PART 2—DEFINITIONS OF WORDS AND TERMS

2.101 [Amended]

■ 3. Amend section 2.101(b) in the definition “United States” by removing paragraph (4) and redesignating paragraphs (5) through (12) as paragraphs (4) through (11).

PART 22—APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS

Subpart 22.12 [Removed and Reserved]

■ 4. Remove and reserve subpart 22.12.

PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

■ 5. Amend section 52.212–5 by—

a. Revising the date of the clause;

b. Removing paragraph (c)(1) and redesignating paragraphs (c)(2) through (10) as paragraphs (c)(1) through (9); and

c. Removing paragraph (e)(1)(vi) and redesignating paragraphs (e)(1)(vii) through (xxiii) as paragraphs (e)(1)(vi) through (xxii).

The revision reads as follows:

52.212–5 Contract Terms and Conditions Required To Implement Statutes or Executive Orders—Commercial Items.

Contract Terms and Conditions Required To Implement Statutes or Executive Orders—Commercial Items (JUN 2020)

52.222–17 [Removed and Reserved]

■ 6. Remove and reserve section 52.222–17.

PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

6. Remove and reserve section 52.222–17.

DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 1, 5, 8, 9, 12, 13, 15, 19, 22, 25, 30, 50, and 52

[FAC 2020–06; FAR Case 2018–007; Item II; Docket No. FAR–2018–0007; Sequence No. 1]

RIN 9000–AN67

Federal Acquisition Regulation: Applicability of Inflation Adjustments of Acquisition-Related Thresholds

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 implement a section of the National Defense Authorization Act for Fiscal Year 2018 to make inflation adjustments of statutory acquisition-related thresholds applicable to existing contracts and subcontracts in effect on the date of the adjustment that contain the revised clauses in this rulemaking.


FOR FURTHER INFORMATION CONTACT: Ms. Zenaida Delgado, Procurement Analyst, at 202–969–7207 or zenaida.delgado@gsa.gov for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat Division at 202–501–4755. Please cite FAC 2020–06, FAR Case 2018–007.

SUPPLEMENTARY INFORMATION:

I. Background

DoD, GSA, and NASA published a proposed rule in the Federal Register on June 24, 2019, at 84 FR 29482, to make inflation adjustments of statutory acquisition-related thresholds under 41 U.S.C. 1908 applicable to existing contracts and subcontracts in effect on the date of the adjustment. This FAR change implements section 821 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2018 (Pub. L. 115–91).

Title 41 U.S.C. 1908, Inflation adjustment of acquisition-related dollar thresholds, requires an adjustment every five years of acquisition-related thresholds for inflation using the Consumer Price Index for all urban consumers, except for the Construction Wage Rate Requirements statute (Davis-Bacon Act), Service Contract Labor Standards statute, and trade agreements thresholds. See FAR 1.109. The last FAR case that raised the thresholds for inflation was 2014–022, a final rule published on July 2, 2015, effective October 1, 2015. The next inflation adjustment under 41 U.S.C. 1908 will be implemented through FAR Case 2019–013 and planned to be effective October 1, 2020. One respondent submitted comments on the proposed rule.

II. Discussion and Analysis

The Councils agree a table might be a helpful reference tool and will add one at Acquisition.gov under https://www.acquisition.gov/tableofeffectivedatesforMPTandSAT. The table will only illustrate changes to the micro-purchase and simplified acquisition thresholds, after they are implemented through the rulemaking process.

C. Other Changes

Editorial changes are made to three clauses to change the paragraph heading of “Flowdown” to “Subcontracts” in order to conform to FAR drafting conventions. See FAR clauses 52.203–16, paragraph (d); 52.215–23, paragraph (f); and 52.226–6, paragraph (e).

III. Applicability to Contracts at or Below the Simplified Acquisition Threshold and for Commercial Items, Including Commercially Available Off-the-Shelf Items

This rule does not add any new solicitation provisions or clauses, or impact any existing provisions or clauses, except for the added references to acquisition-related thresholds in the FAR text.

IV. Executive Orders 12866 and 13563

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory
alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule is not a significant regulatory action, and therefore, this rule was not subject to the review of the Office of Information and Regulatory Affairs under section 6(b) of E.O. 12866. This rule is not a major rule under 5 U.S.C. 604.

V. Executive Order 13771

This rule is not an E.O. 13771 regulatory action, because this rule is not significant under E.O. 12866.

VI. Regulatory Flexibility Act

DoD, GSA, and NASA have prepared a Final Regulatory Flexibility Analysis (FRFA) consistent with the Regulatory Flexibility Act, 5 U.S.C. 601, et seq. The FRFA is summarized as follows:

This rule is required to implement section 821 of the National Defense Authorization Act for Fiscal Year (FY) 2018. The objective is to make inflation adjustments of statutory acquisition-related thresholds under 41 U.S.C. 1908(d) applicable to existing contracts and subcontracts in effect on the date of the adjustment that contain the revised clauses.

There were no significant issues raised by the public in response to the initial regulatory flexibility analysis.

This rule will likely affect to some extent all small business concerns that submit offers or are awarded contracts by the Federal Government.

However, this rule is not expected to have any significant economic impact on small business concerns because this rule: (1) Is not creating any new requirements with which small entities must comply, and (2) is only establishing the framework to apply the inflation adjustments of statutory acquisition-related thresholds under 41 U.S.C. 1908 to existing contracts and subcontracts in effect on the date of the adjustment. Any impact on small business concerns will be beneficial by preventing burdensome requirements from continuing to apply to smaller dollar value contracts when acquisition thresholds are increased during the period of performance.

As of September 30, 2017, there were 637,791 active entity registrations in SAM.gov. Of those active entity registrations, 452,310 (71 percent) completed all four modules of the registration, in accordance with FAR 4.505, including Assertions (where they enter their size metrics and select their NAICS Codes) and Reps & Certs (where they certify to the information they provided and the size indicator by NAICS).

Of the possible 452,310 active SAM.gov entity registrations, 338,207 (75 percent) certified to meeting the size standard of small for their primary NAICS Code. Therefore, this rule may be beneficial to 338,207 small business entities that submit proposals that may now fall under the micro-purchase threshold, the simplified acquisition threshold, or other applicable acquisition thresholds (e.g., contractor code of business ethics and conduct, reporting executive compensation and first-tier subcontract awards, equal opportunity for veterans) as a result of this rule.

The rule does not include additional reporting or recordkeeping requirements. There are no available alternatives to the rule to accomplish the desired objective of the statute.

Interested parties may obtain a copy of the FRFA from the Regulatory Secretariat Division. The Regulatory Secretariat Division has submitted a copy of the FRFA to the Chief Counsel for Advocacy of the Small Business Administration.

VII. Paperwork Reduction Act


List of Subjects in 48 CFR Parts 1, 5, 8, 9, 12, 13, 15, 19, 22, 25, 30, 50, and 52

Government procurement.

William F. Clark,
Director, Office of Government-wide Acquisition Policy, Office of Acquisition Policy, Office of Government-wide Policy.

Therefore, DoD, GSA, and NASA amend 48 CFR parts 1, 5, 8, 9, 12, 13, 15, 19, 22, 25, 30, 50, and 52 as set forth below:

1. The authority citation for 48 CFR parts 1, 5, 8, 9, 12, 13, 15, 19, 22, 25, 30, 50, and 52 continues to read as follows:

Authority: 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 51 U.S.C. 20113.

PART 1—FEDERAL ACQUISITION REGULATIONS SYSTEM

2. Amend section 1.109 by—

a. Removing from paragraph (a) “(CPI) for all-urban consumers” and adding “for All Urban Consumers (CPI–U)” in its place;

b. Redesignating paragraph (d) as paragraph (e);

c. Adding new paragraph (d); and

d. Removing from the newly designated paragraph (e) “2014–022” and adding “2014–022, open the docket folder, and go to the supporting documents file” in its place.

The addition reads as follows:

1.109 Statutory acquisition-related dollar thresholds—adjustment for inflation.

(d) The statute, as amended by section 821 of the National Defense Authorization Act for Fiscal Year 2018 (Pub. L. 115–91), requires the adjustment described in paragraph (a) of this section be applied to contracts and subcontracts without regard to the date of award of the contract or subcontract. Therefore, if a threshold is adjusted for inflation as set forth in paragraph (a) of this section, then the changed threshold applies throughout the remaining term of the contract, unless there is a subsequent threshold adjustment.

3. Amend section 1.110 in the table in paragraph (c) by designating the table as table 1 and revising the entry for
Part 5—Publicizing Contract Actions

5.206 [Amended]

4. Amend section 5.206 by removing paragraph 1(1) and (2) “$150,000” and adding “the simplified acquisition threshold” in their places, respectively.

Part 8—Required Sources of Supplies and Services

Section 8.1104 [Amended]

5. Amend section 8.1104 by removing from the first sentence in the introductory text of paragraph (e)(3) “Exceeding $15,000”.

Part 9—Contractor Qualifications

6. Amend section 9.405–2 by revising the second sentence in the introductory text of paragraph (b) to read as follows:

9.405–2 Restrictions on subcontracting.

(b) Contractors are prohibited from entering into any subcontract in excess of $35,000, other than a subcontract for a commercially available off-the-shelf item, with a contractor that has been debarred, suspended, or proposed for debarment, unless there is a compelling reason to do so.

Part 12—Acquisition of Commercial Items

12.503 [Amended]

7. Amend section 12.503 by removing from paragraph (a)(1) “$15,000” and adding “$10,000” in its place.

12.504 [Amended]

8. Amend section 12.504 by removing from paragraph (a)(4) “6505” and “$15,000” and adding “chapter 65” and “$10,000” in their places, respectively.

Part 13—Simplified Acquisition Procedures

9. Amend section 13.003 by revising paragraph (b)(1) to read as follows:

13.003 Policy.

(b)(1) Acquisitions of supplies or services that have an anticipated dollar value above the micro-purchase threshold, but at or below the simplified acquisition threshold, shall be set aside for small business concerns (see 19.000, 19.203, and subpart 19.5).

Part 19—Small Business Programs

19.203 [Amended]

11. Amend section 19.203 by revising paragraph (b) to read as follows:

19.507 [Amended]

15. Amend section 19.507 by removing from the first sentence in paragraph (e) “$150,000” and adding “the simplified acquisition threshold” in its place.

Part 22—Application of Labor Laws to Government Acquisitions

22.102–2 [Amended]

16. Amend section 22.102–2 by removing from paragraph (c)(1)(iv) “$15,000” and adding “$10,000” in its place.
22.202 [Amended]  
17. Amend section 22.202 by removing from paragraph (a) “Contracts for Materials, Supplies, Articles, and Equipment Exceeding $15,000.”

22.305 [Amended]  
18. Amend section 22.305 by removing from paragraph (e) “Contracts for Materials, Supplies, Articles, and Equipment Exceeding $15,000.”

19. Amend subpart 22.6 by revising the subpart heading to read as follows:

Subpart 22.6—Contracts for Materials, Supplies, Articles, and Equipment

22.602 [Amended]  
20. Amend section 22.602 by removing “Contracts for Materials, Supplies, Articles, and Equipment Exceeding $15,000.”

22.610 [Amended]  
21. Amend section 22.610 by removing “Exceeding $15,000.”

22.1003–3 [Amended]  
22. Amend section 22.1003–3 by removing from paragraph (b) “Contracts for Materials, Supplies, Articles, and Equipment Exceeding $15,000.”

22.1003–6 [Amended]  
23. Amend section 22.1003–6(a) introductory text by:

a. Removing “Contracts for Materials, Supplies, Articles, and Equipment Exceeding $15,000.”; and
b. Removing “paragraphs (a)(1) or (a)(2)” of this subsection” and adding “paragraph (a)(1) or (2) of this section” in its place.

PART 25—FOREIGN ACQUISITION

25.703–4 [Amended]  
24. Amend section 25.703–4 by removing from paragraphs (c)(5)(ii), (c)(7)(iii), and (c)(8)(iii) “$3,500” and adding “the threshold at 25.703–2(a)(2)” in their respective places.

PART 30—COST ACCOUNTING STANDARDS ADMINISTRATION

25. Revise section 30.201–1 to read as follows:

30.201–1 CAS applicability.  
(a) See 48 CFR 9903.201–1 [FAR appendix].

(b) In accordance with 41 U.S.C. 1502(b)(1)(B), the threshold for determining the tentative applicability of CAS at the contract level is the amount set forth in 10 U.S.C. 2306a(a)(1)(A)(i), as adjusted for inflation in accordance with 41 U.S.C. 1908.

PART 50—EXTRAORDINARY CONTRACTUAL ACTIONS AND THE SAFETY ACT

50.103–7 [Amended]  
26. Amend section 50.103–7 by removing from paragraph (b) “Exceeding $15,000.”

PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

52.202–1 Definitions.  
* * * * *  
Definitions [JUN 2020]  
* * * * *  
(e) The word or term defines an acquisition-related threshold, and if the threshold is adjusted for inflation as set forth in FAR 1.109(a), then the changed threshold applies throughout the remaining term of the contract, unless there is a subsequent threshold adjustment; see FAR 1.109(d).  
* * * * *

28. Amend section 52.203–6 by revising the date of the clause and removing from paragraph (c) “‘threshold.’” and adding “threshold, as defined in Federal Acquisition Regulation 2.101 on the date of subcontract award.” in its place to read as follows:

52.203–6 Restrictions on Subcontractor Sales to the Government.  
* * * * *  
Restrictions on Subcontractor Sales to the Government [JUN 2020]  
* * * * *  
29. Amend section 52.203–7 by revising the date of the clause and paragraph (c)(5) and adding an undesignated parenthetical phrase at the end to read as follows:

52.203–7 Anti-Kickback Procedures.  
* * * * *  
Anti-Kickback Procedures [JUN 2020]  
* * * * *  
(c) * * * * *  
(5) The Contractor agrees to incorporate the substance of this clause, including this paragraph (c)(5) but excepting paragraph (c)(1) of this clause, in all subcontracts under this contract that exceed the threshold specified in Federal Acquisition Regulation 3.502–2(i) on the date of subcontract award.  
* * * * *

31. Amend section 52.203–13 by revising the date of the clause and removing from paragraph (d)(1) “have a value in excess of $5.5 million” and adding “exceed the threshold specified in FAR 3.1004(a) on the date of subcontract award” in its place to read as follows:

52.203–13 Contractor Code of Business Ethics and Conduct.  
* * * * *  
Contractor Code of Business Ethics and Conduct [JUN 2020]  
* * * * *  
32. Amend section 52.203–14 by revising the date of the clause and the introductory text of paragraph (d) to read as follows:

52.203–14 Display of Hotline Poster(s).  
* * * * *  
Display of Hotline Poster(s) [JUN 2020]  
* * * * *  
(d) Subcontracts. The Contractor shall include the substance of this clause, including this paragraph (d), in all subcontracts that exceed the threshold specified in Federal Acquisition Regulation 3.1004(b)(1) on the date of subcontract award, except when the subcontract—  
* * * * *  
33. Amend section 52.203–16 by revising the date of the clause, the
heading of paragraph (d), and paragraph (d)(1) to read as follows:

52.204–10 Reporting Executive Compensation and First-Tier Subcontract Awards.
* * * * *

Reporting Executive Compensation and First-Tier Subcontract Awards (JUN 2020)
* * * * *

36. Amend section 52.209–6 by—

a. Revising the date of the clause;

b. Removing from paragraph (a)(1)(i) “FAR” and adding “Federal Acquisition Regulation (FAR)” in its place;

c. Removing from paragraphs (b) and (c) “$35,000” and adding “the threshold specified in FAR 4.405–2(b) on the date of subcontract award,” and “the threshold specified in FAR 9.405–2(b) on the date of subcontract award,” in their places, respectively; and

d. Revising paragraph (e)(1).

The revision reads as follows:

52.209–6 Protecting the Government’s Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment (JUN 2020)
* * * * *

(e) * * *

(1) Exceeds the threshold specified in FAR 9.405–2(b) on the date of subcontract award; and

* * * * *

37. Amend section 52.210–1 by—

a. Revising the date of the clause; and

b. In paragraph (a), removing from the definition of “Commercial item” and “nondevelopmental item” the word “Regulation” and adding “Regulation (FAR)” in its place; and

c. Removing from the introductory text of paragraph (b) “threshold” and adding “threshold, as defined in FAR 2.101, on the date of subcontract award,” in its place.

The revision reads as follows:

52.210–1 Market Research.
* * * * *

Market Research (JUN 2020)
* * * * *

38. Amend section 52.212–1 by revising the date of the clause and the first and fifth sentences of paragraph (j) to read as follows:

52.212–1 Instructions to Offerors—Commercial Items.
* * * * *

Instructions to Offerors—Commercial Items (JUN 2020)
* * * * *

(a) (17) (i) 52.219-9, Small Business Subcontracting Plan [JUN 2020] (15 U.S.C. 637(d)[4]).
(a) (iv) Alternate III (JUN 2020) of 52.219-9.
(a) (v) Alternate IV (JUN 2020) of 52.219-9.

(b) (ii) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations. [JUN 2020] (42 U.S.C. 1792).

(T) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations. [JUN 2020] (42 U.S.C. 1792). * * * * *

41. Amend section 52.213-4 by—

(a) Adding a period to the end of paragraph (a)(2)(iv);

(b) Revising paragraphs (a)(2)(viii) and (b)(1)(ii) through (iv), the first sentence of paragraph (b)(1)(v), and paragraph (b)(1)(vi);

(c) Removing from paragraph (b)(1)(xivii) introductory text “threshold” and adding “threshold, as defined in FAR 2.101 on the date of award of this contract,” in its place; and

(d) Revising paragraphs (b)(1)(xviii) and (b)(2)(ii).

The revisions read as follows:

52.213–4 Terms and Conditions—Simplified Acquisitions (Other Than Commercial Items).

Terms and Conditions—Simplified Acquisitions (Other Than Commercial Items) [JUN 2020]

(a) * * * * *

(ii) 52.209–6, Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment [JUN 2020] (Applies to contracts over the threshold specified in FAR 26.404 on the date of award of such contract).

(e) Subcontracts. The Contractor shall insert a clause containing all the provisions of this clause, including this paragraph (e), in all subcontracts expected to exceed the threshold for subcontracting with contractors debarred, suspended, or proposed for debarment.

52.214–26 Audit and Records—Sealed Bidding.

Audit and Records—Sealed Bidding [JUN 2020]


(E) 52.219–8, Utilization of Small Business Concerns [OCT 2018] (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds the applicable threshold specified in FAR 19.702(a) on the date of subcontract award, the subcontractor must include 52.219–8 in lower tier subcontracts that offer subcontracting opportunities.

42. Amend section 52.214–26 by—

(ii) Revising the date of the clause and inserting a clause containing all the provisions of this clause, including this paragraph (e), in all subcontracts expected to exceed the threshold specified in FAR 26.404 on the date of award of such contract.

52.214–26 Audit and Records—Sealed Bidding.

Audit and Records—Sealed Bidding [JUN 2020]


(E) 52.219–8, Utilization of Small Business Concerns [OCT 2018] (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds the applicable threshold specified in FAR 19.702(a) on the date of subcontract award, the subcontractor must include 52.219–8 in lower tier subcontracts that offer subcontracting opportunities.
52.215–2 Audit and Records—Negotiation.  
* * * * *  
Audit and Records—Negotiation (JUN 2020)  
* * * * *  
(a) This clause shall become operative only for any modification to this contract involving a pricing adjustment expected to exceed the threshold for submission of certified cost or pricing data in Federal Acquisition Regulation (FAR) 15.403–4(a)(1) on the date of execution of the modification, except that this clause does not apply to a modification if an exception under FAR 15.403–1(b) applies.  
* * * * *  
(b) Before awarding any subcontract expected to exceed the threshold for submission of certified cost or pricing data in FAR 15.403–4(a)(1), on the date of agreement on price or the date of award, whichever is later; or before pricing any subcontract modification involving a pricing adjustment expected to exceed the threshold for submission of certified cost or pricing data in FAR 15.403–4(a)(1), the Contractor shall require the subcontractor to submit certified cost or pricing data (actually or by specific identification in writing), in accordance with FAR 15.408, Table 15–2 (to include any information reasonably required to explain the subcontractor’s estimating process such as the judgmental factors applied and the mathematical or other methods used in the estimate, including those used in projecting from known data, and the nature and amount of any contingencies included in the price), unless an exception under FAR 15.403–1(b) applies. If the threshold for submission of certified cost or pricing data specified in FAR 15.403–4(a)(1) is adjusted for inflation as set forth in FAR 1.109(a), then pursuant to FAR 1.109(d) the changed threshold applies throughout the remaining term of the contract, unless there is a subsequent threshold adjustment.  
* * * * *  
(c) In each subcontract that, when entered into, exceeds the threshold for submission of certified cost or pricing data in FAR 15.403–4(a)(1), the Contractor shall insert either—  
* * * * *  
44. Amend section 52.214–28 by—  
■ a. Revising the date of the clause and paragraphs (a) and (c) introductory text to read as follows:  
52.214–28 Subcontractor Certified Cost or Pricing Data—Modifications—Sealed Bidding.  
* * * * *  
Subcontractor Certified Cost or Pricing Data—Modifications—Sealed Bidding (JUN 2020)  
* * * * *  
(a) This clause shall become operative only for any modification to this contract involving aggregate increases and/or decreases in costs, plus applicable profits, expected to exceed the threshold for the submission of certified cost or pricing data in Federal Acquisition Regulation (FAR) 15.403–4(a)(1) on the date of execution of the modification, except that this clause does not apply to a modification if an exception under FAR 15.403–1(b) applies.  
* * * * *  
(b) If the threshold for submission of certified cost or pricing data specified in FAR 15.403–4(a)(1) is adjusted for inflation as set forth in FAR 1.109(a), then pursuant to FAR 1.109(d) the changed threshold applies throughout the remaining term of the contract, unless there is a subsequent threshold adjustment.  
* * * * *  
45. Amend section 52.215–2 by—  
■ a. Revising the date of the clause; and  
■ b. Removing from paragraph (g) introductory text “threshold” and adding “threshold, as defined in FAR 2.101 on the date of subcontract award,” in its place.  
The revision reads as follows:
Integrity of Unit Prices (JUN 2020) * * * * *  
(c) The Contractor shall insert the substance of this clause, less paragraph (b) of this clause, in all subcontracts for other than: acquisitions at or below the simplified acquisition threshold, as defined in Federal Acquisition Regulation (FAR) 2.101 on the date of subcontract award; construction or architect-engineer services under FAR part 36; utility services under FAR part 41; services where supplies are not required; commercial items; and petroleum products. * * * * *  
5. Amend section 52.215–21 by revising the date of the clause and the introductory text of paragraph (a)(1) to read as follows:  
52.215–21 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data—Modifications. * * * * *  
Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data—Modifications (JUN 2020)  
(a) * * * (1) In lieu of submitting certified cost or pricing data for modifications under this contract, for price adjustments expected to exceed the threshold set forth in Federal Acquisition Regulation (FAR) 15.403–4(a)(1) on the date of the agreement on price or the date of the award, whichever is later, the Contractor may submit a written request for exception by submitting the information described in paragraphs (a)(1)(i) and (ii) of this clause. If the threshold for submission of certified cost or pricing data specified in FAR 15.403–4(a)(1) is adjusted for inflation as set forth in FAR 1.109(a), then pursuant to FAR 1.109(d) the threshold shall apply throughout the remaining term of the contract, unless there is a subsequent threshold adjustment. The Contracting Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable— * * * * *  
51. Amend section 52.215–23 by—  
■ a. Revising the date of the clause;  
■ b. In paragraph (a), removing from the definition “Subcontract” the acronym “FAR” and adding “Federal Acquisition Regulation (FAR)” in its place; and  
■ c. Revising paragraph (f).  
The revisions read as follows:  
52.215–23 Limitations on Pass-Through Charges. * * * * *  
Limitations on Pass-Through Charges (JUN 2020) * * * * *  
(f) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (f), in all cost-reimbursement subcontracts under this contract that exceed the simplified acquisition threshold, as defined in FAR 2.101 on the date of subcontract award, except if the contract is with DoD, then insert in all cost-reimbursement subcontracts and fixed-price subcontracts, except those identified in FAR 15.406(p)(2)(ii)(B)(2), that exceed the threshold for obtaining cost or pricing data in FAR 15.403–4(a)(1) on the date of subcontract award. * * * * *  
52. Amend section 52.219–9 by—  
■ a. Revising the date of the clause;  
■ b. In paragraph (b), revising the definition of “Commercial item”;  
■ c. Removing from paragraph (d)(9) “$700,000 ($1.5 million for construction of any public facility)” and adding “the applicable threshold specified in FAR 19.702(a) on the date of subcontract award,” in its place;  
■ d. Removing from paragraph (d)(11)(iii) introductory text “$150,000,” and adding “the simplified acquisition threshold, as defined in FAR 2.101 on the date of subcontract award” in its place;  
■ e. Removing from the first sentence of paragraph (e)(6) “threshold” and adding “threshold, as defined in FAR 2.101 on the date of subcontract award,” in its place;  
■ f. Removing from paragraph (f) “threshold in” and adding “threshold in” in its place;  
■ g. Removing from paragraph (l)(2)(i)(C) “$700,000 (over $1.5 million for construction of a public facility)” and adding “the applicable threshold specified in FAR 19.702(a), and the contract” in its place;  
■ h. In Alternate III—  
■ i. Revising the date of the alternate; and  
■ ii. Removing from paragraph (l)(2)(ii)(C) “$700,000 (over $1.5 million for construction of a public facility)” and adding “the simplified acquisition threshold specified in FAR 19.702(a), and the contract” in its place; and  
■ i. In Alternate IV—  
■ i. Revising the date of the alternate;  
■ ii. Removing from paragraph (d)(9) “$700,000 ($1.5 million for construction of any public facility)” and adding “the applicable threshold specified in FAR 19.702(a), and the contract” in its place; and  
■ iii. Removing from paragraph (d)(11)(iii) introductory text “$150,000,” and adding “the simplified acquisition threshold, as defined in FAR 2.101 on the date of subcontract award,” in its place.  
The revisions read as follows:  
52.219–9 Small Business Subcontracting Plan. * * * * *  
Small Business Subcontracting Plan (JUN 2020) * * * * *  
(b) * * *  
Commercial item means a product or service that satisfies the definition of commercial item in Federal Acquisition Regulation (FAR) 2.101. * * * * *  
Alternate III (JUN 2020). * * * * *  
Alternate IV (JUN 2020). * * * * *  
53. Amend section 52.222–20 by revising the section heading, the clause heading, and the introductory text of the clause to read as follows:  
52.222–20 Contracts for Materials, Supplies, Articles, and Equipment. * * * * *  
Contracts for Materials, Supplies, Articles, and Equipment (JUN 2020)  
If this contract is for the manufacture or furnishing of materials, supplies, articles or equipment in an amount that exceeds or may exceed the threshold specified in Federal Acquisition Regulation 22.602 on the date of award of this contract, and is subject to 41 U.S.C. chapter 65, the following terms and conditions apply: * * * * *  
54. Amend section 52.222–35 by—  
■ a. Revising the date of the clause;  
■ b. Removing from paragraph (a), in the definition “Active duty wartime or campaign badge veteran,” “Armed Forces service medal veteran,” “disabled veteran,” “protected veteran,” “qualified disabled veteran,” and “recently separated veteran”, the acronym “FAR” and adding “Federal Acquisition Regulation (FAR)” in its place; and  
■ c. Removing from paragraph (c) “of $150,000 or more” and adding “valued at or above the threshold specified in FAR 22.1303(a) on the date of subcontract award,” in its place.  
The revision reads as follows:  
52.222–35 Equal Opportunity for Veterans. * * * * *  
Equal Opportunity for Veterans (JUN 2020) * * * * *  
55. Amend section 52.222–36 by—  
■ a. Revising the date of the clause; and  
■ b. Removing from the first sentence in paragraph (b) “$15,000” and adding “the threshold specified in Federal Acquisition Regulation (FAR) 22.1408(a) on the date of subcontract award,” in its place.  
The revision reads as follows:
52.222–36  Equal Opportunity for Workers with Disabilities.

Equal Opportunity for Workers With Disabilities (JUN 2020)

52.222–37  Employment Reports on Veterans.

Employment Reports on Veterans (JUN 2020)

52.223–18  Encouraging Contractor Policies To Ban Text Messaging While Driving.

Encouraging Contractor Policies To Ban Text Messaging While Driving (JUN 2020)

52.225–25  Prohibition on Contracting with Entities Engaging in Certain Activities or Transactions Relating to Iraq—Representation and Certifications.

Prohibition on Contracting With Entities Engaging in Certain Activities or Transactions Relating to Iraq—Representation and Certifications (JUN 2020)

52.226–6  Promoting Excess Food Donation to Nonprofit Organizations.

Promoting Excess Food Donation to Nonprofit Organizations (JUN 2020)

52.226–9  Alternate III (JUN 2020).

Alternate III (JUN 2020).

52.228–15  Performance and Payment Bonds—Construction.

Performance and Payment Bonds—Construction (JUN 2020)

52.230–2  Cost Accounting Standards.

Cost Accounting Standards (JUN 2020)
and adding “section” and “Regulation (FAR) shall” in their places, respectively; and
■ c. Revising paragraph (d)(2).
   The revisions read as follows:

* * * * *

Disclosure and Consistency of Cost Accounting Practices (JUN 2020)
* * * * *
(d) * * *
(2) The requirement in this paragraph (d) shall apply only to negotiated subcontracts in excess of the lower CAS threshold specified in FAR 30.201–4(b) on the date of subcontract award.
* * * * *
■ 67. Amend section 52.230–4 by—
   ■ a. Revising the date of the clause;
   ■ b. Removing from paragraph (d)(1) “FAR” and adding “Federal Acquisition Regulation (FAR)” in its place; and
   ■ c. Revising paragraph (d)(2).
   The revisions read as follows:

* * * * *

Disclosure and Consistency of Cost Accounting Practices—Foreign Concerns (JUN 2020)
* * * * *
(d) * * *
(2) The requirement in this paragraph (d) shall apply only to negotiated subcontracts in excess of the lower CAS threshold specified in FAR 30.201–4(b) on the date of subcontract award.
* * * * *
■ 68. Amend section 52.230–5 by revising the date of the clause and paragraph (d)(2) to read as follows:

52.230–5 Cost Accounting Standards—Educational Institution.
* * * * *

Cost Accounting Standards—Educational Institution (JUN 2020)
* * * * *
(d) * * *
(2) The requirement in this paragraph (d) shall apply only to negotiated subcontracts in excess of the lower CAS threshold specified in Federal Acquisition Regulation (FAR) 30.201–4(b) on the date of subcontract award; and
* * * * *
■ 69. Amend section 52.232–16 by—
   ■ a. Revising the date of the clause; and
   ■ b. Removing from paragraph (c)(1) “FAR” and adding “Federal Acquisition Regulation (FAR)” in its place; and
   ■ c. In Alternate III—
      ■ i. Revising the date of the alternate; and
      ■ ii. Removing from paragraph (n) “threshold,” and adding “threshold, as defined in FAR 2.101 on the date of individual order award,” in its place.
   The revisions read as follows:

52.232–16 Progress Payments.
* * * * *

Progress Payments (JUN 2020)
* * * * *
Alternate III (JUN 2020).
* * * *
70. Amend section 52.244–2 by—
   ■ a. Revising the date of the clause;
   ■ b. Removing from paragraphs (c)(2)(i) and (ii) “threshold” and adding “threshold, as defined in FAR 2.101 on the date of subcontract award,” in their places; and
   ■ c. In Alternate I—
      ■ i. Revising the date of the alternate; and
      ■ ii. Removing from paragraph (e)(2) “paragraphs (e)(1)(i) through (iv)” and adding “threshold, as defined in FAR 2.101 on the date of subcontract award,” and paragraphs (e)(1)(i) through (iv) in their places, respectively.
   The revisions read as follows:

52.244–2 Subcontracts.
* * * * *

Subcontracts (JUN 2020)
* * * * *
Alternate I (JUN 2020).
* * * *
71. Amend section 52.244–6 by—
   ■ a. Revising the date of the clause;
   ■ b. In paragraph (a), revising the definition “Commercial item” in its place; and
   ■ c. In paragraph (1), revising the first sentence of paragraph (1).
   The revisions read as follows:

52.244–6 Subcontracts for Commercial Items.
* * * * *

Subcontracts for Commercial Items (JUN 2020)
* * * * *
(a) * * *
Commercial item and commercially available off-the-shelf item have the meanings contained in Federal Acquisition Regulation (FAR) 2.101.
* * * * *

Value Engineering.
* * * * *

Value Engineering (JUN 2020)
* * * * *
(l) Subcontracts. The Contractor shall include an appropriate value engineering clause in any subcontract-valued at or above the simplified acquisition threshold, as defined in FAR 2.101 on the date of subcontract award, and may include one in subcontracts of lesser value.
* * * *

Reporting Nonconforming Items.
* * * * *

Reporting Nonconforming Items (JUNE 2020)
* * * * *
■ 73. Amend section 52.248–1 by—
   ■ a. Revising the date of the clause; and
   ■ b. Removing from paragraph (l)(5) “subparagraph” and “Regulation” and adding “paragraph” and “Regulation (FAR)” in their places, respectively; and
   ■ c. Revising the first sentence of paragraph (l).
   The revisions read as follows:

52.248–1 Value Engineering.
* * * * *

Value Engineering (JUN 2020)
* * * * *

(l) Subcontracts. The Contractor shall include an appropriate value engineering clause in any subcontract-valued at or above the simplified acquisition threshold, as defined in FAR 2.101 on the date of subcontract award, and may include one in subcontracts of lesser value.