



MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

FROM: IRIS B. COOPER,
SENIOR PROCUREMENT EXECUTIVE,
OFFICE OF THE PROCUREMENT EXECUTIVE

SUBJECT: **Class Deviation— The Federal Acquisition Regulation to Implement Updated United States Trade Representative Procurement Thresholds.**

- PURPOSE:** This class deviation is issued in accordance with Federal Acquisition Regulation (FAR) 1.404 to implement updated procurement thresholds established by the United States Trade Representative (USTR) until such time the FAR is amended.
- EFFECTIVE DATE:** Upon issuance
- EXPIRATION DATE:** Until superseded, incorporated in the FAR or otherwise rescinded.
- APPLICABILITY:** This class deviation applies to acquisitions where FAR subpart 25.4 applies.
- BACKGROUND:** On December 11, 2017, the USTR published updated procurement thresholds (see Federal Register Doc No. [82 FR 58248](#)) to implement certain U.S. trade agreement obligations. The update of these procurement thresholds is in accordance with Executive Order 12260, which requires the USTR to set the U.S. dollar procurement thresholds for covered procurements valued at or above specified U.S. dollar thresholds. These updated procurement thresholds become effective on January 1, 2018.

Pending issuance of FAR Case 2018-001, Trade Agreements Thresholds, agencies may authorize a class deviation in accordance with FAR 1.404. The Chair of the Civilian Agency Acquisition Council (CAAC) issued [CAAC Letter 2018-01](#) authorizing civilian agencies, inclusive of the Department of the Treasury, to issue a class deviation pending amendment of the FAR¹. Therefore, the Senior Procurement Executive has determined that the issuance of this class deviation is authorized based on circumstances stated herein and the actions required herein are necessary to implement these updated procurement thresholds until such time the FAR is amended.

- DESCRIPTION OF THE DEVIATION:** This class deviation amends the table provided in [FAR 25.402\(b\)](#) and also substitutes these thresholds wherever they appear in the FAR with the updated procurement thresholds provided in Attachment A of this document.

¹The CAAC Letter constitutes consultation with the Chair of the CAAC as required by FAR 1404(a)(1).



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7. **REQUIRED CONTRACTING OFFICER ACTION:** To determine the applicability of and which trade agreement clause to incorporate into a contract (see FAR part 25) Contracting Officers shall:
- a. Use the updated procurement thresholds provided in Attachment A of this document in lieu of those provided in the table at FAR 25.402(b); and
 - b. Substitute the thresholds provided in FAR 25.402(b) wherever they appear in the FAR (e.g. FAR subpart 25.11) with the applicable updated threshold provided in Attachment A as well.
- c. **REQUIRED BUREAU ACTIONS:** Bureau Chief Procurement Officers shall take immediate steps to:
- a. Ensure dissemination of this AB to all acquisition personnel; and
 - b. Update related Bureau policies and procedures, and guidance impacted by this APU.
- d. **ADDITIONAL INFORMATION:** The point of contact for this AB is Mr. Thomas O'Linn, who may be reached at thomas.olinn@treasury.gov or OfficeoftheProcurementExecutive@treasury.gov.
- e. **ATTACHMENT:** Attachment A - Acquisition Bulletin No. 18-01 – Class Deviation (Deviation No. 2018-00001)



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**Attachment A –
Acquisition Bulletin No. 18-01 –
Class Deviation (Deviation No. 2018-00001)**

The table in [FAR 25.402\(b\)](#) is amended as provided below to implement the United States Trade Representative (USTR) new procurement thresholds (Federal Register Doc No. [82 FR 58248](#)) that go into effect on January 1, 2018 for the calendar years 2018 and 2019. The FAR baseline is FAC Number 2005-96, effective November 6, 2017.

Trade Agreement	Supply Contract (equal to or exceeding)	Service Contract (equal to or exceeding)	Construction Contract (equal to or exceeding)
WTO GPA	\$180,000	\$180,000	\$6,932,000
FTAs			
Australia FTA	80,317	80,317	6,932,000
Bahrain FTA	180,000	180,000	10,441,216
CAFTA-DR (Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua)	80,317	80,317	6,932,000
Chile FTA	80,317	80,317	6,932,000
Colombia FTA	80,317	80,317	6,932,000
Korea FTA	100,000	100,000	6,932,000
Morocco FTA	180,000	180,000	6,932,000
NAFTA			
—Canada	25,000	80,317	10,441,216
—Mexico	80,317	80,317	10,441,216
Oman FTA	180,000	180,000	10,441,216
Panama	180,000	180,000	6,932,000
Peru FTA	180,000	180,000	6,932,000
Singapore FTA	80,317	80,317	6,932,000
Israeli Trade Act	50,000	—	—