The rule will apply to DoD major defense acquisition program contractors and subcontractors. Most major defense acquisition programs are awarded to large concerns as they are of a scope too large for any small business to perform. As such, it is not expected that this rule will have a significant impact on a significant number of small entities.

This rule does not impose new recordkeeping or reporting requirements. There are no known significant alternative approaches to the rule that would meet the requirements of the statute.

V. Paperwork Reduction Act

The 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 Parts 217 and 234

Government procurement.

Jennifer L. Hawes,
Editor, Defense Acquisition Regulations System.

Therefore, 48 CFR parts 217 and 234 are amended as follows:

1. The authority citation for 48 CFR parts 217 and 234 continues to read as follows:


PART 217—SPECIAL CONTRACTING METHODS

2. Amend section 217.202 by revising paragraph (2) to read as follows:

217.202 Use of options.
   * * * * *
   (2) See 234.005–1 for limitations on the use of contract options for the provision of advanced component development, prototype, or initial production of technology developed under the contract or the delivery of initial or additional items.

PART 234—MAJOR SYSTEM ACQUISITION

234.005–1 [Amended]

3. Amend section 234.005–1—

   a. In paragraph (1) introductory text, by removing “component development or prototype of technology” and adding “component development, prototype, or initial production of technology” in its place, and removing “additional prototype items” and adding “additional items” in its place; and

   b. In paragraph (2) by removing “September 30, 2014” and adding “September 30, 2019” in its place.

II. Applicability to Contracts at or Below the Simplified Acquisition Threshold and for Commercial Items, Including Commercially Available Off-the-Shelf Items

This rule does not change the prescription for DFAR clause 252.219–7003. Small Business Subcontracting Plan (DoD Contract); rather, the rule merely clarifies the use of the clause and the way it is displayed in the regulations. DFARS clause 252.219–7003 is used in conjunction with FAR clause 52.219–9, Small Business Subcontracting Plan, and applies to solicitations and contracts for commercial items, including commercially available off-the-shelf items. The clause is not applicable to acquisitions valued at or below the simplified acquisition threshold, because the FAR clause is only used in acquisitions expected to exceed $700,000.

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 rule is not a major rule under 5 U.S.C. 804.

IV. Regulatory Flexibility Act

A final regulatory flexibility analysis has been prepared consistent with the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., and is summarized as follows:

This final rule clarifies: (1) DFARS clause, 252.219–7003, Small Business Subcontracting Plan (DoD Contracts), which has an alternate, and (2) DFARS clause 252.219–7010, now titled “Notification of Competition Limited to Eligible 8(a) Concerns—Partnership Agreement” is modified to incorporate Federal Acquisition Regulation (FAR) clause 52.219–18 and its two alternates into the existing clause at DFARS 252.219–7010. No public comments were received in response to the proposed rule. Three editorial changes were made to the proposed rule to (1) correct a typographical error, (2) update how the basic clause and alternate clause for 252.219–7003 are displayed at 212.301, and (3) spell out the acronym “eSRS” in the DFARS basic and alternate clause 252.219–7003.

DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System

48 CFR Parts 212, 219, and 252

[Docket DARS–2015–0044]

RIN 0750–A168

Defense Federal Acquisition Regulation Supplement: Clauses With Alternates—Small Business Programs (DFARS Case 2015–D017)

AGENCY: Defense Acquisition Regulations System, Department of Defense (DoD).

ACTION: Final rule.

SUMMARY: DoD is issuing a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to clarify clauses and their prescriptions for small business programs and to create basic and alternate clauses structured in a manner to facilitate use of automated contract writing systems.

DATES: Effective March 25, 2016.


SUPPLEMENTS INFORMATION:

I. Background

DoD published a proposed rule in the Federal Register at 80 FR 58669 on September 30, 2015, to clarify, in the small business programs’ clause prescriptions, the appropriate use of the basic clause and its alternate clause. This final rule provides the basic clause at 252.219–7003, Small Business Subcontracting Plan (DoD Contracts), in full text as well as the alternate to the basic clause in full text, instead of only reflecting the paragraphs that are different. The clause at DFARS 252.219–7010, now titled “Notification of Competition Limited to Eligible 8(a) Concerns—Partnership Agreement” is modified to incorporate Federal Acquisition Regulation (FAR) clause 52.219–18 and its two alternates into the existing clause at DFARS 252.219–7010. No public comments were received in response to the proposed rule. Three editorial changes were made to the proposed rule to (1) correct a typographical error, (2) update how the basic clause and alternate clause for 252.219–7003 are displayed at 212.301, and (3) spell out the acronym “eSRS” in the DFARS basic and alternate clause 252.219–7003.
The rule does not impose any burden on any small business concerns; therefore, alternates. FAR 52.219–9 does not apply to small business concerns; therefore, there is no burden on any small business for this rule.

The revisions read as follows:

252.219–7003 Small Business
Subcontracting Plan (DoD Contracts).

Basic. As prescribed in 219.706(b)(1)(A) and (b)(1)(A)(1), use the following clause:

SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS)—BASIC (MAR 2016)

* * * * *

Alternate I. As prescribed in 219.706(b)(1)(A) and (b)(1)(A)(2), use the following clause, which uses a different paragraph (f) than the basic clause.

SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS)—ALTERNATE I (MAR 2016)

This clause supplements the Federal Acquisition Regulation 52.219–9, Small Business Subcontracting Plan, clause of this contract.

(a) Definitions. Summary Subcontract Report (SSR) Coordinator, as used in this clause, means the individual at the department or agency level who is registered in the Electronic Subcontracting Reporting System (eSRS) and is responsible for acknowledging receipt or rejecting SSRs in eSRS for the department or agency.

(b) Subcontracts awarded to workshops approved by the Committee for Purchase from People Who Are Blind or Severely Disabled (41 U.S.C. 8502–8504), may be counted toward the Contractor’s small business subcontracting goal.

(c) A mentor firm, under the Pilot Mentor-Protege Program established under section 831 of Public Law 101–510, as amended, may...
count toward its small disadvantaged business goal, subcontracts awarded to—
(1) Protege firms which are qualified organizations employing the severely disabled; and
(2) Former protege firms that meet the criteria in section 831(g)(4) of Public Law 101–510.
(d) The master plan is approved by the Contractor's cognizant contract administration activity.
(e) In those subcontracting plans which specifically identify small businesses, the Contractor shall notify the Administrative Contracting Officer of any substitutions of firms that are not small business firms, for the small business firms specifically identified in the subcontracting plan. Notifications shall be in writing and shall occur within a reasonable period of time after award of the subcontract. Contractor-specified formats shall be acceptable.
(f)(1) For DoD, the Contractor shall submit reports in eSRs as follows:
(i) The Standard Form 294, Subcontracting Report for Individual Contracts, shall be submitted in accordance with the instructions on that form.
(ii) An SSR for other than a commercial subcontracting plan, or construction and related maintenance repair contracts, shall be submitted in eSRs to the department or agency within DoD that administers the majority of the Contractor's individual subcontracting plans. An example would be Defense Finance and Accounting Service or Missile Defense Agency.
(2) For DoD, the authority to acknowledge receipt or reject reports in eSRs is as follows:
(i) Except as provided in paragraph (f)(2)(ii) of this clause, the authority to acknowledge receipt or reject SSRs in eSRs resides with the SSR Coordinator at the department or agency that administers the majority of the Contractor's individual subcontracting plans.
(ii) The authority to acknowledge receipt or reject SSRs for construction and related maintenance and repair contracts resides with the SSR Coordinator for each department or agency.
(End of clause)
6. Revise section 252.219–7010 to read as follows:
252.219–7010 Notification of Competition Limited to Eligible 8(a) Concerns—Partnership Agreement

As prescribed in 219.811–3(2), use the following clause:
NOTIFICATION OF COMPETITION LIMITED TO ELIGIBLE 8(A) CONCERNS—PARTNERSHIP AGREEMENT (MAR 2016)
(a) Offers are solicited only from small business concerns expressly certified by the Small Business Administration (SBA) for participation in the SBA’s 8(a) Program and which meet the following criteria at the time of submission of offer:
(1) The Offeror is in conformance with the 8(a) support limitation set forth in its approved business plan.
(2) The Offeror is in conformance with the Business Activity Targets set forth in its approved business plan or any remedial action directed by the SBA.
(b) By submission of its offer, the Offeror represents that it meets all of the criteria set forth in paragraph (a) of this clause.
(c) Any award resulting from this solicitation will be made directly by the Contracting Officer to the successful 8(a) offeror selected through the evaluation criteria set forth in this solicitation.
(d)(1) Agreement. A small business concern submitting an offer in its own name shall furnish, in performing the contract, only end items manufactured or produced by small business concerns in the United States or its outlying areas, unless—
(i) The SBA has determined that there are no small business manufacturers or processors in the Federal market place in accordance with FAR 19.502–2(c);
(ii) The acquisition is processed under simplified acquisition procedures and the total amount of this contract does not exceed $25,000, in which case a small business concern may furnish the product of any domestic firm; or
(iii) The acquisition is a construction or service contract.
(2) The __________ [insert name of SBA's contractor] will notify the __________ [insert name of contracting agency] Contracting Officer in writing immediately upon entering an agreement (either oral or written) to transfer all or part of its stock or other ownership interest to any other party.
(End of clause)
[FR Doc. 2016–06722 Filed 3–24–16; 8:45 am]
BILLING CODE 5001–06–P

DEPARTMENT OF DEFENSE

Defense Acquisition Regulations System
48 CFR Part 225
[Docket DARS–2015–0053]
RIN 0750–AI77
AGENCY: Defense Acquisition Regulations System, Department of Defense (DoD).
ACTION: Final rule.
SUMMARY: DoD is issuing a final rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to clarify how the clause prescription addresses applicability when an exception to the Buy American statute or Balance of Payments Program applies.
DATES: Effective March 25, 2016.
FOR FURTHER INFORMATION CONTACT: Mr. Christopher Stiller, telephone 571–372–6176.
SUPPLEMENTARY INFORMATION:
I. Background
DoD published a proposed rule in the Federal Register at 80 FR 72672 on November 20, 2015, to revise the DFARS to clarify when it is appropriate to omit DFARS clause 252.225–7001 with regard to exceptions to the Buy American statute and Balance of Payment Program. There were no public comments submitted in response to the proposed rule. There are no changes from the proposed rule made in the final rule.
II. Applicability to Contracts at or Below the Simplified Acquisition Threshold and for Commercial Items, Including Commercially Available Off-the-Shelf Items
The clause at DFARS 252.225–7001, Buy American Act and Balance of Payments Program, applies to acquisitions at or below the simplified acquisition threshold and for commercial items, including commercially available off-the-shelf items. This rule merely clarifies when it is appropriate to omit DFARS clause 252.225–7001 in accordance with existing exceptions to the Buy American statute and Balance of Payment Program.
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 rule is not a major rule under 5 U.S.C. 804.
IV. Regulatory Flexibility Act
A final regulatory flexibility analysis (FRFA) has been prepared consistent with the Regulatory Flexibility Act, 5 U.S.C. 601, et seq. The FRFA is summarized as follows: