



DEFENSE SECURITY COOPERATION AGENCY

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WASHINGTON, D.C. 20301-2800

03 JUN 2015

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF THE AIR FORCE FOR
INTERNATIONAL AFFAIRS
DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR DEFENSE
EXPORTS AND COOPERATION
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR
INTERNATIONAL PROGRAMS
DIRECTOR, DEFENSE CONTRACT MANAGEMENT AGENCY
DIRECTOR FOR SECURITY ASSISTANCE, DEFENSE FINANCE
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DIRECTOR, DEFENSE LOGISTICS AGENCY
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DIRECTOR, DEFENSE LOGISTICS AGENCY DISPOSITION
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DIRECTOR, DEFENSE THREAT REDUCTION AGENCY
DIRECTOR, MISSILE DEFENSE AGENCY
DIRECTOR, NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY
DEPUTY DIRECTOR FOR INFORMATION ASSURANCE,
NATIONAL SECURITY AGENCY

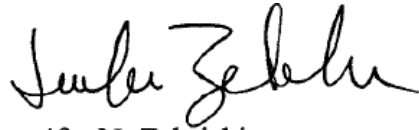
SUBJECT: Revision of Section 2.8 of Letter of Offer and Acceptance (LOA) Standard Terms and Conditions, DSCA Policy 15-33 [SAMM E-Change 280]

This memorandum provides notification of a revision to Condition 2.8. of the LOA Standard Terms and Conditions (STCs) to indicate that offset costs included in the price of contracts negotiated under an LOA shall be determined or deemed to be reasonable in accordance with SUBPART 225.73 of the Defense Federal Acquisition Regulation Supplement (DFARS).

The Defense Security Assistance Management System (DSAMS) and Chapters 5 of the SAMM will be updated to reflect the change in the Attachment. If the Case Writing Division (CWD) Approval Milestone date in DSAMS is on or after the effective date of this memorandum, DSAMS will print the LOA with the updated version of the STCs. If the CWD Approval Milestone date precedes the effective date, DSAMS will print the LOA with the old STCs.

This change will be included in the automated version of the SAMM found on the DSCA Web Page as SAMM E-Change 280. If you have any questions concerning this policy, please

contact Mr. Michael Slack, DSCA/STR-POL, at 703-601-3842 or e-mail:
michael.slack@dca.mil.



Jennifer N. Zakriski
Deputy Director

Attachments:

As stated

cc:

USAFRICOM
USCENTCOM
USEUCOM
USNORTHCOM
USSOUTHCOM
USPACOM
USTRANSCOM
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STATE/PM-RSAT
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DISAM
MARCORIP
SCETC
USCG International Affairs (G-CI)

Update of Letter of Offer and Acceptance (LOA) Standard Terms and Conditions, Security Assistance Management Manual (SAMM), E-Change 280

- 1) In the LOA Standard Terms and Conditions in the Defense Security Assistance Management System (DSAMS) and in SAMM **Figure C5.F4. Letter of Offer and Acceptance (LOA) Standard Terms and Conditions**, replace the current 2.8 with the following revised text:

"2.8 The USG is not a party to any offset agreements/arrangements that may be required by the Purchaser in relation to the sales made in this LOA. The USG assumes no obligation to administer or satisfy any offset requirements or bear any of the associated costs. To the extent that the Purchaser requires offsets in conjunction with this sale, offset costs may be included in the price of contracts negotiated under this LOA. Such costs shall be determined or deemed to be reasonable in accordance with SUBPART 225.73 of the Defense Federal Acquisition Regulation Supplement (DFARS). If the Purchaser desires visibility into these costs, the Purchaser should raise this with the contractor during negotiation of offset arrangements."