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Part II

**Department of
Defense**

**General Services
Administration**

**National Aeronautics
and Space
Administration**

48 CFR Parts 1, 2, et al.

**Federal Acquisition Regulations; Final and
Interim Rules**

DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Chapter 1

Federal Acquisition Circular 2001–16; Introduction

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

ACTION: Summary presentation of final and interim rules, and technical amendments and corrections.

SUMMARY: This document summarizes the Federal Acquisition Regulation (FAR) rules agreed to by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council in this Federal Acquisition Circular (FAC) 2001–16. A companion document, the Small Entity Compliance Guide (SECG), follows this FAC. The FAC, including the SECG, is available via the Internet at <http://www.arnet.gov/far>.

DATES: For effective dates and comment dates, see separate documents which follow.

FOR FURTHER INFORMATION CONTACT: The FAR Secretariat, Room 4035, GS Building, Washington, DC 20405, (202) 501–4755, for information pertaining to status or publication schedules. For clarification of content, contact the analyst whose name appears in the table below in relation to each FAR case or subject area. Please cite FAC 2001–16 and specific FAR case number(s). Interested parties may also visit our Web site at <http://www.arnet.gov/far>.

Item	Subject	FAR case	Analyst
I	Central Contractor Registration	2002–018	Parnell.
II	Electronic Commerce in Federal Procurement	1997–304	Davis.
III	Unique Contract and Order Identifier Numbers (Interim)	2002–025	Zaffos.
IV	Procurements for Defense Against or Recovery From Terrorism or Nuclear, Biological, Chemical or Radiological Attack; and Temporary Emergency Procurement Authority.	2002–026 2002–003	Zaffos.
V	Notification of Overpayment, Contract Financing Payments	2001–005	Parnell.
VI	Caribbean Basin Country—Dominican Republic	2003–006	Davis.
VII	Prohibited Sources	2001–015	Davis.
VIII	Economic Planning, Employee Morale, and Travel Cost Principles	2002–001	Loeb.
IX	Technical Amendments.		

SUPPLEMENTARY INFORMATION:

Summaries for each FAR rule follow. For the actual revisions and/or amendments to these FAR cases, refer to the specific item number and subject set forth in the documents following these item summaries.

FAC 2001–16 amends the FAR as specified below:

Item I—Central Contractor Registration (FAR Case 2002–018)

This final rule amends FAR parts 1, 2, 4, 13, 32, and 52 to require contractor registration in the Central Contractor Registration (CCR) database prior to award of any contract, basic agreement, basic ordering agreement, or blanket purchase agreement on or after October 1, 2003. In addition, the rule requires contracting officers to modify existing contracts whose period of performance extends beyond December 31, 2003, to require contractors to register in the CCR database by December 31, 2003.

Item II—Electronic Commerce in Federal Procurement (FAR Case 1997–304)

This final rule implements section 850 of the National Defense Authorization Act for Fiscal Year 1998, Public Law 105–85, and section 810 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, Public Law 106–398. Section 850 amends titles 10, 15, 40, and 41 of the

United States Code to eliminate the preference for electronic commerce within Federal agencies to be conducted on the Federal Acquisition Computer Network (FACNET) computer architecture. Section 810 amends 41 U.S.C. 416 and 15 U.S.C. 637 to allow solicitation notices to be published via a single Governmentwide point of entry on the Internet designated in the FAR or via the Commerce Business Daily (CBD). The objectives of the rule are (1) to designate a single Governmentwide point of entry on the Internet, <http://www.fedbizopps.gov>, where agencies are required to provide convenient and universal public access to information on their procurement opportunities, and (2) to require electronic access to notices of solicitation through the single Governmentwide point of entry as a replacement for paper (or electronic) publication in the CBD.

Item III—Unique Contract and Order Identifier Numbers (FAR Case 2002–025)

This interim rule amends the FAR to require each reporting agency to assign a unique procurement instrument identifier (PIID) for every contract, purchase order, BOA, Basic Agreement, and BPA reported to the Federal Procurement Data System; and to have in place, no later than October 1, 2003, a process that will ensure that each PIID reported to FPDS is unique,

Governmentwide, and will remain so for at least 20 years from the date of contract award.

Item IV—Procurements for Defense Against or Recovery From Terrorism or Nuclear, Biological, Chemical or Radiological Attack, and Temporary Emergency Procurement Authority (FAR Cases 2002–026 and 2002–003)

This rule finalizes interim rules 2002–026 and 2002–003, which increased the amount of the micro-purchase threshold and the simplified acquisition threshold and provide expanded access to streamlined procedures for procurements of supplies or services by or for an executive agency that are to be used to facilitate defense against or recovery from terrorism or nuclear, biological, chemical, or radiological attack.

This final rule also amends the FAR to add the querying of commercial databases that provide information relevant to the agency acquisition as a technique for conducting market research.

Item V—Notification of Overpayment, Contract Financing Payments (FAR Case 2001–005)

This final rule amends FAR parts 12, 32, and 52 to require the contractor to notify the contracting officer if the Government overpays when making an invoice payment or a contract financing

payment under either a commercial item or a noncommercial item contract.

Item VI—Caribbean Basin Country—Dominican Republic (FAR Case 2003–006)

This final rule amends FAR 25.003, 25.400, and the clauses at FAR 52.212–5, Contract Terms and Conditions Required to Implement Statutes or Executive Orders Commercial Items, and FAR 52.225–5, Trade Agreements, to implement the direction of the USTR to reinstate the treatment of certain products of the Dominican Republic as eligible products under acquisitions subject to the Trade Agreements Act, as published by the USTR in the Federal Register at 68 FR 27883, May 21, 2003. This change will allow Government purchase of products originating in the Dominican Republic that are not excluded from duty-free treatment under 19 U.S.C. 2703(b), unless otherwise restricted by law.

Item VII—Prohibited Sources (FAR Case 2001–015)

This final rule removes Serbia, the Taliban-controlled regions of Afghanistan, and Iraq from the list of prohibited sources and points the contracting officer to lists of entities and individuals subject to economic sanctions that are available at <http://www.epls.gov/TerList1.html>. The contracting officer is no longer authorized in unusual circumstances to acquire for use outside the United States supplies or services restricted by this section, unless specifically authorized by the OFAC. However, OFAC has granted authority to Department of Defense personnel to make emergency acquisitions in direct support of U.S. or allied forces deployed in military contingency, humanitarian, or peacekeeping operations in a country or region subject to economic sanctions administered by OFAC.

Item VIII—Economic Planning, Employee Morale, and Travel Costs Principles (FAR Case 2002–001)

This final rule amends the FAR to revise three cost principles: (1) FAR 31.205–12, Economic planning costs; (2) FAR 31.205–13, Employee morale, health, welfare, food service, and dormitory costs and credits; and (3) FAR 31.205–46, Travel costs. The changes restructure the paragraphs and remove unnecessary and duplicative language to increase clarity and readability. The rule does not change the allowability of costs. The case was initiated to consider suggestions made at a series of public meetings. This rule is of particular interest to contractors and contracting

officers who use cost analysis to price contracts and modifications, and who determine or negotiate reasonable costs in accordance with a clause of a contract, e.g., price revision of fixed-price incentive contracts, terminated contracts, or indirect cost rates.

Item IX—Technical Amendments

This amendment makes editorial changes at FAR 8.404(b)(6) and 24.202(a).

Dated: September 24, 2003.

Laura G. Auletta,
Director, Acquisition Policy Division.

Federal Acquisition Circular

Federal Acquisition Circular (FAC) 2001–16 is issued under the authority of the Secretary of Defense, the Administrator of General Services, and the Administrator for the National Aeronautics and Space Administration.

Unless otherwise specified, all Federal Acquisition Regulation (FAR) and other directive material contained in FAC 2001–16 are effective October 31, 2003, except for Items I, II, III, IV, and IX, which are effective October 1, 2003.

Dated: September 22, 2003.

Deidre A. Lee,
Director, Defense Procurement and Acquisition Policy.

Dated: September 23, 2003.

David A. Drabkin,
Deputy Associate Administrator, Office of Acquisition Policy, General Services Administration.

Dated: September 15, 2003.

Tom Luedtke,
Assistant Administrator for Procurement, National Aeronautics and Space Administration.

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DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 1, 2, 4, 13, 32, and 52

[FAC 2001–16; FAR Case 2002–018; Item I]

RIN 9000–AJ61

Federal Acquisition Regulation; Central Contractor Registration

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

ACTION: Final rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) have agreed on a final rule amending the Federal Acquisition Regulation (FAR) to require registration of contractors in the Central Contractor Registration (CCR) database prior to award of any contract, basic agreement, basic ordering agreement, or blanket purchase agreement. In addition, the rule requires contracting officers to modify existing contracts whose period of performance extends beyond December 31, 2003, to require contractors to register in the CCR database by December 31, 2003. The rule also revises the source list of supplies in the FAR (*see* Simplified Acquisition Procedures) to reflect statutory changes.

DATES: *Effective Date:* October 1, 2003.

Applicability Date: This final rule applies to contracts, basic agreements, basic ordering agreements, blanket purchase agreements, or modifications awarded on or after October 1, 2003. Existing contracts, basic agreements, basic ordering agreements, or blanket purchase agreements with a period of performance beyond December 31, 2003, are also covered by this final rule and must be modified pursuant to FAR 4.1103.

FOR FURTHER INFORMATION CONTACT: The FAR Secretariat, Room 4035, GS Building, Washington, DC, 20405, (202) 501–4755, for information pertaining to status or publication schedules. For clarification of content, contact Ms. Jeritta Parnell, Procurement Analyst, at (202) 501–4082. Please cite FAC 2001–16, FAR case 2002–018.

SUPPLEMENTARY INFORMATION:

A. Background

This rule amends the FAR to require contractor registration in the Central Contractor Registration (CCR) database prior to award of any contract, basic agreement, basic ordering agreement, or blanket purchase agreement. In addition, the rule requires contracting officers to modify existing contracts whose period of performance extends beyond December 31, 2003, to require contractors to register in the CCR database by December 31, 2003.

DoD, GSA, and NASA published a proposed rule in the **Federal Register** at 68 FR 16366, April 3, 2003, with a request for comments. Thirty-one respondents submitted 106 comments. The following discussion of the comments is provided:

1. The proposed rule requires registration of contractors in the CCR