

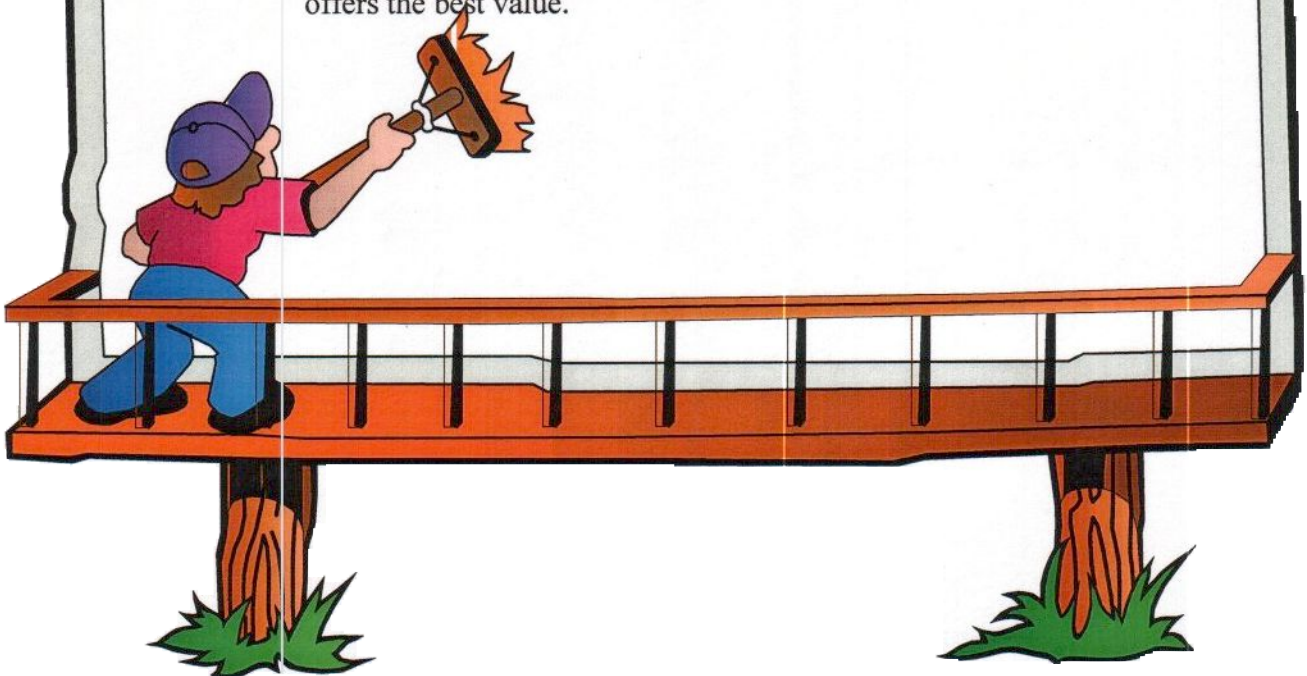


# Headquarters Policy Flash

FLASH 2004-12

DATE: April 05, 2004  
TO: Procurement Directors  
FROM: Office of Procurement and Assistance Policy, ME-61  
Office of Procurement and Assistance Management  
SUBJECT: **Federal Acquisition Circular (FAC) 2001-21 Interim Rule With Request for Comments – Federal Prison Industries Requirement for Market Research**

SUMMARY: This Policy Flash transmits summary information regarding the interim rulemaking published in the Federal Register at 69 FR 8312 on March 26, 2004. This rule amends the FAR to require that no fiscal year 2004 funds be used to purchase products or services from the Federal Prison Industries, Inc. unless the agency determines that the product or service offers the best value.



**FLASH 2004-12**  
**April 5, 2004**

**Federal Acquisition Circular (FAC) 2001-21**

The following item is available via the internet at  
<http://www.acqnet.gov/far/FAC/fac2001-21.pdf>

*Effective Date: March 26, 2004*

**Federal Prison Industries-Requirement for Market Research (FAR Case 2003-023)**

This interim rule amends FAR parts 8, Required Sources of Supplies and Services, 19, Small Business Programs, 42, Contract Administration and Audit Services, and 52, Solicitation Provisions and Contract Clauses.

This rule provides that no appropriated funds may be expended for the purchase of products or services offered by the Federal Prison Industries, Inc. (FPI), unless the agency making the purchase determines that the offered product or service provides the best value to the buying agency in accordance with the applicable procurement regulations. The rule-

- Requires that market research be conducted before purchasing from FPI to determine if the product best meets the Government's needs in terms of price, quality, and time of delivery;
- Provides for the use of competitive procedures if FPI supplies are determined non-comparable to those available from the private sector in one or more of the areas listed above;
- Limits inmate worker's access to information; and
- Prohibits the use of FPI as a sub-contractor.

**FLASH 2004-05**  
**April 5, 2004**

Written comments to the interim rulemaking are due in this office on or before May 12, 2004. This will allow us time to prepare a consolidated response to the General Services Administration, as necessary.

Questions concerning this Flash should be directed to Denise P. Wright on (202) 586-6217 or via e-mail at [Denise.Wright@hq.doc.gov](mailto:Denise.Wright@hq.doc.gov)



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cc:  
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