

## SUBCHAPTER A—ACQUISITION

### PART 1 [RESERVED]

### PART 2—PILOT PROGRAM POLICY

Sec.

- 2.1 Purpose.
- 2.2 Statutory relief for participating programs.
- 2.3 Regulatory relief for participating programs.
- 2.4 Designation of participating programs.
- 2.5 Criteria for designation of participating programs.

AUTHORITY: 10 U.S.C. 2340 note.

SOURCE: 62 FR 17549, Apr. 10, 1997, unless otherwise noted.

#### §2.1 Purpose.

Section 809 of Public Law 101-510, “National Defense Authorization Act for Fiscal Year 1991,” as amended by section 811 of Public Law 102-484, “National Defense Authorization Act for Fiscal Year 1993” and Public Law 103-160, “National Defense Authorization Act for Fiscal Year 1994,” authorizes the Secretary of Defense to conduct the Defense Acquisition Pilot Program. In accordance with section 809 of Public Law 101-510, the Secretary may designate defense acquisition programs for participation in the Defense Acquisition Pilot Program.

(a) The purpose of the pilot programs is to determine the potential for increasing the efficiency and effectiveness of the acquisition process. Pilot programs shall be conducted in accordance with the standard commercial, industrial practices. As used in this policy, the term “standard commercial, industrial practice” refers to any acquisition management practice, process, or procedure that is used by commercial companies to produce and sell goods and services in the commercial marketplace. This definition purposely implies a broad range of potential activities to adopt commercial practices, including regulatory and statutory streamlining, to eliminate unique Government requirements and practices such as government-unique contracting policies and practices, government-unique specifications and standards,

and reliance on cost determination rather than price analysis.

(b) Standard commercial, industrial practices include, but are not limited to:

- (1) Innovative contracting policies and practices;
- (2) Performance and commercial specifications and standards;
- (3) Innovative budget policies;
- (4) Establishing fair and reasonable prices without cost data;
- (5) Maintenance of long-term relationships with quality suppliers;
- (6) Acquisition of commercial and non-developmental items (including components); and
- (7) Other best commercial practices.

#### §2.2 Statutory relief for participating programs.

(a) Within the limitations prescribed, the applicability of any provision of law or any regulation prescribed to implement a statutory requirement may be waived for all programs participating in the Defense Acquisition Pilot Program, or separately for each participating program, if that waiver or limit is specifically authorized to be waived or limited in a law authorizing appropriations for a program designated by statute as a participant in the Defense Acquisition Pilot Program.

(b) Only those laws that prescribe procedures for the procurement of supplies or services; a preference or requirement for acquisition from any source or class of sources; any requirement related to contractor performance; any cost allowability, cost accounting, or auditing requirements; or any requirement for the management of, testing to be performed under, evaluation of, or reporting on a defense acquisition program may be waived.

(c) The requirements in section 809 of Public Law 101-510, as amended by section 811 of Public Law 102-484, the requirements in any law enacted on or after the enactment of Public Law 101-510 (except to the extent that a waiver or limitation is specifically authorized for such a defense acquisition program by statute), and any provision of law that ensures the financial integrity of