

# 5301.9001 Objectives, Approval Thresholds, and Procedures

(a) Clearance Objectives. The objectives of the business and contract clearance process are to ensure that:

- (1) Negotiations and contract actions effectively implement approved acquisition strategies;
- (2) Negotiations and contract actions result in fair and reasonable business arrangements;
- (3) Negotiations and contract actions are consistent with laws, regulations, and policies; and
- (4) An independent review and assessment by the clearance authority for the proposed contract action is accomplished.

(b) (b) Clearance Approval Thresholds. Business and contract clearance are required for actions greater than or equal to \$10M for Enterprise / PEO (Systems) and \$5M for Operational. Contract value is determined by the definition on FAR 1.108(c).

(1) When the HCA is SAF/AQC, use the clearance approval thresholds in Table 1 below.

**Table 1 - When the HCA is at SAF/AQC**

CAA	Operational	Enterprise	PEO (Systems)
HCA	≥ \$1B	≥ \$1B	≥ \$1B
SCO	> \$10M to < \$1B	> \$50M to < \$1B	> \$100M to < \$1B
COCO	> \$5M to ≤ \$10M	> \$10M to ≤ \$50M	> \$10M to ≤ \$100M

(2) When the HCA is at SDA, SpRCO, or SSC, use the clearance approval thresholds in Table 2 below.

**Table 2 - When the HCA is at SDA, SpRCO, or SSC**

CAA	Operational	Enterprise	PEO (Systems)
Cognizant HCA	Special interest only	Special interest only	Special interest only
SCO	> \$10M	> \$1B	> \$1B

**Table 2 - When the HCA is at SDA, SpRCO, or SSC**

<b>CAA</b>	<b>Operational</b>	<b>Enterprise</b>	<b>PEO (Systems)</b>
COCO	> \$5M to ≤ \$10M	> \$10M to ≤ \$1B	> \$10M to ≤ \$1B

(3) The HCA or SCO may designate a contract action as a special interest item regardless of dollar value and assign the CAA notwithstanding the thresholds in the tables above.

(4) When the HCA is the CAA for business clearance, the SCO is the CAA for contract clearance unless otherwise stipulated by the HCA.

(5) The CAA may further delegate or waive their clearance approval authority on an individual or class basis. SCOs and COCOs are responsible for ensuring all further delegations are included on the [SCO Delegation Letters/Thresholds](#) SharePoint Page. COCOs must report clearance waivers made on a class basis to the SCO. Individual delegations and waivers must be documented in the contract file.

(6) If an SCO lowers a COCO's clearance approval authority threshold or withholds clearance approval authority from the COCO, the SCO must notify the cognizant HCA. If the SCO lowers or withholds the COCO's clearance approval authority for more than six months, the SCO must brief the cognizant HCA regarding the circumstances surrounding the decision.

(c) Clearance Approval Procedures. The CAA must ensure that the clearance process meets the objectives in paragraph (a) above. See [clearance templates](#).

(1) The procedures in [MP5301.9001\(i\)\(1\)\(i\)](#) must be followed when the CAA is SAF/AQC (DAS(C) or ADAS(C)). When the CAA is not at SAF/AQC, follow local procedures.

(2) To facilitate planning for clearances that require HCA approval, SCOs must use the [Peer Review and Clearance Forecasting Tool](#) to project upcoming HCA clearances. See [DAFFARS 5301.170\(a\)\(2\)](#).

(3) Only one clearance review may be performed prior to the contract action being presented to the CAA. The CR is responsible for the clearance review. The CAA may select an alternate CR who meets the requirements identified in DAFFARS 5301.9000. The CAA has the authority to waive the clearance review.

(4) The CAA must seek legal advice (see [DAFFARS 5301.602-2\(c\)\(i\)](#)) and ensure that counsel has coordinated on any clearance briefings or presentations, and that counsel's comments are included in the briefing or presentation.

(5) The Milestone Decision Authority, PEO, or lead program manager must coordinate and/or participate in business clearance briefings.

(6) At the discretion of the CAA, contract clearance is not required when the negotiation team stays within the pre-set negotiation range and the parameters approved at the business clearance.

(7) If the CAA has waived business or contract clearance, a clearance review is not required unless the CAA stipulates otherwise. However, legal review is required, as applicable, in accordance with DAFFARS 5301.602-2(c)(i).

(8) If a CAA requires clearance for competitive order solicitations or orders when excluded in accordance with DAFFARS 5301.9000(b)(6), the SCO must submit a written justification to cognizant HCA upon execution.

**Parent topic:** Subpart 5301.90 - CLEARANCE