

**Federal Acquisition Regulation**

**25.403**

of trade agreements. Most of these dollar thresholds are subject to revision by the U.S. Trade Representative ap-

proximately every 2 years. The various thresholds are summarized as follows:

Trade Agreement	Supply Contract (equal to or ex- ceeding)	Service Contract (equal to or ex- ceeding)	Construction Contract (equal to or exceeding)
WTO GPA .....	\$193,000	\$193,000	\$7,407,000
FTAs .....			
Australia FTA .....	64,786	64,786	7,407,000
CAFTA-DR (El Salvador, Honduras, and Nicaragua) .....	64,786	64,786	7,407,000
Chile FTA .....	64,786	64,786	7,407,000
Morocco FTA .....	193,000	193,000	7,407,000
NAFTA .....			
-Canada .....	25,000	64,786	8,422,165
-Mexico .....	64,786	64,786	8,422,165
Singapore FTA .....	64,786	64,786	7,407,000
Israeli Trade Act .....	\$50,000	-	-

[69 FR 77874, Dec. 28, 2004, as amended at 71 FR 219, Jan. 3, 2006; 71 FR 865, Jan. 5, 2006; 71 FR 20307, Apr. 19, 2006; 71 FR 36937, June 28, 2006]

**25.403 World Trade Organization Government Procurement Agreement and Free Trade Agreements.**

(a) Eligible products from WTO GPA and FTA countries are entitled to the nondiscriminatory treatment specified in 25.402(a)(1). The WTO GPA and FTAs specify procurement procedures designed to ensure fairness (see 25.408).

(b) *Thresholds.* (1) To determine whether the acquisition of products by lease, rental, or lease-purchase contract (including lease-to-ownership, or lease-with-option-to purchase) is covered by the WTO GPA or an FTA, calculate the estimated acquisition value as follows:

(i) If a fixed-term contract of 12 months or less is contemplated, use the total estimated value of the acquisition.

(ii) If a fixed-term contract of more than 12 months is contemplated, use the total estimated value of the acquisition plus the estimated residual value of the leased equipment at the conclusion of the contemplated term of the contract.

(iii) If an indefinite-term contract is contemplated, use the estimated monthly payment multiplied by the total number of months that ordering would be possible under the proposed contract, *i.e.*, the initial ordering period plus any optional ordering periods.

(iv) If there is any doubt as to the contemplated term of the contract, use the estimated monthly payment multiplied by 48.

(2) The estimated value includes the value of all options.

(3) If, in any 12-month period, recurring or multiple awards for the same type of product or products are anticipated, use the total estimated value of these projected awards to determine whether the WTO GPA or an FTA applies. Do not divide any acquisition with the intent of reducing the estimated value of the acquisition below the dollar threshold of the WTO GPA or an FTA.

(c) *Purchase restriction.* (1) Under the Trade Agreements Act (19 U.S.C. 2512), in acquisitions covered by the WTO GPA, acquire only U.S.-made or designated country end products or U.S. or designated country services, unless offers for such end products or services are either not received or are insufficient to fulfill the requirements. This purchase restriction does not apply below the WTO GPA threshold for supplies and services, even if the acquisition is covered by an FTA.

[64 FR 72419, Dec. 27, 1999, as amended at 65 FR 36026, June 6, 2000; 67 FR 21535, Apr. 30, 2002; 67 FR 56123, Aug. 30, 2002; 69 FR 1054, Jan. 7, 2004; 69 FR 77875, Dec. 28, 2004]