

**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**48 CFR Chapter 1**

[Docket FAR—2006—0023, Sequence 8]

**Federal Acquisition Regulation; Federal Acquisition Circular 2005–15; Introduction**

**AGENCIES:** Department of Defense (DoD), General Services Administration (GSA),

and National Aeronautics and Space Administration (NASA).

**ACTION:** Summary presentation of final rules.

**SUMMARY:** This document summarizes the Federal Acquisition Regulation (FAR) rules agreed to by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council in this Federal Acquisition Circular (FAC) 2005–15. A companion document, the Small Entity Compliance Guide (SECG), follows this FAC. The FAC, including the SECG, is available via the Internet at <http://www.regulations.gov>.

**DATES:** For effective dates and comment dates, see separate documents, which follow.

**FOR FURTHER INFORMATION CONTACT:** The analyst whose name appears in the table below in relation to each FAR case or subject area. Please cite FAC 2005–15 and specific FAR case number(s). For information pertaining to status or publication schedules, contact the FAR Secretariat at (202) 501–4755.

**LIST OF RULES IN FAC 2005–15**

Item	Subject	FAR case	Analyst
I .....	Payments Under Time-and-Materials and Labor-Hour Contracts .....	2004–015	Olson.
II .....	Additional Commercial Contract Types .....	2003–027	Olson.

**SUPPLEMENTARY INFORMATION:**

Summaries for each FAR rule follow. For the actual revisions and/or amendments to these FAR cases, refer to the specific item number and subject set forth in the documents following these item summaries.

FAC 2005–15 amends the FAR as specified below:

**Item I—Payments Under Time-and-Materials and Labor-Hour Contracts (FAR Case 2004–015)**

This final rule revises and clarifies policies related to award and administration of noncommercial item Time-and-Materials (T&M) and Labor-Hour (LH) contracts and the policies regarding payments made under those contracts. The objectives of the changes are to ensure fair and reasonable prices under T&M and LH contracts and to eliminate confusion related to payment amounts for subcontractor provided labor.

**Item II—Additional Commercial Contract Types (FAR Case 2003–027)**

This final rule implements section 1432 of the National Defense Authorization Act for Fiscal Year 2004 (Pub. L. 108–136). Title XIV of the Act, referred to as the Services Acquisition Reform Act of 2003 (SARA), amended section 8002(d) of the Federal Acquisition Streamlining Act of 1994 (FASA) (Pub. L. 103–355, 41 U.S.C. 264) to expressly authorize the use of Time-and-Materials (T&M) and Labor-Hour (LH) contracts for commercial services under specified conditions.

Dated: December 4, 2006.

**Linda K. Nelson,**  
*Deputy Director, Contract Policy Division.*

**Federal Acquisition Circular**

Federal Acquisition Circular (FAC) 2005-15 is issued under the authority of the Secretary of Defense, the Administrator of General Services, and the Administrator for the National Aeronautics and Space Administration.

Unless otherwise specified, all Federal Acquisition Regulation (FAR) and other directive material contained in FAC 2005-15 is effective February 12, 2007.

Dated: November 22, 2006.

**Shay D. Assad,**  
*Director, Defense Procurement and Acquisition Policy.*

Dated: November 22, 2006.

**Roger D. Waldron,**  
*Acting Senior Procurement Executive, General Services Administration.*

Dated: November 21, 2006.

**Tom Luedtke,**  
*Assistant Administrator for Procurement, National Aeronautics and Space Administration.*  
[FR Doc. 06–9611 Filed 12–11–06; 8:45 am]  
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**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**48 CFR Parts 16, 32, and 52**

[FAC 2005–15; FAR Case 2004–015; Item I; Docket 2006–0020, Sequence 23]

RIN 9000–AK32

**Federal Acquisition Regulation; FAR Case 2004–015, Payments Under Time-and-Materials and Labor-Hour Contracts**

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

**ACTION:** Final rule.

**SUMMARY:** The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) have agreed on a final rule amending the Federal Acquisition Regulation (FAR) to clarify payment procedures for Time-and-Materials (T&M) and Labor-Hour (LH) Contracts.  
**DATES:** *Effective Date:* February 12, 2007.

**FOR FURTHER INFORMATION CONTACT:** For clarification of content, contact Mr. Jeremy Olson at (202) 501–3221. Please cite FAC 2005–15, FAR case 2004–015. For information pertaining to status or publication schedules, contact the FAR Secretariat at (202) 501–4755.

**SUPPLEMENTARY INFORMATION:**