

**Federal Acquisition Regulation
Federal Acquisition Circular 2021-01 Summary of Rules
FAC 2021-01**

<u>Item</u>	<u>Subject</u>	<u>FAR Case</u>
I	Inflation Adjustment of Acquisition-Related Thresholds	2019-013

**Item I—Inflation Adjustment of Acquisition-Related Thresholds
(FAR Case 2019-013)**

This final rule amends the FAR to further implement the statute which requires an adjustment every five years of statutory acquisition-related thresholds for inflation. The adjustment uses the Consumer Price Index for all urban consumers, and does not apply to the Construction Wage Rate Requirements statute (Davis-Bacon Act), Service Contract Labor Standards statute, and trade agreements thresholds.

The following list identifies the impact of this rule on heavily-used thresholds.

- The micro-purchase threshold at FAR 2.101 was raised to \$10,000 by statute (see FAR Case 2018–004). No further increase to the basic threshold is made at this time, as there has been insufficient inflation. Paragraph 3(ii) of the definition, for acquisitions to support contingency operations or to facilitate defense against certain attacks, is increasing from \$30,000 to \$35,000.
- The simplified acquisition threshold was changed to \$250,000 by statute (see FAR Case 2018–004). No further increase in the basic threshold is proposed, as there has been insufficient inflation. Paragraph (1)(i) of the definition for acquisitions to support contingency operations or to facilitate defense against certain attacks, is increasing from \$750,000 to \$800,000.
- The preaward and post-award notices (FAR part 5) remain at \$25,000 because of trade agreements.
- The requirements for limiting competition (FAR part 6) to eligible 8(a) awards over \$22 million is increased to \$25 million.
- The simplified procedures for certain commercial items ceiling (FAR 13.500) is increased from \$7 million to \$7.5 million. For acquisitions described at 13.500(c), the ceiling is increasing from \$13.5 million to \$15 million.
- The cost or pricing data threshold (FAR 15.403–4) was increased by statute from \$750,000 to \$2 million (see FAR Case 2018–005) and is not increasing in this case.
- The prime contractor subcontracting plan (FAR 19.702) threshold is increasing from \$700,000 to \$750,000, but the construction threshold of \$1.5 million will not change. Standard Form 294 at General Instruction 3 has a reference to \$700,000, which will be changed.

- The threshold for reporting first-tier subcontract information including executive compensation will not change (FAR subpart 4.14 and 52.204–10).