DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Chapter 1

[Docket No. FAR 2018–0001, Sequence No. 4]

Federal Acquisition Regulation: Federal Acquisition Circular 2005–100; Introduction

AGENCY: 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 (Councils) in this Federal Acquisition Circular (FAC) 2005–100. 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.regulations.gov.

RULES LISTED IN FAC 2005–100

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SUPPLEMENTARY INFORMATION:

Summaries for each FAR rule follow. For the actual revisions and/or amendments made by these rules, refer to the specific item numbers and subjects set forth in the documents following these item summaries. FAC 2005–100 amends the FAR as follows:

Item I—Paid Sick Leave for Federal Contractors (FAR Case 2017–001)

DoD, GSA, and NASA are converting to a final rule, without change, an interim rule that amended the Federal Acquisition Regulation (FAR) to implement Executive Order (E.O.) 13706 and a Department of Labor final rule issued on September 30, 2016, both entitled Establishing Paid Sick Leave for Federal Contractors. The rule requires contractors to allow all employees performing work on or in connection with a contract covered by the E.O. to accrue and use paid sick leave in accordance with E.O. 13706 and 29 CFR part 13. Contracting officers will include a clause in covered contracts. This FAR rule neither increases nor decreases the cost of the interim rule (81 FR 91627), which has been in effect since January 1, 2017.

Item II—Non-Retaliation for Disclosure of Compensation Information (FAR Case 2016–007)

DoD, GSA, and NASA are converting to a final rule, without change, an interim rule that amended the Federal Acquisition Regulation (FAR) to implement Executive Order (E.O.) 13665, Non-Retaliation for Disclosure of Compensation Information. E.O. 13665, signed April 8, 2014, amended E.O. 11246, Equal Opportunity in Federal Employment. The interim FAR rule also implemented a final rule issued by the Office of Federal Contract Compliance Programs (OFCCP) of the Department of Labor, entitled Government Contractors, Prohibitions Against Pay Secrecy Policies and Actions, which was published on September 11, 2015. E.O. 11246, originally issued September 24, 1965, establishes nondiscrimination and affirmative action obligations in employment for Federal contractors and subcontractors. It prohibits employment discrimination because of race, color, religion, sex, sexual orientation, gender identity, and national origin. E.O. 13665 amends E.O. 11246 and its Equal Opportunity Clause by incorporating, as a covered prohibition, discriminating against employees and job applicants who inquire about, discuss, or disclose the compensation of the employee or applicant or another employee or applicant. Federal contractors and subcontractors must disseminate this nondiscrimination provision, using language prescribed by the Director of OFCCP, including incorporating the provision into existing employee manuals or handbooks and posting it. There is no significant impact on small entities imposed by the FAR rule.

Item III—Technical Amendments


Dated: July 31, 2018.

William F. Clark,
Director, Office of Government-wide Acquisition Policy, Office of Acquisition Policy, Office of Government-wide Policy.

Federal Acquisition Circular (FAC) 2005–100 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 2005–100 is effective August 22, 2018.
I. Background

The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (the Councils) reviewed the comments in the development of the final rule. A discussion of the comments is provided as follows:

A. Summary of Significant Changes

There are no changes to the interim rule.

B. Analysis of Public Comments

Comment: Six respondents strongly supported the interim FAR rule. The respondents stated that the interim rule is necessary to guarantee more workers the job and economic security that paid sick days provide, reduce workplace contagion, and increase productivity and retention. The respondents also presented rationale as to why the interim rule will benefit businesses, individual workers, taxpayers, and the economy.

Response: Noted.

Comment: One respondent provided a scenario and asked whether in that instance the contract was subject to the requirements of this FAR rule. The respondent described a contract action extending the term of the contract by exercising an option adjusting the price for escalations in labor rates.

Response: According to DOL (see Notice of Proposed Rulemaking, 81 FR 9592, published February 25, 2016), unilateral exercise of a contract option that has pre-negotiated prices that are subject to adjustment due to escalation in labor rates is not a new contract covered by E.O. 13706, as implemented in the DOL rule and FAR rule, as long as no bilateral negotiations occur (other than any necessary to determine and effectuate those pricing adjustments).