



5001-06-P

**DEPARTMENT OF DEFENSE**

**Defense Acquisition Regulations System**

[Docket No. DARS-2019-0011]

**Acquisition of Items for Which Federal Prison Industries Has a Significant Market Share.**

**AGENCY:** Department of Defense (DoD).

**ACTION:** Notice.

**SUMMARY:** DoD is publishing the updated annual list of product categories for which the Federal Prison Industries' share of the DoD market is greater than five percent.

**APPLICABLE DATE:** March 28, 2019.

**FOR FURTHER INFORMATION CONTACT:** Greg Snyder, telephone 703-614-0719.

**SUPPLEMENTARY INFORMATION:**

On November 19, 2009, a final rule was published in the Federal Register at 74 FR 59914, which amended the Defense Federal Acquisition Regulation Supplement (DFARS) subpart 208.6 to implement Section 827 of the National Defense Authorization Act for Fiscal Year 2008, Public Law 110-181. Section 827 changed DoD competition requirements for purchases from Federal Prison Industries, Inc. (FPI) by requiring DoD to publish an annual list of product categories for which FPI's share of the DoD market was greater than five percent, based on the most

recent fiscal year data available. Product categories on the current list, and the products within each identified product category, must be procured using competitive or fair opportunity procedures in accordance with DFARS 208.602-70.

The Principal Director, Defense Pricing and Contracting (DPC), issued a memorandum dated February 26, 2019, that provided the current list of product categories for which FPI's share of the DoD market is greater than five percent based on fiscal year 2018 data from the Federal Procurement Data System. The product categories to be competed effective March 28, 2019, are the following:

- 7125 (Cabinets, Lockers, Bins, and Shelving)
- 7210 (Household Furnishings)
- 7540 (Standard Forms)
- 7810 (Athletic and Sporting Equipment)
- 8420 (Underwear and Nightwear, Mend's)
- 8470 (Armor, Personal)

The DPC memorandum with the current list of product categories for which FPI has a significant market share is posted at:

[https://www.acq.osd.mil/dpap/cpic/cp/specific\\_policy\\_areas.html#federal\\_prison.](https://www.acq.osd.mil/dpap/cpic/cp/specific_policy_areas.html#federal_prison)

The statute, as implemented, also requires DoD to-

- (1) Include FPI in the solicitation process for these items.

A timely offer from FPI must be considered and award procedures must be followed in accordance with existing policy at Federal Acquisition Regulation (FAR) 8.602(a)(4)(ii) through (v);

(2) Continue to conduct acquisitions, in accordance with FAR subpart 8.6, for items from product categories for which FPI does not have a significant market share. FAR 8.602 requires agencies to conduct market research and make a written comparability determination, 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; and

(3) Modify the published list if DoD subsequently determines that new data requires adding or omitting a product category from the list.

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