



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

**Acquisition
Bulletin (AB)**

No. 02-22
Oct. 4, 2002

MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

FROM: Corey M. Rindner, Director
Office of the Procurement Executive

SUBJECT: Class Deviation from FAR 31.205-46(a)(2)

Purpose: The purpose of this AB is to issue a class deviation from the Federal Acquisition Regulation [(FAR 31.205-46(a)(2) requirement on maximum per diem rates under the Federal Travel Regulations (FTR)].

Effective Date: Retroactive to January 1, 2000.

Expiration Date: This bulletin will expire when canceled or superseded.

Background: On December 2, 1998, GSA's Office of Governmentwide Policy issued a final rule that made significant changes to the FTR's per diem computation, including extracting lodging taxes from the per diem rates. Because of the potential significant cost impact on contractors, the Civilian Agency Acquisition Council (CAAC) Chairman issued CAAC Letter 99-1 (May 17, 1999), encouraging civilian agencies to issue a class deviation to allow contractors to either use the FTR rates and definitions in effect or December 31, 1998 or to use the current FTR rates and definitions. On December 17, 2000, the CAAC Chairman issued CAAC Letter 99-3 that extended the initial class deviation. Both CAAC letters indicated that the FAR would be revised with an appropriate change. This class deviation will, therefore, remain in effect until an appropriate FAR change is made.

Questions may be directed to Angelie Jackson at angelie.jackson@do.treas.gov or (202) 622-0245.

Attachment

Attachment

TO: Agency Head or Designee

Subject: Request for Class Deviation from FAR 31.205-46(a)(2)

In accordance with Federal Acquisition Regulation (FAR) 1.404, your approval is requested to deviate from the current FAR 31.205-46(a)(2).

Effective January 1, 1999, the computation of the Federal Travel Regulations maximum per diem rate limitations was significantly changed. The lodging taxes are now separated from the per diem rates and are now being paid separately as a miscellaneous expense. We are concerned that the change in the FTR could result in contractors incurring a significant administrative burden and substantial costs in modifying their systems to comply with the new rule. At the same time, the Federal agencies are considering a FAR change to remove these maximum per diem rate limitations.

This class deviation will allow amendment of the cost principle in applicable contracts to permit contractors the choice of using either the FTR rates and definitions in effect on December 31, 1998, or the current FTR rates and definitions. This class deviation does not permit contractors to choose between the different per diem rates on a case by case basis. Instead, the contractor must choose between the 1998 FTR definitions and rates or the current definitions and rates for all pertinent contract related travel. This class deviation shall remain in effect until issuance of a pertinent FAR change. This request has been coordinated with the Chairperson of the Civilian Agency Acquisition Council.

APPROVED:

Director, Office of the Procurement Executive
[Senior Procurement Executive]