

**FOR FURTHER INFORMATION CONTACT:**  
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**SUPPLEMENTARY INFORMATION:**

**A. Background**

These proposed DFARS revisions are based on the recommendation of a Contractor Purchasing System Review Process Action Team established by the Defense Contract Management Command. The team recommended changes to CPSR procedures to permit the agency conducting the CPSR to have the latitude to determine the scope of the CPSR, based on risk assessment.

**B. Regulatory Flexibility Act**

The proposed rule will not have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, because CPSRs are generally only conducted for contractors whose sales to the Government exceed \$10 million during a twelve month period. Therefore, an Initial Regulatory Flexibility Analysis has not been prepared. Comments from small entities concerning the affected DFARS subparts

will be considered in accordance with Section 610 of the Act. Such comments must be submitted separately and cite DFARS Case 95-D026 in correspondence.

**C. Paperwork Reduction Act**

The Paperwork Reduction Act does not apply because the rule does not impose any additional information collection requirements which require the approval of the Office of Management and Budget under 44 U.S.C. 3501, *et seq.*

List of Subjects in 48 CFR Part 244 and Appendix C

Government procurement.

Michele P. Peterson,  
*Executive Editor, Defense Acquisition  
Regulations Council.*

Therefore, 48 CFR Part 244 and Appendix C is proposed to be amended as follows:

**PART 244—SUBCONTRACTING  
POLICIES AND PROCEDURES**

1. The authority citation for 48 CFR Part 244 and Appendix C continues to read as follows:

Authority: 41 U.S.C. 421 and 48 CFR Chapter 1.

2. Section 244.303 is revised to read as follows:

**244.303 Extent of review.**

An initial risk assessment will be conducted on each request for a contractor purchasing system review (CPSR) to determine if a CPSR is needed. The assessment will be conducted jointly by the cognizant contract administration office CPSR personnel and the contracting officer requesting the CPSR.

**Appendix C to Chapter 2—Contractor  
Purchasing System Reviews**

*Appendix C [Removed]*

3. Appendix C to 48 CFR Chapter 2, Contractor Purchasing Systems Reviews, is removed.

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