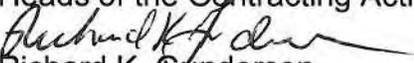


FEB 12 2010



# Homeland Security

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

**FROM:**   
Richard K. Gunderson  
Acting Chief Procurement Officer

**SUBJECT:** Class Deviation from the Federal Acquisition  
Regulation (FAR) Subpart 25.4, Trade Agreements  
(Number 10-01)

**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 29, 2009 (74 FR 68907). These thresholds became effective January 1, 2010.

**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 January 19, 2010, the Civilian Agency Acquisition Council (CAAC) issued Civilian Agency Acquisition Letter 2010-01 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.

An expedited FAR case (2009-040) is being processed to update the thresholds in the FAR. Pending publication of the interim rule, it is reasonable and practical for DHS to issue a class deviation to implement the new procurement thresholds.

**Expiration Date:** This class deviation will remain in effect until incorporated in the FAR or otherwise rescinded.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 2010
- Civilian Agency Acquisition Letter 2010-01, 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**

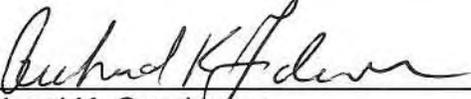
On January 19, 2010, the Civilian Agency Acquisition Council issued Civilian Agency Acquisition Letter 2010-01, which recommends that civilian agencies authorize a class deviation to implement the new procurement thresholds for Trade Agreements that became effective January 1, 2010.

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 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.

  
\_\_\_\_\_  
Richard K. Gunderson  
Acting Chief Procurement Officer  
Department of Homeland Security

*12 FEB 10*  
\_\_\_\_\_  
Date

<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	\$203,000	\$203,000	\$7,804,000
FTAs			
Australia FTA	70,079	70,079	7,804,000
Bahrain FTA	203,000	203,000	9,110,318
CAFTA-DR (Costa Rica, El Salvador, Dominican Republic, Guatemala, Honduras, and Nicaragua)	70,079	70,079	7,804,000
Chile FTA	70,079	70,079	7,804,000
Morocco FTA	203,000	203,000	7,804,000
NAFTA			
—Canada	25,000	70,079	9,110,318
—Mexico	70,079	70,079	9,110,318
Oman FTA	203,000	203,000	9,110,318
Peru FTA	203,000	203,000	7,804,000
Singapore FTA	70,079	70,079	7,804,000
Israeli Trade Act	50,000	—	—



CIVILIAN AGENCY ACQUISITION LETTER 2010-01

MEMORANDUM FOR CIVILIAN AGENCIES OTHER THAN NASA

FROM: *Al Matera*  
AL MATERA  
CHAIRMAN  
CIVILIAN AGENCY ACQUISITION COUNCIL

SUBJECT: Class Deviation from the Federal Acquisition Regulation (FAR) to implement new increased thresholds for the Trade Agreements

On December 29, 2009 (74 FR 68907), the United States Trade Representative established new procurement thresholds. These thresholds became effective on January 1, 2010.

An expedited FAR case (2009-040) is being processed to update the thresholds in the FAR. This FAR case is being processed as an interim rule.

This CAAC letter provides the updated thresholds consistent with the USTR changes (see below).

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

Trade Agreement	Supply Contract (equal to or exceeding)	Service Contract (equal to or exceeding)	Construction Contract (equal to or exceeding)
WTO GPA	\$203,000	\$203,000	\$7,804,000
FTAs			
Australia FTA	70,079	70,079	7,804,000
Bahrain FTA	203,000	203,000	9,110,318
CAFTA-DR (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras,	70,079	70,079	7,804,000

and Nicaragua)			
Chile FTA	70,079	70,079	7,804,000
Morocco FTA	203,000	203,000	7,804,000
NAFTA			
—Canada	25,000	70,079	9,110,318
—Mexico	70,079	70,079	9,110,318
Oman FTA	203,000	203,000	9,110,318
Peru FTA	203,000	203,000	7,804,000
Singapore FTA	70,079	70,079	7,804,000
Israeli Trade Act	50,000	—	—

This CAAC letter constitutes the consultation with the Chairman of the Civilian Agency Acquisition Council required by FAR 1.404(a)(1).

Pending issuance of an interim rule effecting this 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.