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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, 32, 36, 42, 50, 52, and 53

[FAC 2021-01, 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: Final rule.

SUMMARY: DoD, GSA, and NASA are issuing a final rule amending 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

using the same methodology to adjust nonstatutory FAR acquisition-related thresholds in 2020.

DATES: *Effective:* **October 1, 2020.**

FOR FURTHER INFORMATION CONTACT: Mr. Michael O. Jackson, Procurement Analyst, at 202-208-4949 or *Michaelo.jackson@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 2021-01, FAR Case 2019-013.

SUPPLEMENTARY INFORMATION:

I. Background

DoD, GSA, and NASA published a proposed rule at 85 FR 39146 on June 30, 2020, 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 using the same methodology to adjust nonstatutory FAR acquisition-related thresholds on October 1, 2020.

The preamble to the proposed rule contained detailed explanations of—

- What an acquisition-related threshold is;
- What acquisition-related thresholds are not subject to escalation adjustment under this case;
- How the Defense Acquisition Regulations Council and the Civilian Agency Acquisition Council (Councils) analyze statutory and non-statutory acquisition-related thresholds; and
- The effect of this rule on the most heavily used thresholds.

DoD, GSA, and NASA implemented three rules that have reduced the complexity and impact of the October 1, 2020, threshold adjustments throughout the FAR. The changes implemented through these rules significantly reduced the number of cite-specific inflation adjustments in the FAR and associated matrix.

FAR Case 2018-004, published as a final rule on July 2, 2020 (85 FR 40064) implemented 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) to \$10,000 and simplified acquisition threshold (SAT) to \$250,000

throughout the FAR. The case also changed 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 final rule on July 2, 2020 (85 FR 40071) implemented section 811 of the NDAA for 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 increased 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) implemented 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 implementing section 821 and that are in effect on the date of the adjustment. The case replaced 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 have been

replaced with a reference to the applicable FAR text that specifies the numerical threshold.

The following list identifies the impact of this rule on heavily-used thresholds.

- 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 increasing 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 increasing 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) is increased from \$7 million to \$7.5 million. For acquisitions described at 13.500(c), the ceiling is increasing 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 increasing in this case.
- The prime contractor subcontracting plan (FAR 19.702) threshold is increasing 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 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.

Seven 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 comments in the development of the final rule.

A. Summary of Significant Changes

Minor edits were made to the final rule to account for baseline updates caused by publication of other FAR interim or final rules.

The proposed rule included some thresholds that were very close but, ultimately, did not reach the statutory calculation formula amount. As a result, the Councils have removed them from the text of the final rule: FAR 9.405-2, 9.409, 13.402, \$3,500 at 16.505(b), 19.1406(a)(2)(ii), 28.102-1 to 28.102-3, and 42.1502(f). In one case, for FAR 50.102-3, the statutory calculation did increase the

threshold to \$35 million, but this is lower than the value published in the proposed rule.

Some thresholds were inadvertently omitted, but are now included because they did reach the statutory calculation formula amount: 16.503(d), 19.804-6, 19.1506, 52.209-12, 52.222-50, and 52.222-56.

The FAR text also makes a correction to 52.222-50(i)(1). The paragraphs marked as (A) and (B) have been corrected to (i) and (ii), respectively.

B. Analysis of Public Comments.

A discussion of the comments is provided as follows:

Comment: A respondent stated that there appeared to be an error in the proposed rule with a reference to FAR 42.709-0, as the current FAR has no 42.709-0; and did we mean the reference to 42.709-6 to be 42.709-7.

Response: The proposed rule contained the correct section numbering for sections 42.709-0 through 42.709-6. The Acquisition.Gov website reflected incorrect references, however, the Electronic Code of Federal Regulations reflected the correct FAR text.

Comment: A respondent asked why FAR 19.804-6 and 19.1506 did not appear in the proposed rule.

Response: These were inadvertently omitted. The required statutory changes now appear in the final rule.

Comment: A respondent stated it is unclear why the existing thresholds at FAR 19.1406(a)(2)(i) and 19.1506(c)(1)(i) are different than those established under FAR 19.805-1. The respondent stated that prior to 2006, FAR 19.805-1, 19.1306, and 19.1406 appear to have been identical (or similar) and one would assume that if these thresholds were adjusted based on the CPI, they would remain the same.

Response: The thresholds at FAR 19.1406(a)(2)(i), 19.1506(c)(1)(i), and 19.805-1 were established by different statutes. The calculations are set by 41 U.S.C. 1908, and are based on the enactment date of the underlying statute. The calculation for FAR 19.1406(a)(2) is based on a statute enacted December 16, 2003; paragraph (a)(2)(i) will increase to \$7 million, but paragraph (a)(2)(ii) was not sufficient for that threshold to change in the final rule, and will remain at \$4 million. FAR 19.1506(c)(1)(i) and (ii) are subject to the inflation statute, but were inadvertently omitted from the proposed rule; they appear in the final rule with increased thresholds of \$7 million and \$4.5 million. The calculation for FAR 19.805-1 and 19.1306 were based on statutes enacted before October 1, 2000. For more information on the calculations please see FAR 1.109 and the matrix referenced there.

Comment: A respondent recommended that the Miller Act threshold be raised to \$250,000 to be in line with the increase of the SAT to \$250,000.

Response: There is no statute allowing this.

Comment: Two respondents stated that the \$35,000 payment bond thresholds at FAR 28.102-1(b)(1), 28.102-2(c), and 28.102-3(b) should not be increased, as (1) they are not acquisition-related thresholds, instead being closer to "required levels of insurance", and (2) the increase would harm small business by increasing the risk of nonpayment by prime contractors.

Response: These thresholds are not increasing in the final rule because they did not reach the statutory calculation formula amount (see Section II.A. of this preamble). In regard to whether bond thresholds are considered acquisition-related thresholds, the Councils disagree with the commenter's assertion that the thresholds are "required levels of insurance". The application of payment bond requirements are specific to a particular contract, however required levels of insurance apply more generally to a particular contractor. An example of a required level of insurance can be found at FAR 28.307-2, such as worker's compensation insurance which is required at \$100,000. In regard to the comment that the increase

will harm small business, this is a policy matter which does not override the statutory requirement to apply the inflation increase to acquisition-related statutory thresholds. These particular thresholds have increased in previous FAR inflation cases, to include the most recent FAR case 2014-022, from the \$25,000 found in 40 U.S.C. 3132 to the current FAR amount of \$35,000.

Comment: A respondent expressed general support for the rule.

Response: The support is noted.

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 final rule does not create any new provisions or clauses, nor does it change the applicability or burden 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 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 final rule amends 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.

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

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. The threshold changes 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 sole source 8(a) awards made pursuant to FAR 6.303-1 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 the Federal Procurement Data System. 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.

This rule does not include any new reporting, recordkeeping, or other compliance requirements on any small entities.

There are no known significant alternative approaches to the rule that would meet the stated objectives of the applicable 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

The Paperwork Reduction Act (44 U.S.C. chapter 35) does apply; however, these changes to the FAR do not impose additional information collection requirements to the paperwork burden previously approved under OMB Control 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, 32, 36, 42, 50, 52, and 53

Government Procurement.

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

Therefore, DoD, GSA, and NASA amend 48 CFR parts 1, 2, 3, 5, 6, 8, 9, 10, 12, 13, 15, 16, 17, 19, 22, 26, 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, 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 (e) 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—
- a. Removing from paragraph (b) (4) "\$22 million. (See subpart 19.8.)" and adding "\$25 million. (See subpart 19.8.)" in its place; and
 - b. Removing from paragraph (c) (2) (iii) "\$22 million" and adding "\$25 million" in its place.

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.

PART 10—MARKET RESEARCH

10.001 [Amended]

16. Amend section 10.001 in paragraph (d) by removing "\$5.5 million" and adding "\$6 million" in its place.

10.003 [Amended]

17. 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]

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

12.203 [Amended]

19. 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]

20. Amend section 13.000 by removing "\$7 million (\$13 million" and adding "\$7.5 million (\$15 million" in its place.

13.003 [Amended]

21. 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]

22. Amend section 13.201 in paragraph (g) (1) (ii) by removing "\$30,000" and adding "\$35,000" in its place.

13.303-5 [Amended]

23. 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.

13.500 [Amended]

24. 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]

25. 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]

26. 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]

27. 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]

28. 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]

29. 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]

30. Amend section 16.503 by—

a. Removing from paragraph (b) (2) "\$112 million" and adding "\$100 million" in its place; and

b. Removing from paragraph (d) (1) "\$13.5 million" and adding "\$15 million" in its place.

16.504 [Amended]

31. 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]

32. Amend section 16.505 by—

a. Removing from paragraph (b) (1) (iv) introductory text “\$5.5 million” wherever it appears and adding “\$6 million” in their places, respectively;

b. Removing from paragraph (b) (2) (ii) (C) (1) “\$700,000” and adding “\$750,000” in its place;

c. 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;

d. 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;

e. 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

f. Removing from paragraph (b) (6) introductory text "\$5.5 million" wherever it appears and adding "\$6 million" in their places, respectively.

16.506 [Amended]

33. 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]

34. 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]

35. 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]

36. 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]

37. 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]

38. Amend section 19.708 in paragraph (b)(1) introductory text by removing "\$700,000" and adding "\$750,000" in its place.

19.804-6 [Amended]

39. Amend section 19.804-6 in paragraph (c)(2) by removing "\$7 million" and "\$4 million" and adding "\$7.5 million" and "\$4.5 million" in their places, respectively.

19.805-1 [Amended]

40. 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]

41. Amend section 19.808-1 in paragraph (a) by removing "\$22 million" and adding "\$25 million" in its place.

19.1306 [Amended]

42. 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]

43. Amend section 19.1406 by removing from paragraph (a)(2)(i) "\$6.5 million" and adding "\$7 million" in its place.

19.1506 [Amended]

44. Amend section 19.1506 by—

a. Removing from paragraph (c)(1)(i) "\$6.5 million" and adding "\$7 million" in its place; and

b. Removing from paragraph (c)(1)(ii) "\$4 million" and adding "\$4.5 million" in its place.

PART 22—APPLICATION OF LABOR LAWS TO GOVERNMENT

ACQUISITIONS

22.1103 [Amended]

45. Amend section 22.1103 by removing "\$700,000" and adding "\$750,000" in its place.

22.1701 [Amended]

46. Amend section 22.1701 in paragraph (b) (2) by removing "\$500,000" and adding "\$550,000" in its place.

22.1703 [Amended]

47. 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]

48. 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]

49. Amend section 26.404 by removing "\$25,000" and adding "\$30,000" in its place.

PART 32—CONTRACT FINANCING

32.104 [Amended]

50. 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]

51. 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]

52. Amend section 42.709-0 in paragraph (b) by removing "\$750,000" and adding "\$800,000" in its place.

42.709-6 [Amended]

53. Amend section 42.709-6 by removing "\$750,000" and adding "\$800,000" in its place.

42.1502 [Amended]

54. Amend section 42.1502 by removing from paragraph (e) "\$700,000" twice and adding "\$750,000" in their places, respectively.

PART 50—EXTRAORDINARY CONTRACTUAL ACTIONS AND THE SAFETY ACT

50.102-1 [Amended]

55. Amend section 50.102-1 in paragraph (b) by removing "\$70,000" and adding "\$75,000" in its place.

50.102-3 [Amended]

56. Amend section 50.102-3 by—

- a. Removing from paragraph (b) (4) "\$34 million" and adding "\$35 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

57. Amend section 52.209-12 by revising the date of the provision, and removing from paragraph (b) "\$5,000,000" and adding "\$5.5 million" in its place.

The revision reads as follows:

52.209-12 Certification Regarding Tax Matters.

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CERTIFICATION REGARDING TAX MATTERS (OCT 2020)

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58. Amend section 52.212-5 by—

a. Revising the date of the clause;

b. Removing from paragraph (b) (35) (i) "(JAN 2019)" and adding "(OCT 2020)" in its place;

c. Removing from paragraph (e) (1) (xiii) (A) "(JAN 2019)" and adding "(OCT 2020)" in its place;

d. Revising the date of Alternate II; and

e. In paragraph (e) (1) (ii) (L) of Alternate II removing "(JAN 2019)" and adding "(OCT 2020)" in its place.

The revisions read as follows:

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

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CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS—COMMERCIAL ITEMS (OCT 2020)

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Alternate II (OCT 2020). * * *

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59. Amend section 52.213-4 by revising the date of the clause, and removing from paragraph (b)(1)(viii)(A) "(JAN 2019)" and adding "(OCT 2020)" in its place.

The revision reads as follows:

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

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TERMS AND CONDITIONS—SIMPLIFIED ACQUISITIONS (OTHER THAN COMMERCIAL
ITEMS) (OCT 2020)

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60. Amend section 52.222-50—

a. Revising the date of the clause;

b. Removing from paragraph (h)(1)(ii) "\$500,000" and adding "\$550,000" in its place;

c. Redesignating paragraphs (i)(1)(A) and (B) as paragraphs (i)(1)(i) and (ii); and

d. Removing from newly redesignated paragraph (i)(1)(ii) "\$500,000" and adding "\$550,000" in its place.

The revision reads as follows:

52.222-50 Combating Trafficking in Persons.

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COMBATING TRAFFICKING IN PERSONS (OCT 2020)

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61. Amend section 52.222-56 by revising the date of the provision, and removing from paragraph (b) (2) "\$500,000" and adding "\$550,000" in its place.

The revision reads as follows:

52.222-56 Certification Regarding Trafficking in Persons Compliance Plan.

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CERTIFICATION REGARDING TRAFFICKING IN PERSONS COMPLIANCE PLAN (OCT
2020)

62. Amend section 52.244-6 by revising the date of the clause, and removing from paragraph (c) (1) (xiv) (A) "(JAN 2019)" and adding "(OCT 2020)" in its place.

The revision reads as follows:

52.244-6 Subcontracts for Commercial Items.

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SUBCONTRACTS FOR COMMERCIAL ITEMS (OCT 2020)

63. 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.

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VALUE ENGINEERING—CONSTRUCTION (OCT 2020)

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PART 53—FORMS

53.219 [Amended]

64. Amend section 53.219 by removing “(Rev. 8/2016)” and adding “(Rev. OCT 2020)” in its place.

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