

**Federal Acquisition Regulation
Federal Acquisition Circular 2005-72 Summary of Rules**

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Item I-- Service Contracts Reporting Requirements (FAR Case 2010-010)

This final rule amends the FAR to implement section 743 of Division C of the Consolidated Appropriations Act, 2010. Section 743 calls for certain agencies, not including the Department of Defense, to submit annual inventories of service contracts. FAR subpart 4.17, Service Contracts Inventory, provides annual reporting requirements for agencies and contractors. Guidance for agencies is available at: <http://www.whitehouse.gov/omb/procurement-service-contract-inventories>. FAR clauses 52.204-14 and 52.204-15 provide contractors' annual reporting requirements. Prime and first-tier contractors will submit the information by October 31 at www.sam.gov, including total dollar amount invoiced for services performed in the prior Government fiscal year and total amount of labor hours for the previous Government fiscal year.

To lessen the burden on small and large business prime contractors, information is reported annually, reporting is phased in over three fiscal years, and only first-tier subcontracts are covered, not all tiers.

Contracting officers will verify that the clause is included in the contract or order. Agencies are responsible for reviewing contractor reported information to ensure it appears reasonable and consistent with available contract information. The agency is not required to address data for which the agency would not normally have supporting information. In the event the agency believes that revisions to the contractor reported information are warranted, the contractor is to be notified no later than November 15. By November 30, the contractor shall revise the report, or document its rationale for the agency for maintaining the information without change.

Effective: January 30, 2014. **Applicability:** The changes in this rule apply to solicitations issued and contracts awarded on or after January 30, 2014. Contracting officers will modify existing indefinite-delivery contracts, on a bilateral basis in accordance with FAR 1.108(d)(3), within six months of the effective date of the final rule, if the remaining period of performance extends beyond October 1, 2013, and \$2.5 million or more remains to be obligated.

Item II-- Prioritizing Sources of Supplies and Services for Use by Government (FAR Case 2009-024)

This final rule amends the FAR to update and clarify the priority of sources of supplies and services for use by the Government at FAR subpart 8.0. The final rule also includes a list of other existing Federal contract vehicles to consider for agency use, such as Governmentwide Acquisition Contracts (GWACs), Multi-Agency Contracts (MACs), and other procurement instruments intended for use by multiple agencies, including blanket purchase agreements under Federal Supply Service contracts. The policy at FAR 7.102(a) is also revised to conform with the amendments to FAR subpart 8.0. Effective: January 30, 2014.

Item III-- Terms of Service and Open-Ended Indemnification, and Unenforceability of Unauthorized Obligations (FAR Case 2013-015)

This final rule adopts, without change, an interim rule which was published in the Federal Register at [78 FR 37686](#) on June 21, 2013. The interim rule amended the FAR to address concerns raised in an opinion from the U.S. Department of Justice Office of Legal Counsel that determined the Anti-Deficiency Act is violated when a Government contracting officer or other employee with the authority to bind the Government agrees, without statutory authorization or other exception, to an open-ended, unrestricted indemnification clause. This rule clarified for the public that an End User License Agreement, Term of Service, or similar agreement containing an indemnification provision, is unenforceable and nonbinding against the Government and Government-authorized end-users. The rule contained a new clause that applies to all solicitations and contracts and automatically applies to micro-purchases, including those made with the Governmentwide commercial purchase card. Effective: December 31, 2013.

Item IV-- Trade Agreements Thresholds (FAR Case 2013-021)

This final rule amends the FAR to adjust the thresholds for application of the World Trade Organization Government Procurement Agreement and the Free Trade Agreements as determined by the United States Trade Representative, according to a pre-determined formula under the agreements. Effective: January 1, 2014.