FAR/DFARS Regulatory Changes

Written by Nick Sanders Tuesday, 02 October 2018 00:00

After a period of seeming hibernation, the FAR Councils have apparently awoken and are issuing proposed and final rules. Most of the regulatory changes are of a minor nature; we report them here as a service to our readers.

And speaking of service to readers, did you know that becoming a "member" of this site unlocks access to an archive of documents and presentations? Well, if you answered "no," you are not alone. It seems that the "create an account" button is hidden over on the far right side of the screen, and many people don't scroll that far over. Okay; so now you know.

But there are also readers who know about "membership" but are concerned about providing Apogee Consulting, Inc. with personal details, such as name and email address. They are concerned that we will misuse that information. Rest assured, concerned readers. We do not sell that information. We do not give away that information. We do not create email lists and spam our members. We do NOTHING with that information. In fact, the only person who has access to the membership list is our Technology Guru, Mark. And he doesn't share it with *anyb ody*

including me.

Okay. Back to the regulatory changes.

Class Deviations

DoD 2018-O0020 (Sept. 19, 2018) established provisions and clauses for "permanent supply chain risk management authority." We would have devoted an entire article to this particular deviation, but why bother? We have been writing about supply chain management, supply chain risk management, and secure supply chains for literally a decade now. We have devoted article after article to the topic. If you had read—and acted—on our early articles, then you would have been well-prepared for DoD's current focus on it. If you did, then good show! If not, then we figure one more article is not going to persuade you. (Same rationale for not writing about the recent Mitre study ("

Deliver Uncompromised

"). It was a good study but a bit superfluous if you've been reading this site for any length of time.) Note: the original Class Deviation was corrected and reissued. Our link goes to the corrected version.

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DoD 2018-O0018 (Aug. 31, 2018) was modified via policy guidance <u>memo</u> dated September 21, 2018. The original Class Deviation implemented changes to the micro-purchase threshold. We discussed it <u>h</u>

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. The new policy guidance memo summarizes the Department's position on what the micro-purchase threshold is for various acquisitions. (Hint: it's not \$10,000 across the board, as one might reasonably think given Congress' direction.) It also provides guidance related to the question of whether to raise the individual purchase thresholds of Government Purchase Cards (GPCs) to match the new micro-purchase thresholds. With respect to that issue, the guidance states that the individual purchase threshold should be raised if and only if "a determination has been made that anticipated mission requirements and historical spending patterns demonstrate a need" for the increase. Oh, and it also requires that individuals with GPC thresholds in excess of \$3,500 receive "appropriate" training. No mention of how to obtain that training was provided.

FAR Changes

The DAR Council proposed to amend the FAR by issuing a **proposed rule** (Sept. 24, 2018) that would implement Section 825 of the 2017 NDAA by giving the contracting officer authority to eliminate the requirement to make "price or cost as an evaluation factor in solicitations valued above the simplified acquisition threshold for multiple-award contracts for the same or similar services when the Government intends to award a contract to each and all qualifying offerors." Essentially, somebody with common sense asked why price was an evaluation factor for award of a MATOC contract when subsequent task or delivery orders would be competed against each other, and price would be an evaluation factor then. Right; it makes no sense to us either and we're happy to see CO's given discretion in that area.

Federal Acquisition Circular 2005-101 (Sept. 26, 2018) contained two final rules revising the FAR. The <u>first rule</u> implemented a section of the 2018 NDAA "that provides an exception for business operations conducted by a contractor while performing under a Government contract from the requirement to accept and dispense \$1 coins." The <u>second rule</u> updated "the instructions for registration in the System for Award Management (SAM) and correct[ed] an inconsistency involving the timing of registration. In order to correct this inconsistency, the rule [requires] offeror registration in SAM prior to submission of an offer."

DFARS Changes

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Four DFARS clauses were eliminated on September 28, 2018 at the recommendation of the DoD Regulatory Reform Task Force. The clauses that were eliminated include:

252.247-7020, Additional Services

252.216-7005, Award Fee

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252.247-7004, Indefinite Quantities—Fixed Charges

252.247-7005, Indefinite Quantities—No Fixed Charges

And that's it for recent regulatory changes. As you can see, a lot of activity but not much activity of significance.