

DEPARTMENT OF DEFENSE**GENERAL SERVICES
ADMINISTRATION****NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION****48 CFR Parts 4 and 22**

[FAC 97-19; Item X]

**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: July 26, 2000.

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

List of Subjects in 48 CFR Parts 4 and 22

Government procurement.

Dated: July 19, 2000.

Edward C. Loeb,

Director, Federal Acquisition Policy Division.

Therefore, DoD, GSA, and NASA amend 48 CFR parts 4 and 22:

1. The authority citation for 48 CFR parts 4 and 22 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 4—ADMINISTRATIVE MATTERS**4.803 [Amended]**

2. Amend section 4.803 in paragraph (a)(35) by removing the second sentence.

**PART 22—APPLICATION OF LABOR
LAWS TO GOVERNMENT
ACQUISITIONS**

3. Amend the parenthetical in section 22.400 by removing "Construction" and adding "Construction, alteration, or repair" in its place.

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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) 97-19 which amend the FAR. An asterisk (*) next to a rule indicates 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 97-19 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 97-19

Item	Subject	FAR case	Analyst
I	Contract Bundling*	1997-306 (97-306)	De Stefano
II	North American Industry Classification System (NAICS) (Interim)	2000-604	Moss
III	Liquidated Damages	1999-003	Moss
IV	Service Contract Act, Commercial Item Subcontracts	1998-605	Klein
V	Small Business Competitiveness Demonstration Program	1999-012	Moss
VI	Construction Industry Payment Protection Act of 1999*	1999-302	De Stefano
VII	Deferred Research and Development (R&D) Costs 1999-013 Nelson.		
VIII	Time-and-Materials or Labor Hours	1999-606	Klein
IX	Repeal of Reporting Requirements under Public Law 85-804	2000-006	Klein

**Item I—Contract Bundling (FAR Case
1997-306 (97-306))**

This final rule converts the interim rule published as Item III of FAC 97-15 to a final rule with minor changes. The rule amends the FAR to implement Sections 411-417 of the Small Business Reauthorization Act of 1997. Sections 411-417 amend Title 15 of the United States Code to define "contract bundling," and to require agencies to avoid unnecessary bundling that

precludes small business participation in the performance of Federal contracts.

This rule affects all contracting officers that may combine requirements that were previously awarded to a small business or requirements for which a small business could have competed. In accordance with the statute and Small Business Administration regulations, agencies must establish procedures for processing bundled requirements to ensure maximum small business participation in bundled acquisitions.

Specifically, agencies and contracting officers must—

- Perform market research when bundled requirements are anticipated;
- Justify bundling in acquisition strategies;
- Meet specific estimated benefit thresholds before bundling requirements;
- Assess the impact of bundling on small businesses;
- Submit solicitations containing bundled requirements to the Small Business Administration (SBA)