

Date: May 3, 2024

From: Executive Director, Office of Acquisition and Logistics (003A), and Senior Procurement Executive

Subj: Federal Acquisition Regulation (FAR) Class Deviation to FAR 2.101 with Respect to FAR 13.301, Governmentwide Commercial Purchase Card

To: Assistant Secretary for Management and Chief Financial Officer (004)

1. Purpose. To issue a class deviation in accordance with Federal Acquisition Regulation (FAR) 1.404, Class deviations, to allow use of governmentwide commercial purchase card in accordance with FAR 13.301 for payment of arbitration services required by collective bargaining agreements, as assigned by Federal Mediation & Conciliation Services (FMCS), in an amount above the defined micro-purchase threshold under FAR 2.101, not to exceed \$50,000.

2. FAR Parts Impacted: FAR parts 2.101 and 13.301.

3. Effective Date. Immediately.

4. Expiration Date. This deviation expires when the Enterprise Standards related to Arbitration Services Payments is developed and implemented or is otherwise rescinded.

5. Applicability. This class deviation applies to all Arbitration Services acquired using the applicable approved VA Collective Bargaining Agreement.

6. Exceptions. None.

7. Background

a. Current FAR Policy. Currently, FAR 13.301(c) allows use of the Governmentwide commercial purchase card to: (1) make micro-purchases; (2) place a task or delivery order (if authorized in the basic contract, basic ordering agreement, or blanket purchase agreement); or (3) make payments, when the contractor agrees to accept payment by the card (but see 31.1108(b)(2)). Pursuant to FAR 2.101(b), *micro-purchase threshold* means \$10,000, except it means \$2,500 for acquisition of services subject to 41 U.S.C. chapter 67, Service Contract Labor Standards.

b. Need for Deviation. The deviation is needed to allow payment for arbitration services when resulting from activities included in the applicable VA approved Collective Bargaining Agreement and the method of payment is the Governmentwide commercial

purchase card. The deviation will allow VA personnel, as designated by VA Financial Policy, to use the Governmentwide commercial purchase card to pay for arbitration services ordered pursuant to applicable collective bargaining agreements in excess of the currently defined micro-purchase threshold, not to exceed \$50,000. This deviation is needed specifically for payment of arbitration services to ensure VA timely pays for such services in full accordance with requirements of collective bargaining agreements under which arbitration services may be required, ordered, and rendered. Generally, the Service Contract Labor Standards do not apply to “learned professionals” as defined by 29 C.F.R. § 541.301. For the purposes of this Class Deviation, arbitrators shall be considered “learned professionals” under 29 C.F.R. § 541.301 and excepted from the requirements of the Service Contract Labor Standards.

c. New Policy. FAR 2.101(b) is revised adding exception (5):

Micro-purchase threshold means \$10,000, except it means-

(5) For acquisition of and payment for services of an arbitrator assigned to a matter by the Federal Mediation & Conciliation Service (FMCS) pursuant to a collective bargaining agreement, using the government purchase card as a payment above the micro-purchase threshold but not more than \$50,000.

8. Required Action. VA personnel as designated by VA Financial Policy shall comply with this class deviation.

9. Additional information. Send questions to va.procurement.policy@va.gov.

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Attachment – Federal Acquisition Regulation (FAR) Class Deviation to FAR 2.101(b),
Definition of Micro-Purchase Threshold

Attachment

**Federal Acquisition Regulation (FAR) Class Deviation to FAR 2.101(b), Definition
of *Micro-purchase threshold* (DEVIATION)**

CLASS DEVIATION

FAR Text Baseline is 48 CFR chapter 1 dated May 16, 2023.

Changes to baseline shown as [**bolded, bracketed additions**] and strikethrough
deletions.

FAR 2.101—Definitions

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2.101(b) *Micro-purchase threshold* (JUNE 2023)(DEVIATION)

Micro-purchase threshold means \$10,000, except it means-

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**[(5) For acquisition of and payment for services of an arbitrator
assigned to a matter by the Federal Mediation & Conciliation Service (FMCS)
pursuant to a collective bargaining agreement, \$50,000.]**

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