

DEPARTMENT OF DEFENSE**GENERAL SERVICES
ADMINISTRATION****NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION****48 CFR Part 31**

[FAR Case 2000-014]

RIN 9000-AJ00

**Federal Acquisition Regulation;
Signing and Retention of High-
Technology Workers**

AGENCIES: Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Withdrawal of proposed rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) have agreed to withdraw Federal Acquisition Regulation (FAR) case 2000-014, Signing and Retention of High-Technology Workers, which was published in the **Federal Register** at 65 FR 82876, December 28, 2000. The rule

proposed to explicitly make allowable signing and retention bonuses that defense contractors often must offer in order to recruit and retain workers that have critical technical skills.

FOR FURTHER INFORMATION CONTACT: The FAR Secretariat, Room 4035, GS Building, Washington, DC 20405, (202) 501-4755 for information pertaining to status or publication schedules. For clarification of content, contact Mr. Jeremy Olson, Procurement Analyst, at (202) 501-3221. Please cite FAR case 2000-014, withdrawal.

SUPPLEMENTARY INFORMATION:**A. Background:**

The proposed rule which was published in the **Federal Register** at 65 FR 82876, December 28, 2000, proposed amending FAR 31.205-34, Recruitment costs, to explicitly allow signing bonuses to recruit, as well as retention bonuses to retain, employees with critical skills (such as scientists and engineers in the software and systems integration fields). The Councils viewed this revision as a clarification since the FAR currently does not disallow these type of expenses. In addition, the rule

moved the current limitations on help-wanted advertising costs from FAR 31.205-34(b) to the paragraph that addresses these costs (currently FAR 31.205-34(a)(1)), and made several related editorial changes.

Some of the respondents to the **Federal Register** notice expressed concern that the rule was more restrictive than current FAR provisions, may result in decreased use of bonuses, and makes it even more difficult for Government contractors to compete with other employers for workers with critical technical skills. After review of the public comments, the Councils have concluded that the proposed rule is unnecessary, since recruitment and retention bonuses are already allowable costs on Government contracts, if reasonable and allocable.

List of Subjects in 48 CFR Part 31

Government procurement.

Dated: July 30, 2001.

Al Matera,

Director., Acquisition Policy Division.

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