

U.S.C. 3501, *et seq.* The **Federal Register** notice published on January 25, 1999, invited public comment concerning this decrease. The FAR Secretariat received no comments.

#### List of Subjects in 48 CFR Part 52

Government procurement.

Dated: September 14, 1999.

**Edward C. Loeb,**

*Director, Federal Acquisition Policy Division.*

Therefore, DoD, GSA, and NASA amend 48 CFR Part 52 as set forth below:

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

1. The authority citation for 48 CFR Part 52 continues to read as follows:

**Authority:** 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

2. Amend section 52.230–6 to revise the date of the clause and paragraph (e) of the clause to read as follows:

##### 52.230–6 Administration of Cost Accounting Standards.

\* \* \* \* \*

##### Administration of Cost Accounting Standards (Nov 1999)

\* \* \* \* \*

(e) For all subcontracts subject to the clauses at FAR 52.230–2, 52.230–3, or 52.230–5—

(1) So state in the body of the subcontract, in the letter of award, or in both (self-deleting clauses shall not be used);

(2) Include the substance of this clause in all negotiated subcontracts; and

(3) Within 30 days after award of the subcontract, submit the following information to the Contractor's cognizant contract administration office for transmittal to the contract administration office cognizant of the subcontractor's facility:

(i) Subcontractor's name and subcontract number.

(ii) Dollar amount and date of award.

(iii) Name of Contractor making the award.

\* \* \* \* \*

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#### DEPARTMENT OF DEFENSE

##### GENERAL SERVICES ADMINISTRATION

##### NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

#### 48 CFR Parts 1, 15, 19, and 52

[FAC 97–14; Item XVI]

##### Federal Acquisition Regulation; Technical Amendments

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

**ACTION:** Technical amendments.

**SUMMARY:** This document makes amendments to the Federal Acquisition Regulation in order to update references and make editorial changes.

**EFFECTIVE DATE:** September 24, 1999, except for sections 19.102 and 52.219–18 which are effective November 23, 1999.

**FOR FURTHER INFORMATION CONTACT:** The FAR Secretariat, Room 4035, GS Building, Washington, DC 20405, (202) 501–4755.

#### List of Subjects in 48 CFR Parts 1, 15, 19, and 52

Government procurement.

Dated: September 14, 1999

**Edward C. Loeb**

*Director, Federal Acquisition Policy Division.*

Therefore, DoD, GSA, and NASA amend 48 CFR Parts 1, 15, 19, and 52 as set forth below:

1. The authority citation for 48 CFR Parts 1, 15, 19, and 52 continues to read as follows:

**Authority:** 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

#### PART 1—FEDERAL ACQUISITION REGULATIONS SYSTEM

2. Amend section 1.106 in the table following the introductory paragraph by adding entries to read as follows:

##### 1.106 OMB approval under the Paperwork Reduction Act.

\* \* \* \* \*

FAR segment	OMB control number
* * * * *	
52.232–1 .....	9000–0070
52.232–2 .....	9000–0070
52.232–3 .....	9000–0070
52.232–4 .....	9000–0070

FAR segment	OMB control number
* * * * *	
52.232–6 .....	9000–0070
* * * * *	
52.232–8 .....	9000–0070
52.232–9 .....	9000–0070
* * * * *	
52.232–11 .....	9000–0070
* * * * *	

#### PART 15—CONTRACTING BY NEGOTIATION

##### 15.305 [Amended]

3. Amend section 15.305 in paragraph (a)(2)(i) by removing “(41 U.S.C. 401)”.

#### PART 19—SMALL BUSINESS PROGRAMS

4. Amend section 19.102 by revising the first sentence of paragraph (h); and by removing the size standards table that follows, which consists of Division A through Division K, and Footnotes 1 through 13, to read as follows:

##### 19.102 Size standards.

\* \* \* \* \*

(h) The industry size standards are published by the Small Business Administration on the Internet at <http://www.sba.gov/regulations/siccodes>.

\* \* \*

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

##### 52.211–6 [Amended]

5. Remove from the introductory text “11.107” and insert “11.107(a).”

##### 52.219–18 [Amended]

6. In section 52.219–18 in paragraph (d)(2) of the clause, remove the last sentence in parentheses.

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#### DEPARTMENT OF DEFENSE

##### GENERAL SERVICES ADMINISTRATION

##### NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

#### 48 CFR Chapter 1

##### Federal Acquisition Regulation; Small Entity Compliance Guide

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

**ACTION:** Small Entity Compliance Guide.

**SUMMARY:** This document is issued under the joint authority of the Secretary of Defense, the Administrator of General Services and the Administrator for the National Aeronautics and Space Administration. This *Small Entity Compliance Guide* has been prepared in accordance with

Section 212 of the Small Business Regulatory Enforcement Fairness Act of 1996 (Public Law 104-121). It consists of a summary of rules appearing in Federal Acquisition Circular (FAC) 97-14 which amend the FAR. The rules marked with an asterisk (\*) indicate that a regulatory flexibility analysis has been prepared in accordance with 5 U.S.C. 604. Interested parties may obtain

further information regarding these rules by referring to FAC 97-14 which precedes this document. These documents are also available via the Internet at <http://www.arnet.gov/far>.

**FOR FURTHER INFORMATION CONTACT:** Laurie Duarte, FAR Secretariat, (202) 501-4225. For clarification of content, contact the analyst whose name appears in the table below.

## LIST OF RULES IN FAC 97-14

Item and Subject	FAR case	Analyst
I—Very Small Business Concerns .....	98-013	Moss
II—* Historically Underutilized Business Zone (HUBZone) Empowerment Contracting Program .....	97-307	Moss
III—Use of Competitive Proposals .....	99-001	DeStefano
IV—Javits-Wagner-O'Day Proposed Revisions .....	98-602	DeStefano
V—OMB Circular A-119 .....	98-004	Moss
VI—* Determination of Price Reasonableness and Commerciality (Interim) .....	98-300	Olson
VII—Conforming Late Offer Treatment .....	97-030	DeStefano
VIII—Evaluation of Proposals for Professional Services .....	97-038	Olson
IX—Option Clause Consistency .....	98-606	DeStefano
X—Compensation for Senior Executives .....	98-301	Nelson
XI—Interest and Other Financial Costs .....	98-006	Nelson
XII—Cost-Reimbursement Architect-Engineer Contracts .....	97-043	O'Neill
XIII Conditionally Accepted Items .....	98-002	Klein
XIV—* Value Engineering Change Proposals/PAT .....	97-031	Klein
XV—Cost Accounting Standards Post-Award Notification .....	98-003	Nelson

**Item I—Very Small Business Concerns (FAR Case 98-013)**

This final rule converts the interim rule published as Item II of FAC 97-11 to a final rule with changes. The interim rule amended FAR 5.207, 8.404, 12.303, 19.000, 19.001, 19.102, 19.502-2, 19.901 through 19.904, 52.212-5, and 52.219-5, to implement the Small Business Administration's Very Small Business Pilot Program (13 CFR Parts 121 and 125). This program became effective on January 4, 1999.

**Item II—Historically Underutilized Business Zone (HUBZone) Empowerment Contracting Program (FAR Case 97-307)**

This final rule converts the interim rule published as Item I of FAC 97-10 to a final rule with amendments at FAR 6.201, 19.306, 19.307, 19.800, 19.1303, and the provision at 52.219-1. This final rule amends the FAR to implement the Small Business Administration's Historically Underutilized Business (HUBZone) Program. The purpose of the program is to provide Federal contracting assistance for qualified small business concerns located in historically underutilized business zones in an effort to increase employment opportunities, investment, and economic development in these areas. The program provides for set-asides, sole source awards, and price evaluation preferences for HUBZone

small business concerns and establishes goals for awards to such concerns.

**Item III—Use of Competitive Proposals (FAR Case 99-001)**

This final rule amends FAR 6.401 to delete the requirement for contracting officers to explain in writing their rationale for choosing to use competitive proposals rather than sealed bidding.

**Item IV—Javits-Wagner-O'Day Proposed Revisions (FAR Case 98-602)**

This final rule adds a new section, FAR 8.716, and amends paragraph (a) of FAR 42.1203 to provide procedures for recognizing a name change or a successor in interest for a Javits-Wagner-O'Day Act participating nonprofit agency providing supplies or services on the Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled.

**Item V—OMB Circular A-119 (FAR Case 98-004)**

This final rule amends FAR 11.101, 11.107, 11.201, and adds a provision at 52.211-7 to address the use of voluntary consensus standards in accordance with the requirements of Office of Management and Budget (OMB) Circular A-119.

**Item VI—Determination of Price Reasonableness and Commerciality (FAR Case 98-300)**

This interim rule revises FAR 12.209, 13.106-3(a)(2), and amends Subpart 15.4 to implement Section 803 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Pub. L. 105-261). Section 803 requires amending the FAR to provide specific guidance concerning—

- The appropriate application and precedence of various price analysis tools;
- The circumstances under which contracting officers should require offerors of exempt commercial items to provide information other than cost or pricing data; and
- The role and responsibility of support organizations in determining price reasonableness.

This interim rule also revises FAR 15.403-3(a) to implement Section 808 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Pub. L. 105-261). Section 808 requires amending the FAR to—

- Clarify procedures associated with obtaining information other than cost or pricing data when acquiring commercial items;
- Establish that offerors who fail to comply with requirements to provide the information shall be ineligible for award; and
- Establish exceptions, as appropriate.

**Item VII—Conforming Late Offer Treatment (FAR Case 97-030)**

This final rule amends FAR 14.201-6, 14.304, and 15.208, the provisions at 52.212-1, 52.214-7, 52.214-23, and 52.215-1, and removes 52.214-32 and 52.214-33 to provide uniform guidance regarding receipt of late offers for commercial, sealed bid, and negotiated acquisitions.

**Item VIII—Evaluation of Proposals for Professional Services (FAR Case 97-038)**

This final rule amends FAR 15.305(a)(1) and 37.115-2(c) to provide guidance on the evaluation of proposals that include uncompensated overtime hours.

**Item IX—Option Clause Consistency (FAR Case 98-606)**

This final rule amends FAR 17.208(g) to clarify that the time period for providing a preliminary notice of the Government's intent to exercise a contract option in the clause at FAR 52.217-9 may be tailored and amends the clause at FAR 52.217-8 to make the format of the Option to Extend Services clause consistent with the format of other option clauses in the FAR.

**Item X—Compensation for Senior Executives (FAR Case 98-301)**

This final rule covers the interim rule published as Item VIII of FAR 97-11 to a final rule without change. The rule amends FAR Part 31 to implement Section 804 of the Strom Thurmond National Defense Authorization Act for

Fiscal Year 1999 (Pub. L. 105-261). Section 804 revises the definition of "senior executive" at 10 U.S.C. 2324(1)(5) and at 41 U.S.C. 256(m)(2) to be "the five most highly compensated employees in management positions at each home office and each segment of the contractor" even though the home office or segment might not report directly to the contractor's headquarters.

**Item XI—Interest and Other Financial Costs (FAR Case 98-006)**

This final rule amends FAR 31.205-20 to make minor changes to the cost principle concerning "interest and other financial costs."

**Item XII—Cost-Reimbursement Architect-Engineer Contracts (FAR Case 97-043)**

This final rule amends the clause prescriptions at FAR 36.609, 44.204, 49.503, and the clause preface at 52.236-25, Requirements for Registration of Designers, to include application of certain clauses to cost-reimbursement architect-engineer contracts.

**Item XIII—Conditionally Accepted Items (FAR Case 98-002)**

This final rule amends FAR 46.101 to add a definition of conditional acceptance; and FAR 46.407 to require that, when conditionally accepting nonconforming items, amounts withheld from payments should be at least sufficient to cover the cost and related profit to correct deficiencies and complete unfinished work. FAR 46.407

has also been revised to require that the basis for the amounts withheld be documented in the contract file.

**Item XIV—Value Engineering Change Proposals/PAT (FAR Case 97-031)**

This final rule amends the value engineering change proposal (VECP) guidance in FAR 48.001, 48.102, 48.104, 48.201, and the FAR clause at 52.248-1 to allow the contracting officer to increase the sharing period from 36 to a range of 36 to 60 months; increase the contractor's share of instant, concurrent and future savings under the incentive/voluntary sharing arrangement from 50 to a range of 50 to 75 percent; and increase the contractor's share of collateral savings from 20 to a range of 20 to 100 percent on a case-by-case basis for each VECP.

**Item XV—Cost Accounting Standards Post-Award Notification (FAR Case 98-003)**

This final rule revises paragraph (e) of the clause at FAR 52.230-6, Administration of Cost Accounting Standards, to reduce the subcontractor information that a contractor is required to provide to its cognizant contract administration office (CAO) when requesting the CAO to perform administration for Cost Accounting Standards matters.

Dated: September 14, 1999.

**Edward C. Loeb,**

*Director, Federal Acquisition Policy Division.*  
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