

DEPARTMENT OF DEFENSE**GENERAL SERVICES
ADMINISTRATION****NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION****48 CFR Chapter 1****Federal Acquisition Circular 2001-07;
Introduction**

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

ACTION: Summary presentation of final rules.

SUMMARY: This document summarizes the Federal Acquisition Regulation (FAR) rules agreed to by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council in this Federal Acquisition Circular (FAC) 2001-07. 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.arnet.gov/far>.

DATES: For effective dates and comment dates, see separate documents which follow.

FOR FURTHER INFORMATION CONTACT: The FAR Secretariat, Room 4035, GS Building, Washington, DC 20405, (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 each FAR case or subject area. Please cite FAC 2001-07 and specific FAR case number(s). Interested parties may also visit our website at <http://www.arnet.gov/far>.

Item	Subject	FAR case	Analyst
I	Preference for Performance-Based Contracting	2000-307	Wise
II	Revisions to Balance of Payments Program	1999-616	Davis
III	European Union Trade Sanctions	2001-002	Davis
IV	Technical Amendments.		

SUPPLEMENTARY INFORMATION:

Summaries for each FAR rule follow. For the actual revisions and/or amendments to these FAR cases, refer to the specific item number and subject set forth in the documents following these item summaries.

FAC 2001-07 amends the FAR as specified below:

Item I—Preference for Performance-Based Contracting (FAR Case 2000-307)

This final rule converts the interim rule published as Item I of FAC 97-25 at 66 FR 22082, May 2, 2001, to a final rule with an amendment at FAR 7.105. The rule implements Section 821 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Pub. L. 106-398). The rule affects contracting officers that buy services by explicitly establishing a preference for performance-based contracts or task orders. Guidance for performance-based contracting is available at the following websites: <http://www.arnet.gov/Library/OFPP/BestPractices/>, <http://oamweb.osec.doc.gov/pbsc/index.html>, or <http://www.gsa.gov/Portal/content/pubs-content.jsp?contentOID=119969&contentType=1008&PMVP=1>.

Item II—Revisions to Balance of Payments Program (FAR Case 1999-616)

This final rule amends the FAR by removing Subpart 25.3, Balance of Payments Program, and making conforming changes to FAR Parts 13, 25, and 52. This revision will reduce administrative burdens on both the Government and the public. The FAR no longer requires contracting officers to

use balance of payments procedures to evaluate foreign offers when acquiring supplies for use outside the United States that are valued at more than \$100,000, but not more than \$186,000, or when awarding a construction contract to be performed outside the United States and valued at less than \$6,909,500. However, the Balance of Payments Program will be continued in the Department of Defense, and a Defense Federal Acquisition Regulation Supplement rule is being processed for this purpose.

Item III—European Union Trade Sanctions (FAR Case 2001-002)

This final rule revises FAR 25.1103(c)(2)(i) to specifically exclude solicitations issued and contracts awarded by DoD from the clause prescription for the use of FAR clauses 52.225-15, Sanctioned European Union Country End Products, and 52.225-16, Sanctioned European Union Country Services. This rule is a clarification of existing policy. DoD contracting officers must ensure that the clauses implementing European Union trade sanctions are not included in DoD solicitations and contracts.

Item IV—Technical Amendments

These amendments update sections and make editorial changes at FAR 12.301, 52.214-20, and 52.244-2.

Dated: April 23, 2002.

Al Matera,

Director, Acquisition Policy Division.

Federal Acquisition Circular

Federal Acquisition Circular (FAC) 2001-07 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 2001-2007 are effective May 15, 2002.

Dated: April 19, 2002.

Deidre A. Lee,

Director, Defense Procurement.

Dated: April 18, 2002.

Joseph A. Neurauter,

Acting Deputy Associate Administrator, Office of Acquisition Policy, General Services Administration.

Dated: April 17, 2002.

Tom Luedtke,

Assistant Administrator for Procurement, National Aeronautics and Space Administration.

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