



MAR - 6 2018

Class Deviation 2018-01
Addendum 1

MEMORANDUM FOR GSA CONTRACTING ACTIVITIES

FROM:

JEFFREY A. KOSES *Jeffrey A. Koses*
SENIOR PROCUREMENT EXECUTIVE
OFFICE OF ACQUISITION POLICY (MV)

SUBJECT: Class Deviation from the Federal Acquisition Regulation -
Increasing the Micro-Purchase Threshold and Simplified Acquisition
Threshold, Addendum for Simplified Warrants

This Addendum to the original Class Deviation 2018-01, issued February 15, 2018, is effective March 5, 2018 and will become part of the original Class Deviation. The addendum automatically authorizes temporary increases to all simplified level warrants, as specified in GSA's Contracting Officer Warrant Program. The current simplified level warrants threshold caps are modified from "\$150,000" or "Up to the Simplified Acquisition Threshold" to the new threshold of \$250,000.

Because of the unavailability of the Federal Acquisition Institute Training Application System (FAITAS), this temporary authorization is issued in lieu of new warrants being generated through the system. This temporary authorization will expire 60 days after FAITAS returns to an operational state. To keep the higher limitation, Heads of Contracting Activity (HCAs) must administratively reissue warrants before this expiration date.

This addendum also corrects the response to Attachment B, Question 11 "How does the increase in the SAT affect my Contracting Officer Warrant?" to read:

If you hold a simplified level warrant, it may contain text limiting the warrant to "\$150,000". If so, the warrant will need to be administratively reissued through FAITAS.

Due to the current outage of the FAITAS system, Addendum 1 to Class Deviation 2018-01 temporarily increases your warrant limit to \$250,000 automatically. This authorization will expire 60 days after the FAITAS system returns to an operational state. To remain at the \$250,000 level after this expiration date, your warrant must be reissued by your Head of Contracting Activity (HCA).

If you have any questions please contact Johnnie McDowell, Senior Policy Advisor at (202) 718-6112 or johnnie.mcdowell@gsa.gov.



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SUBJECT: Class Deviation from the Federal Acquisition Regulation -
Increasing the Micro-Purchase Threshold and Simplified Acquisition
Threshold

1. Purpose.

This memorandum approves a class deviation from the Federal Acquisition Regulation (FAR) to increase the Micro-Purchase Threshold (MPT) to \$10,000 and the Simplified Acquisition Threshold (SAT) to \$250,000¹ for GSA funded acquisitions. This deviation also raises the Simplified Leasing Acquisition Threshold to \$250,000.

This class deviation is issued to immediately implement statutory increases to the MPT and SAT while the FAR is updated via the rulemaking process.

2. Background.

The National Defense Authorization Act for Fiscal Year 2018 (NDAA FY18)² enacted the following increases to the MPT and SAT:

- NDAA Section 806 increased the MPT to \$10,000. However, the MPT for the Department of Defense (DoD) remains at \$5,000, except for DoD basic research programs and for DoD science and technology reinvention laboratories.³
- NDAA Section 805 increased the SAT to \$250,000.

¹ See Section 7. References for statutes and regulations applicable to the micro-purchase threshold and simplified acquisition threshold.

² Public Law 115-91.

³ The statutory MPT found at 41 U.S.C. 1902 is now \$10,000, although the DoD exceptions found at 10 U.S.C sections 2338 and 2339 still apply.

The Federal Acquisition Regulation Council is working to amend the FAR to incorporate these changes. It will take time to implement.

In the interim, this class deviation implements the higher thresholds for the General Services Administration. This deviation is needed because it provides substantial administrative efficiencies. It offers more flexibilities for GSA to best support its customer agencies.

Note, not all thresholds are increased by this deviation. Some dollar amounts are set by statute. As such, these do not change. For example, the thresholds for the Construction Wage Rate Requirements statute (previously known as the Davis-Bacon Act), the Service Contract Labor Standards statute (previously known as the Service Contract Act), the Anti-Kickback Act of 1986, the Fair Opportunity Procedures found in 16.505(b) and a few other statutorily-established thresholds do not change.

Raising the Micro-Purchase and Simplified Acquisition Thresholds will require changes to the GSA contract writing systems and to government-wide systems such as Federal Procurement Data System - Next Generation (FPDS-NG), Contractor Performance Assessment Reporting System (CPARS), Electronic Subcontracting Reporting System (eSRS) and the beta.sam.gov. Until the system changes are made, users will find some short term inconsistencies. Some of these will require manual correction or will implicate data accuracy.

These are known problems and are more than offset by the administrative streamlining created through these raised thresholds. The business owners of these systems and programs are aware of the change in thresholds and will work towards implementation, notifying stakeholders as the changes are effectuated.

Existing purchase card limits are not raised through this deviation. Work with the Office of Administrative Services (OAS) if there is a need to change a purchase card limitation.

3. Authority.

This class deviation is issued under the authority of FAR 1.404 and General Services Administration Acquisition Manual (GSAM) 501.404.

This deviation is issued following consultation with the Chair of the Civilian Agency Acquisition Council (CAAC) in accordance with FAR 1.404(a) and GSAM 501.404(a).

4. Deviation.

See Attachment A for the changes in the FAR text as revised by this deviation.

5. Effective Date.

This deviation is effective immediately and remains in effect until incorporated into the FAR.

6. Questions.

Frequently Asked Questions are located in Attachment B.

7. References.

- a) 41 U.S.C. §134. Defines the *Simplified Acquisition Threshold*.
- b) 41 U.S.C. § 1902. *Procedures Applicable To Purchases Below Micro-Purchase Threshold*.
- c) 41 U.S.C. 1908. *Inflation Of Adjustment Of Acquisition-Related Dollar Thresholds* requires that the Federal Acquisition Regulation (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 using the Consumer Price Index and supersedes the applicability of any other provision of law that provides for the adjustment of such acquisition-related dollar thresholds.
- d) FAR Part 1.109. *Statutory Acquisition-Related Dollar Thresholds - Adjustment for Inflation* 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. However the statute does not permit escalation of acquisition-related thresholds established by: 1) 40 U.S.C. Chapter 31, subchapter IV, Wage Rate Requirements (Construction); 2) 41 U.S.C. Chapter 67, Service Contract Labor Standards; or 3) The United States Trade Representative pursuant to the authority of the Trade Agreements Act of 1979 (19 U.S.C. 2511 et seq.).

8. Point of Contact.

If you have any questions please contact Johnnie McDowell, Senior Policy Advisor at (202) 718-6112 or johnnie.mcdowell@gsa.gov.

Attachment A - FAR Deviation Text

Attachment B - Frequently Asked Questions

ATTACHMENT A
FAR DEVIATION TEXT

The baseline for the following line-in/line-out text is Federal Acquisition Circular (FAC) 2005-97, effective January 24, 2018. Changes to the text are shown by **[additions]** and ~~deletions~~. Asterisks are used to show that the preceding or following text remains unchanged.

Part 2—Definitions of Words and Terms
Subpart 2.1—Definitions

2.101 Definitions.

(b) ***

“Micro-purchase threshold” means ~~\$3,500~~ **[\$10,000]**, except it means—

(1) For acquisitions of construction subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction), \$2,000;

(2) For acquisitions of services subject to 41 U.S.C. chapter 67, Service Contract Labor Standards, \$2,500; and

(3) For acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation; **[to]** facilitate defense against or recovery from **[cyber]**, nuclear, biological, chemical or radiological attack; to support a request from the Secretary of State or the Administrator of the United States Agency for International Development to facilitate provision of international disaster assistance pursuant to 22 U.S.C. 2292 et seq.; or **[to support response to an emergency or major disaster (42 U.S.C. 5122)]**, as described in 13.201(g)(1), except for construction subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction) (41 U.S.C. 1903)—

(i) \$20,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States; and

(ii) \$30,000 in the case of any contract to be awarded and performed, or purchase to be made, outside the United States-**;**

(4) For acquisitions of supplies or services from institutions of higher education (20 U.S.C. 1001(a)) or related or affiliated nonprofit entities, or from nonprofit research organizations or independent research institutes—

(i) \$10,000; or

(ii) A higher threshold, as determined appropriate by the head of the agency and consistent with clean audit findings under 31 U.S.C. chapter 75, Requirements for Single Audits; an internal institutional risk assessment; or State law.]

“Simplified acquisition threshold” means ~~\$150,000~~ **[\$250,000]** (41 U.S.C. 134), except for—

(1) Acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation; **[to]** facilitate defense against or recovery from **[cyber,]** nuclear, biological, chemical, or radiological attack-**;** **to support a request from the Secretary of State or the Administrator of the United States Agency for International Development to facilitate provision of international disaster assistance pursuant to 22**

U.S.C. 2292 et seq.; or to support response to an emergency or major disaster (42 U.S.C. 5122)], (41 U.S.C. 1903), the term means—

(i) \$750,000 for any contract to be awarded and performed, or purchase to be made, inside the United States; and

(ii) \$1.5 million for any contract to be awarded and performed, or purchase to be made, outside the United States; and

(2) Acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a humanitarian or peacekeeping operation (10 U.S.C. 2302), the term means ~~\$300,000~~ **[\$500,000]**⁴ for any contract to be awarded and performed, or purchase to be made, outside the United States.

Part 5—Publicizing Contract Actions

Subpart 5.2—Synopsis of Proposed Contract Actions

5.206 Notices of subcontracting opportunities.

(a) *** (1) A contractor awarded a contract exceeding ~~\$150,000~~ **[\$250,000]** that is likely to result in the award of any subcontracts.

(2) A subcontractor or supplier, at any tier, under a contract exceeding ~~\$150,000~~ **[\$250,000]**, that has a subcontracting opportunity exceeding \$15,000. *****

Part 13—Simplified Acquisition Procedures

13.003 Policy.

*** (b)(1) Acquisitions of supplies or services that have an anticipated dollar value exceeding ~~\$3,500~~ **[\$10,000]** (\$20,000 for acquisitions as described in 13.201(g)(1)) but not exceeding ~~\$150,000~~ **[\$250,000]** (\$750,000 for acquisitions described in paragraph (1)(i) of the simplified acquisition threshold definition at 2.101) are reserved exclusively for small business concerns and shall be set aside (see 19.000, 19.203, and subpart 19.5).

Subpart 13.5—Simplified Procedures for Certain Commercial Items

13.501 Special documentation requirements.

(a) *** (2) ***

(i) For a proposed contract exceeding ~~\$150,000~~ **[\$250,000]**, but not exceeding \$700,000, the contracting officer's certification that the justification is accurate and complete to the best of the contracting officer's knowledge and belief will serve as approval, unless a higher approval level is established in accordance with agency procedures.

⁴ In accordance with 41 U.S.C. 153, which states "...in the case of a contract to be awarded and performed, or purchase to be made, outside of the United States in support of a humanitarian or peacekeeping operation, the term means an amount equal to two times the amount specified for that term in section 134 of this title". Therefore, the threshold related to humanitarian or peacekeeping operations is double the amount of SAT. For example, ($\$250,000 \times 2 = \$500,000$).

Part 19—Small Business Programs
Subpart 19.2—Policies

19.203 Relationship among small business programs.

*** (b) At or below the simplified acquisition threshold. For acquisitions of supplies or services that have an anticipated dollar value exceeding ~~\$3,500~~ **[\$10,000]** (\$20,000 for acquisitions as described in 13.201(g)(1)), but not exceeding ~~\$150,000~~ **[\$250,000]** (\$750,000 for acquisitions described in paragraph (1)(i) of the simplified acquisition threshold definition at 2.101), the requirement at 19.502-2(a) to exclusively reserve acquisitions for small business concerns does not preclude the contracting officer from awarding a contract to a small business under the 8(a) Program, HUBZone Program, SDVOSB Program, or WOSB Program.

Subpart 19.5—Set-Asides for Small Business

19.502 Setting aside acquisitions.

19.502-1 Requirements for setting aside acquisitions.

(b) This requirement does not apply to purchases of ~~\$3,500~~ **[\$10,000]** or less (\$20,000 or less for acquisitions as described in 13.201(g)(1)), or purchases from required sources of supply under Part 8 (e.g., Committee for Purchase From People Who are Blind or Severely Disabled, and Federal Supply Schedule contracts).

19.502-2 Total small business set-asides.

(a) Before setting aside an acquisition under this paragraph, refer to 19.203(b). Each acquisition of supplies or services that has an anticipated dollar value exceeding ~~\$3,500~~ **[\$10,000]** (\$20,000 for acquisitions as described in 13.201(g)(1)), but not over ~~\$150,000~~ **[\$250,000]** (\$750,000 for acquisitions described in paragraph (1) (i) of the simplified acquisition threshold definition at 2.101), is automatically reserved exclusively for small business concerns and shall be set aside for small business unless the contracting officer determines there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns that are competitive in terms of market prices, quality, and delivery. If the contracting officer does not proceed with the small business set-aside and purchases on an unrestricted basis, the contracting officer shall include in the contract file the reason for this unrestricted purchase. If the contracting officer receives only one acceptable offer from a responsible small business concern in response to a set-aside, the contracting officer should make an award to that firm. If the contracting officer receives no acceptable offers from responsible small business concerns, the set-aside shall be withdrawn and the requirement, if still valid, shall be resolicited on an unrestricted basis. The small business reservation does not preclude the award of a contract as described in 19.203.

(b) Before setting aside an acquisition under this paragraph, refer to 19.203(c). The contracting officer shall set aside any acquisition over ~~\$150,000~~ **[\$250,000]** for small business participation when there is a reasonable expectation that—

19.508 Solicitation provisions and contract clauses.

*** (e) The contracting officer shall insert the clause at 52.219-14, Limitations on Subcontracting, in solicitations and contracts for supplies, services, and construction, if any portion of the requirement is to be set aside or reserved for small business and the contract amount is expected to exceed ~~\$150,000~~ **[\$250,000]**. This includes multiple-award contracts when orders may be set aside for small business concerns, as described in 8.405-5 and 16.505(b)(2)(i)(F).

Part 25—Foreign Acquisition
Subpart 25.7—Prohibited Sources

25.703 Prohibition on contracting with entities that engage in certain activities or transactions relating to Iran.

25.703-2 Iran Sanctions Act.

(a)(1) *** (2) *Certification relating to transactions with Iran's Revolutionary Guard Corps.* As required by section 6(b)(1)(B) of the Iran Sanctions Act (50 U.S.C. 1701 note), unless an exception applies in accordance with paragraph (c) of this subsection, or a waiver is granted in accordance with 25.703-4, each offeror must certify that the offeror, and any person owned or controlled by the offeror, does not knowingly engage in any significant transaction (i.e., a transaction that exceeds ~~\$3,500~~ **[\$10,000]** with Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates, the property and interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)(see OFAC's Specially Designated Nationals and Blocked Persons List at <http://www.treasury.gov/ofac/downloads/t11sdn.pdf>).

25.703-4 Waiver.

*** (c) *** (5) *** (ii) If the offeror conducts activities for which sanctions may be imposed under section 5 of the Iran Sanctions Act or engages in any transaction that exceeds ~~\$3,500~~ **[\$10,000]** with Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates, the property and interests in property of which are blocked pursuant to the International Emergency Economic Powers Act, provide rationale why it is essential to the national security interests of the United States for the President to waive the prohibition on contracting with this offeror, as required by section 6(b)(5) of the Iran Sanctions Act.

(6) ***

(7) *** (iii) Conduct any transaction that exceeds ~~\$3,500~~ **[\$10,000]** with Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates, the property and interests in property of which are blocked pursuant to the International Emergency Economic Powers Act.

(8) *** (iii) The transactions that exceed ~~\$3,500~~ **[\$10,000]** with Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates, the property and interests in property of which are blocked pursuant to the International Emergency Economic Powers Act.

Part 52—Solicitation Provisions and Contract Clauses
Subpart 52.2—Text of Provisions and Clauses

52.203-16 Preventing Personal Conflicts of Interest.

*** (d) Subcontract flowdown. The Contractor shall include the substance of this clause, including this paragraph (d), in subcontracts—

(1) That exceed ~~\$150,000~~ **[\$250,000]**; and ***

52.212-1 Instructions to Offerors—Commercial Items.

*** (j) *Unique entity identifier.* (Applies to all offers exceeding ~~\$3,500~~ **[\$10,000]**, and offers of ~~\$3,500~~ **[\$10,000]** or less if the solicitation requires the Contractor to be registered in the System for Award Management (SAM) database.)

52.219-9 Small Business Subcontracting Plan.

*** (d) *** (11) ***

(iii) Records on each subcontract solicitation resulting in an award of more than ~~\$150,000~~ **[\$250,000]**, indicating— ***

52.219-9 Small Business Subcontracting Plan.

Alternate IV

*** (d) *** (11) *** (iii) Records on each subcontract solicitation resulting in an award of more than ~~\$150,000~~ **[\$250,000]**, indicating—

ATTACHMENT B
FREQUENTLY ASKED QUESTIONS

1. Why did GSA issue a deviation rather than wait for the FAR case to raise the MPT and SAT thresholds?

Answer: It will take time to work the FAR case. GSA can achieve substantial administrative efficiencies by implementing the new authority now. It offers more flexibilities for GSA to best support its customer agencies.

2. How would the changes in MPT and SAT affect FAR Subpart 22.4—*Labor Standards for Contracts Involving Construction?*

Answer: The changes in the MPT and SAT have no effect on the Construction Wage Rate Requirements statute, previously known as the Davis-Bacon Act (DBA). The DBA threshold remains at \$2,000 for construction, alteration, or repair (including painting and decorating) of public buildings or public works within the United States. Contracting Officers (COs) should refer to FAR Subpart 22.4 and ensure that any necessary clauses are included in the contract.

3. How would the changes in MPT and SAT affect FAR Subpart 22.10—*Service Contract Labor Standards?*

Answer: The changes in the MPT and SAT have no effect on the Service Contract Labor Standards statute, previously known as the Service Contract Act (SCA). The SCA threshold remains at \$2,500 for services. COs should refer to FAR Subpart 22.10 and ensure that any necessary clauses are included in the contract.

However, the change in the SAT does impact clauses related to the Fair Labor Standards Act. The changes in SAT does require the Contracting Officer to review procurements to determine if he/she should or should not:

- a) insert the clause at 52.222-43, Fair Labor Standards Act and Service Contract Labor Standards—Price Adjustment (Multiple Year and Option Contracts), or another clause which accomplishes the same purpose, in solicitations and contracts if the contract is expected to be a fixed-price, time-and-materials, or labor-hour service contract containing the clause at 52.222-41, Service Contract Labor Standards, and is a multiple year contract or is a contract with options to renew which exceeds the SAT.
- b) insert the clause at 52.222-44, Fair Labor Standards Act and Service Contract Labor Standards—Price Adjustment, in solicitations and contracts if the contract is expected to be a fixed-price, time-and-materials, or labor-hour service contract containing the clause at 52.222-41, Service Contract Labor Standards, exceeds the simplified acquisition threshold, and is not a multiple year contract or is not a

contract with options to renew. The clause may also be used in contracts that do not exceed the SAT.

- 4. Will the increase in SAT change the threshold for using simplified procedures for commercial items?**

Answer: The SAT in FAR Subpart 13.5—*Simplified Procedures for Certain Commercial Items* is identified as text that is tied to the definition in FAR 2.101 and is changed accordingly to \$250,000. However, simplified procedures are authorized for the acquisition of supplies and services in amounts greater than the \$250,000 but not exceeding \$7 million. (FAR Subpart 13.500(c) and FAR Subpart 12.102(f)(1).

- 5. I have requested quotes from vendors for products and services estimated at \$5,000 and have received several quotes, what should I do?**

Answer: You are authorized to proceed or to cancel and reissue. Use your best business judgment based on the specifics of the situation.

- 6. I have several purchase requests under the new MPT of \$10,000 that have not been processed, should I send them back to the requester and ask them to use their SmartPay Purchase Card?**

Answer: The deviation does not automatically raise the GSA SmartPay card limits. Any increases will be worked, over time, with the Office of Administrative Services. The CO should consider the advantages of using FAR Subpart 13.2 micro-purchase procedures instead of FAR Subpart 13.3 simplified acquisition procedures.

- 7. The technical evaluation team has completed its evaluation of a service procurement estimated at \$200,000 and the CO has notified the successful offeror (an other than small business or a small business) of the award decision, does the procurement need to be cancelled and re-procured to comply with FAR Subpart 19.5—Set-Asides for Small Business?**

Answer: There is no requirement to cancel and start over. Do so, only if you believe that to be in GSA's best interest.

- 8. Does this deviation supersede all GSA published guidance or policy that state the MPT at \$3,500 and/or SAT at \$150,000?**

Answer: Yes, this deviation will supersede all references to MPT being at or below \$3,500 and SAT being at or below \$150,000 in GSA publications, policies, and training materials. However, this deviation does not supersede existing contract language unless or until the contract is modified to reflect the changes in the MPT and/or SAT.

9. Will the increases in MPT and SAT affect emergency procedures?

Answer: No, the flexibilities authorized during emergency situations are covered in FAR Part 18—*Emergency Acquisitions* are not affected by the increase to the MPT or the SAT. FAR Subpart 18.2 provides flexibility for the SPE to increase thresholds specific to each emergency situation. Any existing emergency deviations, such as the SPE Memo on 12/14/17 for Hurricanes Irma and Maria, or changes under Acquisition Letter MV-17-03, remain as stated.

10. It is my understanding that Government Purchase Cards only authorize purchases or services at the \$3,500 cap. So, how can we make purchases at the \$10,000 level?

Answer: The GSA Office of Administrative Services manages the GSA purchase card program. If you need to raise purchase card levels, you will need to work with them.

11. How does the increase in SAT affect my Contracting Officer Warrant?

Answer: The increase in SAT will not affect your Contracting Officer Warrant. GSA's Certificate of Appointment (Standard Form 1402) lists the limitation of the Warrant as "Up to Simplified Acquisition Threshold" and does not provide a dollar value.

Recognize there may be isolated issues within GSA contract writing systems that may cause problems. These issues are being reviewed.

12. Will increasing the MPT and the SAT have any impact on acquisition systems?

Answer: Yes, raising the MPT and SAT will impact both GSA's contract writing systems and governmentwide acquisition systems such as the Federal Procurement Data System - Next Generation (FPDS-NG), Contractor Performance Assessment Reporting System (CPARS), Electronic Subcontracting Reporting System (eSRS) and the beta.sam.gov environment. Specifically, the systems will require modification to their business rules to use the new values, remove any text/screen references to the exact dollar thresholds, and update user documentation (user guides, help material, data dictionaries, etc.). These systems rely on text prescribed by the FAR as part of its programming logic; therefore, changes will not be made until the FAR changes are implemented.

Currently, the Integrated Acquisition Environment (IAE) team is working to resolve the system issues. However, until the systems are updated, GSA computer generated reports from the FPDS-NG, CPARS, eSRS, etc. may not reflect accurate information. This may result in error messages, over-reporting actions due to possible double counting of actions, or under-reporting actions due to not capturing actions that fall between the \$150,000 and \$250,000 threshold.

There is not an automated work-around for the requirement to modify the business rules for GSA nor for the government-wide systems.

The impact on the GSA acquisition workforce is that IAE would not be able to provide accurate compliance reports or metrics because the new thresholds would not be programmed in the system. Some manual adjustments may later be required.

Despite the systems limitations, there are significant benefits in raising the limits now. Over time, the acquisition systems will catch up.

13. How does the new threshold impact my existing contracts, especially my Indefinite Delivery Indefinite Quantity (IDIQs) for Repair and Alterations (R&A) work below \$150K? Can I increase that threshold?

Answer: The answers to the questions depend on the language used in the existing contracts:

- Where the master contract has an ordering limit expressed only as "up to the SAT," there is no need to modify the contract: once the implementing regulations are in place, the change in the SAT becomes self-executing.
- Where the master contract expresses the ordering limit in dollars tied to the SAT ("up to the SAT (\$150,000)"), you will need to modify the contract.
- Where the ordering limit is expressed only in dollars without any reference to the SAT ("up to \$150,000"), you will need to work with your assigned counsel to see if you should modify the contract.

14. Do we have to perform past performance evaluations per FAR 42.15 for existing awards that were awarded under the previous SAT procedures?

Answer: Existing awards will not be impacted by the increase to SAT; therefore, the requirement to perform past performance reports for existing awards above \$150,000 is still in effect and must be completed by GSA's acquisition workforce.

However, if an IDIQ contract is modified to incorporate the new SAT, any new task orders below the \$250,000 threshold will not be required to complete past performance reports.

15. How will the increase in the MPT and SAT affect the fair opportunity requirements under FAR 16.505(b)?

Answer: The SAT in FAR 16.505(b) is identified as text that is tied to the definition in FAR 2.101 and is changed accordingly to \$250,000. However, the MPT in FAR 16.505 is set by Statute at \$2,500 and increased to \$3,500 for inflation. Therefore, the identified dollar amount remains at \$3,500.

So, now orders *between \$3,500 and \$250,000* must “provide each awardee a fair opportunity to be considered” (FAR 16.505(b)(1)(i)). And orders above \$250,000 must “provide a fair notice of the intent to make a purchase...to all contractors offering the required supplies or services under the multiple-award contract” (FAR 16.505(b)(1)(iii)).

16. How will the increase in the MPT and SAT affect the Federal Supply Schedule ordering procedures under FAR 8.405?

Answer: The MPT and SAT in FAR 8.405 are identified as text that is tied to the definitions in FAR 2.101 and are changed accordingly to \$10,000 and \$250,000. Other than these dollar threshold increases, there is no impact to the ordering procedures to be followed under FAR 8.405.

17. How will the increase in the MPT and SAT affect assisted acquisitions?

Answer: This deviation is only applicable to GSA procurements. Assisted acquisitions must follow the policies of the customer agency, so long as those don't conflict with GSA's or any other agency's authority or responsibility (see FAR 17.501(d)). Contracting Officers for assisted acquisitions should work with customer agencies to determine if a similar class deviation has been issued.

18. How will the increase in the MPT and SAT affect VETS 4212 Compliance under FAR 22.13?

Answer: The increase in the MPT and SAT have no effect on VETS 4212. FAR 22.13 is set by Statute at \$100,000 and increased to \$150,000 for inflation. Therefore, the identified dollar amount remains at \$150,000.

19. What does the change mean for the leasing of real property

Answer: Per GSAR 570.102 the Simplified Lease Acquisition Threshold (SLAT) is the Simplified Acquisition Threshold. Lease Contracting Officers may follow SLAT procedures for leases up to the new \$250,000 threshold.