

DEPARTMENT OF DEFENSE**GENERAL SERVICES
ADMINISTRATION****NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION**

48 CFR Parts 1, 2, 3, 5, 6, 8, 9, 10, 12, 13, 15, 16, 17, 19, 22, 26, 28, 32, 36, 42, 50, 52, and 53

[FAR Case 2019–013, Docket No. FAR–2019–0013, Sequence No. 1]

RIN 9000—AN96

**Federal Acquisition Regulation:
Inflation Adjustment of Acquisition-
Related Thresholds**

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

ACTION: Proposed rule.

SUMMARY: DoD, GSA, and NASA are proposing to amend the Federal Acquisition Regulation (FAR) to further implement the statute which requires an adjustment every five years of statutory acquisition-related thresholds for inflation. The adjustment uses the Consumer Price Index for all urban consumers, and does not apply to the Construction Wage Rate Requirements statute (Davis-Bacon Act), Service Contract Labor Standards statute, and trade agreements thresholds. DoD, GSA, and NASA are also proposing to use the same methodology to adjust nonstatutory FAR acquisition-related thresholds in 2020.

DATES: Interested parties should submit written comments at the address shown below on or before August 31, 2020 to be considered in the formation of the final rule.

ADDRESSES: Submit comments in response to FAR case 2019–013 to <https://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by searching for “FAR Case 2019–013”. Select the link “Comment Now” that corresponds with FAR Case 2019–013. Follow the instructions provided at the “Comment Now” screen. Please include your name, company name (if any), and “FAR Case 2019–013” on your attached document. If your comment cannot be submitted using <https://www.regulations.gov>, call or email the points of contact in the **FOR FURTHER INFORMATION CONTACT** section of this document for alternate instructions.

Instructions: Please submit comments only and cite FAR Case 2019–013, in all correspondence related to this case. Comments received generally will be

posted without change to <https://www.regulations.gov>, including any personal and/or business confidential information provided. To confirm receipt of your comment(s), please check <https://www.regulations.gov>, approximately two to three days after submission to verify posting.

FOR FURTHER INFORMATION CONTACT: Mr. Michael O. Jackson, Procurement Analyst, at 202–208–4949, or by email at michael.o.jackson@gsa.gov, for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat Division at 202–501–4755 or GSARegSec@gsa.gov. Please cite FAR case 2019–013.

SUPPLEMENTARY INFORMATION:

I. Background

This rule proposes to amend multiple FAR parts to further implement 41 U.S.C. 1908. Section 1908 requires an adjustment every five years (on October 1 of each year evenly divisible by five) of statutory acquisition-related thresholds for inflation, using the Consumer Price Index (CPI) 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). As a matter of policy, DoD, GSA, and NASA are also proposing to use the same methodology to adjust nonstatutory FAR acquisition-related thresholds on October 1, 2020.

DoD, GSA, and NASA have published two proposed rules and one final rule that will reduce the complexity and impact of the October 1, 2020, threshold adjustments throughout the FAR. The changes implemented through these rules significantly reduce the number of cite-specific inflation adjustments in the FAR and associated matrix.

FAR Case 2018–004, published as a proposed rule on October 2, 2019 (84 FR 52420) will implement section 217(b) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017 (Pub. L. 114–328) and sections 805, 806, and 1702(a) of the NDAA for FY 2018 (Pub. L. 115–91), to increase the micro-purchase threshold (MPT) and simplified acquisition thresholds (SAT) throughout the FAR. The case also changes some stated dollar thresholds to text to ensure continued alignment with the value defined in FAR subpart 2.101.

FAR Case 2018–005, published as a proposed rule October 2, 2019 (84 FR 52428), implements section 811 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2018 that amended 10 U.S.C. 2306a, Cost or Pricing Data: Truth in Negotiations and

41 U.S.C. 3502, Required cost or pricing data and certification. The case increases the threshold for requesting certified cost or pricing data from \$750,000 to \$2 million for contracts entered into after June 30, 2018.

FAR Case 2018–007, published as a final rule on May 6, 2020 (85 FR 27088), implements section 821 of the NDAA for FY 2018 (Pub. L. 115–91), which made inflation adjustments of statutory acquisition-related thresholds under 41 U.S.C. 1908 applicable to existing contracts and subcontracts that contain the clause to implement the statute and are in effect on the date of the adjustment. This case replaces throughout FAR part 52, as appropriate, numerical values based on the value of the MPT or the SAT with the term “micro-purchase threshold” or “simplified acquisition threshold”. When such terms are used, there is a reference to the definition in FAR 2.101. In addition to the MPT and SAT, numerical values for certain thresholds will be replaced with a reference to the applicable FAR text that specifies the numerical threshold.

This is the fourth review of FAR acquisition-related thresholds since the statute was passed on October 28, 2004 (section 807 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005). The last review was conducted under FAR case 2014–022 during FY 2015. The final rule under that case was published in the **Federal Register** on July 2, 2015 (80 FR 38293), effective October 1, 2015.

II. Discussion and Analysis

A. What is an acquisition-related threshold?

This case builds on the review of FAR thresholds in FY 2005, FY 2010, and FY 2015, using the same interpretation of an acquisition-related threshold. 41 U.S.C. 1908 is applicable to “a dollar threshold that is specified in law as a factor in defining the scope of the applicability of a policy, procedure, requirement, or restriction provided in that law to the procurement of property or services by an executive agency, as the [FAR] Council determines.”

There are other thresholds in the FAR that, while not specified in law, nevertheless meet all the other criteria. These thresholds may have their origin in Executive Order or regulation. Therefore, the FAR Council has determined, that in this case, “acquisition-related threshold” has a broader meaning, *i.e.*, a threshold that is specified in law, Executive Order, or regulation as a factor in defining the scope of the applicability of a policy,

procedure, requirement, or restriction provided in that law, Executive Order, or regulation to the procurement of property or services by an Executive agency. DoD, GSA, and NASA conclude that acquisition-related thresholds are generally tied to the value of a contract, subcontract, or modification.

Examples of thresholds that are not “acquisition-related,” as defined in this case, are thresholds relating to claims, penalties, withholding, payments, required levels of insurance, small business size standards, liquidated damages, protests, etc. This rule does not address thresholds that are not acquisition-related.

B. What acquisition-related thresholds are not subject to escalation adjustment under this case?

41 U.S.C. 1908 does not permit escalation of acquisition-related thresholds established by the Construction Wage Rate Requirements statute (Davis Bacon Act), the Service Contract Labor Standards statute, or the United States Trade Representative pursuant to the authority of the Trade Agreements Act of 1979.

Also, the statute does not authorize the FAR to escalate thresholds originating in Executive Order or the implementing agency (such as the Department of Labor or the Small Business Administration), unless the Executive order or agency regulations are first amended.

C. How do the Defense Acquisition Regulations Council and the Civilian Agency Acquisition Council (the Councils) analyze a statutory acquisition-related threshold?

If an acquisition-related threshold is based on statute, the matrix at <http://www.regulations.gov> identifies the statute and the statutory threshold, including the original threshold and any FAR revisions.

With the exception of thresholds set by the Construction Wage Rate Requirements statute (Davis-Bacon Act), Service Contract Labor Standards statute, and the United States Trade Representative pursuant to the authority of the Trade Agreements Act of 1979, 41 U.S.C. 1908 requires that the FAR Council adjust the acquisition-related thresholds for inflation using the CPI for all urban consumers. Acquisition-related thresholds in statutes that were in effect on October 1, 2000, are only subject to escalation from that date forward. For purposes of this proposed rule, the matrix includes calculation of escalation based on the estimated CPI value for March 2020 (currently projected at 258.6) divided by the CPI

for the date of enactment of the statute or regulation (October 2000, for statutes enacted prior to October 1, 2000). The Councils will subsequently adjust as necessary before issuance of the final rule.

Once the escalation factor is applied to the acquisition-related threshold, then the threshold must be rounded as follows:

<\$10,000	Nearest \$500.
\$10,000–<\$100,000	Nearest \$5,000.
\$100,000–<\$1 million	Nearest \$50,000.
\$1 million–<\$10 million ...	Nearest \$500,000.
\$10 million–<\$100 million	Nearest \$5 million.
\$100 million–<\$1 billion ..	Nearest \$50 million.
\$1 billion or more	Nearest \$500 million.

Note, since the last adjustment in 2015, the calculation formula for over \$1 million was revised in 41 U.S.C. 1908.

The calculations in this proposed rule are all based on the base year amount, because escalated amounts in the 2015 rule were subject to rounding and using those amounts as the base would distort future calculations.

In 2015, some thresholds, although subject to inflation calculation, did not actually change, because the inflation in 2015 was insufficient to overcome the rounding requirements—*i.e.*, the escalation factor, when applied, did not cause the escalated values to be high enough to round to the next higher value. However, in FY 2020, some thresholds that did not escalate in 2015 have increased through other statutory actions or will now escalate because of five additional years of inflation. Likewise, some thresholds that were escalated in 2015 will not escalate in 2020.

The thresholds for defining a major system differ for the civilian agencies and DoD. The FAR will continue to escalate the major systems threshold for the civilian agencies, however, DoD has determined that for DoD, the major systems thresholds in the FAR must be consistent with the major systems thresholds in DoD Instruction 5000.02, established in accordance with the authority in 10 U.S.C. 2302d(c)(1). For the purposes of this rule, the thresholds are unchanged.

This proposed rule has been coordinated with the Department of Labor and the Small Business Administration in areas of the regulation for which they are the lead agency.

D. How do the Councils analyze a nonstatutory acquisition-related threshold?

No statutory authorization is required to escalate thresholds that are policy-based within the FAR. For consistency,

escalation of the FAR policy acquisition-related thresholds is recommended using the same formula applied to the statutory thresholds, unless there is a valid reason for not doing so.

E. What is the effect of this proposed rule on the most heavily-used thresholds?

This rule includes the following proposed changes to heavily-used thresholds. All these inflation raises assume that the current rate of inflation continues.

- The micro-purchase threshold at FAR 2.101 was raised to \$10,000 by statute (see FAR Case 2018–004). No further increase to the basic threshold is made at this time, as there has been insufficient inflation. Paragraph 3(ii) of the definition, for acquisitions to support contingency operations or to facilitate defense against certain attacks, is proposed to increase from \$30,000 to \$35,000.

- The simplified acquisition threshold was changed to \$250,000 by statute (see FAR Case 2018–004). No further increase in the basic threshold is proposed, as there has been insufficient inflation. Paragraph 1(i) of the definition for acquisitions to support contingency operations or to facilitate defense against certain attacks, is proposed to increase from \$750,000 to \$800,000.

- The preaward and post-award notices (FAR part 5) remain at \$25,000 because of trade agreements.

- The requirements for limiting competition (FAR part 6) to eligible 8(a) awards over \$22 million is increased to \$25 million.

- The simplified procedures for certain commercial items ceiling (FAR 13.500) will increase from \$7 million to \$7.5 million. For acquisitions described at 13.500(c), the ceiling will increase from \$13.5 million to \$15 million.

- The cost or pricing data threshold (FAR 15.403–4) was increased by statute from \$750,000 to \$2 million (see FAR Case 2018–005) and is not proposed for further increase in this case.

- The prime contractor subcontracting plan (FAR 19.702) floor will increase from \$700,000 to \$750,000, but the construction threshold of \$1.5 million will not change. Standard Form 294 at General Instruction 3 has a reference to \$700,000, which will be changed.

- The threshold for reporting first-tier subcontract information including executive compensation will not change (FAR subpart 4.14 and 52.204–10).

This proposed rule is based on a projected CPI of 258.6 for March 2020.

If the actual CPI for March 2020 is higher than 258.6, then additional statutory thresholds may be subject to escalation in the final rule, even though not included in the proposed rule.

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

This proposed rule does not create any new provisions or clauses, nor does it change the applicability of any existing provisions or clauses included in solicitations and contracts valued at or below the SAT, or for commercial items, including COTS items, except for the changes in the thresholds themselves.

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 is not a significant regulatory action and, therefore, was not subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

V. Executive Order 13771

The rule is not subject to E.O. 13771, because this rule is not a significant regulatory action under E.O. 12866.

VI. Regulatory Flexibility Act

DoD, GSA, and NASA do not expect this rule to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, because the rule maintains the status quo by adjusting thresholds for actual inflationary increases in the CPI. However, an Initial Regulatory Flexibility Analysis has been performed and is summarized as follows:

This rule will amend the Federal Acquisition Regulation to implement 41 U.S.C. 1908 and to amend other acquisition-related dollar thresholds that are based on policy rather than statute in Order to adjust for the changing value of the dollar. 41 U.S.C. 1908 requires adjustment every five years of statutory acquisition-related dollar thresholds, except for Construction Wage Rate Requirements statute (Davis-Bacon Act),

Service Contract Labor Standards statute, and trade agreements thresholds. While reviewing all statutory acquisition-related thresholds, this case presented an opportunity to also review all nonstatutory acquisition-related thresholds in the FAR that are based on policy.

The objective of the case is to maintain the status quo, by adjusting acquisition-related thresholds for inflation. The legal basis is 41 U.S.C. 1908. The statute does not authorize the FAR to escalate thresholds originating in Executive Orders or the implementing agency (such as the Department of Labor or the Small Business Administration), unless the Executive Order or agency regulations are first amended.

This rule will have a minimal impact on small business concerns that submit offers or are awarded contracts by the Federal Government. However, most of the threshold changes proposed in this rule are not expected to have any significant economic impact on small business concerns because the threshold changes are intended to maintain the status quo by adjusting for changes in the value of the dollar. Often any impact will be beneficial, by preventing burdensome requirements from applying to more and more acquisitions, as the dollar loses value.

One threshold change in this rule which may impact small business concerns is the increase of the threshold for requiring a justification or determination for limiting competition to eligible 8(a) participants from \$22 million to \$25 million. This threshold increase is expected to benefit small businesses under the 8(a) program by expanding their access to contract opportunities. To assess the impact of the increase, data was requested from FPDS-NG. For FY 2017 through FY 2019, there was an average of 300 contracts and calls/orders between \$22 million and \$25 million. Of these actions, an average of 134 went to small business concerns, 27 of which were 8(a) program participants. We expect that many of these awards will still go to small business concerns and potentially increase the number of awards to 8(a) program participants.

The rule does not impose any new reporting, recordkeeping, or compliance requirements. Changes in thresholds for approved information collection requirements are intended to maintain the status quo and prevent those requirements from increasing over time.

The rule does not duplicate, overlap, or conflict with any other Federal rules.

There are no practical alternatives that will accomplish the objectives of the statute.

The Regulatory Secretariat Division has submitted a copy of the IRFA to the Chief Counsel for Advocacy of the Small Business Administration. A copy of the IRFA may be obtained from the Regulatory Secretariat Division. DoD, GSA, and NASA invite comments from small business concerns and other interested parties on the expected impact of this rule on small entities.

DoD, GSA, and NASA will also consider comments from small entities

concerning the existing regulations in subparts affected by the rule in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 610 (FAR Case 2019–013), in correspondence.

VII. Paperwork Reduction Act

The Paperwork Reduction Act does apply. The proposed changes to the FAR do not impose new information collection requirements that require the approval of the Office of Management and Budget (OMB) under 44 U.S.C. 3501, *et seq.* By adjusting the thresholds for inflation, the status quo for the current information collection requirements are maintained under the following OMB clearance numbers: 9000–0006, 9000–0007, 1250–0004, and 1293–0005.

List of Subjects in 48 CFR Parts 1, 2, 3, 5, 6, 8, 9, 10, 12, 13, 15, 16, 17, 19, 22, 26, 28, 32, 36, 42, 50, 52, and 53

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 propose amending 48 CFR parts 1, 2, 3, 5, 6, 8, 9, 10, 12, 13, 15, 16, 17, 19, 22, 26, 28, 32, 36, 42, 50, 52, and 53 as set forth below:

■ 1. The authority citation for 48 CFR parts 1, 2, 3, 5, 6, 8, 9, 10, 12, 13, 15, 16, 17, 19, 22, 26, 28, 32, 36, 42, 50, 52, and 53 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

1.109 [Amended]

■ 2. Amend section 1.109, in paragraph (d) by removing “2014–022” and adding “2019–013” in its place.

PART 2—DEFINITIONS OF WORDS AND TERMS

2.101 [Amended]

■ 3. Amend section 2.101, in paragraph (b)(2) by—

■ a. In the definition “Major system”, removing from paragraph (2) “\$ 2 million” and adding “\$2.5 million” in its place;

■ b. In the definition “Micro-purchase threshold”, removing from paragraph (3)(ii) “\$30,000” and adding “\$35,000” in its place; and

■ c. In the definition “Simplified acquisition threshold”, removing from paragraph (1)(i) “\$750,000” and adding “\$800,000” in its place.

PART 3—IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

3.1004 [Amended]

■ 4. Amend section 3.1004 by removing from paragraphs (a), (b)(1)(i), and (b)(3) “\$5.5 million” and adding “\$6 million” in their places, respectively.

PART 5—PUBLICIZING CONTRACT ACTIONS

5.303 [Amended]

■ 5. Amend section 5.303 in paragraph (a) by removing “\$4 million” and adding “\$4.5 million” in its place.

PART 6—COMPETITION REQUIREMENTS

6.204 [Amended]

■ 6. Amend section 6.204 in paragraph (b) by removing “\$22 million” and adding “\$25 million” in its place.

6.302–5 [Amended]

■ 7. Amend section 6.302–5 by removing from paragraphs (b)(4) and (c)(2)(iii) “\$22 million” and adding “\$25 million” in their places, respectively.

6.303–1 [Amended]

■ 8. Amend section 6.303–1 in paragraph (b) introductory text by removing “\$22 million” and adding “\$25 million” in its place.

6.303–2 [Amended]

■ 9. Amend section 6.303–2 by removing from the introductory text of paragraphs (b) and (d) “\$22 million” and adding “\$25 million” in their places, respectively.

6.304 [Amended]

■ 10. Amend section 6.304 by—

■ a. Removing from paragraph (a)(1) “\$700,000” and adding “\$750,000” in its place;

■ b. Removing from paragraph (a)(2) “\$700,000” and “\$13.5 million” and adding “\$750,000” and “\$15 million” in their places, respectively;

■ c. Removing from paragraph (a)(3) introductory text “\$13.5 million”, “\$68 million”, and “\$93 million” and adding “\$15 million”, “\$75 million”, and “\$100 million” in their places, respectively; and

■ d. Removing from paragraph (a)(4) “\$68 million” and “\$93 million” and adding “\$75 million” and “\$100 million” in their places, respectively.

PART 8—REQUIRED SOURCES OF SUPPLIES AND SERVICES

8.404 [Amended]

■ 11. Amend section 8.404 in paragraph (b)(2) by removing “\$550,000” and adding “\$600,000” in its place.

8.405–3 [Amended]

■ 12. Amend section 8.405–3 by—

■ a. Removing from paragraph (a)(3)(ii) introductory text “\$112 million” and adding “\$100 million” in its place;

■ b. Removing from paragraph (a)(3)(iii) “\$112 million” and adding “\$100 million” in its place; and

■ c. Removing from paragraph (a)(7)(v) “\$112 million” and adding “\$100 million” in its place.

8.405–6 [Amended]

■ 13. Amend section 8.405–6 by—

■ a. Removing from paragraph (d)(1) “\$700,000” and adding “\$750,000” in its place;

■ b. Removing from paragraph (d)(2) “\$700,000” and “\$13.5 million” and adding “\$750,000” and “\$15 million” in their places, respectively;

■ c. Removing from paragraph (d)(3) introductory text “\$13.5 million”, “\$68 million”, and “\$93 million” and adding “\$15 million”, “\$75 million”, and “\$100 million” in their places, respectively; and

■ d. Removing from paragraph (d)(4) “\$68 million” and “\$93 million” and adding “\$75 million” and “\$100 million” in their places, respectively.

PART 9—CONTRACTOR QUALIFICATIONS

9.104–5 [Amended]

■ 14. Amend section 9.104–5 in paragraph (c) by removing “\$5,000,000” and adding “\$5.5 million” in its place.

9.104–7 [Amended]

■ 15. Amend section 9.104–7 by—

■ a. Removing from paragraphs (b) and (c)(1) “\$550,000” and adding “\$600,000” in their places, respectively; and

■ b. Removing from paragraph (e) “\$5,000,000” and adding “\$5.5 million” in its place.

9.405–2 [Amended]

■ 16. Amend section 9.405–2 in paragraph (b) introductory text by—

■ a. Removing from the second sentence “\$35,000” and adding “\$40,000” in its place; and

■ b. Removing from the third sentence “\$35,000” and adding “\$40,000” in its place.

9.409 [Amended]

■ 17. Amend section 9.409 by removing “\$35,000” and adding “\$40,000” in its place.

PART 10—MARKET RESEARCH

10.001 [Amended]

■ 18. Amend section 10.001 in paragraph (d) by removing “\$5.5 million” and adding “\$6 million” in its place.

10.003 [Amended]

■ 19. Amend section 10.003 by removing “\$5.5 million” and adding “\$6 million” in its place.

PART 12—ACQUISITION OF COMMERCIAL ITEMS

12.102 [Amended]

■ 20. Amend section 12.102 in paragraph (f)(2) by removing “\$19 million” and adding “\$20 million” in its place.

12.203 [Amended]

■ 21. Amend section 12.203 by removing “\$7 million (\$13 million)” and adding “\$7.5 million (\$15 million)” in its place.

PART 13—SIMPLIFIED ACQUISITION PROCEDURES

13.000 [Amended]

■ 22. Amend section 13.000 by removing “\$7 million (\$13 million)” and adding “\$7.5 million (\$15 million)” in its place.

13.003 [Amended]

■ 23. Amend section 13.003 by removing from paragraphs (c)(1)(ii) and (g)(2) “\$7 million (\$13 million)” and adding “\$7.5 million (\$15 million)” in their places, respectively.

13.201 [Amended]

■ 24. Amend section 13.201 in paragraph (g)(1)(ii) by removing “\$30,000” and adding “\$35,000” in its place.

13.303–5 [Amended]

■ 25. Amend section 13.303–5 by—

■ a. Removing from paragraph (b)(1) “\$7 million” and “\$13 million” and adding “\$7.5 million” and “\$15 million” in their places, respectively; and

■ b. Removing from paragraph (b)(2) “\$7 million (\$13 million)” and adding “\$7.5 million (\$15 million)” in its place.

13.402 [Amended]

■ 26. Amend section 13.402 in paragraph (a) by removing “\$35,000” and adding “\$40,000” in its place.

13.500 [Amended]

■ 27. Amend section 13.500 by—

- a. Removing from paragraph (a) “\$7 million (\$13 million)” and adding “\$7.5 million (\$15 million)” in its place; and
- b. Removing from paragraph (c) introductory text “\$13 million” and adding “\$15 million” in its place.

13.501 [Amended]

- 28. Amend section 13.501 by—
- a. Removing from paragraph (a)(2)(i) “\$700,000” and adding “\$750,000” in its place;
- b. Removing from paragraph (a)(2)(ii) “\$700,000” and “\$13.5 million” and adding “\$750,000” and “\$15 million” in their places, respectively;
- c. Removing from paragraph (a)(2)(iii) “\$13.5 million”, “\$68 million”, and “\$93 million” and adding “\$15 million”, “\$75 million”, and “\$100 million” in their places, respectively; and
- d. Removing from paragraph (a)(2)(iv) “\$68 million” and “\$93 million” and adding “\$75 million” and “\$100 million” in their places, respectively.

PART 15—CONTRACTING BY NEGOTIATION**15.403–1 [Amended]**

- 29. Amend section 15.403–1 in paragraph (c)(3)(iv) by removing “\$19 million” and adding “\$20 million” in its place.

15.404–3 [Amended]

- 30. Amend section 15.404–3 in paragraph (c)(1)(i) by removing “\$13.5 million” and adding “\$15 million” in its place.

15.407–2 [Amended]

- 31. Amend section 15.407–2 by removing from paragraphs (c)(1) and (c)(2) introductory text “\$13.5 million” and adding “\$15 million” in their places, respectively.

15.408 [Amended]

- 32. Amend section 15.408, in Table 15–2, section II, paragraph A.(2) by removing “\$13.5 million” and adding “\$15 million” in its place.

PART 16—TYPES OF CONTRACTS**16.503 [Amended]**

- 33. Amend section 16.503 in paragraph (b)(2) by removing “\$112 million” and adding “\$100 million” in its place.

16.504 [Amended]

- 34. Amend section 16.504 by—
- a. Removing from paragraphs (c)(1)(ii)(D)(1) and (D)(3) introductory text, “\$112 million” and adding “\$100 million” in their places, respectively; and

- b. Removing from paragraph (c)(2)(i) introductory text “\$13.5 million” and adding “\$15 million” in its place.

16.505 [Amended]

- 35. Amend section 16.505 by—
- a. Removing from paragraph (b)(1)(i) introductory text “\$3,500” and adding “\$4,000” in its place;
- b. Removing from paragraph (b)(1)(iv) introductory text “\$5.5 million” twice, and adding “\$6 million” in their places, respectively;
- c. Removing from paragraph (b)(2)(i) introductory text and (b)(2)(ii)(A) “\$3,500” and adding “\$4,000” in their places, respectively;
- d. Removing from paragraph (b)(2)(ii)(C)(1) “\$700,000” and adding “\$750,000” in its place;
- e. Removing from paragraph (b)(2)(ii)(C)(2) “\$700,000” and “\$13.5 million” and adding “\$750,000” and “\$15 million” in their places, respectively;
- f. Removing from paragraph (b)(2)(ii)(C)(3) introductory text “\$13.5 million”, “\$68 million”, and “\$93 million” and adding “\$15 million”, “\$75 million” and “\$100 million” in their places, respectively;
- g. Removing from paragraph (b)(2)(ii)(C)(4) “\$68 million” and “\$93 million” and adding “\$75 million” and “\$100 million” in their places, respectively; and
- h. Removing from paragraph (b)(6) “\$5.5 million” and “\$5.5 million”, and adding “\$6 million” and “\$6 million” in their places, respectively.

16.506 [Amended]

- 36. Amend section 16.506 by—
- a. Removing from paragraphs (f) and (g) “\$13.5 million” and adding “\$15 million” in their places, respectively; and
- b. Removing from paragraph (h) “\$5.5 million” and adding “\$6 million” in its place.

PART 17—SPECIAL CONTRACTING METHODS**17.108 [Amended]**

- 37. Amend section 17.108 by—
- a. Removing from paragraph (a) “\$13.5 million” and adding “\$15 million” in its place; and
- b. Removing from paragraph (b) “\$135.5 million” and adding “\$150 million” in its place.

17.500 [Amended]

- 38. Amend section 17.500 in paragraph (c)(2) by removing “\$550,000” and adding “\$600,000” in its place.

PART 19—SMALL BUSINESS PROGRAMS**19.702 [Amended]**

- 39. Amend section 19.702 by removing from paragraphs (a)(1)(i) through (iii) “\$700,000” and adding “\$750,000” in their places, respectively.

19.704 [Amended]

- 40. Amend section 19.704 by—
- a. Removing from paragraph (a) introductory text “plan” and adding “plan required” in its place; and
- b. Removing from paragraph (a)(9) “\$700,000” and adding “\$750,000” in its place.

19.708 [Amended]

- 41. Amend section 19.708 in paragraph (b)(1) by removing “\$700,000” and adding “\$750,000” in its place.

19.805–1 [Amended]

- 42. Amend section 19.805–1 in paragraph (a)(2) by removing “\$7 million” and “\$4 million” and adding “\$7.5 million” and “\$4.5 million” in their places, respectively.

19.808–1 [Amended]

- 43. Amend section 19.808–1 in paragraph (a) by removing “\$22 million” and adding “\$25 million” in its place.

19.1306 [Amended]

- 44. Amend section 19.1306 by—
- a. Removing from paragraph (a)(2)(i) “\$7 million” and adding “\$7.5 million” in its place; and
- b. Removing from paragraph (a)(2)(ii) “\$4 million” and adding “\$4.5 million” in its place.

19.1406 [Amended]

- 45. Amend section 19.1406 by—
- a. Removing from paragraph (a)(2)(i) “\$6.5 million” and adding “\$7 million” in its place; and
- b. Removing from paragraph (a)(2)(ii) “\$4 million” and adding “\$4.5 million” in its place.

PART 22—APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS**22.1103 [Amended]**

- 46. Amend section 22.1103 by removing “\$700,000” and adding “\$750,000” in its place.

22.1701 [Amended]

- 47. Amend section 22.1701 in paragraph (b)(2) by removing “\$500,000” and adding “\$550,000” in its place.

22.1703 [Amended]

■ 48. Amend section 22.1703 by removing from paragraphs (c)(1)(i)(B) and (c)(3)(i)(B) “\$500,000” and adding “\$550,000” in their places, respectively.

22.1705 [Amended]

■ 49. Amend section 22.1705 in paragraph (b)(1) by removing “\$500,000” and adding “\$550,000” in its place.

PART 26—OTHER SOCIOECONOMIC PROGRAMS**26.404 [Amended]**

■ 50. Amend section 26.404 by removing “\$25,000” and adding “\$30,000” in its place.

PART 28—BONDS AND INSURANCE**28.102–1 [Amended]**

■ 51. Amend section 28.102–1 in paragraph (b)(1) introductory text by removing “\$35,000” and adding “\$40,000” in its place.

28.102–2 [Amended]

■ 52. Amend section 28.102–2 in paragraph (c) paragraph heading by removing “\$35,000” and adding “\$40,000” in its place.

28.102–3 [Amended]

■ 53. Amend section 28.102–3 in paragraph (b) by removing “\$35,000” and adding “\$40,000” in its place.

PART 32—CONTRACT FINANCING**32.104 [Amended]**

■ 54. Amend section 32.104 by removing from paragraphs (d)(2)(i) and (ii) “\$2.5 million” and adding “\$3 million” in their places, respectively.

PART 36—CONSTRUCTION AND ARCHITECT-ENGINEER CONTRACTS**36.303–1 [Amended]**

■ 55. Amend section 36.303–1 in paragraph (a)(4) by removing “\$4 million” and adding “\$4.5 million” in its place.

PART 42—CONTRACT ADMINISTRATION AND AUDIT SERVICES**42.709–0 [Amended]**

■ 56. Amend section 42.709–0 in paragraph (b) by removing “\$750,000” and adding “\$800,000” in its place.

42.709–6 [Amended]

■ 57. Amend section 42.709–6 by removing “\$750,000” and adding “\$800,000” in its place.

42.1502 [Amended]

■ 58. Amend section 42.1502 by—

■ a. Removing from paragraph (e) “\$700,000” twice and adding “\$750,000” in their places, respectively; and

■ b. Removing from paragraph (f) “\$35,000” twice and adding “\$40,000” in their places, respectively.

PART 50—EXTRAORDINARY CONTRACTUAL ACTIONS AND THE SAFETY ACT**50.102–1 [Amended]**

■ 59. Amend section 50.102–1 in paragraph (b) by removing “\$70,000” and adding “\$75,000” in its place.

50.102–3 [Amended]

■ 60. Amend section 50.102–3 by—
■ a. Removing from paragraph (b)(4) “\$34 million” and adding “\$40 million” in its place; and

■ b. Removing from paragraphs (e)(1)(i) and (ii) “\$70,000” and adding “\$75,000” in their places.

PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

■ 61. Amend section 52.248–3 by revising the date of the clause, and removing from paragraph (h) “\$70,000” and adding “\$75,000” in its place.

The revision reads as follows:

52.248–3 Value Engineering—Construction.

* * * * *

Value Engineering—Construction (DATE)

* * * * *

PART 53—FORMS**53.219 [Amended]**

■ 62. Amend section 53.219 by removing “(Rev. 8/2016)” and adding “(DATE)” in its place.

[FR Doc. 2020–13334 Filed 6–29–20; 8:45 am]

BILLING CODE 6820–EP–P

DEPARTMENT OF VETERANS AFFAIRS**48 CFR Parts 852 and 871**

RIN 2900–AQ76

VA Acquisition Regulation: Loan Guaranty and Vocational Rehabilitation and Employment Programs

AGENCY: Department of Veterans Affairs.

ACTION: Proposed rule.

SUMMARY: The Department of Veterans Affairs (VA) is proposing to amend and update its VA Acquisition Regulation (VAAR) in phased increments to revise or remove any policy superseded by changes in Federal Acquisition

Regulation (FAR), to remove procedural guidance that is internal to VA and move it to the VA Acquisition Manual (VAAM), and to incorporate any new agency specific regulations or policies. These changes seek to streamline and align the VAAR with the FAR and remove outdated and duplicative requirements and reduce burden on contractors. The VAAM incorporates portions of the removed VAAR as well as other internal agency acquisition policy. VA will rewrite certain parts of the VAAR and VAAM, and as VAAR parts are rewritten, will publish them in the **Federal Register**. VA will combine related topics, as appropriate. This rulemaking revises VAAR coverage concerning Loan Guaranty and Vocational Rehabilitation and Employment Programs, as well as an affected part concerning Solicitation Provisions and Contract Clauses.

DATES: Comments must be received on or before August 31, 2020.

ADDRESSES: Written comments may be submitted through www.Regulations.gov; by mail or hand-delivery to Director, Office of Regulation Policy and Management (00REG), Department of Veterans Affairs, 810 Vermont Avenue NW, Room 1064, Washington, DC 20420; or by fax to (202) 273–9026. (This is not a toll-free number.) Comments should indicate that they are submitted in response to “RIN 2900–AQ76 VA Acquisition Regulation: Loan Guaranty and Vocational Rehabilitation and Employment Programs.” Copies of comments received will be available for public inspection in the Office of Regulation Policy and Management, Room 1064, between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday (except holidays). Please call (202) 461–4902 for an appointment. (This is not a toll-free number.) In addition, during the comment period, comments may be viewed online through the Federal Docket Management System (FDMS) at www.Regulations.gov.

FOR FURTHER INFORMATION CONTACT: Mr. Rafael N. Taylor, Senior Procurement Analyst, Procurement Policy and Warrant Management Services, 003A2A, 425 I Street NW, Washington, DC 20001, (202) 382–2787. (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION:**Background**

This rulemaking is issued under the authority of the Office of Federal Procurement Policy (OFPP) Act which provides the authority for an agency head to issue agency acquisition