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FAR CORNER //

Proposed Acquisition Thresholds Increases

The Civilian Agency Acquisition Council and the Defense Acquisition Council have issued a proposed rule (Federal Register, December 12, 2005, Volume 70, Number 237, Pages 73415-73423) adjusting acquisition-related thresholds for escalation. This proposed rule does not apply to thresholds established by the Davis-Bacon Act, the Service Contract Act, or trade agreements that are based statute.

Acquisition-related dollar thresholds are dollar thresholds 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 supplies or services by an executive agency, as determined by the FAR Council.

Acquisition-related thresholds in statutes that were in effect on October 1, 2000 are subject to five years of Consumer Price Index (CPI) for all-urban consumers (December 1999 to December 2004) escalation that computes at 1.1307.

The rounding criteria of the calculated thresholds are as follows:

< \$10,000	Nearest \$500
\$10,000 < \$100,000	Nearest \$5,000
\$100,000 < \$1,000,000	Nearest \$50,000
\$1,000,000 or more	Nearest \$500,000

Utilizing the rounding criteria above and the calculated escalation factor of 1.1307 the “heavily used” FAR acquisition thresholds to be revised are as follows:

Purpose	From	To
Micro-purchase threshold – FAR 2.101	\$2,500	\$3,000
Federal Procurement Data System (FPDS) reporting threshold – FAR 4.602(c)	\$2,500	\$3,000
Simplified acquisition threshold – FAR 2.101	\$100,000	\$100,000
Commercial items test program ceiling – FAR 13.500	\$5,000,000	\$5,500,000
Cost and pricing data threshold – FAR 15.403-4	\$550,000	\$600,000
Prime contractor subcontracting plan floor (except for construction contracts which remain at \$1,000,000) – FAR 19.702	\$500,000	\$550,000

The full text of this proposed rule can be found at:

<http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/05-16971.htm>

Comments on this proposed rule must be received by February 10, 2006, in writing, and sent to www.regulations.gov or by facsimile to 202-395-5105. Reference FAR Case 2004-033. For further information contact Michael Jackson, Procurement Analyst at 202-208-4949.

Final Rule – Contract Period for Task and Delivery Order Contracts

The Defense Federal Acquisition Regulation Supplement (DFARS) has been amended to implement Section 843 of the National Defense Authorization Act for Fiscal Year 2004 and Section 813 of the National Defense Authorization Act for Fiscal Year 2005. Section 843 placed a 5-year limit on the period of task or delivery order contracts awarded under 10 U.S.C. 2304a. Section 813 further amended 10 U.S.C. 2304a to permit a total period of 10 years, which may be exceeded if the head of the agency determines in writing that exceptional circumstances require a longer period.

The full text of this final rule can be found at

<http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/05-23732.htm>.



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