

Client Alert

Crossing The Threshold

January 22, 2008

In a memorandum dated January 7, 2008, GSA's Senior Procurement Executive, David Drabkin, acknowledged that "currently there is no government-wide standard that addresses" whether the Trade Agreements Act (TAA) threshold (soon to rise to \$194,000) applies at the order level or the contract value level for GSA multiple award contracts and is seeking to have all GSA Contracting Activities weigh in on the issue. Largely at the instigation of the IT industry which, back in the 1980s, wanted to be freed of counting component costs under the Buy American Act regulatory test for domestic end products, GSA has traditionally applied the TAA threshold to the total expected contract value for GSA Schedule contracts, but now given the Buy American Act exemption for commercial IT products contained in FAR 25.103(e), certain companies might well find it advantageous if the threshold were to be applied at the order level.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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