



# Homeland Security

JAN 10 2012

**MEMORANDUM FOR:** Department of Homeland Security  
Heads of the Contracting Activities

**FROM:** Dan Clever  
Deputy Chief Procurement Officer

**SUBJECT:** Class Deviation from the Federal Acquisition  
Regulation (FAR) Subpart 25.4, Trade Agreements  
(Number 12-01)

**Purpose:** The purpose of this memorandum is to issue a class deviation pursuant to FAR 1.404 and 1.405, to implement the new procurement thresholds for trade agreements that were published by the United States Trade Representative in the Federal Register on December 8, 2011 (74 FR 76808). These thresholds became effective January 1, 2012.

**Effective Date:** Immediately.

**Background:** Every two years, the trade agreements thresholds are escalated according to a pre-determined formula set forth in the agreements. On December 29, 2011, the Civilian Agency Acquisition Council (CAAC) issued Civilian Agency Acquisition Letter 2012-01 which recommended that civilian agencies issue a class deviation to update the new procurement thresholds for the Trade Agreements and the table under Subpart 25.402(b). Contracting officers shall use the attached table, in lieu of the table at FAR 25.402(b) and shall substitute the new thresholds wherever they appear in the FAR.

The final rule for FAR case 2012-002 is being processed to update the thresholds in the FAR. Pending publication of the final rule, it is reasonable and practical for DHS to issue a class deviation to implement the new procurement thresholds.

**Expiration Date:** This class deviation rescinds FAR Class Deviation Number 10-01 and will remain in effect until incorporated in the FAR or otherwise rescinded.

**Attachments:**

- DHS Class Deviation from the Federal Acquisition Regulations (FAR) Subpart 25.4 – Trade Agreements, January 2012
- Civilian Agency Acquisition Letter 2012-01, Class Deviation from the FAR to implement new increased thresholds for the Trade Agreements

**Additional Information:** Questions or comments about this class deviation may be directed to Ava Morgan at (202) 447-0743, or by email at [Ava.Morgan@dhs.gov](mailto:Ava.Morgan@dhs.gov).

**Class Deviation  
Federal Acquisition Regulations (FAR) Subpart 25.4 Trade Agreements**

**Findings**

On December 29, 2011, the Civilian Agency Acquisition Council issued Civilian Agency Acquisition Letter 2012-01, which recommends that civilian agencies authorize a class deviation to implement the new procurement thresholds for Trade Agreements that became effective January 1, 2012.

When determining which trade agreement clause to incorporate into a contract, contracting officers use the table at FAR 25.402(b) which provides the various dollar thresholds affected by trade agreements.

**Determination**

Pursuant to FAR 1.404 and 1.405, I hereby issue a class deviation implementing the new procurement thresholds and table for trade agreements.

An expedited FAR case (2012-002) is being processed to update the thresholds in the FAR. This class deviation will remain in effect until incorporated in the FAR or otherwise rescinded.

  
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Dan Clever  
Deputy Chief Procurement Officer  
Department of Homeland Security

Date 1/10/12

<b>Trade Agreement</b>	<b>Supply Contract (equal to or exceeding)</b>	<b>Service Contract (equal to or exceeding)</b>	<b>Construction Contract (equal to or exceeding)</b>
WTO GPA	\$202,000	\$202,000	\$7,777,000
FTAs			
Australia FTA	\$77,494	\$77,494	\$7,777,000
Bahrain FTA	\$202,000	\$202,000	\$10,074,262
CAFTA-DR (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua)	\$77,494	\$77,494	\$7,777,000
Chile FTA	\$77,494	\$77,494	\$7,777,000
Morocco FTA	\$202,000	\$202,000	\$7,777,000
NAFTA			
--Canada	25,000	\$77,494	\$10,074,262
--Mexico	\$77,494	\$77,494	\$10,074,262
Oman FTA	\$202,000	\$202,000	\$10,074,262
Peru FTA	\$202,000	\$202,000	\$7,777,000
Singapore FTA	\$77,494	\$77,494	\$7,777,000
Israeli Trade Act	50,000	--	--



GSA Office of Governmentwide Acquisition Policy

CIVILIAN AGENCY ACQUISITION LETTER 2012-01

December 29, 2011

MEMORANDUM FOR CIVILIAN AGENCIES OTHER THAN NASA

FROM:

  
LAURA AULETTA  
CHAIR  
CIVILIAN AGENCY ACQUISITION COUNCIL (CAAC)

SUBJECT:

Class Deviation from the Federal Acquisition Regulation (FAR)  
to Implement Adjusted Thresholds for the Trade Agreements

On December 8, 2011, the United States Trade Representative (USTR) published new procurement thresholds (76 FR 76808). These thresholds become effective on January 1, 2012.

This CAAC letter constitutes the consultation with the Chair of the CAAC required by FAR 1.404(a)(1) and provides updates to the thresholds consistent with the USTR's adjustments. Pending a FAR change, it is recommended that civilian agencies authorize a class deviation in accordance with FAR 1.404 to use the new procurement thresholds for the trade agreements.

To determine which trade agreement clause to incorporate into a contract, contracting officers shall use the updated thresholds provided in the attached table in lieu of those in the table at FAR 25.402(b), and shall also substitute the new thresholds wherever they appear in the FAR.

If you have questions or require additional information regarding this memorandum, please contact Cecelia L. Davis at (202) 219-0202, or by email at [cecelia.davis@gsa.gov](mailto:cecelia.davis@gsa.gov).

ATTACHMENT

U.S. General Services Administration  
1275 First Street, NE  
Washington, DC 20417  
[www.gsa.gov](http://www.gsa.gov)

<b>Trade Agreement</b>	<b>Supply Contract (equal to or exceeding)</b>	<b>Service Contract (equal to or exceeding)</b>	<b>Construction Contract (equal to or exceeding)</b>
WTO GPA	\$202,000	\$202,000	\$7,777,000
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Israeli Trade Act	50,000	--	--