



**Headquarters
Policy Flash**

FLASH 2000-32

DATE: December 29, 2000
TO: Procurement Directors
FROM: Office of Procurement and Assistance Policy, MA-51
Office of Procurement and Assistance Management

SUBJECT: **Federal Acquisition Circular (FAC) 97-21 (Final Rule)
Contractor Responsibility, Labor Relations Costs, and
Costs Relating to Legal and Other Proceedings**

This Flash summarizes FAC 97-21 which was published as a final rule (*effective January 19, 2001*) in the Federal Register on December 20, 2000, at 65 FR 80256. The FAC is available via the Internet at <http://www.arnet.gov/far>. Contracting personnel should review the details of each item in the full text of the FAC.

**FLASH 2000-32
(DECEMBER 29, 2000)**

This final rule amends:

- ✓ FAR Part 9 - to clarify that violations of laws can be considered in assessing whether a prospective contractor has a satisfactory record of integrity and business ethics when making contractor responsibility determinations;
- ✓ FAR Parts 14 and 15 to provide notice to prospective contractors as quickly as possible when a nonresponsibility determination is made;
- ✓ FAR Part 31, to make unallowable certain costs related to labor activities, and certain other legal proceedings; and
- ✓ FAR Part 52, to add a requirement for offerors to certify to violations of certain laws.

Questions related to this Flash should be directed to Daphne Tilly of this office at (202) 586-8246.

Richard Langston for
Gwendolyn S. Cowan, Director

cc:
PPAG Members