



# Federal Register

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Wednesday,  
March 23, 2005

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## Part V

### Department of Defense

### General Services Administration

### National Aeronautics and Space Administration

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48 CFR Parts 4, 5, et al.

**Federal Acquisition Circular 2005–02;  
Federal Acquisition Regulations;  
Procurement Program for Service-  
Disabled Veteran-Owned Small Business  
Concerns; Small Entity Compliance Guide;  
Final Rules**

**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**48 CFR Chapter 1**

**Federal Acquisition Circular 2005-02; Introduction**

**AGENCIES:** Department of Defense (DoD), General Services Administration (GSA),

and National Aeronautics and Space Administration (NASA).

**ACTION:** Summary presentation of final rule.

**SUMMARY:** This document summarizes the Federal Acquisition Regulation (FAR) rule agreed to by the Civilian Agency Acquisition Council in this Federal Acquisition Circular (FAC) 2005-02. 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.acqnet.gov/far>.

**DATES:** For effective date, see separate document which follows.

**FOR FURTHER INFORMATION CONTACT:** The FAR Secretariat, at (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 the FAR case. Please cite FAC 2005-02, FAR case 2004-002. Interested parties may also visit our Web site at <http://www.acqnet.gov/far>.

Item	Subject	FAR case	Analyst
I .....	Procurement Program for Service-Disabled Veteran-Owned Small Business Concerns .....	2004-002	Cundiff.

**SUPPLEMENTARY INFORMATION:** A summary of the FAR rule follows. For the actual revisions and/or amendments to this FAR case, refer to the specific item number and subject set forth in the document following this item summary.

FAC 2005-02 amends the FAR as specified below:

**Procurement Program for Service-Disabled Veteran-Owned Small Business Concerns (FAR Case 2004-002)**

This final rule provides for set-aside and sole source procurement authority for service-disabled veteran-owned small business (SDVOSB) concerns. It amends the Federal Acquisition Regulation (FAR) interim rule that was published in the **Federal Register** at 69 FR 25274, May 5, 2004, to implement Section 308 of the Veterans Benefits Act of 2003, Procurement Program for Small Business Concerns Owned and Controlled by Service-Disabled Veterans (Pub. L. 108-183). The interim rule provided that contracting officers may: (1) Award contracts on the basis of competition restricted to service-disabled veteran-owned small businesses (SDVOSB) if there is a reasonable expectation that two or more SDVOSB concerns will submit offers and that the award can be made at a fair market price, or (2) award a sole source contract to a responsible SDVOSB concern when there is not a reasonable expectation that two or more SDVOSB concerns would offer, the anticipated contract price (including options) will not exceed \$5 million (for manufacturing) or \$3 million otherwise, and the contract award can be made at a fair and reasonable price. This final rule is published in conjunction with two rules published by the Small Business Administration (SBA).

Dated: March 16, 2005.

**Rodney P. Lantier,**  
*Director, Contract Policy Division.*

**Federal Acquisition Circular**

Federal Acquisition Circular (FAC) 2005-02 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 2005-02 is effective March 23, 2005.

Dated: March 16, 2005.

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

Dated: March 16, 2005.

**Patricia A. Brooks,**  
*Acting Senior Procurement Executive, Office of the Chief Acquisition Officer, General Services Administration.*

Dated: March 15, 2005.

**Tom Luedtke,**  
*Deputy Chief Acquisition Officer, National Aeronautics and Space Administration.*

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**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**48 CFR Parts 4, 5, 13, 15, 19, 42, 44, and 53**

[FAC 2005-02; FAR Case 2004-002]

RIN 9000-AJ92

**Federal Acquisition Regulation; Procurement Program for Service-Disabled Veteran-Owned Small Business Concerns**

**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) governing the procurement program for Service-Disabled Veteran-Owned Small Business Concerns (SDVOSB). The final rule retains the interim rule with changes. The final rule deletes commissary or exchange resale items from a list of actions excluded from the SDVOSB program and modifies protest procedures. The final rule also includes technical corrections adding service-disabled veteran-owned small, veteran-owned small, and HUBZone small business concerns to the list of socioeconomic programs, and makes changes to the Optional Form 347, Order for Supplies and Services, Standard Form 1447, Solicitation/Contract, and Standard Form 1449,