

database for new awards and modifications to existing contracts by September 30, 2003.

*Comment:* A number of respondents recommended some sort of transition period.

*Response:* Concur that there should be a short transition period. Departments and agencies were informed in OMB letters in mid-2001 that the CCR was a goal under the President's Management Agenda. For existing contracts and agreements, the final rule allows agencies until December 31, 2003, or sooner, to accomplish the transition to CCR so that they may still fulfill, in a timely fashion, an important objective of the integrated acquisition initiative, *i.e.*, to eliminate repetitive vendor registration.

2. Unless one of the exceptions applies, the rule applies to contractors with new contracts and existing contracts.

*Comment:* A number of respondents did not believe that it was in the best interest of the Government to require existing contracts to be modified to include the CCR registration requirement. One respondent suggested a "grandfathering" of existing contracts.

*Response:* Do not concur. Modification of current contracts benefits both the Government and contractors, by eliminating the need to maintain paper-based sources of contract information, by enabling contractors to update their information in one place via a website, and by allowing contracting officers to access contractor data and industry information less expensively, and more efficiently identify sources for contracting opportunities. Since other systems are using CCR data, modifications will ensure that the correct information provided by the vendor is used. Wholesale "grandfathering" is not considered an option as it would defeat one reason for CCR; *i.e.*, having one accurate and complete database for intergovernmental use.

3. Unless one of the exceptions applies, the rule requires small entities to register in CCR before contract award.

*Comment:* A number of respondents voiced concern regarding small businesses not having access to computers, refusing to register, not accepting payment by EFT. The possibility of an alternative procedure regarding small contractors was proposed.

*Response:* Partially concur. Language was added to the exceptions to cover micropurchases that do not use the electronic funds transfer (EFT) method and are not required to be reported.

Additional changes were not considered necessary. As a general matter, this rule benefits small businesses since the CCR requirement (1) simplifies and streamlines the procurement process by eliminating redundant requirements and processes, and (2) increases visibility of contractor sources for specific supplies and services. Contractors have been encouraged for years to utilize the public resources available to them when they do not have Internet access themselves. In addition, since 1998, the DoD has required small and large businesses to register in the CCR database, with no apparent negative impact to small businesses. One respondent concluded the rule would save small business time and money by facilitating paperless procurement and payment through electronic funds transfers.

4. The rule at FAR 4.1102(a)(1) through (a)(5) provides for exceptions when CCR registration is not required.

*Comment:* A variety of suggestions were made in this area—adding exceptions for Status of Forces Agreement (SOFA) family members performing work OCONUS; contracts whose period of performance will not extend beyond September 30, 2003; waivers to recognize the occasional need to contract with a sole source; including a dollar threshold. Several respondents requested clarification of the term purchasing mechanism". While other respondents requested that the exception listed in paragraph (a)(5) concerning foreign vendors be expanded to include all awards to foreign vendors for work performed outside the U.S. In addition, two respondents pointed out that the exception in paragraph (a)(5) implies registration of foreign vendors is required after award.

*Response:* Changes were made to 4.1102(a)(1), (a)(2), and (a)(5). Paragraph (a)(1) was revised to read, "Purchases that use a Governmentwide commercial purchase card as both the purchasing and payment mechanism, as opposed to using the purchase card only as a payment method." With this change, a threshold exception was considered unnecessary as this could include many micro-purchases. Paragraph (a)(2) was revised to delete the words "or purchases" since the FAR defines "classified contracts", while paragraph (a)(5) was revised to delete the words "before award". However, the Councils believe that an attempt to register foreign vendors should be made. Many foreign vendors are currently registered.

5. The Paperwork Burden Statement in the **Federal Register** notice of the proposed rule.

*Comment:* Two respondents questioned the subject paragraph; *i.e.*, the estimated respondents are too low (54,199) and the total burden hours (54,199) are too low; and the 1 hour estimate to complete the information is too low.

*Response:* No change. When drafted, the burden for this rule was to represent only new transactions. The numbers were provided by FPDS and represent new transactions for the year 2001 over \$25,000. A DoD clearance (OMB Control No. 0704-0400) provides for the current 226,000 enrolled in the CCR.

6. The Central Contractor Registration. Comments pertaining to the system, not the rule.

*Comment:* A variety of comments were received that related to the CCR and not to the rule. Examples of these comments include: Adding additional fields to the CCR; Confusion between the words Business Partner Network, CCR, and Federal Registration; Problems obtaining DUNS numbers; CCR as an unfunded mandate for agencies; Concerns that the financial community have implementing the requirement; The cost of using the CCR, both for the contractor and agency; and how agencies will be informed if contractors make changes to the information contained in the CCR.

*Response:* No change to the rule. The Councils considered these comments outside the scope of the case.

7. Individual comments and concerns that resulted in no change to the rule.

*Comment:* A variety of comments were received under this category. Examples of these comments include: Proposed revisions to the FAR clauses at 52.204-7 and 52.212-4(t) that reduces contractor liability for incorrect information; Will contractors be required to provide banking information?; Suspend rule for 90 days to convene a public meeting; Suggestion that each company elect to have a single annual renewal date for all its CCR registrations; Can COs require contractors with existing contracts to register in CCR?; What type of modification is required to amend existing contracts?; What happens if a contractor refuses to register; and who verifies the information in CCR?

*Response:* No change to the rule. The Councils did not believe the comments included under this category required changes to the rule.

8. Editorial changes to the rule.

*Comment:* A variety of comments offered editorial changes to the rule as follows:

1. A variety of editorials, including typos and updating references.

2. New telephone numbers for D&B.