

January 9, 2024

Threshold – Increases the applicable project threshold from \$25 to \$35 million. However, the Final Rule allows for agencies to require PLAs to projects below the \$35 million threshold.

Mandate – The Final Rule departs from the Obama E.O. by changing “May” to “Shall [... unless an exception applies.]” for federal agencies to use a PLA.

Flow Down Requirements - The Final Rule text requires all subcontractors to become a party to the PLA negotiated by the prime contractor. “The final rule permits the submittal of PLAs with an offer, prior to award, or after award.
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