

# **Headquarters Policy Flash**

## **FLASH 2002-17**

**DATE:** May 3, 2002  
**TO:** Procurement Directors  
**FROM:** Office of Procurement and Assistance Policy, ME-61  
Office of Procurement and Assistance Management  
**SUBJECT:** **Federal Acquisition Circular (FAC) 2001-07**  
**SUMMARY:** On April 30, 2002, a final rule, FAC 2001-07 was published in the Federal Register at 67 FR 21532. Contracting personnel should review the details of each item in the full text of the FAC.



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**Federal Acquisition Circular (FAC) 2001-07**

The following four items are in FAC 2001-07, which was published in the Federal Register on April 30, 2002, at 67 FR 21532. *The effective date of each item is May 15, 2002.* The FAC is available via the internet at <http://www.arnet.gov/far/facsframe.html>

**1. Preference for Performance-Based Contracting (FAR Case 2000-307)**

This final rule converts the interim rule published in the Federal Register at 66 FR 22082, on May 2, 2001, amending FAR 7.105, Contents of Written Acquisition Plans. The FAR rule -

- ➔ Provides that performance-based contracting is the preferred method for acquiring services;
- ➔ Delineates the order of precedence; and
- ➔ Clarifies the documentation required in an acquisition when acquiring services.

**2. Revisions to Balance of Payments Program (FAR Case 1999-616)**

The final rule amends the FAR by removing Subpart 25.3, Balance of Payments Program, and makes conforming changes to FAR Parts 13, Simplified Acquisition Procedures, 25, Foreign Acquisition, and 52 Solicitation Provisions and Contract Clauses. This rule -

- ➔ Reduced the administrative burdens on the Government and the public;
- ➔ Eliminates the requirement for contracting officers to use balance of payments procedures to evaluate foreign offers when acquiring supplies or construction services for use outside of the United States-

Supplies - >\$100,000 but not more than \$186,000 and  
Construction - <\$6,909,500; and

- ➔ Maintains the existence of the Balance of Payments Program for the Department of Defense.

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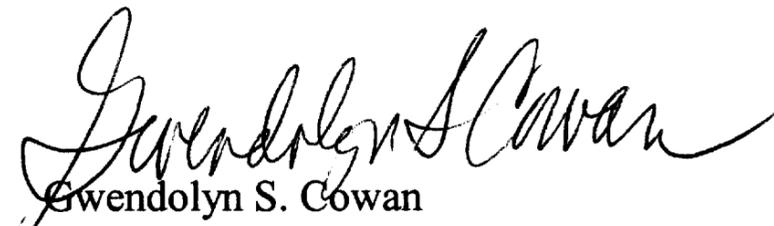
**3. European Union Trade Sanctions (FAR Case 2001-002)**

The final rule amends FAR 25.1103(c)(2)(i) to exclude solicitations issued and contracts awarded by the Department of Defense. This rule corrects the clause prescription for the clauses, 52.225-15, Sanctioned European Union Country End Products, and 52.225-16, Sanctioned European Union Country Services, that implement European Union trade sanctions by specifically exempting solicitations and contracts.

**4. Technical Amendments**

The amendments update sections and make editorial changes at FAR 12.301, Solicitation Provisions and Contract Clauses for the Acquisition of Commercial Items, 52.214-20, Bid Samples, and 52.244-2, Subcontracts for Commercial Items.

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