Subpart 1.1 - Purpose, Authority, Issuance

Parent topic: Part 1 - Federal Acquisition Regulations System

1.101 Purpose.

The Federal *Acquisition* Regulations System is established for the codification and publication of uniform policies and procedures for *acquisition* by all *executive agencies*. The Federal *Acquisition* Regulations System consists of the Federal *Acquisition* Regulation (FAR), which is the primary document, and agency *acquisition* regulations that implement or supplement the FAR. The FAR System does not include internal agency guidance of the type described in 1.301(a)(2).

1.102 Statement of guiding principles for the Federal Acquisition System.

- (a) The vision for the Federal *Acquisition* System is to deliver on a timely basis the *best value* product or service to the customer, while maintaining the public's trust and fulfilling public policy objectives. Participants in the *acquisition* process *should* work together as a team and *should* be empowered to make decisions within their area of responsibility.
- (b) The Federal Acquisition System will-
- (1) Satisfy the customer in terms of cost, quality, and timeliness of the delivered product or service by, for example-
- (i) Maximizing the use of commercial products and commercial services;
- (ii) Using contractors who have a track record of successful *past performance* or who demonstrate a current superior ability to perform; and
- (iii) Promoting competition;
- (2) Minimize administrative operating costs;
- (3) Conduct business with integrity, fairness, and openness; and
- (4) Fulfill public policy objectives.
- (c) The *Acquisition* Team consists of all participants in Government *acquisition* including not only representatives of the technical, supply, and *procurement* communities but also the customers they serve, and the contractors who provide the *products* and services.
- (d) The role of each member of the *Acquisition* Team is to exercise personal initiative and sound business judgment in providing the *best value* product or service to meet the customer's needs. In exercising initiative, Government members of the *Acquisition* Team *may* assume if a specific strategy, practice, policy or procedure is in the best interests of the Government and is not addressed in the FAR, nor prohibited by law (statute or case law), Executive order or other regulation, that the strategy, practice, policy or procedure is a permissible exercise of authority.

1.102-1 Discussion.

- (a) *Introduction*. The statement of Guiding Principles for the Federal *Acquisition* System (System) represents a concise statement designed to be user-friendly for all participants in Government *acquisition*. The following discussion of the principles is provided in order to illuminate the meaning of the terms and phrases used. The framework for the System includes the Guiding Principles for the System and the supporting policies and procedures in the FAR.
- (b) *Vision*. All participants in the System are responsible for making *acquisition* decisions that deliver the *best value* product or service to the customer. *Best value must* be viewed from a broad perspective and is achieved by balancing the many competing interests in the System. The result is a system which works better and costs less.

1.102-2 Performance standards.

- (a) Satisfy the customer in terms of cost, quality, and timeliness of the delivered product or service.
- (1) The principal customers for the product or service provided by the System are the users and line managers, acting on behalf of the American taxpayer.
- (2) The System *must* be responsive and adaptive to customer needs, concerns, and feedback. Implementation of *acquisition* policies and procedures, as well as consideration of timeliness, quality, and cost throughout the process, *must* take into account the perspective of the user of the product or service.
- (3) When selecting contractors to provide *products* or perform services, the Government will use contractors who have a track record of successful *past performance* or who demonstrate a current superior ability to perform.
- (4) The Government must not hesitate to communicate with industry as early as possible in the acquisition cycle to help the Government determine the capabilities available in the marketplace. Government acquisition personnel are permitted and encouraged to engage in responsible and constructive exchanges with industry (e.g., see $\underline{10.002}$ and $\underline{15.201}$), so long as those exchanges are consistent with existing laws and regulations, and do not promote an unfair competitive advantage to particular firms.
- (5) The Government will maximize its use of *commercial products* and *commercial services* in meeting Government requirements.
- (6) It is the policy of the System to promote competition in the *acquisition* process.
- (7) The System *must* perform in a timely, high quality, and cost-effective manner.
- (8) All members of the Team are required to employ planning as an integral part of the overall process of acquiring *products* or services. Although advance planning is required, each member of the Team *must* be flexible in order to accommodate changing or unforeseen mission needs. Planning is a tool for the accomplishment of tasks, and application of its discipline *should* be commensurate with the size and nature of a given task.

- (b) Minimize administrative operating costs.
- (1) In order to ensure that maximum efficiency is obtained, rules, regulations, and policies *should* be promulgated only when their benefits clearly exceed the costs of their development, implementation, administration, and enforcement. This applies to internal administrative processes, including reviews, and to rules and procedures applied to the contractor community.
- (2) The System *must* provide uniformity where it contributes to efficiency or where fairness or predictability is essential. The System *should* also, however, encourage innovation, and local adaptation where uniformity is not essential.
- (c) Conduct business with integrity, fairness, and openness.
- (1) An essential consideration in every aspect of the System is maintaining the public's trust. Not only *must* the System have integrity, but the actions of each member of the Team *must* reflect integrity, fairness, and openness. The foundation of integrity within the System is a competent, experienced, and well-trained, professional workforce. Accordingly, each member of the Team is responsible and accountable for the wise use of public resources as well as acting in a manner which maintains the public's trust. Fairness and openness require open communication among team members, internal and external customers, and the public.
- (2) To achieve efficient operations, the System *must* shift its focus from "risk avoidance" to one of "risk management." The cost to the taxpayer of attempting to eliminate all risk is prohibitive. The Executive Branch will accept and manage the risk associated with empowering local *procurement* officials to take independent action based on their professional judgment.
- (3) The Government *shall* exercise discretion, use sound business judgment, and comply with applicable laws and regulations in dealing with contractors and prospective contractors. All contractors and prospective contractors *shall* be treated fairly and impartially but need not be treated the same.
- (d) Fulfill public policy objectives. The System must support the attainment of public policy goals adopted by the Congress and the President. In attaining these goals, and in its overall operations, the process shall ensure the efficient use of public resources.

1.102-3 Evaluating agency acquisition processes.

- (a)Agencies are encouraged to develop internal procedures seeking voluntary feedback from interested parties in an *acquisition* to assess process strengths and weaknesses and improve effectiveness and efficiency of the *acquisition* process. Agencies *may*—
- (1)Utilize a variety of feedback mechanisms available to the public (*e.g.*, surveys, in-person, and/or group exchanges);
- (2)Utilize the core preaward and debriefing survey questions at https://www.acquisition.gov/360; and
- (3)Seek additional feedback on targeted aspects of an *acquisition* throughout its lifecycle (*e.g.*, performance standards at 1.102-2 or postaward contract administration responsibilities at 42.302).
- (b) Contracting officers are encouraged to insert the provision 52.201-1, Acquisition 360: Voluntary

Survey, in accordance with agency procedures.

(c) Contracting officers shall not review information until after contract award and shall not consider it in the award decision.

1.102-4 Acquisition Team.

The purpose of defining the Federal *Acquisition* Team (Team) in the Guiding Principles is to ensure that participants in the System are identified beginning with the customer and ending with the contractor of the product or service. By identifying the team members in this manner, teamwork, unity of purpose, and open communication among the members of the Team in sharing the vision and achieving the goal of the System are encouraged. Individual team members will participate in the *acquisition* process at the appropriate time.

1.102-5 Role of the Acquisition Team.

- (a) Government members of the Team *must* be empowered to make *acquisition* decisions within their areas of responsibility, including selection, negotiation, and administration of contracts consistent with the Guiding Principles. In particular, the *contracting officer must* have the authority to the maximum extent practicable and consistent with law, to determine the application of rules, regulations, and policies, on a specific contract.
- (b) The authority to make decisions and the accountability for the decisions made will be delegated to the lowest level within the System, consistent with law.
- (c) The Team *must* be prepared to perform the functions and duties assigned. The Government is committed to provide training, professional development, and other resources necessary for maintaining and improving the knowledge, skills, and abilities for all Government participants on the Team, both with regard to their particular area of responsibility within the System, and their respective role as a team member. The contractor community is encouraged to do likewise.
- (d) The System will foster cooperative relationships between the Government and its contractors consistent with its overriding responsibility to the taxpayers.
- (e) The FAR outlines *procurement* policies and procedures that are used by members of the *Acquisition* Team. If a policy or procedure, or a particular strategy or practice, is in the best interest of the Government and is not specifically addressed in the FAR, nor prohibited by law (statute or case law), Executive order or other regulation, Government members of the Team *should* not assume it is prohibited. Rather, absence of direction *should* be interpreted as permitting the Team to innovate and use sound business judgment that is otherwise consistent with law and within the limits of their authority. *Contracting officers should* take the lead in encouraging business process innovations and ensuring that business decisions are sound.

1.103 Authority.

(a) The development of the FAR System is in accordance with the requirements of $\underline{41}$ U.S.C. chapter $\underline{13}$, Acquisition Councils.

(b) The FAR is prepared, issued, and maintained, and the FAR System is prescribed jointly by the Secretary of Defense, the Administrator of General Services, and the Administrator, National Aeronautics and Space Administration, under their several statutory authorities.

1.104 Applicability.

The FAR applies to all *acquisitions* as defined in <u>part 2</u> of the FAR, except where expressly excluded.

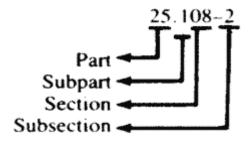
1.105 Issuance.

1.105-1 Publication and code arrangement.

- (a) The FAR is published in-
- (1) The daily issue of the Federal Register;
- (2) Cumulated form in the Code of Federal Regulations (CFR); and
- (3) A separate edition available at https://www.acquisition.gov/browse/index/far.
- (b) The FAR is issued as Chapter 1 of Title 48, CFR. Subsequent chapters are reserved for agency *acquisition* regulations that implement or supplement the FAR (see <u>subpart 1.3</u>). The CFR Staff will assign chapter numbers to *requesting agencies*.
- (c) Each numbered unit or *segment* (*e.g.*, part, subpart, section, etc.) of an agency *acquisition* regulation that is codified in the CFR *shall* begin with the chapter number. However, the chapter number assigned to the FAR will not be included in the numbered units or *segments* of the FAR.

1.105-2 Arrangement of regulations.

- (a) *General*. The FAR is divided into subchapters, parts (each of which covers a separate aspect of *acquisition*), subparts, sections, and subsections.
- (b) Numbering.
- (1) The numbering system permits the discrete identification of every FAR paragraph. The digits to the left of the decimal point represent the part number. The numbers to the right of the decimal point and to the left of the dash represent, in order, the subpart (one or two digits), and the section (two digits). The number to the right of the dash represents the subsection. Subdivisions *may* be used at the section and subsection level to identify individual paragraphs. The following example illustrates the make-up of a FAR number citation (note that subchapters are not used with citations):



(2) Subdivisions below the section or subsection level consist of parenthetical alpha numerics using the following sequence:

(a)(1)(i)(A)(1)(i)

- (c) References and citations.
- (1) Unless otherwise stated, cross-references indicate parts, subparts, sections, subsections, paragraphs, subparagraphs, or subdivisions of this regulation.
- (2) This regulation may be referred to as the Federal Acquisition Regulation or the FAR.
- (3) Using the FAR coverage at 9.106-4(d) as a typical illustration, reference to the-
- (i) Part would be "FAR \underline{part} 9" outside the FAR and "part 9" within the FAR.
- (ii) Subpart would be "FAR subpart 9.1" outside the FAR and "subpart 9.1" within the FAR.
- (iii) Section would be "FAR 9.106" outside the FAR and "9.106" within the FAR.
- (iv) Subsection would be "FAR <u>9.106-4</u>" outside the FAR and "9.106-4" within the FAR.
- (v) Paragraph would be "FAR 9.106-4(d)" outside the FAR and "9.106-4(d)" within the FAR.
- (4) Citations of authority (e.g., statutes or Executive orders) in the FAR shall follow the Federal Register form guides.

1.105-3 Copies.

Copies of the FAR in CFR form *may* be purchased from the Bookstore of the Government Publishing Office (GPO), Washington, DC 20402.

1.106 OMB approval under the Paperwork Reduction Act.

The Paperwork Reduction Act of 1980 (<u>44 U.S.C. chapter 35</u>) imposes a requirement on *Federal agencies* to obtain approval from the Office of Management and Budget (OMB) before collecting information from 10 or more members of the public. The information collection and recordkeeping requirements contained in this regulation have been approved by the OMB. The following OMB control numbers apply:

14.205	9000-0037
<u>15.201</u> (c)	9000-0037
15.305(a)(2)(ii)	9000-0142
15.407-2(e)	9000-0048
19.301	9000-0163
22.8	1250-0003
<u>22.14</u>	1250-0005
22.16	1245-0004
31.205-46	9000-0079
32.408(b)	9000-0073
<u>33.2</u>	9000-0035
<u>36.213-2</u>	9000-0037
<u>42.1203</u> (a)	9000-0076
42.1204(e) and (f)	9000-0076
42.1205(a)	9000-0076
42.1503(d)	9000-0142
47.303	9000-0061
Subpart 49.6 - Contract Termination Forms and Formats	9000-0012
50.103-3	9000-0029

50.103-4	9000-0029
50.104-3	9000-0029
51.202	9000-0032
51.203	9000-0032
<u>52.201-1</u>	9000-0204
<u>52.203-2</u>	9000-0018
<u>52.203-7</u>	9000-0018
<u>52.203-13</u>	9000-0018
<u>52.203-16</u>	9000-0018
<u>52.204-3</u>	9000-0189
<u>52.204-6</u>	9000-0189
52.204-7	9000-0189
52.204-10(d)(2) and (3)	3090-0292
52.204-12	9000-0189
52.204-13	9000-0189
52.204-14	9000-0189
52.204-15	9000-0189
52.204-20	9000-0189
52.204-23	9000-0189

52.204-24	9000-0199
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<u>52.204-26</u>	9000-0199
52.204-29	9000-0205
52.204-30	9000-0205
<u>52.207-3</u>	9000-0082
<u>52.207-4</u>	9000-0082
<u>52.209-1</u>	9000-0198
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<u>52.209-6</u>	9000-0198
<u>52.209-7</u>	9000-0198
<u>52.209-9</u>	9000-0198
52.209-10	9000-0198
52.209-11	9000-0198
52.209-12	9000-0198
52.209-13	9000-0198
<u>52.211-7</u>	9000-0153
52.211-8	9000-0153

<u>52.211-9</u>	9000-0153
<u>52.212-1</u> (10)	9000-0142
52.212-1(j)	9000-0189
<u>52.212-3(b)</u>	9000-0189
52.212-3(b)(2)	9000-0136
<u>52.212-3(h)</u>	9000-0198
<u>52.212-3(l)</u>	9000-0189
<u>52.212-3(n)</u>	9000-0198
<u>52.212-3(q)</u>	9000-0198
<u>52.212-5</u> (d)	9000-0034
<u>52.214-14</u>	9000-0047
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52.215-1(c)(2)(iv)	9000-0048
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<u>52.216-15</u>	9000-0069
<u>52.216-16</u>	9000-0067
52.216-17	9000-0067
52.219-9	9000-0007
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52.219-29	3245-0374
52.219-30	3245-0374

<u>52.222-2</u>	9000-0066
<u>52.222-4</u>	1235-0023
<u>52.222-6</u>	1235-0023 and 9000-0066
52.222-8	1235-0008 and 1235-0018
52,222-11	9000-0066
52,222-18	9000-0066
<u>52.222-21</u>	1250-0003
52.222-22	1250-0003
52.222-23	1250-0003
<u>52.222-25</u>	1250-0003
52.222-26	1250-0001 and 1250-0003
52.222-27	1250-0003
52.222-32	9000-0154
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<u>52.222-34</u>	9000-0066
<u>52,222-35</u>	1250-0004
52,222-36	1250-0005
52.222-37	1250-0004
52.222-38	1293-0005

<u>52.222-40</u>	1245-0004
<u>52.222-41</u>	1235-0007 and 1235-0018
<u>52.222-46</u>	9000-0066
<u>52.222-50</u>	9000-0188
<u>52.222-54</u>	1615-0092
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<u>52.222-62</u>	1235-0018, 1235-0021 and 1235-0029
<u>52.223-2</u>	9000-0107
<u>52.223-5</u>	9000-0107
<u>52.223-7</u>	9000-0107
52.223-9	9000-0107
<u>52.223-11</u>	9000-0107
<u>52.223-12</u>	9000-0107
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52.224-3	9000-0182
<u>52.225-2</u>	9000-0024
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<u>52.225-8</u>	9000-0024
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<u>52.225-11</u>	9000-0024
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<u>52.225-21</u>	9000-0024
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<u>52.225-26</u>	9000-0184
<u>52.226-7</u>	9000-0207
<u>52.227-2</u>	9000-0095
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<u>52.227-9</u>	9000-0095
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<u>52.227-18</u>	9000-0095
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<u>52.227-21</u>	9000-0095
<u>52.227-23</u>	9000-0095
<u>52.228-1</u>	9000-0001
<u>52.228-2</u>	9000-0001
<u>52.228-11</u>	9000-0001
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<u>52.228-13</u>	9000-0001
<u>52.228-14</u>	9000-0001
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<u>52.229-2</u>	9000-0059
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<u>52.230-6</u>	9000-0129
<u>52.232-1</u>	9000-0073

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<u>52.233-1</u>	9000-0035

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<u>52.236-13</u> Alt.I	9000-0064
<u>52.236-15</u>	9000-0064
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<u>52.246-6</u>	9000-0077

<u>52.246-7</u>	9000-0077
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<u>52.247-1</u>	9000-0061
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<u>52.247-51</u>	9000-0061
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<u>SF275</u>	9000-0001
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<u>SF1418</u>		9000-0001
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DD Form 254		0704-0567

OMB Control Number

FAR segment

1.107 Certifications.

In accordance with <u>41 U.S.C. 1304</u>, a new requirement for a certification by a contractor or *offeror may* not be included in this chapter unless-

- (a) The certification requirement is specifically imposed by statute; or
- (b) Written justification for such certification is provided to the Administrator for Federal *Procurement* Policy by the Federal *Acquisition* Regulatory Council, and the Administrator approves in writing the inclusion of such certification requirement.

1.108 FAR conventions.

The following conventions provide guidance for interpreting the FAR:

- (a) *Words and terms*. Definitions in <u>part 2</u> apply to the entire regulation unless specifically defined in another part, subpart, section, provision, or clause. Words or terms defined in a specific part, subpart, section, provision, or clause have that meaning when used in that part, subpart, section, provision, or clause. Undefined words retain their common dictionary meaning.
- (b) *Delegation of authority*. Each authority is delegable unless specifically stated otherwise (see 1.102-5(b)).
- (c) *Dollar thresholds*. Unless otherwise specified, a specific dollar threshold for the purpose of applicability is the final anticipated dollar value of the action, including the dollar value of all *options*. If the action establishes a maximum quantity of *supplies* or services to be acquired or establishes a ceiling price or establishes the final price to be based on future events, the final anticipated dollar value *must* be the highest final priced alternative to the Government, including the dollar value of all *options*.
- (d) Application of FAR changes to solicitations and contracts. Unless otherwise specified-
- (1) FAR changes apply to *solicitations* issued on or after the effective date of the change;
- (2) Contracting officers may, at their discretion, include the FAR changes in solicitations issued before the effective date, provided award of the resulting contract(s) occurs on or after the effective date; and
- (3) Contracting officers may, at their discretion, include the changes in any existing contract with appropriate consideration.
- (e) *Citations*. When the FAR cites a statute, Executive order, Office of Management and Budget circular, Office of Federal *Procurement* Policy policy letter, or relevant portion of the *Code of Federal Regulations*, the citation includes all applicable amendments, unless otherwise stated.
- (f) *Imperative sentences*. When an imperative sentence directs action, the *contracting officer* is responsible for the action, unless another party is expressly cited.

1.109 Statutory acquisition-related dollar thresholds-adjustment for inflation.

- (a) <u>41 U.S.C. 1908</u> requires that the FAR Council periodically adjust all statutory *acquisition*-related dollar thresholds in the FAR for inflation, except as provided in paragraph (c) of this section. This adjustment is calculated every 5 years, starting in October 2005, using the Consumer Price Index for All Urban Consumers (CPI-U), and supersedes the applicability of any other provision of law that provides for the adjustment of such *acquisition*-related dollar thresholds.
- (b) The statute defines an *acquisition*-related dollar threshold as a dollar threshold that is specified in law as a factor in defining the scope of the applicability of a policy, procedure, requirement, or restriction provided in that law to the *procurement* of *supplies* or services by an *executive agency*, as

determined by the FAR Council.

- (c) The statute does not permit escalation of *acquisition*-related dollar thresholds established by:
- (1) 40 U.S.C. chapter 31—
- (i) Subchapter III, Bonds; and
- (ii) Subchapter IV, Wage Rate Requirements (Construction);
- (2) 41 U.S.C. chapter 67, Service Contract Labor Standards; or
- (3) The *United States* Trade Representative pursuant to the authority of the Trade Agreements Act of 1979 (19 U.S.C. 2511 et seq.).
- (d) The statute, as amended by section 821 of the *National Defense* Authorization Act for Fiscal Year 2018 (Pub. L. 115-91), requires the adjustment described in paragraph (a) of this section be applied to contracts and subcontracts without regard to the date of award of the contract or subcontract. Therefore, if a threshold is adjusted for inflation as set forth in paragraph (a) of this section, then the changed threshold applies throughout the remaining term of the contract, unless there is a subsequent threshold adjustment.
- (e) A matrix showing calculation of the most recent escalation adjustments of statutory *acquisition* related dollar thresholds is available via the Internet at http://www.regulations.gov (search FAR Case 2019-013, open the docket folder, and go to the supporting documents file).

1.110 Positive law codification.

- (a) Public Law 107-217 revised, codified, and enacted as title 40, *United States* Code, Public Buildings, Property, and Works, certain general and permanent laws of the *United States*.
- (b) Public Law 111-350 revised, codified, and enacted as title 41, *United States* Code, Public Contracts, certain general and permanent laws of the *United States*.
- (c) The following table provides cross references between the historical titles of the acts, and the current reference in title 40 or title 41.

Table 1 to Paragraph (c)

Historical Title of Act	Division/ Chapter/ Subchapter	Title
Anti-Kickback Act	41 U.S.C. chapter 87	Kickbacks
Brooks Architect Engineer Act	40 U.S.C. chapter 11	Selection of Architects and Engineers
Buy American Act	41 U.S.C. chapter 83	Buy American

Historical Title of Act	Division/ Chapter/ Subchapter	Title
Contract Disputes Act of 1978	41 U.S.C. chapter 71	Contract Disputes
Contract Work Hours and Safety Standards Act	40 U.S.C. chapter 37	Contract Work Hours and Safety Standards
Davis-Bacon Act	40 U.S.C. chapter 31, Subchapter IV	Wage Rate Requirements (Construction)
Drug-Free Workplace Act	41 U.S.C. chapter 81	Drug-Free Workplace
Federal Property and Administrative Services Act of 1949, Title III.	41 U.S.C. Div. C of subtitle I*	Procurement
Javits-Wagner-O' <i>Day</i> Act	41 U.S.C. chapter 85	Committee for Purchase from People Who Are Blind or Severely Disabled
Miller Act	40 U.S.C. chapter 31, subchapter III	Bonds
Office of Federal <i>Procurement</i> Policy Act	41 U.S.C. Div. B of subtitle I**	Office of Federal Procurement Policy
Procurement Integrity Act	41 U.S.C. chapter 21	Restrictions on Obtaining and Disclosing Certain Information
Service Contract Act of 1965	41 U.S.C. chapter 67	Service Contract Labor Standards
Truth in Negotiations Act	41 U.S.C. chapter 35	Truthful Cost or <i>Pricing</i> Data
Walsh-Healey Public Contracts Act	41 U.S.C. chapter 65	Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$10,000.

^{*} Except sections 3302, 3501(b), 3509, 3906, 4710, and 4711.

^{**} Except sections 1704 and 2303.