



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

APR 5 2010

MEMORANDUM FOR DISTRIBUTION

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

The attached Director, Defense Procurement and Acquisition Policy memorandum of March 19, 2010 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 2009 data from the Federal Procurement Data System. It also identifies eight product categories that have been removed from the list initially issued on June 3, 2009. The updated list supersedes the initial list and shall apply to solicitations (and resultant contracts/orders) issued on or after April 18, 2010.

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 this guidance is provided to all appropriate contracting personnel. My point of contact is Ms. Gabrielle Trickett, [gabrielle.trickett@navy.mil](mailto:gabrielle.trickett@navy.mil), 703-614-9641.

*Elliott B. Branch*

Elliott B. Branch  
Executive Director  
DASN (A&LM)

Attachment:  
As stated

Distribution:  
See next page

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

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OFFICE OF THE UNDER SECRETARY OF DEFENSE  
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WASHINGTON, DC 20301-3000

MAR 19 2010

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), DASA(P)  
DEPUTY ASSISTANT SECRETARY OF THE NAVY  
(ACQUISITION & LOGISTICS MANAGEMENT),  
DASN(A&LM)  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(CONTRACTING), SAF/AQC  
DIRECTORS, DEFENSE AGENCIES  
DIRECTORS, DOD FIELD ACTIVITIES

SUBJECT: Purchases From Federal Prison Industries; Updated List of Federal Supply  
Classification Codes (FSCs) 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 a subsequent update on June 3, 2009.

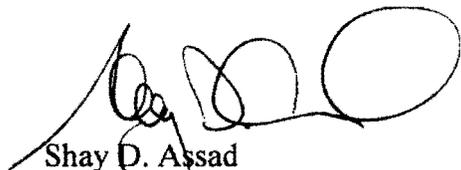
Attached is an updated list of product categories for which FPI's share of the DoD market is greater than five percent based on Fiscal Year 2009 data from the Federal Procurement Data System. It also identifies eight product categories for which FPI no longer has a significant market share and are removed from the list. Products on the list 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 products on the list. FPI must be included in the process even if the procurement opportunity otherwise would have been set aside in accordance with 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, follow the ordering procedures at <http://www.unicor.gov>.



The attached updated list supersedes the list effective July 3, 2009. The attached list shall apply to solicitations (and resultant contracts/orders) issued 30 days after the date of this memorandum or later. 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](http://www.acq.osd.mil/dpap/cpic/cp/specific_policy_areas.html#federal_prison).

If FPI does not have a significant market share for a particular product, contracting officers should follow the current process outlined in the FAR Subpart 8.6. Specifically, FAR 8.602 requires agencies to conduct market research and make a 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](mailto:susan.pollack@osd.mil).



Shay D. Assad  
Director, Defense Procurement  
and Acquisition Policy

Attachment:  
As stated

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

**Effective Date: April 18, 2010**

FSC	FSC Description
<b>FSCs to be Competed</b>	
5995	Cable, cord, wire assemblies; comm equipment
7230	Draperies, Awnings, and Shades
8415	Clothing, Special Purpose
8410	Outwear, Women's
8420	Underwear and Nightwear, Men's
8470	Armor, Personal
P100	Disposal of Surplus Property
<b>FSCs Deleted from the List**</b>	
5440	Scaffolding Equipment & Concrete Forms
5975	Electrical Hardware and Supplies
6007	Filters
6150	Miscellaneous Electric Power & Distribution Equipment
6160	Miscellaneous Battery Retaining Fixtures & Liners
7110	Office Furniture
8405	Outerwear, Men's
AP46	Recreation (Management/Support)

\*Based on Fiscal Year 2009 data from the Federal Procurement Data System.

\*\*Items that were on the previous list of FSCs to be competed as identified in the DPAP Memorandum dated June 3, 2009.