



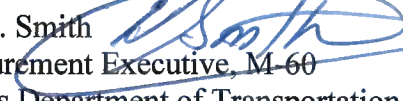
**U.S. Department
of Transportation**

Office of the Secretary
of Transportation

1200 New Jersey Ave., S.E.
Washington, DC 20590

August 2, 2018

SUBJECT: Class Deviation (CD) No. CD-18-002 from the Federal Acquisition Regulation - Increasing the Micro-Purchase Threshold and Simplified Acquisition Threshold (FAR Case: 2018-004 (Revised))

FROM: Dr. Willie H. Smith 
Senior Procurement Executive, M-60
United States Department of Transportation

TO: Department of Transportation Chiefs of the Contracting Offices

1. Purpose.

This memorandum approves a class deviation from the Federal Acquisition Regulation (FAR) to increase the Micro-Purchase Threshold (MPT) to \$10,000 and the Simplified Acquisition Threshold (SAT) to \$250,000¹.

This class deviation is issued to implement statutory increases to the MPT and SAT, effective August 6, 2018, while the FAR is updated via the rulemaking process.

2. Background.

The National Defense Authorization Act for Fiscal Year 2018 (NDAA FY18)² enacted the following increases to the MPT and SAT:

- NDAA Section 806 increased the MPT to \$10,000. However, the MPT for the Department of Defense (DoD) remains at \$5,000, except for DoD basic research programs and for DoD science and technology reinvention laboratories.³
- NDAA Section 805 increased the SAT to \$250,000.

¹ See Section 7. References for statutes and regulations applicable to the micro-purchase threshold and simplified acquisition threshold.

² Public Law 115-91.

³ The statutory MPT found at 41 U.S.C. 1902 is now \$10,000, although the DoD exceptions found at 10 U.S.C. sections 2338 and 2339 still apply.

The FAR Council is working to amend the FAR to incorporate these changes, but additional time to implement is anticipated.

In the interim, this class deviation implements the higher thresholds for the Department of Transportation (DOT). This deviation provides substantial administrative efficiencies. It offers more flexibilities for DOT to best support its mission needs.

Please note that not all thresholds are increased by this deviation as some dollar amounts referenced in the FAR are set by statute. These will not change as a result of this CD. For example, the thresholds for the Construction Wage Rate Requirements statute (previously known as the Davis-Bacon Act), the Service Contract Labor Standards statute (previously known as the Service Contract Act), the Anti-Kickback Act of 1986, the Fair Opportunity Procedures found in 16.505(b) and other statutorily-established thresholds do not change.

3. Authority.

This class deviation is issued under the authority of FAR 1.404 and the Department of Transportation Acquisition Manual (TAM) 1201.404.

This deviation is issued following consultation with the Chair of the Civilian Agency Acquisition Council (CAAC) via CAAC Letter No. 2018-02 in accordance with FAR 1.404(a) and TAM 1201.404(a).

4. Deviation.

See Attachment A for the changes in the FAR text as revised by this deviation.

5. Effective Date.

This deviation is effective August 6, 2018 and remains in effect until incorporated into the FAR.

6. Questions.

Frequently Asked Questions are located in Attachment B. Additional questions may be directed to the point of contact noted in Section 8 below.

7. References.

- a) 41 U.S.C. §134. Defines the *Simplified Acquisition Threshold*.
- b) 41 U.S.C. § 1902. *Procedures Applicable To Purchases Below Micro-Purchase Threshold.*
- c) 41 U.S.C. 1908. *Inflation Of Adjustment Of Acquisition-Related Dollar Thresholds* requires that the Federal Acquisition Regulation (FAR) Council periodically adjust all statutory acquisition-related dollar thresholds in the FAR for inflation, except as provided

in paragraph c of this section. This adjustment is calculated every 5 years using the Consumer Price Index and supersedes the applicability of any other provision of law that provides for the adjustment of such acquisition-related dollar thresholds.

- d) FAR Part 1.109. Statutory Acquisition-Related Dollar Thresholds - Adjustment for Inflation defines an acquisition-related dollar threshold as a dollar threshold that is specified in law as a factor in defining the scope of the applicability of a policy, procedure, requirement, or restriction provided in that law to the procurement of supplies or services by an executive agency, as determined by the FAR Council. However the statute does not permit escalation of acquisition-related thresholds established by: 1) 40 U.S.C. Chapter 31, subchapter IV, Wage Rate Requirements (Construction); 2) 41 U.S.C. Chapter 67, Service Contract Labor Standards; or 3) The United States Trade Representative pursuant to the authority of the Trade Agreements Act of 1979 (19 U.S.C. 2511 et seq.).

8. Point of Contact.

If you have any questions regarding this class deviation, please contact LaWanda Morton-Chunn, (202) 366-2267 or lawanda.morton-chunn@dot.gov.

Attachment A - FAR Deviation Text

Attachment B - Frequently Asked Questions