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GENERAL SERVICES ADMINISTRATION
WASHINGTON, D. C. 20405

NNR

April 24, 1969

FEDERAL PROCUREMENT REGULATIONS
AMENDMENT 55

TO : Heads of Federal Agencies

SUBJECT: Revision of Federal Procurement Regulations

1. Purpose. This amendment transmits revised pages to the Federal Procurement Regulations.

2. Effective date. This amendment is effective April 28, 1969.

3. Background.

a. For a number of years, various Government and industry groups have studied the impact on contract administration of the Examination of Records clause included in negotiated contracts pursuant to 41 U.S.C. 254(c), and other clauses which require the retention of records by Government contractors and their subcontractors for review and audit by the Comptroller General and the contracting agency. The studies indicated that these requirements have imposed severe administrative burdens on contractors and subcontractors and have resulted in substantial reimbursable and contingent costs to the Government. Accordingly, the Administrator of General Services and the Secretary of Defense jointly established an Ad Hoc Committee on Retention of Contractors' Records to explore policies and procedures for reducing, standardizing, and simplifying the maintenance and retention of contract and subcontract records, as well as lessening the associated costs to the Government.

b. The Ad Hoc Committee, working in conjunction with private industry groups, developed a records retention plan which would add a degree of flexibility to the basic requirement of the Examination of Records clause and certain related contractual provisions, i.e., that records be retained for three years after final payment under the contract or subcontract, while ensuring that the Government's statutory and administrative records review requirements would be fully met. Essentially, the plan provides that with respect to particular categories of records, comprising the more common types of bulk records, the

Attachment

Assigned to
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records in a specified category need only be retained for a prescribed retention period applicable to such category, or until three years after final payment under the contract or subcontract, whichever period expires earlier. (Subject to qualifying limitations in the interest of the Government, the prescribed retention periods applicable to the specified categories range from two to four years from the end of the contractor's or subcontractor's fiscal year in which such records were generated.) The Ad Hoc Committee's plan and its implementation by this amendment were approved by the General Accounting Office. The records disposition schedule provided in the amendment was approved by the Congressional Joint Committee on Disposition of Executive Papers.

4. Explanation of changes.

a. Section 1-3.814-2 is amended with respect to the records retention requirements of the contract clauses prescribed therein by authorizing the use of the shortened retention periods as provided in new Part 1-20.

b. Section 1-7.101-10 is amended with respect to the records retention requirements of the contract clause prescribed therein by authorizing the use of the shortened retention periods as provided in new Part 1-20.

c. Section 1-16.101(c) is revised by providing that pending the publication of a new edition of Standard Form 32, General Provisions (Supply Contract), agencies shall modify this form by deleting paragraphs (a) and (b) of Article 10, Examination of Records, and by substituting therefor the clause prescribed in § 1-7.101-10.

d. Section 1-16.401(a) is revised by providing that pending the publication of a new edition of Standard Form 19, Invitation, Bid, and Award (Construction, Alteration, or Repair), agencies shall modify this form by deleting paragraphs (a) and (b) of Clause 12, Examination of Records, and by substituting therefor the clause prescribed in § 1-7.101-10.

e. Part 1-20 is added which provides policies and procedures governing the retention of contract and subcontract records by Government contractors and their subcontractors when such records must be maintained to comply with certain contract negotiation, administration, or audit requirements of the Comptroller General of the United States or the contracting agency. The new part sets forth the purpose and

applicability of the regulations, specifies general records retention requirements, and enumerates categories of records to be retained for the duration of prescribed retention periods applicable to the specific categories. Generally, the part provides that records enumerated therein need only be retained for an applicable retention period or until three years after final payment under the contract or subcontract, whichever period expires earlier.



ROBERT L. KUNZIG
Administrator of General Services

FILING INSTRUCTIONS AND NOTES

Remove Pages

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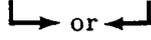
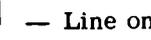
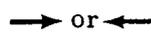
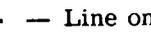
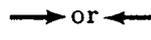
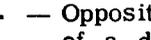
Insert Pages

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i Contents of Part 1-20
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(a) On each page appears the number and date (month and year) of the FPR Amendment which transmitted it.

(b) Retention of FPR Amendments and removed pages will provide a history of FPR issuances and facilitate determining which regulations and contract clauses were in effect at particular times.

(c) Arrows printed in the margin of a page indicate material changed, deleted, or added by the FPR Amendment cited at the bottom of that page. Where insertion of new material results in shifting of unchanged material on following pages, no arrows will appear on such pages but the FPR Amendment transmitting such new pages will be cited at the bottom of each page.

-  or  — Line on which change begins.
-  or  — Line on which change ends.
-  or  — Line on which change both begins and ends.
-  or  — Opposite a blank space, indicates deletion of a division of material (section, subsection, or paragraph).

(d) In the numbering system, all FPR material is preceded by digit 1-. This simply means that it is the first chapter in Title 41 of the Code of Federal Regulations. It has no other significance. The digit(s) before the decimal point indicates the part; the digits after the decimal point indicate, without separation, the subpart and section, respectively, the latter always in two digits; and the digit(s) after the dash indicates the subsection. For example:

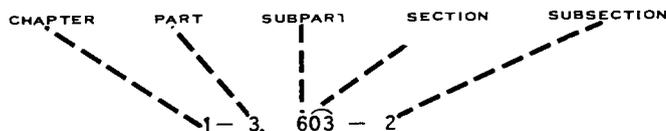


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