



Weekly Report for September 16, 2016

GOVERNMENT CONTRACTS

GSAR Construction Contract Administration

The GSA has issued a proposed rule to revise GSAR part 536, Construction and Architect-Engineer Contracts, and related parts, to maintain consistency with the FAR and to clarify, update, and incorporate existing construction contract administration guidance previously implemented through internal Public Building Service policies. The five categories of the proposed rule changes are: (1) Incorporating existing agency policy previously issued through other means, (2) reorganizing to better align with the FAR, (3) incorporating agency unique clauses, (4) incorporating supplemental material, and (5) editing for clarity. The proposed rule includes a total of five new agency unique provisions and clauses, six new supplemental clauses, and revision and reorganization of eight existing provisions and clauses, [81 Fed. Reg. 62434](#). Comments to the proposed rule are due on, or before, November 8, 2016.

GSAR Federal Supply Schedule, Order-Level Materials

The GSA has issued a proposed rule to amend the GSAR to clarify the authority to acquire order-level materials when placing a task order or establishing a Blanket Purchase Agreement against a Federal Supply Schedule ("FSS") contract. This proposed rule seeks to provide clear and comprehensive implementation of the ability to acquire order-level materials through the FSS program, to create parity between FSS contracts and commercial indefinite-delivery/indefinite-quantity ("IDIQ") contracts, to reduce the need to conduct less efficient procurement transactions, lower barriers of entry to the federal marketplace, and to make it easier to do business the federal government, [81 Fed. Reg. 62445](#). Comments to the proposed rule are due on, or before, November 8, 2016.

Civil Monetary Penalty Inflation Adjustment

In accordance with the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 ("the 2015 Act"), the Department of Defense must adjust the level of all civil monetary penalties under its jurisdiction through a final rule and make subsequent annual adjustments for inflation. The inflation adjustment must be determined by increasing the maximum CMP or the range of minimum and maximum CMPs, as applicable, for each CMP by the cost-of-living adjustment, rounded to the nearest multiple of \$1. The cost-of-living adjustment is the percentage (if any) for each CMP by

which the Consumer Price Index (“CPI”) for the month of October preceding the date of the adjustment (January 15), exceeds the CPI for the month of October in the previous calendar year. The initial adjustment to a CMP may not exceed 150 percent of the corresponding level in effect on November 2, 2015. Any increased penalties will only apply to violations which occur after the date on which the increase takes effect. Each CMP subject to the jurisdiction of the Department of Defense has been adjusted in accordance with the 2015 Act. In compliance with the 2015 Act, the Department of Defense has amended its CMP penalty amounts, [81 Fed. Reg. 62629](#). This rule is effective September 12, 2016.

Audit of Settlement Proposals

DoD, GSA, and NASA have issued a proposed rule to amend the FAR to raise the dollar threshold requirement for the audit of prime contract settlement proposals and subcontract settlements from \$100,000 to \$750,000, [81 Fed. Reg. 63158](#). Comments to the proposed rule are due on, or before, November 14, 2016.