150,000" and adding "\$200,000" in its place.

225.7023-4 [Amended]

21. Amend section 225.7023-4 in paragraph (c), by removing "\$150,000" and adding "\$200,000" in its place.

225.7201 [Amended]

22. Amend section 225.7201 in paragraph (a), by removing "\$750,000" and adding "\$900,000" in its place.

23. Revise and republish section 225.7204 to read as follows:

225.7204 Solicitation provision and contract clauses.

Except for acquisitions described in 225.7202-

(a) Use the provision at 252.225-7003, Report of Intended Performance Outside the United States and Canada-Submission with Offer, in solicitations with a value exceeding \$20 million; and

(b) Use the clause at 252.225-7004, Report of Intended Performance Outside the United States and Canada-Submission after Award, in solicitations and contracts with a value exceeding \$20 million.

24. Amend section 225.7703-2 by revising and republishing paragraph (b) (2) to read as follows:

225.7703-2 Determination requirements.

* * * * *

(b) * * *

(2) Determinations may be made for an individual acquisition or a class of acquisitions meeting the criteria in paragraph (b) (1) of this section as follows:

(i) The head of the contacting activity is authorized to make a determination that applies to an individual acquisition with a value of less than \$150 million.

(ii) The Principal Director, Defense Pricing, Contracting, and Acquisition Policy, and the following officials, without power of redelegation, are authorized to make a determination that applies to an individual acquisition with a value of \$150 million or more or to a class of acquisitions:

(A) Defense Logistics Agency Component Acquisition Executive.

(B) Army Acquisition Executive.

(C) Navy Acquisition Executive.

(D) Air Force Acquisition Executive.

(E) Commander of the United States Central Command
Joint Theater Support Contracting Command (C-JTSCC).

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PART 236—CONSTRUCTION AND ARCHITECT-ENGINEER CONTRACTS

25. Revise and republish section 236.303-1 to read as follows:

236.303-1 Phase One.

(a) (4) In lieu of the limitations on the maximum number of offerors that may be selected to submit phase-two proposals at FAR 36.303-1(a) (4), for DoD—

(i) If the contract value exceeds \$5.5 million, the maximum number of offerors specified in the solicitation that are to be selected to submit phase-two proposals shall not exceed five, unless—

(A) The solicitation is issued for an indefinite-delivery indefinite-quantity contract for design-build construction; or

(B) The head of the contracting activity, delegable to a level no lower than the senior contracting official within the contracting activity, approves the contracting officer's decision with respect to an individual solicitation, that a maximum number greater than five is in the best interest of the Government and is consistent with the purposes and objectives of

the two-phase selection procedures. The decision shall be documented in the contract file (10 U.S.C. 3241(d)).

(ii) If the contract value is at or below \$5.5 million, the maximum number of offerors specified in the solicitation that are to be selected to submit phase-two proposals is at the discretion of the contracting officer.

PART 246—QUALITY ASSURANCE

246.402 [Amended]

26. Amend section 246.402 in the introductory text, by removing "\$350,000" and adding "\$400,000" in its place.

PART 250—EXTRAORDINARY CONTRACTUAL ACTIONS AND THE SAFETY ACT

250.102-1 [Amended]

27. Amend section 250.102-1 in paragraph (b), by removing "\$75,000" and adding "\$90,000" in its place.

250.102-1-70 [Amended]

28. Amend section 250.102-1-70 in paragraph (b)(1), by removing "\$75,000" and adding "\$90,000" in its place.

PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

29. Amend section 252.204-7007—

- a. By revising the provision date; and
- b. In paragraph (d)(1)(v), by removing "\$150,000" and adding "\$200,000" in its place.

The revision reads as follows:

252.204-7007 Alternate A, Annual Representations and Certifications.

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ALTERNATE A, ANNUAL REPRESENTATIONS AND CERTIFICATIONS (OCT 2025)

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30. Amend section 252.215-7016 by-

- a. Revising the provision date; and
- b. Revising and republishing paragraph (b).

The revisions and republication read as follows:

252.215-7016 Notification to Offerors-Postaward Debriefings.

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NOTIFICATION TO OFFERORS-POSTAWARD DEBRIEFINGS (OCT 2025)

* * * * *

(b) *Postaward debriefing.* (1) Upon timely request, the Government will provide a written or oral postaward debriefing to successful or unsuccessful offerors for contract awards valued at \$15 million or more, while protecting the confidential and proprietary information of other offerors. The request is considered timely if received within 3 days of notification of contract award.

(2) When required, the minimum postaward debriefing information will include the following:

(i) For contracts in excess of \$15 million and not in excess of \$150 million with a small business or nontraditional defense contractor, an option for the small business or nontraditional defense contractor to request disclosure of the agency's written source selection decision document, redacted to

protect the confidential and proprietary information of other offerors for the contract award.

(ii) For contracts in excess of \$150 million, disclosure of the agency's written source selection decision document, redacted to protect the confidential and proprietary information of other offerors for the contract award.

(3) If a required postaward debriefing is provided—

(i) The debriefed Offeror may submit additional written questions related to the debriefing not later than 2 business days after the date of the debriefing;

(ii) The agency will respond in writing to timely submitted additional questions within 5 business days after receipt by the contracting officer; and

(iii) The postaward debriefing will not be considered to be concluded until the later of—

(A) The date that the postaward debriefing is delivered, orally or in writing; or

(B) If additional written questions related to the debriefing are timely received, the date the agency delivers its written response.

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31. Amend section 252.216-7010—

a. By revising the clause date; and

b. In paragraph (a)(1), by removing "\$10 million" and adding "\$15 million" in its place.

The revision reads as follows:

252.216-7010 Postaward Debriefings for Task Orders and Delivery Orders.

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POSTAWARD DEBRIEFINGS FOR TASK ORDERS AND DELIVERY ORDERS (OCT 2025)

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32. Amend section 252.225-7003 by-

- a. Revising the provision date; and
- b. Revising and republishing paragraph (b).

The revisions and republication 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 (OCT 2025)

* * * * *

(b) The Offeror shall submit, with its offer, a report of intended performance outside the United States and Canada if-

(1) The offer exceeds \$20 million in value; and

(2) The Offeror is aware that the Offeror or a first-tier subcontractor intends to perform any part of the contract outside the United States and Canada that-

(i) Exceeds \$900,000 in value; and

(ii) Could be performed inside the United States or Canada.

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