

**CLASS DEVIATION  
FINDINGS AND DETERMINATION  
FEDERAL ACQUISITION REGULATION (FAR)  
REGARDING THE THRESHOLD FOR SMALL DISADVANTAGED BUSINESS (SDB)**

**Findings**

1. The Small Business Administration’s (SBA’s) interim final rule published in the Federal Register at 87 FR 69118, on November 17, 2022, effective December 19, 2022, increased the net worth threshold for an individual to be eligible as an economically disadvantaged small business concern from \$750,000 to \$850,000.
2. The Civilian Agency Acquisition Council (CAAC) issued CAAC Letter 2023-02 on December 15, 2022, authorizing agencies to issue class deviations to increase the threshold and use the revised definition of a “small disadvantaged business concern.”
3. The net worth threshold of \$750,000 currently appears in the FAR within the definition of “*small disadvantaged business concern*” at:
  - 2.101(b), *Definitions*;
  - 52.212-3 (a), *Offeror Representations and Certifications – Commercial Products and Commercial Services*;
  - 52.219-1(a), *Small Business Program Representations*; and
  - 52.219-8(a), *Utilization of Small Business Concerns*.
4. CAAC letter 2023-02 constitutes consultation in accordance with FAR 1.404 with the Chair of the CAAC allowing agencies to authorize a class deviation to implement the changes.

**Determination**

It is hereby determined that a class deviation (using the FAR Deviation text included in CAAC Letter 2023-02) is appropriate to implement the threshold increase at 13 CFR 124.104(c)(2). This class deviation is effective upon the date of signature and will remain in effect until cancelled or until the FAR is amended.

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