

DEPARTMENT OF DEFENSE**Defense Acquisition Regulations System****48 CFR Part 206**

[Docket DARS–2024–0014]

RIN 0750–AL65

Defense Federal Acquisition Regulation Supplement: Modification of Prize Authority for Advanced Technology Achievements (DFARS Case 2022–D014)

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 2022 that provides procedures and approval and reporting requirements for contracts awarded as prizes for advanced technology achievements.

DATES: Effective October 1, 2024.

FOR FURTHER INFORMATION CONTACT: Mr. Jon Snyder, telephone 703–945–5341.

SUPPLEMENTARY INFORMATION:**I. Background**

DoD published a proposed rule in the **Federal Register** at 89 FR 31680 on April 25, 2024, to implement section 822 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2022 (Pub. L. 117–81), which amends 10 U.S.C. 4025. Section 822 provides the authority to carry out advanced technology prize programs to award contracts to recognize outstanding achievements in basic, advanced, and applied research; technology development; and prototype development. Section 822 specifies the award of a contract as a prize is a competitive procedure if the solicitation is widely advertised. Section 822 also requires approval of such awards that exceed \$10,000 and congressional reporting for contracts that exceed \$10 million. There were no public comments submitted in response to the proposed rule. There are no changes made to the final rule.

II. 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 does not create any new solicitation provisions or contract clauses. It does not impact any existing solicitation provisions or contract clauses or their applicability to contracts valued at or below the simplified acquisition threshold, for commercial products including COTS items, or for commercial services.

III. Expected Impact of the Rule

Prior to the enactment of the NDAA for FY 2022, 10 U.S.C. 4025 (formerly 10 U.S.C. 2374a) did not provide for the award of contracts as prizes for outstanding achievements in basic, advanced, and applied research; technology development; and prototype development. This final rule implements the authority to award contracts as prizes under certain conditions.

This final rule may increase participation in prize competitions and decrease the lead time to deliver to the warfighter achievements in basic, advanced, and applied research; technology development; and prototype development. This final rule may help to expand the defense industrial base by providing a way for entities that are new to DoD procurement to obtain DoD contracts. It may also streamline the competitive process, which could reduce Government administrative costs associated with competitive negotiated acquisitions. For this reason, the difference in the cost of managing a contract instead of another type of prize is expected to be negligible.

Data provided from the Office of the Under Secretary of Defense for Research and Engineering indicates there were a total of 809 cash prizes awarded from FY 2021 to FY 2023, or approximately 270 per year, worth a total of about \$3.5 million annually. DoD estimates 20 percent of these 270 historical cash prize awards, or 54 cash prize awards worth a total of approximately \$700,000, would be converted to contracts. Therefore, DoD estimates that approximately 54 entities per year would be awarded contracts or a combination of contracts, other agreements (e.g., grants, cooperative agreements, other transaction agreements), and cash prizes as a result of the changes in this final rule.

IV. 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.

V. 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.

VI. 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 rule is necessary to implement section 822 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2022 (Pub. L. 117–81), which amends 10 U.S.C. 4025, Prizes for advanced technology achievements. Section 822 provides advanced technology prize programs authority to award contracts to recognize outstanding achievements in basic, advanced, and applied research; technology development; and prototype development. Section 822 also provides that the award of a contract as a prize is a competitive procedure if the prize program solicitation is widely advertised. Section 822 also requires approval of such awards exceeding \$10,000 and congressional reporting for contracts exceeding \$10 million. The objective of this final rule is to implement section 822 of the NDAA for FY 2022.

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

Data provided from the Office of the Under Secretary of Defense for Research and Engineering indicates there were a

total of 809 cash prizes awarded from FY 2021 to FY 2023, or approximately 270 per year, worth a total of about \$3.5 million annually. During this three-year period, DoD awarded a total of 636 cash prizes to small entities, which is an average of 212 per year. DoD estimates 20 percent of these 212 historical cash prize awards, or 42 cash prize awards worth a total of approximately \$545,000, would be converted to contracts. Therefore, DoD estimates that approximately 42 small entities per year would be awarded contracts or a combination of contracts, other agreements (e.g., grants, cooperative agreements, other transaction agreements), and cash prizes as a result of the changes in this final rule. Therefore, DoD does not anticipate that this final rule will have a significant impact on small entities.

The rule does not impose any new reporting, recordkeeping, or other compliance requirements for small entities.

There are no known alternatives that would accomplish the stated objectives of the applicable statute.

VII. Paperwork Reduction Act

This final rule does not contain any information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35).

List of Subjects in 48 CFR Part 206

Government procurement.

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

Therefore, the Defense Acquisition Regulations System amends 48 CFR part 206 as follows:

PART 206—COMPETITION REQUIREMENTS

■ 1. The authority citation for 48 CFR part 206 continues to read as follows:

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

- 2. Amend section 206.102–70 by—
 - a. Designating the text as paragraph (a); and
 - b. Adding paragraph (b).

The addition reads as follows:

206.102–70 Other competitive procedures.

(a) * * *

(b) The award of a contract as a prize resulting from a competitive selection of prize recipients for advanced technology achievements is a competitive procedure (10 U.S.C. 4025(f)), when the solicitation is widely

advertised, including through the Governmentwide point of entry (see FAR part 5). See PGI 206.102–70 for approval requirements.

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DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Parts 204 and 217

[Docket DARS–2024–0030]

RIN 0750–AL70

Defense Federal Acquisition Regulation Supplement: Data Universal Numbering System to Unique Entity Identifier Transition (DFARS Case 2022–D023)

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 align the DFARS with the Federal Acquisition Regulation (FAR) transition from the Data Universal Numbering System to the unique entity identifier in the System for Award Management.

DATES: Effective October 1, 2024.

FOR FURTHER INFORMATION CONTACT: Tonya DeSaussure, telephone 202–805–1388.

SUPPLEMENTARY INFORMATION:

I. Background

DoD is issuing a final rule amending the DFARS to transition from the use of the Data Universal Numbering System (DUNS) number to the unique entity identifier as a means of identifying Federal contractors. The FAR published a final rule implementing the change from the DUNS number to the unique entity identifier in the **Federal Register** on November 18, 2015 (80 FR 72035). As a supplement to the FAR, the DFARS is required to reflect the same terminology. The unique entity identifier is the authoritative identifier at the Federal level. This transition allows the Government to streamline the entity identification and validation process, making it easier and less burdensome on entities to do business with the Federal Government.

II. Publication of This Final Rule for Public Comment Is Not Required by Statute

The statute that applies to the publication of the Federal Acquisition Regulation (FAR) is 41 U.S.C. 1707, Publication of Proposed Regulations. Subsection (a)(1) of the statute requires that a procurement policy, regulation, procedure, or form (including an amendment or modification thereof) must be published for public comment if it relates to the expenditure of appropriated funds and has either a significant effect beyond the internal operating procedures of the agency issuing the policy, regulation, procedure, or form, or has a significant cost or administrative impact on contractors or offerors. This final rule is not required to be published for public comment, because there is no significant cost or administrative impact on contractors or offerors. The FAR already requires contractors and offerors to use a unique entity identifier; this final rule merely updates the terminology used in the DFARS.

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 does not create any new solicitation provisions or contract clauses. It does not impact any existing solicitation provisions or contract clauses or their applicability to contracts valued at or below the simplified acquisition threshold, for commercial products including COTS items, or for commercial services.

IV. 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.

V. 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