

1.109 Statutory acquisition-related dollar thresholds-adjustment for inflation.

(a) 41 U.S.C. 1908 requires that the 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, starting in October 2005, using the Consumer Price Index for All Urban Consumers (CPI-U), and supersedes the applicability of any other provision of law that provides for the adjustment of such *acquisition*-related dollar thresholds.

(b) The statute 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.

(c) The statute does not permit escalation of *acquisition*-related dollar thresholds established by:

(1) 40 U.S.C. chapter 31—

(i) Subchapter III, Bonds; and

(ii) 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.).

(d) The statute, as amended by section 821 of the *National Defense* Authorization Act for Fiscal Year 2018 (Pub. L. 115-91), requires the adjustment described in paragraph (a) of this section be applied to contracts and subcontracts without regard to the date of award of the contract or subcontract. Therefore, if a threshold is adjusted for inflation as set forth in paragraph (a) of this section, then the changed threshold applies throughout the remaining term of the contract, unless there is a subsequent threshold adjustment.

(e) A matrix showing calculation of the most recent escalation adjustments of statutory *acquisition*-related dollar thresholds is available via the Internet at <http://www.regulations.gov> (search FAR Case 2019-013, open the docket folder, and go to the supporting documents file).

Parent topic: Subpart 1.1 - Purpose, Authority, Issuance