DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

JAN 27 2012

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Purchases From Federal Prison Industries; Updated List of Federal Supply Classification Codes (FSCs) to be Competed

The attached Director, Defense Procurement and Acquisition Policy memorandum of January 12, 2012 is forwarded for your information and action. It provides an updated list of product categories for which Federal Prison Industries' (FPI) share of the DoD market is greater than five percent based on Fiscal Year 2011 data from the Federal Procurement Data System. The updated list supersedes the list effective February 18, 2011 and shall apply to solicitations (and resultant contracts/orders) issued on or after February 11, 2012.

In addition, the attachment provides directions to contracting officers on the use of competitive procurement procedures for the products on the list. Products on the list must be procured using competitive (or fair opportunity) procedures in accordance with Defense Federal Acquisition Regulation Supplement 208.602-70.

Please ensure all appropriate contracting personnel are made aware of these changes. My point of contact on this matter is Gabrielle Trickett, gabrielle.trickett@navy.mil, 703-614-9641.

Althea H. Coetzee
RDML, SC, USN
Executive Director
DASN (AP)

Attachment:
As stated

Distribution:
See next page

SUBJECT: Purchases from Federal Prison Industries; Updated List of Federal Supply Classification Codes (FSCs) to be Competed

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ACQUISITION,
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JAN 12 2012

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)
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DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (CONTRACTING)
DIRECTORS OF THE DEFENSE AGENCIES
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SUBJECT: Purchases from Federal Prison Industries; Updated List of Federal Supply Classification (FSC) Codes to be Competed

Section 827 of the National Defense Authorization Act for Fiscal Year 2008, Public Law 110-181, amended 10 U.S.C. 2410n to require the Department of Defense (DoD) to publish a list of product categories for which the Federal Prison Industries' (FPI) share of the DoD market is greater than five percent. We issued the initial list on March 28, 2008, and subsequent updates on June 3, 2009; March 19, 2010; and January 19, 2011.

Attached is an updated list of product categories for which FPI's share of the DoD market is greater than five percent based on Fiscal Year 2011 data from the Federal Procurement Data System. Product categories on the list, and the products within each identified product category, must be procured using competitive (or fair opportunity) procedures in accordance with Defense Federal Acquisition Regulation Supplement (DFARS) 208.602-70. In conducting such a competition, contracting officers shall consider a timely offer from FPI for any of these product categories on the list. FPI must be included in the process even if the procurement opportunity otherwise would have been set aside in accordance with the Federal Acquisition Regulation (FAR) Part 19. In addition, an award must be made in accordance with the policy at FAR 8.602(a)(4)(ii) through (v). When the FPI item is determined to provide the best value to the Government as a result of FPI's response to a competitive solicitation, the ordering procedures at http://www.unicor.gov should be followed.

The attached updated list supersedes the list effective February 18, 2011, and shall apply to new solicitations (and resultant contracts/orders) issued 30 days after the date of this memorandum. The revised list will be posted on the DPAP website at: http://www.acq.osd.mil/dpap/cpic/cp/specific_policy_areas.html#federal_prison.

If an FSC is not identified on the attached list, FPI does not currently have a significant market share. When FPI does not have a significant market share, contracting officers should follow the current process described in the FAR Subpart 8.6. Specifically, FAR 8.602 requires agencies to conduct market research and make a written comparability determination. Such determinations are made at the discretion of the contracting officer. Competitive (or fair opportunity) procedures are appropriate if the FPI product is not comparable in terms of price, quality, or time of delivery. In conducting such a competition, contracting officers shall include FPI in the solicitation process and consider a timely offer from FPI. Likewise, if the procurement is made using a multiple award schedule, the FAR 8.602(a)(4)(iii) requires contracting officers to communicate the item description or specifications and evaluation criteria directly to FPI, "so that an offer from FPI can be evaluated on the same basis as the contract or schedule holder." A timely offer from FPI must be considered.

My staff point of contact for FPI procurement policy is Ms. Susan Pollack, 703-697-8336 or susan.pollack@osd.mil.

Richard Ginman
Director, Defense Procurement
and Acquisition Policy

Attachment:
As stated

Products for which Federal Prison Industries (FPI) has a Significant Market Share: Current Federal Supply Classification (FSC) Codes

Effective Date: February 12, 2012

FSCs to be Competed	
FSC	**FSC Description**
3625	Textile Industries Machinery
3990	Miscellaneous Materials Handling Equipment
6020	Fiber Optic Cable Assemblies and Harnesses
7110	Office Furniture
7230	Draperies, Awnings, and Shades
8420	Underwear and Nightwear, Men's
8465	Individual Equipment

- Based on Fiscal Year 2011 data from the Federal Procurement Data System.
- If an FSC is not identified in the list above, FPI does not currently have a significant market share and must be acquired in accordance with FAR Subpart 8.6.