

***FAR Update Alert***  
***Issuance of Proposed Rules and Federal Acquisition Circular 2005-60***

This *FAR Update Alert*, prepared by the Federal Acquisition Regulatory Council (FAR Council), is designed to help improve general awareness of regulatory activities within the acquisition workforce. This *Alert* highlights notable proposed rules recently published for public comment and interim and final rules<sup>1</sup> published in the recently released [Federal Acquisition Circular: 2005-60 \(published July 26, 2012, 77 FR 44046 - 44067\)](#).

We have included hyperlinks so those that need more information will have it at their fingertips. We encourage acquisition managers and policy officials to disseminate this *Alert* widely across their acquisition workforce.<sup>2</sup>

**Actions Highlighted in this Alert**

**Proposed Rules Published in July 2012**

**Price Analysis Techniques**

- Clarifies the use of a price analysis technique in order to establish a fair and reasonable price.

**Contractors Performing Private Security Functions Outside the United States**

- Includes minimum processes and requirements for the selection, accountability, training, equipping, and conduct of personnel performing private security functions outside the United States.

**Changes to Time-and-Materials and Labor-Hour Contracts and Orders**

- Provides additional guidance when raising the ceiling price or otherwise changing the scope of work for a time-and-materials (T&M) or labor-hour (LH) contract or order.

**Interim and Final Rules Published in FAC 2005-60**

**Clarification of Standards for Computer Generation of Forms**

- Implements the removal of Federal Information Processing Standard (FIPS) 161 for computer-generated FAR forms.

**DARPA-New Mexico Tax Agreement**

- Adds the U.S. DARPA to the list of agencies that have entered into an agreement with New Mexico.

**Extension of Sunset Date for Protests of Task and Delivery Orders**

- Extends the sunset date for protests against awards of task or delivery orders to September 30, 2016.

**Payment Under Time-and-Materials and Labor-Hour Contracts**

- Harmonizes payment provisions under commercial and non-commercial T&M and LH contracts.

**Reporting Executive Compensation and First-Tier Subcontract Awards**

- Requires contractors to report executive compensation and first-tier subcontract awards on contracts

<sup>1</sup>Proposed rules announce future changes being considered to the Code of Federal Regulations (CFR), include proposed regulatory text, and solicit public comments. Interim rules announce immediate changes to the CFR, include the regulatory text, solicit public comments and are effective immediately upon publication, or on a specified date after publication, but may be amended based in response to an urgent cause. Final rules make permanent changes to the FAR after considering public comment on proposed or interim rules and are effective on a specified date after publication.

<sup>2</sup>With the assistance of the Federal Acquisition Institute, this notice is being distributed through the Federal Acquisition Institute Training Application System (FAITAS). If you are receiving this alert directly from FAITAS, please note that this communication is not intended as a substitute for training materials or guidance that your agency may provide in connection with the release of FAR rules. You should continue to direct inquiries about rules through the normal channels that your agency has established for FAR-related matters.

expected to be \$25,000 or more. This Federal contract award information is available to the public.

## Rules at a Glance

### **Proposed Rules**

#### **Price Analysis Techniques**

[\*Proposed rule, published on July 10, 2012, FAR Case 2012-018\*](#)

This rule proposes to amend the FAR to clarify the use of a price analysis technique at 15.403-1(c)(1)(i) in order to establish a fair and reasonable price.

#### **Contractors Performing Private Security Functions Outside the United States**

[\*Proposed rule, published on July 23, 2012, FAR Case 2011-029\*](#)

This rule proposes to implement requirements of the National Defense Authorization Acts for Fiscal Years 2009-2011 that establish minimum processes and requirements for the selection, accountability, training, equipping, and conduct of personnel performing private security functions outside the United States.

#### **Changes to Time-and-Materials and Labor-Hour Contracts and Orders**

[\*Proposed rule, published on July 26, 2012, FAR Case 2011-025\*](#)

This rule proposes to amend the FAR to provide additional guidance when raising the ceiling price or otherwise changing the scope of work for T&M or LH contracts or orders.

### **FAC 2005-60**

#### **Clarification of Standards for Computer Generation of Forms**

[\*Final rule, published July 26, 2012, FAR Case 2011-022\*](#)

This final rule amends the FAR to remove any reference to Federal Information Processing Standard (FIPS) 161 because the standard is obsolete. This final rule clarifies the use of American National Standards Institute (ANSI) X12 as the valid standard to use for computer-generated forms.

#### **DARPA-New Mexico Tax Agreement**

[\*Final rule, published on July 26, 2012, FAR Case 2012-009\*](#)

This final rule amends the FAR to add the U.S. Defense Advanced Research Projects Agency (DARPA) to the list of agencies that have entered into separate tax agreements with the State of New Mexico.

#### **Extension of Sunset Date for Protests of Task and Delivery Orders**

[\*Interim rule, published on July 26, 2012, FAR Case 2012-007\*](#)

This interim rule implements various sections of the National Defense Authorization Acts for FY 2011 and FY 2012. These sections extend the sunset date for protests against the award of task or delivery orders from May 27, 2011 to September 30, 2016.

#### **Payment Under Time-and-Materials and Labor-Hour Contracts**

[\*Final rule, published on July 26, 2012, FAR Case 2011-003\*](#)

The final rule amends the FAR to enable the use of the appropriate payment provisions for time-and-materials and labor-hour contracts.

#### **Reporting Executive Compensation and First-Tier Subcontract Awards**

[\*Final rule, published on July 26, 2012, FAR Case 2008-039\*](#)

This final rule, adopts with changes, the interim rule, published in the Federal Register at [75 FR 39414](#), on July 8, 2010. The interim rule amended the FAR to implement a section of the Federal Funding Accountability and Transparency Act of 2006, as amended by a section of the Government Funding

Transparency Act of 2008. The rule requires contractors to report executive compensation, and first-tier subcontractor awards on contracts of \$25,000 or more.