

## Statute versus Regulation, Part 2

Written by Nick Sanders  
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In a [recent article](#), we discussed the quandary faced by contractors (and perhaps by contracting officers) who might seek to implement the many acquisition threshold changes mandated by the 2018 NDAA. We tried to walk the tightrope between acknowledging the quandary and our views on how to deal with it. We clearly noted that some individuals (and entities) were going to be more conservative than others.

We wrote: “You can wait for [the FAR Councils] to complete the revision process, if you’d like. Or you can lean forward and adopt statutory changes as they are enacted into law.”

Now comes evidence that the right approach is to lean forward—to implement the statutory thresholds without waiting for the FAR Councils to open and close their FAR Cases. The evidence is a [Class Deviation](#) issued by the Civilian Agency Acquisition Council (CAAC), that authorizes civilian Agency level Class Deviations to implement threshold changes in advance of official rule-making.

Remember, the changes were focused only on agencies covered by the NDAA, so the fact that the CAAC has jumped on them is a very good sign that they are going to be adopted. Well, not all of the changes, but most of them. You need to review Attachment A and Attachment B of the CAAC Class Deviation to see what will be changing in the FAR versus what will be changing in selected agency supplements (e.g., DFARS and NFARS).

For example, it’s clear that the micro-purchase threshold will be moving to \$10,000 across all agencies, both civilian and non-civilian. Further, it’s clear that the Simplified Acquisition Threshold (SAT) will be moving to \$250,000 across all agencies (except where it’s higher for certain listed circumstances).

Also note that for some certifications, the requirement for inclusion remains \$100,000, because they were set by different statutes. For example, check the Byrd Cert, the Anti-Lobbying Cert, and the Anti-Kickback Cert. We think those will stay at \$100K even as the SAT moves to \$250,000. If you have contract writing software that tied certs to the SAT rather than to the underlying statutory requirement(s), then you are going to have a problem.

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Interestingly (to us), no mention was made of the changing TINA limits, which will now be \$2.0 million going forward. Perhaps that was outside the scope of the CAAC Class Deviation, and it will be covered by a future communication.

To summarize: the thresholds are changing. If you are one of the conservative individuals (or entities), who is waiting for the regulations to be officially revised before implementing them, then you are missing an opportunity to reduce workload. The time to update policies, procedures, and practices is *now*.