SUPPLEMENTARY INFORMATION:

Summaries for each FAR rule follow. For the actual revisions and/or amendments made by these rules, refer to the specific item numbers and subjects set forth in the documents following these item summaries. FAC 2005–95 amends the FAR as follows:

Item I—Uniform Use of Line Items (FAR Case 2013–014)

This final rule amends the FAR to establish standards for the uniform use of line items in Federal procurement. These standards are designed to improve the accuracy, traceability, and usability of procurement data. The implementation of these standards will facilitate the identification and traceability of spending from appropriation through expenditure, supporting automated collection of information using key identifiers. The implementation date for FAR 4.1002 through 4.1008 will be October 1, 2019.

The requirements in the rule have the potential to impact any entity, small or large, that does business with the Federal Government because the proposed rule would apply to purchases of items, including commercial items and commercially available off-the-shelf items, and purchases under the simplified acquisition threshold. Any small business that contracts with a Federal agency could be impacted to at least some extent.

Item II—Acquisition Threshold for Special Emergency Procurement Authority (FAR Case 2016–004)

This final rule amends the FAR by increasing the simplified acquisition threshold (SAT) for special emergency procurement authority from $300,000 to $750,000 (within the United States) and from $1 million to $1.5 million (outside the United States) for acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack. This change implements Section 816 of the National Defense Authorization Act for Fiscal Year 2016 (Pub. L. 114–92). This rule provides contracting officers with more flexibility when contracting in support of contingency operations.

The rule is not anticipated to have a significant economic impact on small businesses, because the rule raises the SAT for special emergency procurements, an arena in which a smaller percentage of small businesses participate, as compared to larger businesses. This final rule does not place any new requirements on small entities.

Item III—Contractor Employee Internal Confidentiality Agreements or Statements (FAR Case 2015–012)

This final rule revises the FAR to implement section 743 of division E, title VII, of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113–235) and successor provisions in subsequent appropriations acts. Section 743 prohibits the use of funds appropriated or otherwise made available by Division E or any other act, for a contract with an entity that requires employees and subcontractors of such entity to sign internal confidentiality agreements or statements prohibiting or otherwise restricting such employees or subcontractors from lawfully reporting waste, fraud, or abuse, to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information (e.g., agency office of the Inspector General). This rule is not expected to have a significant impact on small entities contracting with the Government.

Item IV—Contracts Under the Small Business Administration 8(a) Program (FAR Case 2012–022)

This final rule amends the Federal Acquisition Regulation (FAR) to implement clarifications made by the Small Business Administration in its final rule, which published in the Federal Register at 76 FR 8222 on February 11, 2011. This final rule clarifies in the FAR the procedures and requirements used when contracting under the 8(a) program. Clarifications include the evaluation, offering, and acceptance process, procedures for acquiring SBA’s consent to procure an
DEPARTMENT OF DEFENSE
GENERAL SERVICES ADMINISTRATION
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 2, 3, 4, 5, 7, 8, 9, 12, 14, 15, 16, 17, 27, 32, 42, 48, 49, and 52
[FAC 2005–95; FAR Case 2013–014; Item I; Docket No. 2013–0014, Sequence No. 1]
RIN 9000–AM73
Federal Acquisition Regulation;
Uniform Use of Line Items

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

ACTION: Final rule.

SUMMARY: DoD, GSA, and NASA are issuing a final rule amending the Federal Acquisition Regulation (FAR) to establish uniform use of line items in Federal procurement.

DATES: Effective: January 13, 2017. In order to provide agencies with time to transition their information systems, agencies have until October 1, 2019, to apply the requirements of FAR 4.1002 through 4.1008 of subpart 4.10.

FOR FURTHER INFORMATION CONTACT: Ms. Camara Francis, Procurement Analyst, at 202–550–0935 for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat Division at 202–501–4755. Please cite FAC 2005–95, FAR Case 2013–014.

SUPPLEMENTARY INFORMATION:

I. Background

DoD, GSA, and NASA published a proposed rule in the Federal Register at 79 FR 45408 on August 5, 2014, to establish uniform use of line items in Federal procurement. The uniform line item structure is designed to improve the accuracy, traceability, and usability of procurement data. The need for this rule stems from the lack of access to reliable and comprehensive data on Federal procurement actions that is essential to management and program decisions that result in delivering services to taxpayers in the most efficient and effective manner. Lack of standards for identifying and tracing tax dollars across the acquisition contributes to duplication in spending, gaps in reporting, and inefficiencies in management decisions. The implementation of these standards will facilitate the identification and traceability of spending from appropriation through expenditure, supporting automated collection of information using key identifiers. Three respondents submitted comments on the proposed rule.

II. Discussion and Analysis

The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (the Councils) reviewed the public comments in the development of the final rule. A discussion of the comments and the changes made to the rule as a result of those comments are provided as follows:

A. Summary of Significant Changes From the Proposed Rule

1. The rule provides agencies time to transition their information systems and appropriately train the workforce. Accordingly, agencies have until October 1, 2019, to apply the requirements of FAR 4.1002 through 4.1008 of subpart 4.10.

2. The term “line item unique identifier” was removed and replaced with “line item number” for consistency with the current version of the FAR text. The term “unique” is no longer necessary due to changes made by the Uniform Procurement Identification rule (FAR Case 2012–023) published in the Federal Register at 79 FR 61739 on October 14, 2014.

B. Analysis of Public Comments

1. Alternative Line Item Structure

   Comment: One respondent suggested removing text that would allow offerors to propose their own alternative line item structure, because this would be counterproductive to the goal of standardized reporting.

   Response: The language on alternative line items was intended to allow flexibility, consistent with the requirements at FAR subpart 4.10. To clarify that the Government is not requesting contractors to create line items inconsistent with the rule, the clause is renamed “Alternative Line Item Proposal” and the explanatory text will no longer use the term “structure,” as this seemed to be the cause of some confusion.

2. Accounting Classification Citation

   Comment: One respondent asked if each subline item is expected to have its own accounting classification citation.

   Response: It is not a requirement for each subline item to have its own accounting classification citation. However, each deliverable subline item is expected to have its own accounting classification citation. This should not be construed to mean that the same