

Dated: September 19, 2006.

**Ralph De Stefano,**

*Director, Contract Policy Division.*

■ Therefore, DoD, GSA, and NASA amend 48 CFR parts 4, 12, 14, and 15 as set forth below:

■ 1. The authority citation for 48 CFR parts 4, 12, 14, and 15 continues to read as follows:

**Authority:** 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

**PART 4—ADMINISTRATIVE MATTERS**

■ 2. Amend section 4.803 by revising paragraph (a)(11) to read as follows:

**4.803 Contents of contract files.**

\* \* \* \* \*

(a) \* \* \*

(11) Contractor's representations and certifications (see 4.1201(c)).

\* \* \* \* \*

■ 3. Amend section 4.1201 by adding paragraph (c) to read as follows:

**4.1201 Policy.**

\* \* \* \* \*

(c) Data in ORCA is archived and is electronically retrievable. Therefore, when a prospective contractor has completed representations and certifications electronically via ORCA, the contracting officer may reference the date of ORCA verification in the associated Government contract file, rather than including a paper copy of the electronically-submitted representations and certifications in the file. Such a reference satisfies contract file documentation requirements of 4.803(a)(11). However, if an offeror identifies changes to ORCA data pursuant to the FAR provisions at 52.204-8(c) or 52.212-3(k), the contracting officer must include a copy of the changes in the contract file.

**PART 12—ACQUISITION OF COMMERCIAL ITEMS**

■ 4. Amend section 12.301 by revising the first sentence of paragraph (b)(2) to read as follows:

**12.301 Solicitation provisions and contract clauses for the acquisition of commercial items.**

\* \* \* \* \*

(b)(2) \* \* \* This provision provides a single, consolidated list of representations and certifications for the acquisition of commercial items and is attached to the solicitation for offerors to complete. \* \* \*

\* \* \* \* \*

**PART 14—SEALED BIDDING**

■ 5. Amend section 14.201-1 by adding to paragraph (c) a parenthetical

following the third sentence to read as follows:

**14.201-1 Uniform contract format.**

\* \* \* \* \*

(c) \* \* \* (See 4.1201(c).) \* \* \*

\* \* \* \* \*

**PART 15—CONTRACTING BY NEGOTIATION**

■ 6. Amend section 15.102 by revising the second sentence of paragraph (b) to read as follows:

**15.102 Oral presentations.**

\* \* \* \* \*

(b) \* \* \* However, representations and certifications shall be submitted as required in the FAR provisions at 52.204-8(c) or 52.212-3(k), and a signed offer sheet (including any exceptions to the Government's terms and conditions) shall be submitted in writing.

\* \* \* \* \*

■ 7. Amend section 15.204-1 by adding to paragraph (b) a parenthetical following the second sentence to read as follows:

**15.204-1 Uniform contract format.**

\* \* \* \* \*

(b) \* \* \* (See 4.1201(c).) \* \* \*

\* \* \* \* \*

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**BILLING CODE 6820-EP-S**

**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**48 CFR Parts 1, 2, 4, 5, 6, 7, 8, 9, 12, 13, 15, 16, 17, 19, 22, 25, 28, 32, 36, 42, 48, 49, 50, 52, and 53**

**[FAC 2005-13; FAR Case 2004-033; Item IV; Docket 2006-0020, Sequence 17]**

**RIN 9000-AK26**

**Federal Acquisition Regulation; FAR Case 2004-033, Inflation Adjustment of Acquisition-Related Thresholds**

**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 adjust acquisition-

related thresholds for inflation, in accordance with 41 U.S.C. 431a as added by section 807 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Pub. L. 108-375). This rule also amends some acquisition-related thresholds that are based on policy rather than statute. Inflation adjustment of cost accounting standards (CAS) thresholds will be addressed in a separate case.

**DATES:** *Effective Date:* September 28, 2006.

**FOR FURTHER INFORMATION CONTACT:** For clarification of content, contact Mr. Michael Jackson, Procurement Analyst, at (202) 208-4949. Please cite FAC 2005-13, FAR case 2004-033. For information pertaining to status or publication schedules, contact the FAR Secretariat at (202) 501-4755.

**SUPPLEMENTARY INFORMATION:**

**A. Background**

**Statute.** This final rule implements 41 U.S.C. 431a as added by Section 807 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Pub. L. 108-375). 41 U.S.C. 431a provides for adjustment every 5 years of acquisition-related thresholds, except for Davis-Bacon Act, Service Contract Act, and trade agreements thresholds. This rule also escalates some nonstatutory acquisition-related thresholds. The statute does not permit escalation of acquisition-related thresholds established by the Davis Bacon Act, the Service Contract Act, or trade agreements. The statute does not authorize the FAR to escalate thresholds originating in executive order or the implementing agency (such as the Department of Labor or the Small Business Administration), unless the executive order or agency regulations are first amended.

**Public Comments.** DoD, GSA, and NASA published a proposed rule in the **Federal Register** at 70 FR 73415, December 12, 2005. We received eight responses to the proposed rule (available at <http://www.regulations.gov/>). All the responses were from Government personnel. Almost all the responses related to the proposed increase in the micro-purchase threshold. The Councils did not agree to any changes to the proposed rule based on the public comments. However, as addressed below, some of the thresholds have changed in the final rule.

**Concur with rule**

*Comment:* Two respondents concur with the rule without further comment.

*Response:* None required.

**Micro-purchase threshold**

*Comment:* Increase is not enough. One respondent is concerned that the increase in the micro-purchase threshold is totally insufficient.

*Response:* The statute dictates the amount of the inflation adjustment, specifying the index to be used, and only allows inflation for a five-year period for those statutes that were in effect before October 1, 2000.

*Comment:* Concern for impact on small business. One respondent expressed concerns over negative impact on small business. The respondent did not favor the pending increase in the micro-purchase threshold from \$2,500 to \$3,000 because there is not a simultaneous increase in the simplified acquisition threshold (SAT), thereby reducing the number of acquisitions automatically set aside for small business. The respondent proposed that the SAT should be raised at the same time as the increase in the micro-purchase threshold.

*Response:* The Councils addressed this issue in the **Federal Register** notice and the Initial Regulatory Flexibility Analysis. The increase in the micro-purchase threshold is required by statute. The statute does not provide flexibility in its application to acquisition-related thresholds. The escalation in accordance with the procedures set forth in the statute is mandatory. Following these procedures resulted in an escalation of \$500 at this time for the micro-purchase threshold, and no escalation for the SAT, because of rounding as required by the statute. However, it is expected that the SAT will increase in year 2010, increasing the range for small business set-asides.

**Discrepancy with Service Contract Act (SCA) is a problem**

*Comment:* Three respondents are concerned that an increase in the micro-purchase threshold to \$3,000 while the SCA threshold remains at \$2,500 creates problems. Problems cited include—

- This discrepancy will result in increased risk of purchase card holders violating the SCA. Monitoring the different thresholds adds to the overburdened purchase card program which was supposed to be a simple process;

- The discrepancy poses a great burden on contracting as well as the credit card program and may have an adverse impact. The respondent

understands that the statute prohibited increase in the SCA, but considers it logical to promote an initiative to amend the SCA to coincide with the micro-purchase threshold; and

- This discrepancy is inviting violation of the provisions of the SCA, because many, if not most, of these purchases are made by non-contracting personnel who have no knowledge of the provisions of the SCA.

*Response:* As stated in the above response, the increase in the micro-purchase threshold is required by law, while the increase in the SCA threshold is prohibited by the law. Considering the specific prohibition of any increase in the SCA, the Councils consider it highly unlikely that any initiative to amend the SCA would meet with success.

The Councils have limited use of the purchase card for services valued in excess of \$2,500 that are subject to the Service Contract Act, by adding a restriction to the definition of "Micro-purchase threshold" at FAR 2.101, so that it remains at \$2,500 for services subject to the Service Contract Act. The Councils also recommend training for cardholders so that they will be able to identify which service contracts are subject to the Act.

**Increase the Davis-Bacon Act threshold**

*Comment:* One respondent recommended increase in the Davis-Bacon Act threshold.

*Response:* The statute specifically excludes the Davis-Bacon Act from any adjustment.

**Increase the third party draft transaction threshold**

*Comment:* One respondent recommends that, unless Treasury restrictions take precedence over FAR changes, this \$2,500 threshold at FAR 13.305-3(b) also be raised to \$3,000, consistent with other changes to the micro-purchase threshold in the proposed rule.

*Response:* The Treasury restrictions do take precedence. The statute does not authorize the FAR to escalate non-statutory thresholds originating in another agency unless the agency regulations are first amended.

**Escalation.** The inflation adjustment factors in the proposed rule were calculated on the basis of December 2004 data. For the final rule, data through October 2005 has been used. This resulted in a slight increase in the calculated inflation adjustment factors. For the five-year period October 2000 through October 2005, the inflation adjustment factor increased from 13 to 14.5 percent. However, due to rounding,

most thresholds in the proposed rule did not actually change.

The following frequently used thresholds are the same in the final rule as in the proposed rule:

- Micro-purchase threshold at FAR 2.101: "\$3,000".
- FPDS reporting threshold at FAR 4.602(c): "\$3,000".
- Commercial Items test program ceiling at FAR 13.500: "\$5,500,000".
- Prime contractor subcontracting plan floor at FAR 19.702: "\$550,000" (but for construction (\$1,000,000) is unchanged).

The following thresholds further increased from the proposed to the final rule:

- Major system (DoD) at FAR 2.101: "\$173,500,000 and \$814,500,000".
- J&A approval levels at FAR 6.304, 8.405-6, 13.501: "\$57,000,000 and \$78,500,000".
- Bundling at FAR 7.107: "\$86,000,000 and \$8,600,000".
- Treatment as a commercial item at FAR 12.102, 12.203, 13.000, 13.303-5, 13.500, 15.403-1(c)(3)(i): "\$11,000,000, \$16,000,000, and \$27,000,000".
- TINA cost and pricing data at FAR 15.403, 15.403-4, 42.7: "\$650,000".
- Multiyear cancellation ceiling notice to Congress, DoD at FAR 17.108(b): "\$114,500,000".

The threshold of \$5 million at FAR 19.1406(a)(2)(i) is the only threshold in the matrix of FAR thresholds that was not included in the text of the proposed rule, but is now included in the final rule, because the calculated threshold now rounds up to \$5.5 million.

A matrix of the thresholds considered in the drafting of the final rule is available via the Internet at <http://acquisition.gov/far/facsframe.html>.

**Right to Petition**

The Councils note that the statute provides the right to petition. If a dollar threshold adjustable under the statute is not included in this notice of adjustment, any person may request adjustment of that dollar threshold by submitting a petition for adjustment to the Administrator for Federal Procurement Policy. Please note, however, that due to rounding requirements, many thresholds that were considered for adjustment were not actually changed at this time because the inflation was insufficient to overcome the rounding requirements (e.g., thresholds of \$1,000, \$10,000, \$100,000, and \$1,000,000). These thresholds will probably be adjusted in year 2010, if inflation continues at a rate comparable to the current rate of inflation.

This is not a significant regulatory action and, therefore, was not subject to

review under Section 6(b) of Executive Order 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

## B. Regulatory Flexibility Act

The Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, applies to this final rule. The Councils prepared a Final Regulatory Flexibility Analysis (FRFA), and it is summarized as follows:

Most of the threshold changes proposed in this rule will not have any significant economic impact on small business because they are intended to maintain the status quo by adjusting for changes in the value of the dollar. For example, the prime contractor subcontracting plan floor at FAR 19.702 for other than construction contracts will be raised from \$500,000 to \$550,000. This is just keeping pace with inflation.

Often any impact will be beneficial by preventing burdensome requirements from applying to more and more small dollar value acquisitions, which are the acquisitions in which small businesses are most likely to participate.

One respondent was specifically concerned about the impact on the small business community of the increase in the micro-purchase threshold without a corresponding increase in the simplified acquisition threshold, thereby temporarily narrowing the range of automatic set-asides for small business.

To assess the impact of the increase in the micro-purchase threshold from \$2,500 to \$3,000, data was requested from FPDS-NG. For Fiscal Year 2004, actions between \$2,500 and \$3,000, there is a total of 25,212 contract actions with a value of \$13,732,445. Of this total, 16,031 (value of \$8,083,900) of these actions went to small businesses. We expect that many of these awards will still go to small businesses, even if there is no longer a requirement to automatically set the procurement aside for small business.

The simplified acquisition threshold is expected to increase by a much greater amount five years from now when the thresholds are next adjusted, thereby increasing the range of automatic set-asides for small business.

The Councils did not make any changes in the final rule as a result of these comments, because the increases are dictated by statute.

Interested parties may obtain a copy from the FAR Secretariat. The FAR Secretariat has submitted a copy of the FRFA to the Chief Counsel for Advocacy of the Small Business Administration.

## C. Paperwork Reduction Act

The Paperwork Reduction Act 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, 9000-0013, 9000-0026, 9000-0027, 9000-0028, 9000-0029, 9000-0037, 9000-0043,

9000-0045, 9000-0065, 9000-0066, 9000-0070, 9000-0078, 9000-0094, 9000-0115, 9000-0138, 9000-0145, 9000-0150, and 1215-0072. They maintain the current information collection requirements at the status quo by adjusting the thresholds for inflation.

### List of Subjects in 48 CFR Parts 1, 2, 4, 5, 6, 7, 8, 9, 12, 13, 15, 16, 17, 19, 22, 25, 28, 32, 36, 42, 48, 49, 50, 52, and 53

Government procurement.

Dated: September 19, 2006.

#### Ralph De Stefano,

Director, Contract Policy Division.

■ Therefore, DoD, GSA, and NASA amend 48 CFR parts 1, 2, 4, 5, 6, 7, 8, 9, 12, 13, 15, 16, 17, 19, 22, 25, 28, 32, 36, 42, 48, 49, 50, 52, and 53 as set forth below:

■ 1. The authority citation for 48 CFR parts 1, 2, 4, 5, 6, 7, 8, 9, 12, 13, 15, 16, 17, 19, 22, 25, 28, 32, 36, 42, 48, 49, 50, 52, and 53 continues to read as follows:

**Authority:** 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

## PART 1—FEDERAL ACQUISITION REGULATIONS SYSTEM

■ 2. Add section 1.109 to read as follows:

### 1.109 Statutory acquisition-related dollar thresholds—adjustment for inflation.

(a) 41 U.S.C. 431a requires that the FAR Council periodically adjust all statutory acquisition-related dollar thresholds in the FAR for inflation, except as provided in paragraph (c) of this section. This adjustment is calculated every 5 years, starting in October 2005, using the Consumer Price Index (CPI) for all-urban consumers, and supersedes the applicability of any other provision of law that provides for the adjustment of such acquisition-related dollar thresholds.

(b) The statute defines an acquisition-related dollar threshold as a dollar threshold that is 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.

(c) The statute does not permit escalation of acquisition-related dollar thresholds established by the Davis-Bacon Act (40 U.S.C. 3141 through 3144, 3146, and 3147), the Service Contract Act of 1965 (41 U.S.C. 351, *et seq.*), or the United States Trade Representative pursuant to the authority of the Trade Agreements Act of 1979 (19 U.S.C. 2511 *et seq.*).

(d) A matrix showing calculation of the most recent escalation adjustments of statutory acquisition-related dollar thresholds is available via the Internet at <http://acquisition.gov/far/facsframe.html>.

## PART 2—DEFINITIONS OF WORDS AND TERMS

■ 3. Amend section 2.101 in paragraph (b) by—

■ a. Revising paragraph (1) of the definition “Major system”, and removing from paragraph (2) “\$750,000 (based on fiscal year 1980 constant dollars)” and adding “\$1.8 million” in its place; and

■ b. Amending the definition “Micro-purchase threshold”, by removing from the introductory paragraph “2,500” and adding “3,000” in its place; revising paragraph (1); redesignating paragraph (2) as paragraph (3); and adding a new paragraph (2).

The revised text reads as follows:

### 2.101 Definitions.

\* \* \* \* \*

(b) \* \* \*

*Major system* \* \* \*

(1) The Department of Defense is responsible for the system and the total expenditures for research, development, test, and evaluation for the system are estimated to be more than \$173.5 million or the eventual total expenditure for the acquisition exceeds \$814.5 million;

\* \* \* \* \*

*Micro-purchase threshold* \* \* \*

(1) For acquisitions of construction subject to the Davis-Bacon Act, \$2,000;

(2) For acquisitions of services subject to the Service Contract Act, \$2,500; and

\* \* \* \* \*

## PART 4—ADMINISTRATIVE MATTERS

### 4.601 [Amended]

■ 4. Amend section 4.601 by removing from paragraph (a) and the introductory text of paragraph (d) “\$25,000” and adding “\$3,000” in their place; and by removing from paragraph (e) “\$5,000,000” and adding “\$5.5 million” in its place.

### 4.602 [Amended]

■ 5. Amend section 4.602 by removing from paragraphs (c)(1) and (c)(3) “\$2,500” and adding “\$3,000” in their place; and by removing paragraph (c)(4).

## PART 5—PUBLICIZING CONTRACT ACTIONS

■ 6. Amend section 5.303 by revising paragraph (a) to read as follows:

**5.303 Announcement of contract awards.**

(a) *Public announcement.* Contracting officers shall make information available on awards over \$3.5 million (unless another dollar amount is specified in agency acquisition regulations) in sufficient time for the agency concerned to announce it by 5 p.m. Washington, DC, time on the day of award. Agencies shall not release information on awards before the public release time of 5 p.m. Washington, DC time. Contracts excluded from this reporting requirement include—

(1) Those placed with the Small Business Administration under section 8(a) of the Small Business Act;

(2) Those placed with foreign firms when the place of delivery or performance is outside the United States and its outlying areas; and

(3) Those for which synopsis was exempted under 5.202(a)(1).

\* \* \* \* \*

**PART 6—COMPETITION REQUIREMENTS****6.304 [Amended]**

■ 7. Amend section 6.304 by—

■ a. Removing from paragraph (a)(1) “\$500,000” and adding “\$550,000” in its place;

■ b. Removing from paragraph (a)(2) “\$500,000” and “\$10,000,000” and adding “\$550,000” and “\$11.5 million”, respectively, in their place;

■ c. Removing from paragraph (a)(3) \$10,000,000”, “\$50,000,000”, and “\$75,000,000” and adding “\$11.5 million”, “\$57 million”, and “\$78.5 million”, respectively, in their place; and

■ d. Removing from paragraph (a)(4) “\$50,000,000” and “75,000,000” and adding “\$57 million” and “\$78.5 million”, respectively, in their place.

**PART 7—ACQUISITION PLANNING****7.104 [Amended]**

■ 8. Amend section 7.104 by removing from paragraph (d)(2)(i)(A) “\$7 million” and adding “\$7.5 million” in its place; and removing from paragraph (d)(2)(i)(B) “\$5 million” and adding “\$5.5 million” in its place.

**7.107 [Amended]**

■ 9. Amend section 7.107 by removing from paragraph (b)(1) “\$75 million” and adding “\$86 million” in its place; and removing from paragraph (b)(2) “\$7.5 million” and “75 million” and adding “\$8.6 million” and “\$86 million”, respectively, in their place.

**PART 8—REQUIRED SOURCES OF SUPPLIES AND SERVICES****8.405–6 [Amended]**

■ 10. Amend section 8.405–6 by—

■ a. Removing from paragraph (h)(1) “\$500,000” and adding “\$550,000” in its place;

■ b. Removing from paragraph (h)(2) “\$500,000, but not exceeding \$10 million” and adding “\$550,000, but not exceeding \$11.5 million” in its place;

■ c. Removing from the introductory text of paragraph (h)(3) “\$10 million”, “\$50 million”, and “\$75 million”, and adding “\$11.5 million”, “\$57 million”, and “\$78.5 million”, respectively, in their place; and

■ d. Removing from the first sentence of paragraph (h)(4) “\$50 million” and “\$75 million” and adding “\$57 million” and “\$78.5 million”, respectively, in their place.

**PART 9—CONTRACTOR QUALIFICATIONS****9.405–2 [Amended]**

■ 11. Amend section 9.405–2 in the second sentence of the introductory text of paragraph (b) by removing “\$25,000” and adding “\$30,000” in its place.

**9.409 [Amended]**

■ 12. Amend section 9.409 in paragraph (b) by removing “\$25,000” and adding “\$30,000” in its place.

**PART 12—ACQUISITION OF COMMERCIAL ITEMS****12.102 [Amended]**

■ 13. Amend section 12.102 by removing from the introductory text of paragraph (f)(2) “\$15,000,000” and adding “\$16 million” in its place; and removing from paragraph (g)(1)(ii) “\$25 million” and adding “\$27 million” in its place.

**12.203 [Amended]**

■ 14. Amend section 12.203 by removing from the last sentence “\$5 million” and “\$10 million” and adding “\$5.5 million” and “\$11 million”, respectively, in their place.

**PART 13—SIMPLIFIED ACQUISITION PROCEDURES****13.000 [Amended]**

■ 15. Amend section 13.000 by removing from the second sentence “\$5 million” and “\$10 million” and adding “\$5.5 million” and “\$11 million”, respectively, in their place.

**13.003 [Amended]**

■ 16. Amend section 13.003 by—  
■ a. Removing from the first sentence of paragraph (b)(1) “\$2,500” and adding

“\$3,000” in its place; and in the second sentence, by adding “19,000(b) and” after the word “See”; and

■ b. Removing from paragraphs (c)(1)(ii) and (g)(2) “\$5 million” and “\$10 million” and adding “\$5.5 million” and “\$11 million”, respectively, in their place.

**13.005 [Amended]**

■ 17. Amend section 13.005 in paragraph (a)(2) by removing “\$25,000” and adding “\$30,000 (40 U.S.C. 3132)” in its place.

**13.106–1 [Amended]**

■ 18. Amend section 13.106–1 by removing from paragraph (c)(2) and the first sentence of paragraph (d) “\$25,000” and adding “\$30,000” in their place.

**13.303–5 [Amended]**

■ 19. Amend section 13.303–5 by removing from paragraph (b)(1) “\$5,000,000” and “\$10,000,000” and adding “\$5.5 million” and “\$11 million”, respectively, in their place; and removing from paragraph (b)(2) “\$5 million” and “\$10 million” and adding “\$5.5 million” and “\$11 million”, respectively, in their place.

**13.402 [Amended]**

■ 20. Amend section 13.402 by removing from paragraph (a) “\$25,000” and adding “30,000” in its place.

**13.500 [Amended]**

■ 21. Amend section 13.500 by removing from the first sentence of paragraph (a) “\$5 million (\$10 million)” and adding “\$5.5 million (\$11 million”, respectively, in its place; and removing from the introductory text of paragraph (e) “\$10 million” and adding “\$11 million”, respectively, in its place.

**13.501 [Amended]**

■ 22. Amend section 13.501 by removing from paragraph (a)(2)(i) “\$500,000” and adding “\$550,000” in its place; removing from paragraph (a)(2)(ii) “\$500,000” and “\$10,000,000” and adding “\$550,000” and “\$11.5 million”; respectively, in their place; removing from paragraph (a)(2)(iii) “10,000,000”, “50,000,000”, and “75,000,000” and adding “11.5 million”, “57 million”, and “78.5 million”, respectively, in their place; and removing from paragraph (a)(2)(iv) “50,000,000” and “75,000,000” and adding “57 million”, and “78.5 million”, in its place.

**PART 15—CONTRACTING BY NEGOTIATION**

■ 23. Amend section 15.304 by removing paragraph (c)(3)(i);

redesignating paragraphs (c)(3)(ii), (c)(3)(iii), and (c)(3)(iv) as (c)(3)(i), (c)(3)(ii), and (c)(3)(iii), respectively; and revising the newly designated paragraph (c)(3)(i); and removing from paragraph (c)(4) “\$500,000” and adding “\$550,000” in its place. The revised text reads as follows:

**15.304 Evaluation factors and significant subfactors.**

\* \* \* \* \*

(c) \* \* \*

(3)(i) Except as set forth in paragraph (c)(3)(iii) of this section, past performance shall be evaluated in all source selections for negotiated competitive acquisitions expected to exceed the simplified acquisition threshold.

\* \* \* \* \*

**15.403-1 [Amended]**

■ 24. Amend section 15.403-1 by removing from paragraph (c)(3)(iii) “\$15,000,000” and adding “\$16 million” in its place.

■ 25. Amend section 15.403-4 by removing from the third sentence of the introductory text of paragraph (a)(1) “\$550,000” and adding “\$650,000” in its place; and revising the second sentence of paragraph (a)(1)(iii) to read as follows:

**15.403-4 Requiring cost or pricing data (10 U.S.C. 2306a and 41 U.S.C. 254b).**

(a)(1) \* \* \*

(iii) \* \* \* Price adjustment amounts must consider both increases and decreases (e.g., a \$200,000 modification resulting from a reduction of \$500,000 and an increase of \$300,000 is a pricing adjustment exceeding \$650,000. \* \* \*

\* \* \* \* \*

**15.404-3 [Amended]**

■ 26. Amend section 15.404-3 by removing from paragraph (c)(1)(i) “\$10,000,000” and adding “\$11.5 million” in its place.

**15.407-2 [Amended]**

■ 27. Amend section 15.407-2 by removing from paragraphs (c)(1) and the introductory text of paragraph (c)(2) “\$10 million” and adding “\$11.5 million”, respectively, in their place.

**15.408 [Amended]**

■ 28. Amend section 15.408 in Table 15-2 following paragraph (m), in section II, Cost Elements, in the third sentence of paragraph (A)(2), by removing “\$10,000,000” and adding “\$11.5 million” in its place.

**PART 16—TYPES OF CONTRACTS**

**16.503 [Amended]**

■ 29. Amend section 16.503 by removing from paragraph (d)(1) “\$10,000,000” and adding “\$11.5 million” in its place.

**16.504 [Amended]**

■ 30. Amend section 16.504 by removing from the introductory text of paragraph (c)(2)(i) “\$10 million” and adding “\$11.5 million” in its place.

**16.505 [Amended]**

■ 31. Amend section 16.505 by removing from paragraph (b)(1)(i) and the introductory text of paragraph (b)(2) “\$2,500” and adding “\$3,000” in its place.

**16.506 [Amended]**

■ 32. Amend section 16.506 by removing from paragraphs (f) and (g) “\$10 million” and adding “\$11.5 million” in its place.

**16.601 [Amended]**

■ 33. Amend section 16.601 by removing from paragraph (b)(3)(i) “\$25,000” and adding “\$30,000” in its place.

**PART 17—SPECIAL CONTRACTING METHODS**

**17.108 [Amended]**

■ 34. Amend section 17.108 in paragraph (a) by removing “\$10 million” and adding “\$11.5 million” in its place; and in paragraph (b) by removing “\$100 million” and adding “\$114.5 million” in its place.

**PART 19—SMALL BUSINESS PROGRAMS**

**19.502-1 [Amended]**

■ 35. Amend section 19.502-1 by removing from paragraph (b) “\$2,500” and adding “\$3,000” in its place.

**19.502-2 [Amended]**

■ 36. Amend section 19.502-2 by removing from the first sentence of paragraph (a) “\$2,500” and adding “\$3,000” in its place; and removing from paragraph (d) “\$25,000” and adding “\$30,000” in its place.

**19.702 [Amended]**

■ 37. Amend section 19.702 by removing from paragraphs (a)(1) and (a)(2) “\$500,000” and adding “\$550,000” in their place.

**19.704 [Amended]**

■ 38. Amend section 19.704 by removing from paragraph (a)(9) “\$500,000” and adding “\$550,000” in its place.

**19.708 [Amended]**

■ 39. Amend section 19.708 by removing from the first sentence of paragraph (b)(1) “\$500,000” and adding “\$550,000” in its place.

**19.805-1 [Amended]**

■ 40. Amend section 19.805-1 by removing from paragraph (a)(2) “\$5,000,000” and “\$3,000,000” and adding “\$5.5 million” and “\$3.5 million”, respectively, in their place.

**19.1002 [Amended]**

■ 41. Amend section 19.1002 by removing from paragraph (1) of the definition “Emerging small business reserve amount”, “\$25,000” and adding “\$30,000” in its place.

**19.1007 [Amended]**

■ 42. Amend section 19.1007 by removing from paragraphs (c)(1)(i) and (c)(1)(ii) “\$25,000” and adding “\$30,000” in its place.

**19.1008 [Amended]**

■ 43. Amend section 19.1008 by removing from paragraph (c) “\$25,000” and adding “\$30,000” in its place.

**19.1202-2 [Amended]**

■ 44. Amend section 19.1202-2 by removing from paragraph (a) “\$500,000” and adding “\$550,000” in its place.

**19.1306 [Amended]**

■ 45. Amend section 19.1306 by removing from paragraph (a)(2)(i) “\$5,000,000” and adding “\$5.5 million” in its place; and removing from paragraph (a)(2)(ii) “\$3,000,000” and adding “\$3.5 million” in its place.

**19.1406 [Amended]**

■ 46. Amend section 19.1406 by removing from paragraph (a)(2)(i) “\$5 million” and adding “\$5.5 million” in its place.

**PART 22—APPLICATION OF LABOR LAWS TO GOVERNMENT ACQUISITIONS**

**22.103-4 [Amended]**

■ 47. Amend section 22.103-4 in paragraph (b) by removing the last sentence.

**22.103-5 [Amended]**

■ 48. Amend section 22.103-5 in the introductory text of paragraph (b) by removing “be over \$100,000;” and adding “exceed the simplified acquisition threshold;” in its place.

**22.305 [Amended]**

■ 49. Amend section 22.305 by removing from paragraph (a) “the simplified acquisition threshold;” and adding “\$100,000;” in its place.

**22.1103 [Amended]**

■ 50. Amend section 22.1103 by removing from the second sentence “\$500,000” and adding “\$550,000” in its place.

**22.1303 [Amended]**

■ 51. Amend section 22.1303 by removing from paragraphs (a) and (c) “\$25,000” and adding “\$100,000” in its place.

**22.1310 [Amended]**

■ 52. Amend section 22.1310 by removing from the introductory text of paragraph (a)(1) “\$25,000” and adding “\$100,000” in its place.

**PART 25—FOREIGN ACQUISITION**

■ 53. Amend section 25.1101 in the introductory text of paragraph (a)(1) by removing “\$2,500 (\$15,000 for acquisitions as described in 13.201(g)(1))” and adding “the micro-purchase threshold” in its place; and by revising paragraphs (e)(1) and (e)(2) to read as follows:

**25.1101 Acquisition of supplies.**

\* \* \* \* \*

(e) \* \* \*

(1) Exceeds the simplified acquisition threshold; or

(2) Does not exceed the simplified acquisition threshold, but the savings from waiving the duty is anticipated to be more than the administrative cost of waiving the duty. When used for acquisitions that do not exceed the simplified acquisition threshold, the contracting officer may modify paragraphs (c)(1) and (j)(2) of the clause to reduce the dollar figure.

\* \* \* \* \*

**25.1103 [Amended]**

■ 54. Amend section 25.1103 in paragraph (a) by removing “with a value exceeding \$2,500, \$15,000 for acquisitions as described in 13.201(g)(1)”.

**PART 28—BONDS AND INSURANCE**

**28.102-1 [Amended]**

■ 55. Amend section 28.102-1 by removing from the introductory text of paragraph (b)(1) “\$25,000” and adding “\$30,000” in its place.

**28.102-2 [Amended]**

■ 56. Amend section 28.102-2 by removing from the heading of paragraph (c) “\$25,000” and adding “\$30,000” in its place.

**28.102-3 [Amended]**

■ 57. Amend section 28.102-3 in the first sentence of paragraph (b) by

removing “\$25,000” and adding “\$30,000” in its place.

**PART 32—CONTRACT FINANCING**

**32.104 [Amended]**

■ 58. Amend section 32.104 by removing from paragraphs (d)(2)(i) and (d)(2)(ii) “\$2 million” and adding “\$2.5 million” in their place.

**PART 36—CONSTRUCTION AND ARCHITECT-ENGINEER CONTRACTS**

**36.201 [Amended]**

■ 59. Amend section 36.201 by removing from paragraph (a)(1)(i) “\$500,000” and adding “\$550,000” in its place.

■ 60. Amend section 36.203 by revising paragraph (a) to read as follows:

**36.203 Government estimate of construction costs.**

(a) An independent Government estimate of construction costs shall be prepared and furnished to the contracting officer at the earliest practicable time for each proposed contract and for each contract modification anticipated to exceed the simplified acquisition threshold. The contracting officer may require an estimate when the cost of required work is not anticipated to exceed the simplified acquisition threshold. The estimate shall be prepared in as much detail as though the Government were competing for award.

\* \* \* \* \*

■ 61. Amend section 36.213-2 by revising paragraph (a) to read as follows:

**36.213-2 Presolicitation notices.**

(a) Unless the requirement is waived by the head of the contracting activity or a designee, the contracting officer shall issue presolicitation notices on any construction requirement when the proposed contract is expected to exceed the simplified acquisition threshold. Presolicitation notices may also be used when the proposed contract is not expected to exceed the simplified acquisition threshold. These notices shall be issued sufficiently in advance of the invitation for bids to stimulate the interest of the greatest number of prospective bidders.

\* \* \* \* \*

**36.604 [Amended]**

■ 62. Amend section 36.604 by removing from the introductory text of paragraph (a) “\$25,000” each time it appears (twice) and adding “\$30,000” in its place.

**36.605 [Amended]**

■ 63. Amend section 36.605 by removing from the first sentence of paragraph (a) “\$100,000” and adding “the simplified acquisition threshold” in its place.

**PART 42—CONTRACT ADMINISTRATION AND AUDIT SERVICES**

**42.705-3 [Amended]**

■ 64. Amend section 42.705-3 by removing from the fourth sentence of the introductory text of paragraph (b)(4)(ii) “(e.g., \$100,000 or less)” and adding “(i.e., contracts that do not exceed the simplified acquisition threshold)” in its place.

**42.709 [Amended]**

■ 65. Amend section 42.709 by removing from paragraph (b) “\$550,000” and adding “\$650,000” in its place.

**42.709-6 [Amended]**

■ 66. Amend section 42.709-6 by removing from the first sentence “\$550,000” and adding “\$650,000” in its place.

■ 67. Amend section 42.1502 by revising the first sentence of paragraph (a) to read as follows:

**42.1502 Policy.**

(a) Except as provided in paragraph (b) of this section, agencies shall prepare an evaluation of contractor performance for each contract that exceeds the simplified acquisition threshold at the time the work under the contract is completed. \* \* \*

\* \* \* \* \*

**PART 48—VALUE ENGINEERING**

**48.201 [Amended]**

■ 68. Amend section 48.201 by removing from the first sentence of the introductory text of paragraph (a) “be \$100,000 or more,” and adding “exceed the simplified acquisition threshold,” in its place.

**48.202 [Amended]**

■ 69. Amend section 48.202 by removing from the first sentence “be \$100,000 or more,” and adding “exceed the simplified acquisition threshold,” in its place.

**PART 49—TERMINATION OF CONTRACTS**

■ 70. Amend section 49.502 by revising the heading of paragraph (a) and the introductory text of paragraph (a)(1); revising the heading of paragraph (b), removing from the introductory text of paragraph (b)(1)(i) and paragraph

(b)(2)(ii) “be over \$100,000,” and adding “exceed the simplified acquisition threshold”.

■ The revised text reads as follows:

**49.502 Termination for convenience of the Government.**

(a) *Fixed-price contracts that do not exceed the simplified acquisition threshold (short form)*—(1) *General use.* The contracting officer shall insert the clause at 52.249–1, Termination for Convenience of the Government (Fixed-Price) (Short Form), in solicitations and contracts when a fixed-price contract is contemplated and the contract amount is not expected to exceed the simplified acquisition threshold, except—

\* \* \* \* \*

(b) *Fixed-price contracts that exceed the simplified acquisition threshold*—(1)(i) *General use.* \* \* \*

\* \* \* \* \*

**PART 50—EXTRAORDINARY CONTRACTUAL ACTIONS**

**50.201 [Amended]**

■ 71. Amend section 50.201 by removing from paragraph (b) “\$50,000” and adding “\$55,000” in its place.

**50.203 [Amended]**

■ 72. Amend section 50.203 by removing from paragraph (b)(4) “\$25 million” and adding “\$28.5 million” in its place; and removing from paragraphs (e)(1)(i) and (e)(1)(ii) “\$50,000” and adding “\$55,000” in its place.

**PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES**

**52.203–6 [Amended]**

■ 73. Amend section 52.203–6 by revising the date of the clause to read “(SEP 2006)”; and removing from paragraph (c) “\$100,000” and adding “the simplified acquisition threshold” in its place.

**52.209–6 [Amended]**

■ 74. Amend section 52.209–6 by revising the date of the clause to read “(SEP 2006)”; and removing from paragraphs (a) and (b) “\$25,000” and adding “\$30,000” in its place.

**52.212–1 [Amended]**

■ 75. Amend section 52.212–1 by revising the date of the clause to read “(SEP 2006)”; and removing from the

first sentence of paragraph (j) “\$25,000” each time it appears (twice) and adding “\$3,000” in its place.

**52.212–5 [Amended]**

- 76. Amend section 52.212–5 by—
  - a. Revising the date of the clause to read “(SEP 2006)”;
  - b. Removing from paragraph (b)(1) “(OCT 1995)” and adding “(SEP 2006)” in its place;
  - c. Removing from paragraph (b)(8)(i) of the clause “(JULY 2005)” and adding “(SEP 2006)” in its place;
  - d. Removing from paragraphs (b)(18) and (b)(20) of the clause “(DEC 2001)” and adding “(SEP 2006)” in its place; and
  - e. Removing from paragraph (e)(1)(i) “\$500,000” and adding “\$550,000” in its place; and removing from paragraph (e)(1)(iii) “(DEC 2001)” and adding “(SEP 2006)” in its place.

**52.213–4 [Amended]**

- 77. Amend section 52.213–4 by—
  - a. Revising the date of the clause to read “(SEP 2006)”;
  - b. Removing from paragraph (a)(2)(vi) “(FEB 2006)” and adding “(SEP 2006)” in its place; and
  - c. Removing from paragraphs (b)(1)(iii) and (b)(1)(v) “(DEC 2001)” and “\$25,000” and adding “(SEP 2006)” and “\$100,000”, respectively, in their place; and removing from paragraph (b)(2)(i) “(JAN 2005)” and “\$25,000” and adding “(SEP 2006)” and “\$30,000”, respectively, in their place.

**52.219–9 [Amended]**

■ 78. Amend section 52.219–9 by revising the date of the clause to read “(SEP 2006)”; and removing from paragraph (d)(9) “\$500,000” and adding “\$550,000” in its place.

**52.222–35 [Amended]**

■ 79. Amend section 52.222–35 by revising the date of the clause to read “(SEP 2006)”; and removing from the first sentence of paragraph (g) “\$25,000” and adding “\$100,000” in its place.

**52.222–37 [Amended]**

- 80. Amend section 52.222–37 by revising the date of the clause to read “(SEP 2006)”; and removing from paragraph (f) “\$25,000” and adding “\$100,000” in its place.
- 81. Amend section 52.236–1 by revising the introductory paragraph to read as follows:

**52.236–1 Performance of Work by the Contractor.**

As prescribed in 36.501(b), insert the following clause: [*Complete the clause by inserting the appropriate percentage consistent with the complexity and magnitude of the work and customary or necessary specialty subcontracting (see 36.501(a)).*]

\* \* \* \* \*

■ 82. Amend section 52.243–7 by revising the introductory paragraph to read as follows:

**52.243–7 Notification of Changes.**

As prescribed in 43.107, insert the following clause:

\* \* \* \* \*

**52.244–6 [Amended]**

■ 83. Amend section 52.244–6 by revising the date of the clause to read “(SEP 2006)”; removing from paragraph (c)(1)(i) “\$500,000” and adding “\$550,000” in its place, and removing from paragraph (c)(1)(iii) of the clause “(DEC 2001)” and adding “(SEP 2006)” in its place.

**52.248–3 [Amended]**

- 84. Amend section 52.248–3 by revising the date of the clause to read “(SEP 2006)”; and removing from the first sentence of paragraph (h) “\$50,000” and adding “\$55,000” in its place.
- 85. Amend section 52.249–1 by revising the introductory paragraph to read as follows:

**52.249–1 Termination for Convenience of the Government (Fixed-Price) (Short Form).**

As prescribed in 49.502(a)(1), insert the following clause:

\* \* \* \* \*

**PART 53—FORMS**

**53.219 [Amended]**

- 86. Amend section 53.219 by removing from paragraphs (a) and (b) “(Rev. 10/01)” and adding “(Rev. SEP 2006)” in its place.
- 87. Amend section 53.301–294 by revising the form to read as follows:

**53.301–294 Subcontracting Report for Individual Contracts.**

BILLING CODE 6820-EP-C

**SUBCONTRACTING REPORT FOR INDIVIDUAL CONTRACTS**  
*(See instructions on reverse)*

OMB No: 9000-0006  
 Expires: 08/31/2007

Public reporting burden for this collection of information is estimated to average 9 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretariat (VIR), Regulatory and Federal Assistance Division, GSA, Washington, DC 20405.

1. CORPORATION, COMPANY, OR SUBDIVISION COVERED			3. DATE SUBMITTED		
a. COMPANY NAME			4. REPORTING PERIOD FROM INCEPTION OF CONTRACT THRU: <input type="checkbox"/> MAR 31 <input type="checkbox"/> SEPT 30    YEAR		
b. STREET ADDRESS					
c. CITY	d. STATE	e. ZIP CODE	5. TYPE OF REPORT		
2. CONTRACTOR IDENTIFICATION NUMBER			<input type="checkbox"/> REGULAR <input type="checkbox"/> FINAL <input type="checkbox"/> REVISED		
6. ADMINISTERING ACTIVITY <i>(Please check applicable box)</i>					
<input type="checkbox"/> ARMY		<input type="checkbox"/> GSA		<input type="checkbox"/> NASA	
<input type="checkbox"/> NAVY		<input type="checkbox"/> DOE		<input type="checkbox"/> OTHER FEDERAL AGENCY <i>(Specify)</i>	
<input type="checkbox"/> AIR FORCE		<input type="checkbox"/> DEFENSE CONTRACT MANAGEMENT AGENCY			
7. REPORT SUBMITTED AS <i>(Check one and provide appropriate number)</i>			8. AGENCY OR CONTRACTOR AWARDDING CONTRACT		
<input type="checkbox"/> PRIME CONTRACTOR			a. AGENCY'S OR CONTRACTOR'S NAME		
<input type="checkbox"/> SUBCONTRACTOR			b. STREET ADDRESS		
9. DOLLARS AND PERCENTAGES IN THE FOLLOWING BLOCKS:			c. CITY		
<input type="checkbox"/> DO INCLUDE DIRECT COSTS <input type="checkbox"/> DO NOT INCLUDE DIRECT COSTS			d. STATE		
			e. ZIP CODE		

**SUBCONTRACT AWARDS**

TYPE	CURRENT GOAL		ACTUAL CUMULATIVE	
	WHOLE DOLLARS	PERCENT	WHOLE DOLLARS	PERCENT
10a. SMALL BUSINESS CONCERNS <i>(Include SDB, WOSB, HBCU/MI, HUBZone SB, and VOSB (Including Service-Disabled VOSB)) (Dollar Amount and Percent of 10c)</i>				
10b. LARGE BUSINESS CONCERNS <i>(Dollar Amount and Percent of 10c.)</i>				
10c. TOTAL <i>(Sum of 10a and 10b.)</i>		100.0%		100.0%
11. SMALL DISADVANTAGED BUSINESS (SDB) CONCERNS <i>(Include HBCU/MI) (Dollar Amount and Percent of 10c.)</i>				
12. WOMEN-OWNED SMALL BUSINESS (WOSB) CONCERNS <i>(Dollar Amount and Percent of 10c.)</i>				
13. HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) AND MINORITY INSTITUTIONS (MI) <i>(If applicable) (Dollar Amount and Percent of 10c.)</i>				
14. HUBZone SMALL BUSINESS (HUBZone SB) CONCERNS <i>(Dollar Amount and Percent of 10c.)</i>				
15. VETERAN-OWNED SMALL BUSINESS CONCERNS <i>(Including Service-Disabled Veteran-Owned SB Concerns) (Dollar Amount and Percent of 10c.)</i>				
16. SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS CONCERNS <i>(Dollar Amount and Percent of 10c)</i>				

17. REMARKS

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18a. NAME OF INDIVIDUAL ADMINISTERING SUBCONTRACTING PLAN	18b. TELEPHONE NUMBER	
	AREA CODE	NUMBER



**GENERAL INSTRUCTIONS****1. This report is not required from small businesses.**

2. This report is not required for commercial items for which a commercial plan has been approved, nor from large businesses in the Department of Defense (DOD) **Test Program for Negotiation of Comprehensive Subcontracting Plans**. The Summary Subcontract Report (SF 295) is required for contractors operating under one of these two conditions and should be submitted to the Government in accordance with the instructions on that form.

3. This form collects subcontract award data from prime contractors contractors/subcontractors that: (a) hold one or more contracts over \$550,000 (over \$1,000,000 for construction of a public facility); and (b) are required to report subcontractors awarded to Small Business (SB), Small Disadvantaged Business (SDB) Women-Owned Small Business (WOSB), HUBZone Small Business (HUBZone SB), Veteran-Owned Small Business (VOSB) and Service-Disabled Veteran-Owned Small Business concerns under a subcontracting plan. For the Department of Defense (DOD), the National Aeronautics and Space Administration (NASA), and the Coast Guard, this form also collects subcontract award data for Historically Black Colleges and Universities (HBCUs) and Minority Institutions (MIs).

4. This report is required for each contract containing a subcontracting plan and must be submitted to the administrative contracting officer (ACO) or contracting officer if no ACO is assigned, semi-annually, during contract performance for the periods ended March 31st and September 30th. **A separate report is required for each contract at contract completion.** Reports are due 30 days after the close of each reporting period unless otherwise directed by the contracting officer. **Reports are required when due, regardless of whether there has been any subcontracting activity since the inception of the contract or since the previous report.**

5. Only subcontracts involving performance in the U.S. or its outlying areas should be included in this report.

**6. Purchases from a corporation, company, or subdivision that is an affiliate of the prime/subcontractor are not included in this report.**

7. Subcontract award data reported on this form by prime contractors/subcontractors shall be limited to awards made to their immediate subcontractors. **Credit cannot be taken for awards made to lower tier subcontractors.**

**SPECIFIC INSTRUCTIONS**

**BLOCK 2:** For the Contractor Identification Number, enter the nine-digit Data Universal Numbering System (DUNS) number that identifies the specific contractor establishment. If there is no DUNS number available that identifies the exact name and address entered in Block 1, contact Dun and Bradstreet Information Services at 1-800-333-0505 to get one free of charge over the telephone. Be prepared to provide the following information: (1) Company name; (2) Company address; (3) Company telephone number; (4) Line of business; (5) Chief executive officer/key manager; (6) Date the company was started; (7) Number of people employed by the company; and; (8) Company affiliation.

**BLOCK 4:** Check only one. Note that all subcontract award data reported on this form represents activity since the inception of the contract through the date indicated on this block.

**BLOCK 5:** Check whether this report is a "Regular," "Final," and/or "Revised" report. **A "Final" report should be checked only if the contractor has completed the contract or subcontract reported in Block 7.** A "Revised" report is a change to a report previously submitted for the same period.

**BLOCK 6:** Identify the department of agency administering the majority of subcontracting plans.

**BLOCK 7:** Indicate whether the reporting contractor is submitting this report as a prime contractor or subcontractor and the prime contract or subcontract number.

**BLOCK 8:** Enter the name and address of the Federal department or agency awarding the contract or the prime contractor awarding the subcontract.

**BLOCK 9:** Check the appropriate block to indicate whether indirect costs are included in the dollar amounts in blocks 10a through 14. To ensure comparability between the goal and actual columns, the contractor may include indirect costs in the actual column only if the subcontracting plan included indirect costs in the goal.

**BLOCKS 10a through 16:** Under "Current Goal," enter the dollar and percent goals in each category (SB, SDB, WOSB, VOSB, service-disabled VOSB, and HUBZone SB) from the subcontracting plan approved for this contract. (If the original goals agreed upon at contract award have been revised as a result of contract modifications, enter the original goals in Block 16. The amounts entered in Blocks 10a through 15 should reflect the revised goals.) Under "Actual Cumulative," enter actual subcontract achievements (dollars and percent) from the inception of the contract through the date of the report shown in Block 4. In cases where indirect costs are included, the amounts should include both direct awards and an appropriate prorated portion of indirect awards.

**BLOCK 10a:** Report all subcontracts awarded to SB's including subcontracts to SDB's, WOSB, VOSB, SERVICE-DISABLED VOSB, AND HUBZone SB's. **For DoD, NASA, and Coast Guard contracts, include subcontracting awards to HBCU's and MI's.**

**BLOCK 10b:** Report all subcontracts awarded to large businesses (LBs)

**BLOCK 10c:** Report on this line the total of all subcontracts awarded under this contract (the sum of lines 10a and 10b).

**BLOCKS 11 - 16:** Each of these items is a subcategory of Block 10a. **Note that in some cases the same dollars may be reported in more than one block (e.g., SDB's owned by women or veterans).**

**BLOCK 11:** Report all subcontracts awarded to SDB's (including women-owned, veteran-owned, service-disabled VOSB's, and HUBZone SB SDB's). For DOD, NASA, and Coast Guard contracts, include subcontracting awards to HBCU's and MI's.

**BLOCK 12:** Report all subcontracts awarded to Women-Owned firms (including SDB's, VOSB's, service-disabled VOSB's and HUBZone SB's owned by women).

**BLOCK 13: (For contracts with DoD, NASA, and Coast Guard):** Report all subcontracts with HBCU's/MI's. Complete the column under "Current Goal" only when the subcontracting plan establishes a goal.

**BLOCK 14:** Report all subcontracts awarded to HUBZone SB's (including women-owned, veteran-owned, service-disabled VOSB's and SDB HUBZone SB's).

**BLOCK 15:** Report all subcontracts awarded to VOSB's including service-disabled VOSB's (include VOSB's that are also SDB's, WOSB's and HUBZone SB's).

**BLOCK 16:** Report all subcontracts awarded to service-disabled veteran-owned SB concerns that are also SDB's, WOSB's, and HUBZone SBs.

**BLOCK 17:** Enter a short narrative explanation if (a) SB, SDB, WOSB, VOSB, service-disabled VOSB, or HUBZone SB accomplishments fall below that which would be expected using a straight-line projection of goals through the period of contract performance; or (b) if this is a final report, any one of the three goals were not met.

**DEFINITIONS**

1. Direct Subcontract Awards are those that are identified with the performance of one or more specific Government contract(s).

2. Indirect costs are those which, because of incurrence for common or joint purposes, are not identified with specific Government contracts; these awards are related to Government contract performance but remain for allocation after direct awards have been determined and identified to specific Government contracts.

**DISTRIBUTION OF THIS REPORT**

**For the Awarding Agency or Contractor:**

The original copy of this report should be provided to the contracting officer at the agency or contractor identified in Block 8. For contracts with DOD, a copy should also be provided to the Defense Contract Management Agency (DCMA) at the cognizant Defense Contract Management Area Operations (DCMAO) office.

**For the Small Business Administration (SBA):**

A copy of this report must be provided to the cognizant Commercial Market Representative (CMR) at the time of a compliance review. It is NOT necessary to mail the SF 294 to SBA unless specifically requested by the CMR.

■ 88. Amend section 53.301–295 by revising the form to read as follows:

**53.301–295 Summary Subcontract Report.**

**SUMMARY SUBCONTRACT REPORT**  
*(See instructions on reverse)*

OMB No.: 9000-0007  
Expires: 10/31/2006

Public reporting burden for this collection of information is estimated to average 15.9 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretariat (VIR), Regulatory and Federal Assistance Division, GSA, Washington, DC 20405.

1. CORPORATION, COMPANY OR SUBDIVISION COVERED			3. DATE SUBMITTED		
a. COMPANY NAME			4. REPORTING PERIOD: YEAR		
b. STREET ADDRESS					
c. CITY		d. STATE	e. ZIP CODE	5. TYPE OF REPORT <input type="checkbox"/> REGULAR <input type="checkbox"/> FINAL <input type="checkbox"/> REVISED	
2. CONTRACTOR IDENTIFICATION NUMBER					
6. ADMINISTERING ACTIVITY <i>(Please check applicable box)</i>					
ARMY		DEFENSE CONTRACT MANAGEMENT AGENCY		DOE	
NAVY		NASA		OTHER FEDERAL AGENCY <i>(Specify)</i>	
AIR FORCE		GSA			
7. REPORT SUBMITTED AS <i>(Check one)</i>			8. TYPE OF PLAN		
PRIME CONTRACTOR			IF PLAN IS A COMMERCIAL PLAN, SPECIFY THE PERCENTAGE OF THE DOLLARS ON THIS REPORT ATTRIBUTABLE TO THIS AGENCY. <span style="float:right;">▶</span>		
SUBCONTRACTOR					
BOTH					
			INDIVIDUAL		
			COMMERCIAL PRODUCTS		
9. CONTRACTOR'S MAJOR PRODUCTS OR SERVICE LINES					
a		b			

**CUMULATIVE FISCAL YEAR SUBCONTRACT AWARDS *(Report cumulative figures for reporting period in Block 4)***

TYPE	WHOLE DOLLARS	PERCENT <small>(To nearest tenth of a %)</small>
10a. SMALL BUSINESS CONCERNS <i>(Include SDB, WOSB, HBCU/MI, HUBZone SB, and VOSB (including Service-Disabled VOSB)) (Dollar Amount and Percent of 10c).</i>		
10b. LARGE BUSINESS CONCERNS <i>(Dollar Amount and Percent of 10c).</i>		
10c. TOTAL <i>(Sum of 10a and 10b).</i>		100.0%
11. SMALL DISADVANTAGED BUSINESS (SDB) CONCERNS <i>(Include HBCU/MI) (Dollar Amount and Percent of 10c).</i>		
12. WOMEN-OWNED SMALL BUSINESS (WOSB) CONCERNS <i>(Dollar Amount and Percent of 10c).</i>		
13. HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) AND MINORITY INSTITUTIONS (MI) <i>(If Applicable) (Dollar Amount and Percent of 10c).</i>		
14. HUBZONE SMALL BUSINESS (HUBZone SB) CONCERNS <i>(Dollar Amount and Percent of 10c).</i>		
15. VETERAN-OWNED SMALL BUSINESS (VOSB) CONCERNS <i>(Including Service-Disabled VOSB Concerns) (Dollar Amount and Percent of 10c).</i>		
16. SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS CONCERNS <i>(Dollar Amount and Percent of 10c).</i>		
17. REMARKS		

18. CONTRACTOR'S OFFICIAL WHO ADMINISTERS SUBCONTRACTING PROGRAM			
a. NAME		b. TITLE	
		c. TELEPHONE NUMBER	
		AREA CODE	NUMBER
19. CHIEF EXECUTIVE OFFICER			
a. NAME		c. SIGNATURE	
b. TITLE		d. DATE	

**GENERAL INSTRUCTIONS**

1. This report is not required from small businesses.
2. This form collects subcontract data from prime contractors/subcontractors that: (a) hold one or more contracts over \$550,000 (over \$1,000,000 for construction of a (over \$1,000,000 for construction of a public facility); and (b) are required to report subcontracts awarded to Small Business (SB), Small Disadvantaged Business (SDB), (SDB), Women-Owned Small Business (WOSB), Veteran-Owned Small Business (VOSB), Service-Disabled Veteran-Owned Small Business, and HUBZone Small Business (HUBZone SB) concerns under a subcontracting plan. For the Department of Defense (DOD), the National Aeronautics and Space Administration (NASA), and the Coast Guard, this form also collects subcontract award data for Historically Black Colleges and Universities (HBCU's) and Minority Institutions (MI's).
3. This report must be submitted semi-annually (for the six months ended March 31st and the twelve months ended September 30th) for contracts with the Department of Defense (DOD) and annually (for the twelve months ended September 30th) for contracts with civilian agencies, except for contracts covered by an approved Commercial Plan (see special instructions in right-hand column). Reports are due 30 days after the close of each reporting period.
4. This report may be submitted on a corporate, company, or subdivision (e.g., plant or division operating on a separate profit center) basis, unless otherwise directed by the agency awarding the contract.
5. If a prime contractor/subcontractor is performing work for more than one Federal agency, a separate report shall be submitted to each agency covering only that agency's contracts, provided at least one of that agency's contracts is over \$550,000 (over \$1,000,000 for construction of a public facility) and contains a subcontracting plan. (Note that DOD is considered to be a single agency; see next instruction).
6. For DOD, a consolidated report should be submitted for all contracts awarded by military departments/agencies and/or subcontracts awarded by DOD prime contractors. However, DOD contractors involved in construction and related maintenance and repair must submit a separate report for each DOD component.
7. Only subcontracts involving performance in the U.S. or its outlying areas should be included in this report.
8. Purchases from a corporation, company, or subdivision that is an affiliate of the prime/subcontractor are not included in this report.
9. Subcontract award data reported on this form by prime contractors/subcontractors shall be limited to awards made to their immediate subcontractors. Credit **cannot** be taken for awards made to lower tier subcontractors.
10. See special instructions in right-hand column for Commercial Plans.

**SPECIFIC INSTRUCTIONS**

**BLOCK 2:** For the Contractor Identification Number, enter the nine-digit Data Universal Numbering System (DUNS) number that identifies the specific contractor establishment. If there is no DUNS number available that identifies the exact name and address entered in Block 1, contact Dun and Bradstreet Information Services at 1-800-333-0505 to get one free of charge over the telephone. Be prepared to provide the following information: (1) Company name; (2) Company address; (3) Company telephone number; (4) Line of business; (5) Chief Executive Officer/key manager; (6) Date the company was started; (7) Number of people employed by the company; and (8) Company affiliation.

**BLOCK 4:** Check only one. Note that March 31 represents the six months from October 1st and that September 30th represents the twelve months from October 1st. Enter the year of the reporting period.

**BLOCK 5:** Check whether this report is a "Regular," "Final," and/or "Revised," report. A "Final" report should be checked only if the contractor has completed all the contracts containing subcontracting plans awarded by the agency to which it is reporting. A "Revised" report is a change to a report previously submitted for the same period.

**BLOCK 6:** Identify the department or agency administering the majority of subcontracting plans.

**BLOCK 7:** This report encompasses all contracts with the Federal Government for the agency to which it is submitted, including subcontracts received from other large businesses that have contracts with the same agency. Indicate in this block whether the contractor is a prime contractor, subcontractor, or both (check only one).

**BLOCK 8:** Check only one. Check "Commercial Plan" only if this report is under an approved Commercial Plan. For a Commercial Plan, the contractor must specify the percentage of dollars in Blocks 10a through 15b attributable to the agency to which this report is being submitted.

**BLOCK 9:** Identify the major product or service lines of the reporting organization.

**BLOCKS 10a through 16:** These entries must include all subcontract awards resulting from contracts or subcontracts, regardless of dollar amount, received from the agency to which this report is submitted. If reporting as a subcontractor, report all subcontracts awarded under prime contracts. Amounts must include both direct awards and an appropriate prorated portion of indirect awards. (The indirect portion is based on the percentage of work being performed for the organization to which the report is being

submitted in relation to other work being performed by the prime contractor/subcontractor). Do not include awards made in support of commercial business unless "Commercial" is checked in Block 8 (see Special Instructions for Commercial Plans in right hand column). Report only those dollars subcontracted this fiscal year for the period indicated in Block 4.

**BLOCK 10a:** Report all subcontracts awarded to SBs including subcontracts to SDBs, WOSBs, VOSBs, Service-Disabled VOSBs, AND HUBZone SB's. For DOD, NASA, and Coast Guard contracts, include subcontracting awards to HBCUs and MIs.

**BLOCK 10b:** Report all subcontracts awarded to large businesses (LB's)

**BLOCK 10c:** Report on this line the grand total of all subcontracts (the sum of lines 10a and 10b).

**BLOCKS 11 through 16:** Each of these items is a subcategory of Block 10a. Note that in some cases the same dollars may be reported in more than one block (e.g., SDB's owned by women); likewise subcontracts to HBCU's or MI's should be reported on both Block 11 and 13.

**BLOCK 11:** Report all subcontracts awarded to SDBs (including women-owned, veteran-owned, service-disabled VOSBs, or HUBZone SB SDBs). For DOD, NASA, and Coast Guard contracts, include subcontract awards to HBCUs and MIs.

**BLOCK 12:** Report all subcontracts awarded to WOSB firms (including SDBs, VOSBs, service-disabled VOSBs and HUBZone SBs owned by women).

**BLOCK 13:** (For contracts with DOD, NASA and Coast Guard): Enter the dollar value of all subcontracts with HBCUs/MIs.

**BLOCK 14:** Report all subcontracts awarded to HUBZone SBs (including women-owned, veteran-owned, service-disabled VOSBs, and SDB HUBZone SBs).

**BLOCK 15:** Report all subcontracts awarded to VOSBs (including women-owned, SDB, and HUBZone SB VOSBs).

**BLOCK 16:** Report all subcontracts awarded to service-disabled VOSBs (including Service-Disabled Veteran Owned Small Business Concerns that are SDBs, WOSBs, and HUBZone SBs). These subcontracts should also be reported in Block 15.

**SPECIAL INSTRUCTIONS FOR COMMERCIAL PLANS**

1. This report is due on October 30th each year for the previous fiscal year ending September 30th.
2. The annual report submitted by reporting organizations that have an approved company-wide annual subcontracting plan for commercial items shall include all subcontracting activity under commercial plans in effect during the year and shall be submitted in addition to the required reports for other-than-commercial items, if any.
3. Enter in Blocks 10a through 15b the total of all subcontract awards under the contractor's Commercial Plan. Show in Block 8 the percentage of this total that is attributable to the agency to which this report is being submitted. This report must be submitted to each agency from which contracts for commercial items covered by an approved Commercial Plan were received.

**DEFINITIONS**

1. Direct Subcontract Awards are those that are identified with the performance of one or more specific Government contract(s).
2. Indirect Subcontract Awards are those which, because of incurrence for common or joint purposes, are not identified with specific Government contracts; these awards are related to Government contract performance but remain for allocation after direct awards have been determined and identified to specific Government contracts.

**SUBMITTAL ADDRESSES FOR ORIGINAL REPORT**

For DOD contractors, send reports to the cognizant contract administration office as stated in the contract.

For Civilian Agency Contractors, send reports to the awarding agency:

1. NASA: Forward reports to NASA, Office of Procurement (HS), Washington, DC 20546
2. OTHER FEDERAL DEPARTMENTS OR AGENCIES: Forward report to the OSD/BU Director unless otherwise provided for in instructions by the Department or Agency.

**FOR ALL CONTRACTORS:**

SMALL BUSINESS ADMINISTRATION (SBA): Send "info copy" to the cognizant Commercial Market Representative (CMR) at the address provided by SBA. Call SBA Headquarters in Washington, DC at (202) 205-6475 for the correct address if unknown.

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