



Pension Benefit Guaranty Corporation
1200 K Street, N.W., Washington, D.C. 20005-4026

2-27-2018

TO: All Procurement Department Personnel

SUBJECT: Federal Acquisition Regulation Class Deviation to Increase Micro-Purchase and Simplified Acquisition Thresholds

The purpose of this letter is to provide a class deviation from the Federal Acquisition Regulation (FAR) to increase the micro-purchase (MPT) for certain supplies and services from \$3,500 to \$10,000 and the simplified acquisition threshold (SAT) from \$150,000 to \$250,000.

The National Defense Authorization Act for Fiscal Year 2018 (NDAA FY18) (Public Law 115-91), Sections 806 and 805 respectively, increased the MPT to \$10,000 and the SAT to \$250,000.

Additionally, Section 217(b) of the NDAA FY 2017 (Public Law 114-328) changed a portion of the MPT definition in FAR 2.101 to increase the MPT for acquisitions from institutions of higher education or related or affiliated nonprofit entities, or from nonprofit research organizations or independent research institutes, to \$10,000.

FAR Case 2018-004 has been opened to implement the appropriate statutory changes in the FAR. However, PBGC desires to use the increased thresholds prior to publication of the FAR changes.

Effective immediately, PBGC contracting officers shall comply with the changes set forth in Attachment 1. This Class Deviation is effective as dated and shall remain in effect until the increased thresholds are incorporated into the FAR via FAR Case 2018-004.

Clause Changes: FAR Clause 52.203-16 (DEVIATION), 52.212-1 (DEVIATION), 52.219-9 (DEVIATION), 52.219-9 Alternative IV (DEVIATION).

Should you have any questions concerning this Class Deviation, please contact the Head of the Contracting Activity, Mr. Jeffrey Donahue at extension 6824.

Sincerely,

Jeffrey Donahue
Acting Director, Procurement Department

Attachment
Class Deviation FAR Changes

PBGC Class Deviation 2018-004



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Attachment 1: Class Deviation

FAR Changes 2018-004

Baseline is FAC 2005-97, effective January 24, 2018.

- Additions to Baseline: **[bold text and brackets]**
- Deletions by ~~strikethrough~~

PART 2—DEFINITIONS OF WORDS AND TERMS

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2.101 Definitions. [(DEVIATION 18-01)]

* * * * *

(b) * * *

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

(1) * * *

(2) * * *

(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) * * *

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

(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—



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* * * * *

(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).

* * * * *

13.501 Special documentation requirements. [(DEVIATION 18-01)]

(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.

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PART 19—SMALL BUSINESS PROGRAMS

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19.203 Relationship among small business programs. [(DEVIATION 18-01)]

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(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.

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19.502-1 Requirements for setting aside acquisitions. [(DEVIATION 18-01)]

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(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. [(DEVIATION 18-01)]

(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. [(DEVIATION 18-01)]

* * * * *

(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).

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PART 52 – SOLICITATION PROVISIONS AND CONTRACT CLAUSES

52.203-16 Preventing Personal Conflicts of Interest. [(DEVIATION 18-01)]

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(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. [(DEVIATION 18-01)]

* * * * *

(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.)

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52.219-9 Small Business Subcontracting Plan. [(DEVIATION 18-01)]

* * * * *

(d) * * *

- (11) * * *

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

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52.219-9 Small Business Subcontracting Plan. Alternate IV [(DEVIATION 18-01)]

* * * * *

(d) * * *

- (11) * * *

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

* * * * *

NDAA FY18 – SECTIONS 805 and 806

SEC. 805. INCREASED SIMPLIFIED ACQUISITION THRESHOLD.

Section 134 of title 41, United States Code, is amended by striking “\$100,000” and inserting “\$250,000”.

SEC. 806. REQUIREMENTS RELATED TO THE MICRO-PURCHASE THRESHOLD.

(a) INCREASE IN THRESHOLD.—Section 1902(a)(1) of title 41, United States Code, is amended by striking “\$3,000” and inserting “\$10,000”.

(b) CONVENIENCE CHECKS.—A convenience check may not be used for an amount in excess of one half of the micro-purchase threshold under section 1902(a) of title 41, United States Code, or a lower amount established by the head of the agency.