

Federal Acquisition Regulation
Federal Acquisition Circular 2020-06 Summary of Rules
FAC 2020-06

<u>Item</u>	<u>Subject</u>	<u>FAR Case</u>
I	Revocation of Executive Order on Nondisplacement of Qualified Workers	2020-001
II	Applicability of Inflation Adjustments of Acquisition-Related Thresholds	2018-007
III	Tax on Certain Foreign Procurements	2016-013
IV	Technical Amendments	

Item I — Revocation of Executive Order on Nondisplacement of Qualified Workers (FAR Case 2020-001)

This final rule removes subpart 22.12, entitled “Nondisplacement of Qualified Workers Under Service Contracts”, and a related contract clause, from the FAR. The final rule applies to service contracts which succeed a contract for performance by service employees of the same or similar work at the same location. It removes a requirement for service contractors and their subcontractors to offer employees of the predecessor contractor and its subcontractors a right of first refusal of employment for positions for which they are qualified. It implements Executive Order 13897 of October 31, 2019, Improving Federal Contractor Operations by Revoking Executive Order 13495. **Accordingly, the class deviation to the DEAR clause 970.5244-1 issued by Acquisition Letter 2013-10 which required flowdown to M&O subcontracts for services of the now-deleted FAR clause is no longer valid.**

Item II – Applicability of Inflation Adjustments of Acquisition-Related Thresholds (FAR Case 2018-007)

This final rule makes inflation adjustments of statutory acquisition-related thresholds under 41 U.S.C. 1908 applicable to existing contracts and subcontracts in effect on the date of the adjustment. It implements section 821 of the National Defense Authorization Act for Fiscal Year 2018.

Item III – Tax on Certain Foreign Procurements (FAR Case 2016-013)

This final rule implements a Department of Treasury final rule published in the Federal Register at 81 FR 55133 on August 18, 2016 relating to a 2 percent tax on contract payments made to certain foreign entities. This rule addresses collection of that excise tax by withholding the 2 percent tax on contract payments for goods or services made by the United States (U.S.) Government to certain foreign persons.

Item IV – Technical Amendments

Editorial changes are made at FAR 4.1102, 19.102, 25.301–1, 25.301–4, 52.219–28, 52.223–15, and 52.225–19.