



**UNITED STATES DEPARTMENT OF COMMERCE**  
**Chief Financial Officer**  
**Assistant Secretary for Administration**  
Washington, D.C. 20230

## **PROCUREMENT MEMORANDUM 2019-03**

### **ACTION**

**MEMORANDUM FOR:** Senior Bureau Procurement Officials

**FROM:** Barry E. Berkowitz  
Senior Procurement Executive  
and Director for Acquisition Management

**SUBJECT:** Class Deviation to the Federal Acquisition Regulation (FAR) to Increase the Simplified Acquisition Threshold to \$250,000

### **Purpose**

The purpose of this Procurement Memorandum (PM) is to issue a class deviation in accordance with Federal Acquisition Regulation (FAR) 1.404 to increase the simplified acquisition threshold (SAT) from \$150,000 to \$250,000.

### **Background**

The National Defense Authorization Act for Fiscal Year 2018 (NDAA FY18) (Public Law 115- 91), Sections 806 and 805 respectively, increased the micro-purchase threshold (MPT) to \$10,000 and the SAT to \$250,000.

Additionally, Section 217(b) of the NDAA for FY 2017 (Public Law 114-328) changed a portion of the MPT definition in FAR 2.101 to increase the MPT for acquisitions from institutions of higher education or related or affiliated nonprofit entities, or from nonprofit research organizations or independent research institutes, to \$10,000.

FAR Case 2018-004 has been opened to implement the above statutory changes in the FAR and the Civilian Agency Acquisition Council has authorized civilian agencies to issue class deviations. The Department of Commerce desires to use the increased SAT threshold prior to publication of the FAR changes and is accordingly approving a class deviation to increase the threshold for the SAT from \$150,000 to \$250,000. The MPT and Section 217(b) thresholds are not increased by this deviation.

### **Description of the Deviation**

The attached deviation revises FAR Parts 2, 13, 19, and 52 to increase the SAT.

## **Required Actions**

- a. Contracting Officers shall use the text and revised FAR clauses provided in the Attachment to this PM.
- b. For contracting actions in process on the effective date of this deviation, Contracting Officers may proceed with the procurement using the old threshold, amend the Request for Proposal/Request for Quotation, or cancel and resolicit using the new threshold. Nothing in this deviation requires a Contracting Officer to cancel, extend the closing date, amend an RFP/RFQ, or modify any contract action.
- c. Contracting Officers are reminded that this deviation does not supersede existing contract language unless or until a contract/order is modified to reflect the increased threshold.

## **Impacts to Warrants**

The maximum authority of Level I warrants for Contracting Officers employed within the acquisition office is raised to \$250,000. The maximum authority of Level 1 warrants for Contracting Officers employed outside the acquisition office remains \$150,000. Commerce Acquisition Manual 1301.6 will be updated to reflect these changes. No individual warrants are changed based on this deviation.

## **Effective Date**

This deviation is effective upon issuance and remains in effect until incorporated into the FAR or otherwise rescinded.

## **Additional Information**

Please direct any questions regarding this Procurement Memorandum to Nancy Barrere at [nbarrere@doc.gov](mailto:nbarrere@doc.gov).

Attachment: Deviated FAR Text and Clauses