



ACQUISITION
TECHNOLOGY
AND LOGISTICS
DPAP/P

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MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY
(ACQUISITION, LOGISTICS AND TECHNOLOGY)
ASSISTANT SECRETARY OF THE NAVY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
ASSISTANT SECRETARY OF THE AIR FORCE
(ACQUISITION)
DIRECTORS OF DEFENSE AGENCIES

SUBJECT: Immediate Increase in the Dollar Threshold for Simplified Acquisition
Procedures and in the Dollar Threshold for Senior Procurement Executive
Approval of Justifications and Approvals

Section 822 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (the Act) sets out increases in both the micro-purchase threshold and the simplified acquisition threshold for certain procurements and purchases. Effective immediately, the micro-purchase threshold outside the United States is \$25,000 and the simplified acquisition threshold outside the United States is \$1,000,000. These thresholds are applicable only for contracts to be awarded and performed, or purchases to be made, outside the United States in support of a contingency operation or to facilitate the defense against or recovery from nuclear, biological, chemical, or radiological attack.

The Act also increases the dollar threshold for certain Justification and Approval (J&A) authority. Effective immediately, Senior Procurement Executive approval is required only for a J&A for a proposed contract in excess of \$75M.

These changes are being incorporated in the Defense Federal Acquisition Regulation Supplement. If you have any questions regarding this memorandum, please contact Angelena Moy at 703-602-1302.

Deidre A. Lee
Director, Defense Procurement
and Acquisition Policy

