

200, subpart A, and 20 U.S.C. 1001) to a single Government agency for the negotiation of indirect cost rates and provides that those rates shall be accepted by all Federal agencies. Cognizant Government agencies and educational institutions are listed in the Directory of Federal Contract Audit Offices (see 42.103).

(3) The cognizant agency for indirect costs shall establish the billing rates and final indirect cost rates at the educational institution (defined as an institution of higher education in 2 CFR 200, subpart A, and 20 U.S.C. 1001) consistent with the requirements of this subpart, Subpart 31.3, and the OMB Uniform Guidance at 2 CFR part 200, subpart E and appendix III. The agency shall follow the procedures outlined in 42.705-1(b).

\* \* \* \* \*

(b) \* \* \*

(8) The OMB Uniform Guidance at 2 CFR part 200, subpart E and appendix III, provides additional guidance on how long predetermined rates may be used.

■ 18. Revise section 42.705-4 to read as follows:

#### **42.705-4 State and local governments.**

The OMB Uniform Guidance at 2 CFR part 200, subpart E and appendix V, concerning cost principles for state and local governments (see Subpart 31.6) establishes the cognizant agency concept and the procedures for determining a cognizant agency for approving State and local government indirect costs associated with federally-funded programs and activities. The indirect cost rates negotiated and approved by the cognizant agency for indirect costs will be used by all Federal agencies that also award contracts to these same State and local governments.

#### **42.705-5 [Amended]**

■ 19. Amend section 42.705-5 by removing “OMB Circular No. A-122” and adding “the OMB Uniform Guidance at 2 CFR part 200, subpart E and appendix IV; but see appendix VIII for nonprofit organizations exempt from subpart E)” in its place.

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

■ 20. Amend section 52.215-2 by revising the date of Alternate II and paragraph (h) to read as follows:

#### **52.215-2 Audit and Records-Negotiation.**

\* \* \* \* \*

*Alternate II* (Aug 2016). \* \* \*

(h) The provisions of the OMB Uniform Guidance at 2 CFR part 200, subpart F apply to this contract.

\* \* \* \* \*

■ 21. Amend section 52.230-5 by revising the date of the clause and paragraphs (a)(1) and (2) and (a)(4)(iv) to read as follows:

#### **52.230-5 Cost Accounting Standards—Educational Institution.**

\* \* \* \* \*

#### **Cost Accounting Standards—Educational Institution (Aug 2016)**

(a) \* \* \*

(1) (*CAS-covered Contracts only*). If a business unit of an educational institution (defined as an institution of higher education in the OMB Uniform Guidance at 2 CFR part 200, subpart A and 20 U.S.C. 1001) is required to submit a Disclosure Statement, disclose in writing the Contractor's cost accounting practices as required by 48 CFR 9003.202-1 through 9903.202-5, including methods of distinguishing direct costs from indirect costs and the basis used for accumulating and allocating indirect costs. The practices disclosed for this contract shall be the same as the practices currently disclosed and applied on all other contracts and subcontracts being performed by the Contractor and which contain a Cost Accounting Standards (CAS) clause. If the Contractor has notified the Contracting Officer that the Disclosure Statement contains trade secrets, and commercial or financial information which is privileged and confidential, the Disclosure Statement shall be protected and shall not be released outside of the Government.

(2) Follow consistently the Contractor's cost accounting practices in accumulating and reporting contract performance cost data concerning this contract. If any change in cost accounting practices is made for the purposes of any contract or subcontract subject to CAS requirements, the change must be applied prospectively to this contract and the Disclosure Statement, if required, must be amended accordingly. If an accounting principle change mandated under OMB Uniform Guidance at 2 CFR part 200, subpart E and appendix III, requires that a change in the Contractor's cost accounting practices be made after the date of this contract award, the change must be applied prospectively to this contract and the Disclosure Statement, if required, must be amended accordingly. If the contract price or cost allowance of this contract is affected by such changes, adjustment shall be made in accordance with paragraph (a)(4) or (a)(5) of this clause, as appropriate.

\* \* \* \* \*

(4) \* \* \*

(iv) Agree to an equitable adjustment as provided in the Changes clause of this contract, if the contract cost is materially affected by an accounting principle amendment required under the OMB Uniform Guidance at 2 CFR part 200, subpart E and appendix III, which, on becoming effective after the date of contract award,

requires the Contractor to make a change to the Contractor's established cost accounting practices.

\* \* \* \* \*

■ 22. Amend section 52.249-5 by revising the date of the clause and paragraph (f) to read as follows:

#### **52.249-5 Termination for Convenience of the Government (Educational and Other Nonprofit Institutions).**

\* \* \* \* \*

#### **Termination for Convenience of the Government (Educational and Other Nonprofit Institutions) (Aug 2016)**

\* \* \* \* \*

(f) The cost principles and procedures in subpart 31.3 of the Federal Acquisition Regulation (FAR), Contracts with Educational Institutions (defined as institutions of higher education in the OMB Uniform Guidance in 2 CFR part 200, subpart A, and 20 U.S.C. 1001), as in effect on the date of the contract, shall govern all costs claimed, agreed to, or determined under this clause; however, if the Contractor is not an educational institution and is a nonprofit organization (as defined in the OMB Uniform Guidance at 2 CFR part 200), the cost principles and procedures in subpart 31.7 of the FAR, Contracts with Nonprofit Organizations, shall apply; unless the Contractor is a nonprofit institution listed in the OMB Uniform Guidance at 2 CFR part 200, appendix VIII, as exempted from the cost principles in subpart E, in which case the cost principles at FAR 31.2 for commercial organizations shall apply to such contractor.

[FR Doc. 2016-16246 Filed 7-13-16; 8:45 am]

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## **DEPARTMENT OF DEFENSE**

### **GENERAL SERVICES ADMINISTRATION**

### **NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

#### **48 CFR Part 8**

[FAC 2005-89; FAR Case 2016-008; Item III; Docket No. 2016-0008; Sequence No 1]

**RIN 9000-AN22**

#### **Federal Acquisition Regulation; FPI Blanket Waiver Threshold**

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

**ACTION:** Final rule.

**SUMMARY:** DoD, GSA, and NASA are issuing a final rule amending the Federal Acquisition Regulation (FAR) to increase the blanket waiver threshold for small dollar-value purchases from Federal Prison Industries (FPI) by Federal agencies.

**DATES:** *Effective:* August 15, 2016.

**FOR FURTHER INFORMATION CONTACT:** Ms. Mahruba Uddowla, Procurement Analyst, at (703) 605-2868, for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat Division at 202-501-4755. Please cite FAC 2005-89, FAR Case 2016-008.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

Federal Prison Industries, Inc. (FPI), also known by its trade name, UNICOR, is governed by a six-member Board of Directors. The members are appointed by the President and, by statute, represent industry, labor, retailers and consumers, agriculture, the Secretary of Defense, and the Attorney General. On March 3, 2016, FPI's Board of Directors adopted a resolution increasing the blanket waiver threshold for small dollar-value purchases from FPI by Federal agencies from \$3,000 to \$3,500. The increase coincides with the increase in the micro-purchase threshold. This final rule amends the FAR to reflect the threshold increase from \$3,000 to \$3,500. No waiver is required to buy from an alternative source below \$3,500. Customers may, however, still purchase from FPI at, or below, this threshold, if they so choose.

**II. Publication of This Final Rule for Public Comment Is Not Required by Statute**

"Publication of proposed regulations," 41 U.S.C. 1707, is the statute that applies to the publication of the FAR. Paragraph (a)(1) of the statute requires that a procurement policy, regulation, procedure, or form (including an amendment or modification thereof) must be published for public comment if it relates to the expenditure of appropriated funds, and has either a significant effect beyond the internal operating procedures of the agency issuing the policy, regulation, procedure, or form, or has a significant cost or administrative impact on contractors or offerors. This final rule is not required to be published for public comment, because it only updates the threshold, consistent with the inflationary adjustment to the micro-purchase threshold, in order to conform to the decision made by the FPI Board of Directors. Additionally, this final rule is expected to be of benefit to industry because it makes available certain procurements to which industry did not previously have access, *i.e.*, listed items totaling \$3,000.01 to \$3,500.

**III. Executive Orders 12866 and 13563**

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under Section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This final rule is not a major rule under 5 U.S.C. 804.

**IV. Regulatory Flexibility Act**

The Regulatory Flexibility Act does not apply to this rule because this final rule does not constitute a significant FAR revision within the meaning of FAR 1.501-1 and 41 U.S.C. 1707 does not require publication for public comment.

**V. Paperwork Reduction Act**

The final rule does not contain any information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35).

**List of Subjects in 48 CFR Part 8**

Government procurement.

Dated: June 30, 2016.

**William Clark,**

*Director, Office of Government-wide Acquisition Policy, Office of Acquisition Policy, Office of Government-wide Policy.*

Therefore, DoD, GSA, and NASA amend 48 CFR part 8 as set forth below:

**PART 8—REQUIRED SOURCES OF SUPPLIES AND SERVICE**

■ 1. The authority citation for 48 CFR part 8 continues to read as follows:

**Authority:** 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 51 U.S.C. 20113.

**8.605 [Amended]**

■ 2. Amend section 8.605 by removing from paragraph (e) "\$3,000" and adding "\$3,500" in its place.

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**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES  
ADMINISTRATION**

**NATIONAL AERONAUTICS AND  
SPACE ADMINISTRATION**

**48 CFR Part 53**

[FAC 2005-89; FAR Case 2015-025; Item IV; Docket No. 2015-0025, Sequence No. 1]

RIN 9000-AN11

**Federal Acquisition Regulation;  
Revision to Standard Forms for Bonds**

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

**ACTION:** Final rule.

**SUMMARY:** DoD, GSA, and NASA are issuing a final rule to amend five Standard Forms prescribed by the Federal Acquisition Regulation (FAR) for contracts involving bonds and other financial protections. The revisions are aimed at clarifying liability limitations and expanding the options for organization types.

**DATES:** *Effective:* August 15, 2016.

**FOR FURTHER INFORMATION CONTACT:** Ms. Kathryn J. Hopkins, Procurement Analyst, at 202-969-7226, for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat Division at 202-501-4755. Please cite FAC 2005-89, FAR Case 2015-025.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

DoD, GSA, and NASA published a proposed rule in the **Federal Register** at 80 FR 63485 on October 20, 2015, soliciting public comments on clarifying liability limitations and expanding the options for organization types on Standard Forms (SFs) 24, 25, 25A, 34, and 35. The proposed rule addressed concerns that surety bond producers may be adversely affected by differing Federal Agency views on the proper type of organization to indicate on these Standard Forms when the subject business was a limited liability company (LLC), an increasingly prevalent form of business in the construction industry. The proposed rule added a box labelled "Other: (Specify)" to the "Type of Organization" block on each of the five forms (SFs 24, 25, 25A, 34, and 35) in order to expand the range of business types to include not just LLCs, but others, as they evolve.