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United States General Accounting Office Washington, DC 20548

Office of General Counsel

April 3, 1979 dia dia dia to mistro reading Mr. Strat Valakis FAR Project Review Coordinator Office of Federal Procurement Policy

Office of Management and Budget Executive Office of the President

Dear Mr. Valakis:

By letter dated January 24, 1979, you transmitted Comments on for our comment a draft segment of the Federal Acquisition Regulation7(FAR). The segment covers subpart 1.2-FAR System Administration, subpart 17.2 -- Options, 'part 23--Environmental Protection and subpart 42.5 -- Post-Award Orientation.

> Subpart 1.2, FAR System Administration, establishes the administrative mechanisms for maintenance of the FAR, and control of the FAR Systlem. It provides for a high level policy board termed the "FAR Council", which is composed of the Administrator for Federal Procurement Policy (Administrator) and the principal acquisition officials of six major agencies. The Council is supported by a full time "FAR Executive Staff" responsible for overall administration and maintenance of the FAR System, including oversight of agency adquisition regulations which implement or supplement, the FAR. The General Services Administration is responsible for publication and distribution of the FAR through the Code of Federal Regulations System (including a loose leaf edition), Departments and agencies are required to review and approve, at the headquarters level, all internal acquisition regulations to insure compliance with FAR requirements. We are informed that the goal of subpart 1.2 is to create a single Government-wide system of acquisition regulations, minimizing the volume of implementing and supplementing regulations, while still retaining sufficient flexibility to accommodate agency regulatory needs.



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Provisions are made for executive agencies and private sector interests to appeal Executive Staff recommendations to the FAR Council, which will make final determinations.

Routine revisions to the FAR will be issued by the Administrator twice annually, with a three-month period provided for implementation. Exceptions to the regular issuance dates may be made when necessitated by statute or in other special circumstances.

Subpart 17.2, Options, prescribes policies and procedures for the use of solicitation provisions and contract clauses covering options. An option is defined as a unilateral right in a contract by which, for a specified time, and at a guaranteed price, the Government may elect to purchase additional supplies or services called for by the contract, or may elect to extend the term of the contract. The subpart includes limitations, documentation, evaluation, and applicable clauses.

Part 23, Environmental Protection, consists of subparts 23.1, 23.2 and 23.3.

Subpart 23.1, Pollution Control, implements the Clean Air Act, the Resource Conservation and Recovery Act, Executive Order 11738, and regulations of the Environmental Protection Agency (EPA) on these subjects.

Subpart 23.2, Energy Conservation, implements the Energy Policy and Conservation Act and Executive Order 11912 which delegated Presidential responsibility under the Act to the Administrator for Federal Procurement Policy.

Subpart 23.3, Hazardous Materials, prescribes policies and procedures for the acquisition of hazardous materials, other than ammunition and explosives. It includes the required contract clause by which the contractor agrees to submit a Material Safety Data Sheet (Dept. of Labor Form OSHA-20) as prescribed in Federal Standard No. 313A.

Subpart 42.5, Post-Award Owientation, prescribes policies and procedures for the post contract award orientation of contractors and subcontractors. It contains criteria for selecting contracts for post-award conferences, as well as procedures for making conference arrangements, conference procedures and reports.

We have no comments to offer on the proposed draft segments.

Sincerely yours,

Milton JY Socolar General Counsel