

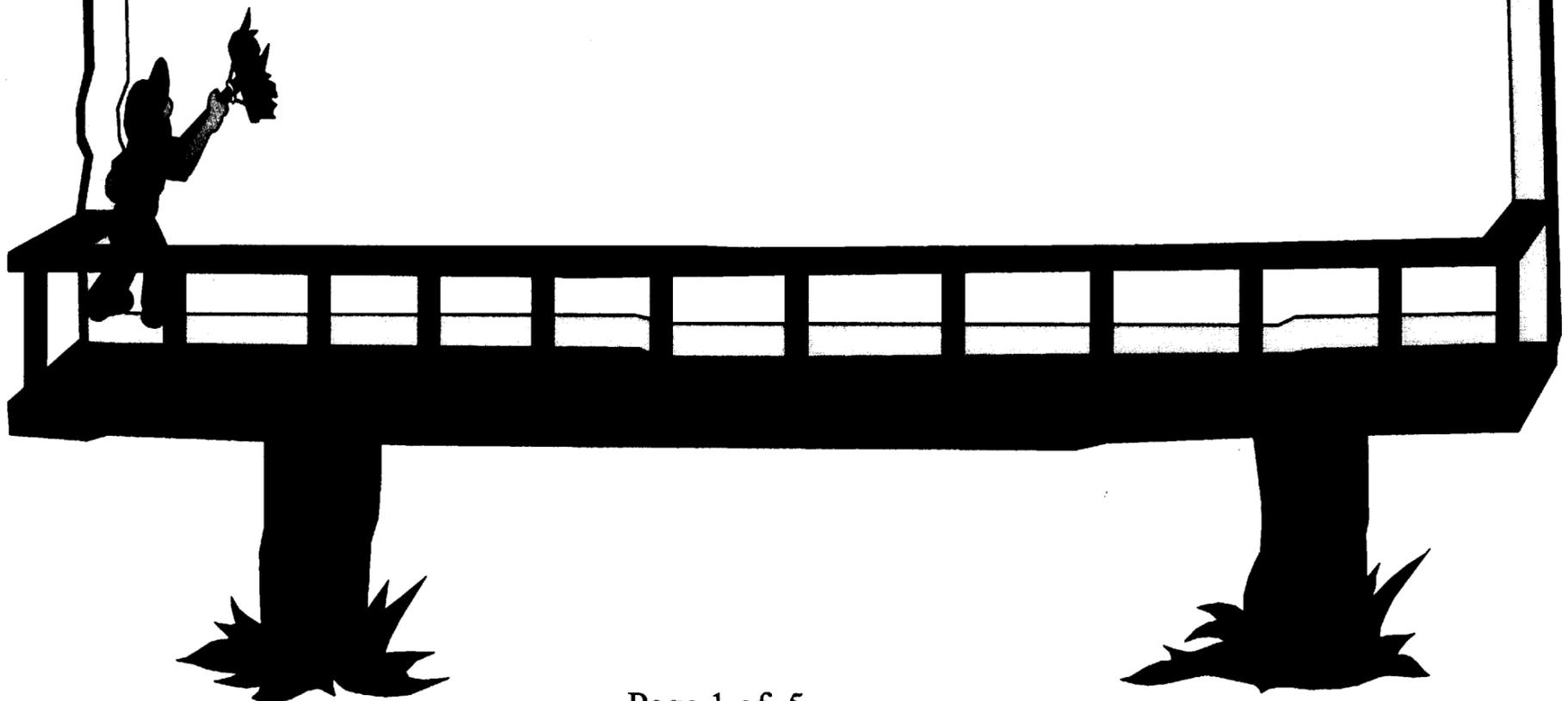
Headquarters Policy Flash

FLASH 2002-30

DATE: September 10, 2002
TO: Procurement Directors
FROM: Office of Procurement and Assistance Policy, ME-61
Office of Procurement and Assistance Management

SUBJECT: **Federal Acquisition Circular (FAC) 2001-09**

SUMMARY: On August 30, 2002, FAC 2001-09 was published in the Federal Register at 67 FR 56116. Contracting personnel should review the details of each item in the full text of the FAC.



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Federal Acquisition Circular (FAC) 2001-09

The following six items are in FAC 2001-09, which was published in the Federal Register on August 30, 2002, at 67 FR 56116. *The effective date of each item is listed in the summary provided.* The FAC is available via the internet at <http://www.arnet.gov/far/facsframe.html>

1. Task-Order and Delivery -Order Contracts (FAR Case 1999-303)

Effective Date: September 30, 2002

This final amends the FAR to further implement subsections of the National Defense Authorization Act for Fiscal Year 2000 related to task and delivery order contracting. This rule-

- ☛ Amends FAR Part 2, Definitions of Words and Terms, by adding definitions for Governmentwide Acquisition Contract (GWAC) and Multi-agency Contract (MAC) in order to differentiate and make clear the difference between the terms;
- ☛ Clarifies FAR Part 7, Acquisition Planning, to provide more emphasis on the capital planning requirements and ensure more deliberation by agency acquisition planners, including technical personnel, prior to placing orders under Federal Supply Schedule contracts, or Task order and Delivery order contracts awarded by another agency, e.g., GWAC or MAC.
- ☛ Revises FAR Part 8, Required Sources of Supply, Part 16, Types of Contracts, Part 17, Special Contracting Methods, and Part 52 Solicitation Provisions and Contract Clauses as it relates to the structure of orders and the consideration given to contract holders prior to placing an order. The rule-
 - Increases attention to modular contracting principles as described in FAR Part 39, Acquisition of Information Technology, in order to help agencies avoid unnecessarily large and inadequately defined orders;

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- Facilitates information exchange during the fair opportunity process so that contractors may develop and propose solutions that enable the Government to award performance-based orders, and
- Revises existing documentation requirements to address tradeoff decisions as well as the issuance of sole-source orders as logical follow-ons to orders already issued under the contract.

2. Temporary Emergency Procurement Authority (FAR Case 2002-003)

Effective Date: August 30, 2002

The interim rule amends the FAR Part 2, Definition of Words and Terms, Part 12, Acquisition of Commercial Items, Part 13, Simplified Acquisition Procedures, Part 19 Small Business Programs, and Part 25, Foreign Acquisition, to increase the amount of the micro-purchase and simplified acquisition thresholds for procurements of supplies or services in fiscal year 2002 and 2003 for defense against terrorism or biological or chemical attack against the United States. This rule-

- ☞ Increases the micro-purchase threshold to \$15,000 (except for construction subject to the Davis-Bacon Act);
- ☞ Raises the simplified acquisition threshold to \$250,000 inside the United States and \$500,000 outside the United States; and
- ☞ Treats biotechnology supplies and services acquisitions by or for the DOD as procurement of commercial items.

An increase in thresholds is directed to facilitate the defense against terrorism or biological or chemical attack against the United States, by or for the Department of Defense.

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**3. Veterans Entrepreneurship and Small Business Development Act of 1999
(FAR Case 2000-302)**

Effective Date: August 30, 2002

The final rule converts two interim rules published in the Federal Register at 65 FR 60542, October 11, 2000, FAC 97-20 and 65 FR 53492 October 22, 2001, FAC 2001-01 to final. This rule-

- ☛ Finalizes the implementation of portions of the Veterans Entrepreneurship and Small Business Development Act of 1999, which added a subcontracting plan goal for veteran-owned small businesses and a 3 percent Governmentwide agency goal for service-disabled veteran-owned small business;
- ☛ Makes final the additional subcontracting plan goal for service disabled veteran-owned small business concerns

Both rules and the correction are adopted as final without change. See Headquarters Policy Flash 2000-26 and 2002-07 for additional information.

4. Trade Agreements Thresholds (FAR Case 2002-009)

Effective Date: September 30, 2002

The final rule amends FAR Part 22 Application of Labor Laws to Government Acquisitions, Part 25, Foreign Acquisition, Part 52, Solicitation Provisions and Contract Clauses, to implement implement new dollar thresholds for application under the Trade Agreements Act and North American Free Trade Agreement as published in the Federal Register at 67 FR 14763, March 27, 2002.

5. Payments Under Fixed-Price Construction Contracts (FAR Case 2001-012)

Effective Date: September 30, 2002

The final rule amends FAR Part 52, Solicitation Provisions and Contract Clauses, to clarify that all payments due to subcontractors and suppliers have been made by the prime contractor from previous progress payments received from the Government.

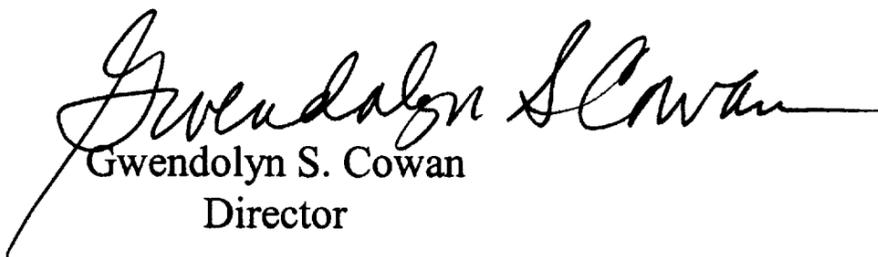
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6. Technical Amendments

Effective Date: September 30, 2002

The amendments update sections and make editorial changes to FAR Part 22, Application of Labor Laws to Government Acquisitions, Part 36, Construction and Architect-Engineer Contracts, and Part 52, Solicitation Provisions and Contract Clauses.

Questions concerning this Flash should be directed to Denise Wright at (202) 586-6217 or via e-mail at denise.wright@pr.doe.gov


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Director

cc:
PPAG Members