



Weekly Report for January 8, 2016

GOVERNMENT CONTRACTS

2016 Adverse Effect Wage Rates

Effective December 22, 2015, the Employment and Training Administration of the Department of Labor (Department) announced the 2016 Adverse Effect Wage Rates (AEWRs) for the employment of temporary or seasonal nonimmigrant foreign workers (H-2A workers) to perform agricultural labor or services. The Department's H-2A regulations provide that employers must pay their H-2A workers and workers in corresponding employment at least the highest of: (1) The AEWR; (2) the prevailing hourly wage rate; (3) the prevailing piece rate; (4) the agreed-upon collective bargaining wage rate, if applicable; or (5) the federal or state minimum wage rate, in effect at the time the work is performed, [80 CFR 79614](#).

Removal of Requirement To File Direct-Pay Fee Agreements With the Office of the General Counsel

Effective December 29, 2015, the Department of Veterans Affairs (VA) amended its regulations concerning the payment of fees for representation by agents and attorneys in proceedings before the VA. Specifically, this rule removes the requirement that an agent or attorney file a direct-pay fee agreement with both the VA Office of the General Counsel and the agency of original jurisdiction. The intended effect of this final rule is to require that direct-pay fee agreements be submitted only to the agency of original jurisdiction, thereby eliminating duplicate filings by agents and attorneys, [80 CFR 81191](#).

Network Penetration Reporting and Contracting for Cloud Services

Effective December 30, 2015, the DOD issued an interim rule amending the Defense Federal Acquisition Regulation Supplement to provide contractors with additional time to implement security requirements specified by a National Institute of Standards and Technology Special Publication, [80 CFR 81472](#). Comments are due by February 29, 2016.

Federal Acquisition Regulation; Sole Source Contracts for Women-Owned Small Businesses

Effective December 31, 2015, DOD, GSA, and NASA issued an interim rule amending the FAR to implement regulatory changes made by the SBA that provide for EDWOSB/WOSB sole source authority. Implementation of these sole source procedures in the FAR ensures that contracting officers now have the tools necessary to maximize federal procurement opportunities for WOSB concerns through sole source contract awards. In general, an award under the WOSB program may be pursued on a sole source basis when the contracting officer does not have a reasonable expectation, through market research, that two or more eligible EDWOSB or WOSB concerns will submit offers at a fair and reasonable price, but identifies one responsible EDWOSB or WOSB that can perform at a fair and reasonable price. The dollar thresholds for sole source awards are equal to or less than \$6.5 million for manufacturing requirements and equal to or less than \$4 million for all other requirements, including all options, [80 CFR 81888](#). Comments are due by February 29, 2016.

Trade Agreements Thresholds

Effective January 1, 2016, DOD, GSA, and NASA issued a final rule amending the FAR to incorporate revised thresholds for application of the World Trade Organization Government Procurement Agreement and the Free Trade Agreements as determined by the United States Trade Representative, [80 CFR 81894](#).

Federal Acquisition Regulation; Definition of “Multiple-Award Contract”

Effective February 1, 2016, DOD, GSA, and NASA issued a final rule amending the FAR to define “multiple-award contract,” [80 CFR 81887](#).

Defense Contractors Performing Private Security Functions

The DOD is proposing to amend the DFARS to consolidate requirements applicable to DOD contracts for private security functions performed in designated areas outside the United States, make changes regarding applicability, and revise applicable quality assurance standards [80 CFR 81496](#). Comments are due by January 29, 2016.

Multiyear Contract Requirements

DOD is proposing to amend the DFARS to implement section 816 of the National Defense Authorization Act for Fiscal Year 2015 (“NDAA 2015”) and section 8010 of the Department of Defense Appropriations Act for FY 2015 (“DOD Appropriations Act 2015”). Section 846 of the NDAA 2015 provides that a multiyear contract may not be entered into for a defense acquisition program that has been specifically authorized by law to be carried out using multiyear authority unless the Secretary of Defense certifies, in writing no later than 30 days before award of the contract, that certain conditions have been met. Section 8010 of the DOD Appropriations Act 2015, makes the following

changes: (1) A multiyear contract may not be terminated without 30-day prior notification to the congressional defense committees; (2) A multiyear contract may not be entered into unless the head of the agency ensures that: (a) cancellation provisions in the contract do not include consideration of recurring manufacturing costs of the contractor associated with the production of unfunded units to be delivered under the contract; (b) the contract provides that payments to the contractor under the contract shall not be made in advance of incurred costs on funded units; and (c) the contract does not provide for a price adjustment based on a failure to award a follow-on contract, [80 CFR 81499](#). Comments are due by February 29, 2016.

SMALL BUSINESS ADMINISTRATION

Community Advantage Pilot Program

Effective December 28, 2015, the Small Business Administration (“SBA”) issued a notice extending the term of the Community Advantage (“CA”) Pilot Program and laid out a plan to evaluate whether it should be made permanent, to improve the effectiveness of the program, to expand program eligibility to new organizations, and to revise other program requirements, including certain regulatory waivers. The CA Pilot Program increases SBA-guaranteed loans to small businesses in underserved areas. The CA Pilot Program will remain in effect until March 31, 2020, [80 CFR 80872](#). Comments are due by February 26, 2016.

Interest Rates

The Small Business Administration (“SBA”) publishes an interest rate called the optional “peg” rate on a quarterly basis. The “peg” rate is a weighted average cost of money to the government for maturities similar to the average SBA direct loan, and may be used as a base rate for guaranteed fluctuating interest rate SBA loans. For the January-March quarter of FY 2016 the rate will be 2.38 percent, [80 CFR 80441](#).