The FAR’s “Conventions” (FAR 1.108)

(a) **Words and terms.** Definitions in Part 2 apply to the entire regulation unless specifically defined in another part, subpart, section, provision, or clause. Words or terms defined in a specific part, subpart, section, provision, or clause have that meaning when used in that part, subpart, section, provision, or clause. Undefined words retain their common dictionary meaning.

**Guidance:** One of the most common mistakes made by novice readers of the FAR is to rely on their preconceived notions of what words and terms mean instead of relying on the definitions contained in the FAR. When it comes to interpreting the meaning of a word or term used in the FAR, reliance on intuition is fatal. When reading a particular part, subpart, section, provision, or clause in the FAR, one must have the discipline to check if any of the words or terms used are defined in the particular part, subpart, section, provision, or clause. If a word or term is not defined in a particular part, subpart, section, provision, or clause, then one must check to see if FAR Part 2, “Definitions of Words and Terms,” contains a definition of the word or term.

(b) **Delegation of authority.** Each authority is delegable unless specifically stated otherwise (see 1.102-4(b)).

**Guidance:** The FAR will often authorize a high-level official, such as the agency head or the head of the contracting activity to perform certain actions. In such instances, the reader is to assume that the authority given to the high-level official can be delegated, unless the FAR specifically says it cannot. In some instances, the FAR will authorize an “agency head (or designee)” to do something. Given this reading convention, the “(or designee)” is entirely unnecessary.

(c) **Dollar thresholds.** Unless otherwise specified, a specific dollar threshold for the purpose of applicability is the final anticipated dollar value of the action, including the dollar value of all options. If the action establishes a maximum quantity of supplies or services to be acquired or establishes a ceiling price or establishes the final price to be based on future events, the final anticipated dollar value must be the highest final priced alternative to the Government, including the dollar value of all options.

**Guidance:** Many requirements in the FAR are dependent on the anticipated dollar value of the acquisition. In many cases, determining the anticipated dollar value is fairly straightforward. In other cases, determining the anticipated dollar value is more difficult. For example, in variable quantity contracts (e.g., indefinite quantity, requirements, options) agencies can only roughly estimate how much they will order or whether they will exercise any options. In such cases, agencies are to use the maximum dollar value that the acquisition could possibly be when applying rules tied to dollar thresholds.
(d) **Application of FAR changes to solicitations and contracts.**

Unless otherwise specified—

1. FAR changes apply to solicitations issued on or after the effective date of the change;
2. Contracting officers may, at their discretion, include the FAR changes in solicitations issued before the effective date, provided award of the resulting contract(s) occurs on or after the effective date; and
3. Contracting officers may, at their discretion, include the changes in any existing contract with appropriate consideration.

**Guidance:** The FAR changes quite often. However, it is impractical for contracting officers to amend solicitations that have already been issued to incorporate FAR changes. As such, the FAR exempts solicitations that have already been issued from having to conform to subsequent changes in the FAR.

(e) **Citations.** When the FAR cites a statute, Executive Order, Office of Management and Budget circular, Office of Federal Procurement Policy letter, or relevant portion of the Code of Federal Regulations, the citation includes all applicable amendments, unless otherwise stated.

**Guidance:** This item is self-explanatory.

(f) **Imperative sentences.** When an imperative sentence directs action, the contracting officer is responsible for the action, unless another party is expressly cited.

**Guidance:** The FAR will often require “agencies” to do something or use the passive voice without specifying a subject (e.g., “the file shall be documented”). In these cases, and in others where another party is not expressly cited, the reader is to assume that the contracting officer is responsible for the action.