

## 1246.101-70 Additional definitions.

As used in this subpart—

*At no additional cost to the Government* means at no increase in price for firm-fixed-price contracts, at no increase in target or ceiling price for fixed price incentive contracts (see FAR 46.707), or at no increase in estimated cost or fee for cost-reimbursement contracts.

*Defect* means any condition or characteristic in any supplies or services furnished by the contractor under the contract that is not in compliance with the requirements of the contract.

*Major acquisition* means an acquisition or for supplies or services that requires submission of an OMB Exhibit 300 (Capital Asset Plan/Business Case) in accordance with OMB Circular A-11, Preparation, Submission and Execution of the Budget, and for information technology or information technology related acquisitions, compliance with the Department Chief Information Officer (CIO) Policy (CIOP). A major acquisition typically has one or more of the following characteristics—

(1) Life-cycle costs of \$150 million or more;

(2) Is a financial system, e-gov system, or e-business system with a life-cycle cost of \$500,000 or more; or

(3) An acquisition that does not meet the dollar thresholds of paragraph

(1) or (2) of this definition but—

(i) Is mission-critical;

(ii) Requires special management attention because of its importance to an OA mission;

(iii) Plays a significant role in the administration of OA programs, processes or other resources; or

(iv) Directly supports the President's Management Agenda.

*Performance requirements* means the operating capabilities, maintenance, and reliability characteristics of a system that are determined to be necessary for it to fulfill the requirement for which the system is designed.

**Parent topic:** [Subpart 1246.1—General](#)