



VA Acquisition Update

October 18, 2018

Number 2008-09

1. **Material Transmitted:** The attached pages contain revisions to the Department of Veterans Affairs Acquisition Regulation (VAAR) parts 844, Subcontracting Policies and Procedures, and 845, Government Property.

2. **Summary of Changes:** This VA Acquisition Regulation (VAAR) Update provides:

- a. Revisions to the VAAR that were published in a Federal Register Notice as a final rule at 83 FR 47097 (document number 2018-20183) on September 18, 2018, and which adopted as a final rule the proposed rule published on April 6, 2018. This update includes two new VAAR parts—VAAR parts 844 and 845. Accompanying new VAAM parts are contained in the VAAM update.
- b. Text revisions are listed and summarized below:

VAAR Part/Subpart	Title	Change Summary
844	Subcontracting Policies and Procedures	Added
844.2	Consent to Subcontracts	Added
844.202-2	Considerations.	Added
844.3	Contractors' Purchasing Systems Reviews	Added
844.303	Extent of review.	Added
844.4	Subcontracts for Commercial Items and Commercial Components	Added
844.402	Policy requirements.	Added
845	Government Property	Added
845.4	Title to Government Property	Added
845.402	Title to contractor-acquired property.	Added
845.402-70	Policy.	Added

3. Filing Instructions:

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Effective date: October 18, 2018.

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(Revised 10/18/2018)

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SUBCHAPTER G—CONTRACT MANAGEMENT

PART 844—SUBCONTRACTING POLICIES AND PROCEDURES

(Added 10/18/18)

Sec.

Subpart 844.2—Consent to Subcontracts

844.202-2 Considerations.

Subpart 844.3—Contractors' Purchasing Systems Reviews

844.303 Extent of review.

Subpart 844.4—Subcontracts for Commercial Items and Commercial Components

844.402 Policy requirements.

Authority: 40 U.S.C. 121(c); 41 U.S.C. 1702 and 48 CFR 1.301-1.304.

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PART 844—SUBCONTRACTING POLICIES AND PROCEDURES

Subpart 844.2—Consent to Subcontract

(Added 10/18/2018)

844.202-2 Considerations.

(a)(14) Where other than lowest price is the basis for subcontractor selection, has the contractor adequately substantiated the selection as being fair, reasonable, and representing the best value to the Government?

Subpart 844.3—Contractors' Purchasing Systems Reviews

844.303 Extent of review.

(f) Policies and procedures pertaining to use of VA-verified Service-Disabled Veteran-Owned Small Businesses (SDVOSBs) and Veteran-Owned Small Businesses (VOSBs) and utilization in accordance with subpart 819.70 and the Veterans First Contracting Program;

(l) Documentation of commercial item determinations to ensure compliance with the definition of "commercial item" in FAR 2.101; and

(m) For acquisitions involving electronic parts, that the contractor has implemented a counterfeit electronic part detection and avoidance system to ensure that counterfeit electronic parts do not enter the supply chain.

Subpart 844.4—Subcontracts for Commercial Items and Commercial Components

844.402 Policy requirements.

(a)(3) Determine whether a particular subcontract item meets the definition of a commercial item. This requirement does not affect the contracting officer's responsibilities or determinations made under FAR 15.403-1(c)(3).

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SUBCHAPTER G—CONTRACT MANAGEMENT

PART 845—GOVERNMENT PROPERTY

(Added 10/18/18)

Sec.

Subpart 845.4—Title to Government Property

845.402	Title to contractor-acquired property.
845.402-70	Policy.

Authority: 40 U.S.C. 121(c); 41 U.S.C. 1702 and 48 CFR 1.301-1.304.

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PART 845—GOVERNMENT PROPERTY

Subpart 845.4—Title to Government Property

(Added 10/18/2018)

845.402 Title to contractor-acquired property.

845.402-70 Policy.

(a) For other than firm-fixed-price contracts, contractor-acquired property items not anticipated at time of contract award, or not otherwise specified for delivery on an existing line item, shall, by means of a contract modification, be specified for delivery to the Government on a contract line item. The value of such contractor-acquired property item shall be recorded at the original purchase cost. Unless otherwise noted by the contractor at the time of delivery to the Government, the placed-in-service date shall be the date of acquisition or completed manufacture, if fabricated.

(b) Following delivery and acceptance by the Government of contractor-acquired property items, if these items are to be retained by the contractor for continued use under a successor contract, these items become Government-furnished property (GFP). The items shall be added to the successor contract as GFP by contract modification.

(c) Individual contractor-acquired property items should be recorded in the contractor's property management system at the contractor's original purchase cost.

(d) All other contractor inventory that is excess to the needs of the contract shall be disposed of in accordance with FAR subpart 45.6.

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