

**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES  
ADMINISTRATION**

**NATIONAL AERONAUTICS AND  
SPACE ADMINISTRATION**

**48 CFR Chapter 1**

[Docket No. FAR–2024–0051, Sequence No. 8]

**Federal Acquisition Regulation;  
Federal Acquisition Circular 2025–03;  
Introduction**

**AGENCY:** Department of Defense (DoD),  
General Services Administration (GSA),

and National Aeronautics and Space  
Administration (NASA).

**ACTION:** Summary presentation of final  
rules.

**SUMMARY:** This document summarizes  
the Federal Acquisition Regulation  
(FAR) rules agreed to by the Civilian  
Agency Acquisition Council and the  
Defense Acquisition Regulations  
Council (Councils) in this Federal  
Acquisition Circular (FAC) 2025–03. A  
companion document, the *Small Entity  
Compliance Guide* (SECG), follows this  
FAC.

**DATES:** For effective dates see the  
separate documents, which follow.

**ADDRESSES:** The FAC, including the  
SECG, is available at [https://  
www.regulations.gov](https://www.regulations.gov).

**FOR FURTHER INFORMATION CONTACT:** The  
analyst whose name appears in the table  
below in relation to the FAR case. For  
information pertaining to status or  
publication schedules, contact the  
Regulatory Secretariat Division at 202–  
501–4755 or [GSARegSec@gsa.gov](mailto:GSARegSec@gsa.gov).

**RULES LISTED IN FAC 2025–03**

| Item      | Subject  | FAR case | Analyst  |
|-----------|--|----------|----------|
| I .....   | Improving Consistency Between Procurement and Nonprocurement Procedures on Suspension and Debarment. | 2019–015 | Delgado. |
| II .....  | Rerepresentation of Size and Socioeconomic Status .....  | 2020–016 | Bowman.  |
| III ..... | Subcontracting to Puerto Rican And Covered Territory Small Businesses .....                          | 2023–001 | Moore.   |

**SUPPLEMENTARY INFORMATION:**

Summaries for each FAR rule follow.  
For the actual revisions and/or  
amendments made by these FAR rules,  
refer to the specific item numbers and  
subjects set forth in the documents  
following these item summaries. FAC  
2025–03 amends the FAR as follows:

**Item I—Improving Consistency  
Between Procurement and  
Nonprocurement Procedures on  
Suspension and Debarment (FAR Case  
2019–015)**

This final rule amends the FAR to  
improve consistency between the  
procurement and nonprocurement  
procedures on suspension and  
debarment, based on recommendations  
of the Interagency Suspension and  
Debarment Committee. The changes in  
the FAR bring the two systems into  
closer alignment, enhancing  
transparency and consistency within the  
Government’s suspension and  
debarment procedures. This allows  
contractors a better understanding of  
how the two systems’ procedures relate  
to each other. The changes are not  
expected to have a significant economic  
impact on a substantial number of small  
entities. It is anticipated that this rule  
will have a positive impact on small  
businesses with increased transparency  
in the process.

**Item II—Rerepresentation of Size and  
Socioeconomic Status (FAR Case 2020–  
016)**

This final rule amends the FAR to  
implement regulatory changes made by  
the Small Business Administration to  
size and socioeconomic status  
rerepresentation requirements for orders  
placed against multiple-award contracts.  
Specifically, business concerns that  
represented their status as any of the  
small business concerns identified at  
FAR 19.000(a)(3) are required to  
rerepresent their size and/or  
socioeconomic status for orders set  
aside—

(1) Under unrestricted multiple-award  
contracts, unless the order is issued  
against a reserve for which size and/or  
status was required.

(2) Under a multiple-award contract  
that was totally or partially set aside for  
small businesses, and the order requires  
a different socioeconomic status.

Federal Supply Schedules (FSS) are  
exempt from these requirements.

The final rule will help to validate  
that small businesses qualify for the size  
and/or socioeconomic status associated  
with orders placed under certain  
multiple-award contracts. Also, entities  
that no longer qualify under the  
applicable North American Industry  
Classification System (NAICS) code or  
the socioeconomic status they claim  
may not qualify under the applicable  
NAICS code or socioeconomic status for  
set-aside orders under the multiple-  
award contracts subject to this rule.

The final rule is not expected to have  
a significant economic impact on a  
substantial number of small entities.

**Item III—Subcontracting to Puerto  
Rican and Covered Territory Small  
Businesses (FAR Case 2023–001)**

This final rule amends the FAR to  
implement regulatory changes made by  
the Small Business Administration to  
implement section 861 of Public Law  
115–232 and section 866 of Public Law  
116–283, which add incentives for  
certain U.S. territories under the Small  
Business Administration mentor-protégé  
program. This final rule also specifies  
the entities that are not required to  
submit subcontracting plans as  
subcontractors. This final rule is not  
expected to have a significant impact on  
a substantial number of small entities;  
however, it will impact small businesses  
whose principal office is in the  
Commonwealth of Puerto Rico or that  
are covered territory businesses that  
enter into SBA-approved mentor-  
protégé agreements.

**William F. Clark,**

*Director, Office of Government-wide  
Acquisition Policy, Office of Acquisition  
Policy, Office of Government-wide Policy.*

Federal Acquisition Circular (FAC) 2025–  
03 is issued under the authority of the  
Secretary of Defense, the Administrator of  
General Services, and the Administrator of  
National Aeronautics and Space  
Administration.

Unless otherwise specified, all Federal  
Acquisition Regulation (FAR) and other

directive material contained in FAC 2025–03 are effective January 17, 2025.

**John M. Tenaglia,**

*Principal Director, Defense Pricing, Contracting, and Acquisition Policy, Department of Defense.*

**William F. Clark,**

*Director, Office of Government-wide Acquisition Policy, Office of Acquisition Policy, Office of Government-wide Policy, U.S. General Services Administration.*

**Marvin L. Horne,**

*Deputy Assistant Administrator for NASA Procurement, National Aeronautics and Space Administration.*

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**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**48 CFR Parts 2, 3, 9, 22, 25, 26, 33, and 52**

[FAC 2025–03; FAR Case 2019–015, Item I; Docket No. FAR–2019–0015; Sequence No. 1]

RIN 9000–AN98

**Federal Acquisition Regulation: Improving Consistency Between Procurement and Nonprocurement Procedures on Suspension and Debarment**

**AGENCY:** Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

**ACTION:** Final rule.

**SUMMARY:** DoD, GSA, and NASA are issuing a final rule amending the Federal Acquisition Regulation (FAR) to improve consistency between the procurement and nonprocurement procedures on suspension and debarment, based on the recommendations of the Interagency Suspension and Debarment Committee.

**DATES:** Effective January 17, 2025.

**FOR FURTHER INFORMATION CONTACT:** For clarification of content, contact Ms. Zenaida Delgado, Procurement Analyst, at 202–969–7207 or by email at [zenaida.delgado@gsa.gov](mailto:zenaida.delgado@gsa.gov). For information pertaining to status or publication schedules contact the Regulatory Secretariat Division at 202–501–4755 or [GSARegSec@gsa.gov](mailto:GSARegSec@gsa.gov). Please cite FAC 2025–03, FAR Case 2019–015.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

DoD, GSA, and NASA published a proposed rule at 89 FR 1043 on January 9, 2024, to improve consistency between procurement and nonprocurement procedures on suspension and debarment, based on the recommendations of the Interagency Suspension and Debarment Committee (ISDC). The procurement procedures on suspension and debarment are covered in the FAR. The nonprocurement procedures on suspension and debarment (*i.e.*, Nonprocurement Common Rule (NCR)) are covered in 2 CFR part 180 and agency implementing regulations. For further details please see the proposed rule. Five respondents submitted comments on the proposed rule.

**II. Discussion and Analysis**

The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (the Councils) reviewed the public comments in the development of the final rule. A discussion of the comments and the changes made to the rule as a result of those comments are provided as follows:

A. *Summary of significant changes:* No changes to the FAR text have been made from the proposed to final rule that have a significant negative effect on contractors. Minor changes and clarifications have been made to the final rule. These changes are outlined below:

1. Revised FAR 9.406–1(a) to provide clarification regarding which mitigating and aggravating factors may apply to individuals.

2. Revised FAR 9.406–3(b)(1) and 9.407–3(b)(1) to clarify that if the suspending and debarring official (SDO) extends the opportunity for the contractor to submit material in opposition, then the SDO should also give a deadline for submission of materials.

3. Revised FAR 9.406–3(c)(1)(i) to allow the notice of proposed debarment, or the notice of suspension, to be sent by U.S. mail or private delivery service to the last known street address, with delivery notification service.

4. Revised FAR 9.406–3(c)(1)(ii) to allow the notice of proposed debarment, or the notice of suspension, to be sent by email to the point of contact email address in the contractor’s registration in the System for Award Management (SAM), if any, or to the last known email address as confirmed by the agency.

5. Revised FAR 9.406–3(d)(1) to clarify that the official record closes

upon the expiration of the contractor’s time to submit information and argument in opposition, including any extensions.

*B. Analysis of Public Comments*

1. Outside the Scope of the Rule

*Comment:* A respondent recommended adding FAR language to address applicability of the suspension and debarment rules to Other Transaction Authority (OTA) Agreements and to grants.

*Response:* This comment is outside the scope of this rule. Neither OTA Agreements nor grants are covered in the FAR.

*Comment:* A respondent recommended adding a definition of “present responsibility.”

*Response:* This issue was previously considered in a notice issued by the Office of Management and Budget (OMB) regarding guidelines for Nonprocurement Debarment and Suspension at 52 FR 20360 on May 29, 1987, and it was concluded that the definition is unnecessary. The suggestion has been referred to the ISDC for further consideration.

2. Immediate Exclusionary Effect of a Notice of Proposed Debarment Under the FAR

*Comment:* A respondent stated that the term “notice of proposed debarment” under the FAR is misleading because the debarment is not “proposed”—it is “imposed.” Most of the respondents recommended that the immediate exclusionary effect of proposed debarment be removed from the FAR to align better with the NCR, and disagree with the Government’s rationale for retaining it in the FAR. These respondents indicated that if the risk to the Government in a specific case requires immediate exclusion to protect the Government’s business interests, an SDO can issue a notice of suspension under FAR 9.407. Where immediate exclusion is not necessary and the Government would not choose to suspend the contractor, the proposal for debarment should not have an exclusionary effect. Immediate exclusion is particularly unwarranted in cases where the proposed debarment is not based on a conviction or civil judgment, and fact-finding proceedings are necessary. These respondents indicated that there is no increased business risk to the Government in the procurement context than in nonprocurement transactions. The respondents stated that the Government enters into procurement contracts for public purposes of equal importance