



# SOCIAL SECURITY

## MEMORANDUM

**Date:** September 29, 2021 **Refer To:** S1QC

**To:** Office of Acquisition and Grants Staff

**From:** Kevin Muñiz  
Technical Advisor, Office of Acquisition Support

**Subject:** Flash Notice (FN) 19\_21-02, Class Deviation from the Federal Acquisition Regulation (FAR) to Apply Exceptions to Limitations on Subcontracting (LOS) Requirements for Service Contracts

### **Purpose**

This FN implements the agency's approval of a FAR class deviation pursuant to the August 13, 2021 Civilian Agency Acquisition Council (CAAC) Letter 2021-02 (see below). The letter authorized a clause deviation to apply the exceptions to the LOS requirements for small business concerns at 13 CFR 125.6, implemented in a final rule by the Small Business Administration (SBA) on November 29, 2019. The SBA rule provided exclusions to the LOS requirements for service contracts, except construction contracts (hereafter referenced simply as service contracts).

### **Policy and Procedure**

(a) Effective immediately, if required to insert FAR clause 52.219-14, Limitations on Subcontracting, in a solicitation or contract, substitute the FAR version with the deviated version provided in this FN (see below). Both clean and mark-up copies are provided for contracting staff convenience. The agency deviation will also be made available in the SSA Streamlined Acquisition System (SSASy). The SSASy clause templates will be updated to remove the regular FAR clause and include the deviated clause.<sup>1</sup>

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<sup>1</sup>OAG clause templates 1, 2, 4, and 5 will be updated with the agency's deviation to 52.219-14. OAG clause template 3 for Federal Supply Schedule orders will *not* include the agency's deviation, since the General Services Administration (GSA) contracting officer for the applicable Schedule contract should have included GSA's deviation to 52.219-14; contracting staff should verify with the GSA contracting officer that is the case. Also note: The agency's deviation, though numbered the same as the FAR clause, i.e., 52.219-14, will appear in each SSASy template *after* the FAR clauses, with the other agency-specific clauses.

(b) *Commercial Item Contracts*. As of this writing, there is a deviation to FAR clause 52.212-5, which includes FAR 52.219-14 in the paragraph (b) checklist. For this FAR 52.219-14 deviation, for administrative efficiency, the deviation to FAR 52.212-5 will *not* be updated to make reference to the 52.219-14 deviation. Instead, contracting staff shall incorporate the 52.219-14 deviation for commercial item acquisitions by *not* selecting the regular 52.219-14 in the paragraph (b) checklist *and inserting* 52.219-14 (DEVIATION) separately, in full text, in the appropriate section of the solicitation or contract, as applicable.

The [Decisional Guide for FAR 52.212-5](#), however, will be annotated at the paragraph for FAR 52.219-14 to remind contracting staff to follow the above instructions to ensure they include the deviation to 52.219-14 as appropriate.

(c) See the CAAC Letter 2021-02 for a summary of the SBA LOS exclusions.

(d) This deviation will remain in effect until the FAR is updated to include the LOS exclusions.

### **Further Information**

Please direct questions regarding this FN to Ms. Junghie Elky, Procurement Analyst, Division of Policy and Purchase Card Administration ([Junghie.Elky@ssa.gov](mailto:Junghie.Elky@ssa.gov); (410) 965-9579).

### **Attachments**

#### Attachment 1 - CAAC Letter 2021-02



CAAC Letter  
2021-02 Limitations

#### Attachment 2 – FAR 52.219-14 (DEVIATION) Mark-up Copy



CAAC.Ltr.2021.02\_At  
tachment.Limitation

#### Attachment 3 – FAR 52.219-14 (DEVIATION) Clean Copy



CAAC Letter  
2021-02\_Attachment

#### Attachment 4 – Agency Class Deviation Approval

[RESERVED]