

Acquisition Policy
DOT DASH
2011-01

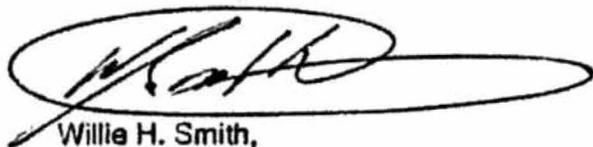
Date: October 6, 2010
To: Chief of the Contracting Office (COCO)
Acquisition Personnel
From: Office of the Senior Procurement Executive
Subject: Federal Acquisition Circular 2005-45

Summary: Federal Acquisition Circular 2005-45, which makes changes to the Federal Acquisition Regulation (FAR), was published in the August 30, 2010, issue of the Federal Register.

Unless otherwise specified, all Federal Acquisition Regulation (FAR) and other directive material contained in FAC 2005-45 is effective *October 1, 2010*. A summary of the changes are attached.

This DASH and its attachment will be available online at the following website:
<http://www.dot.gov/ost/m60>, under Breaking News or Quick Picks, Policy DASHES.

Questions concerning this policy DASH should be directed to Lenita Ahmadi at (202) 366-4974 or lenita.ahmadi@dot.gov.



Willie H. Smith,
Acting, Senior Procurement Executive

Attachment

ATTACHMENT (1)

Federal Acquisition Regulation Circular (FAC) 2005-45 amends the Federal Acquisition Regulation (FAR) as specified below:

List of Rules in FAC 2005-45

- I. Inflation Adjustment of Acquisition Related Thresholds
- II. Definition of Cost or Pricing Data
- II. American Recovery and Reinvestment Act of 2009 (the Recovery Act) –Buy American Requirement for Construction Materials

SUPPLEMENTARY INFORMATION: Summaries for each FAR rule follow.

Item I—Inflation Adjustment of Acquisition-Related Thresholds (FAR Case 2008-024)

This final rule amends the FAR to implement section 807 of the Ronald W. Regan National Defense Authorization Act for Fiscal Year 2005. Section 807 requires an adjustment every 5 years of acquisition-related thresholds for inflation using the Consumer Price Index for all urban consumers, except for Davis Bacon Act, Service Contract Act, and trade agreements thresholds. The Councils have also used the same methodology to adjust nonstatutory FAR acquisition-related thresholds in 2010.

This is the second review of FAR Acquisition-related thresholds. The Councils published a proposed rule in the Federal Register at 75 5716, February 4, 2010.

The effect of the final rule on heavily-used thresholds is the same as stated in the preamble to the proposed rule:

- The micro-purchase base threshold of \$3,000 (FAR 2.101) is not changed.
- The simplified acquisition threshold (FAR 2.101) is raised from \$100,000 to \$150,000.
- The FedBizOps pre-award and post-award notices (Part 5) remain at \$25,000 because of trade agreements.
- Commercial items test program ceiling (FAR 13.500) is raised from \$5,500,000 to \$6,500,000.
- The cost or pricing data threshold (FAR 15.403-4) is raised from \$650,000 to \$700,000.
- The prime contractor subcontracting plan (FAR 19.702) floor is raised from \$550,000 to \$650,000 and the construction threshold of \$1,000,000 increases to \$1,500,000.

Item II—Definition of Cost or Pricing Data (FAR Case 2005-036)

This final rule amends the FAR by redefining “cost or pricing data,” adding a definition of “certified cost or pricing data,” and changing the term “information other than cost or pricing data,” to “data other than certified cost or pricing data.” The rule clarifies the existing authority for contracting officers to require certified cost or pricing data or data other than certified cost or pricing data, and the existing requirements for submission of the various types of pricing data. The rule is required to eliminate confusion and misunderstanding, especially regarding the authority of the contracting officer to request data other than certified cost or pricing data when there is no other means to determine that proposed prices are fair and reasonable. Most significantly, the rule clarifies that data other than certified cost or pricing data may include the identical types of data as certified cost or pricing data but without the certification. Because the rule clarifies existing requirements, it will have only minimal impact on the Government, offerors, and automated systems.

Item III—American Recovery and Reinvestment Act of 2009 (the Recovery Act) – Buy American Requirements for Construction Materials (FAR Case 2009-008)

This final rule converts the interim rule published in the Federal Register at 74 FR 14623, March 31, 2009, to a final rule with changes. This final rule implements section 1605 of Division A of the American Recovery and Reinvestment Act (Recovery Act) of 2009. It prohibits the use of funds appropriated for or otherwise made available by the Recovery Act for any project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States. Section 1605 mandates application of the Recovery Act Buy American requirement in a manner consistent with U.S. obligations under international agreements. Least developed countries continue to be treated as designated countries per congressional direction. Section 1605 also provides for waivers under certain limited circumstances.