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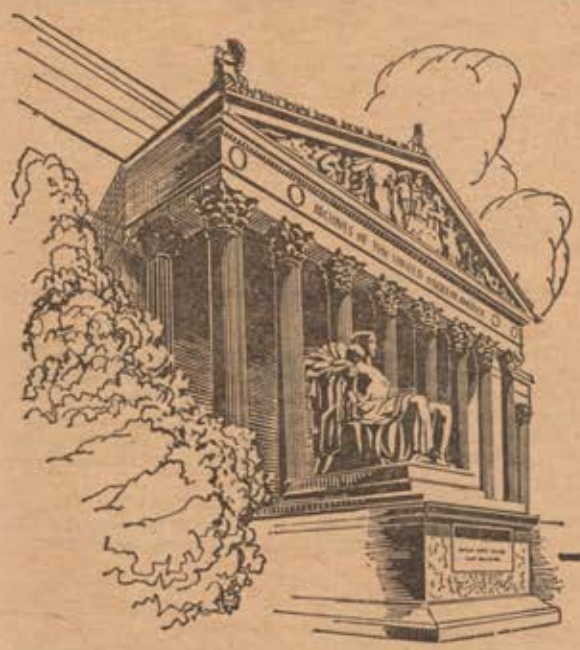
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Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 213—EXCEPTED SERVICE

Department of Commerce

Section 213.3314 is amended to show that the position of Special Assistant to the National Export Expansion Coordinator is no longer excepted under Schedule C. Effective on publication in the FEDERAL REGISTER, subparagraph (24) of paragraph (a) of § 213.3314 is revoked.

(5 U.S.C. 3301, 3302, E.O. 10577, 19 F.R. 7521, 3 CFR, 1954–58 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[F.R. Doc. 67-7422; Filed, June 29, 1967; 8:45 a.m.]

PART 213—EXCEPTED SERVICE

Equal Employment Opportunity Commission

Section 213.3377 is amended to show that the position of Deputy Executive Director is excepted under Schedule C. Effective on publication in the FEDERAL REGISTER, paragraph (i) is added to § 213.3377 as set out below.

§ 213.3377 **Equal Employment Opportunity Commission.**

* * * * *

(i) Deputy Executive Director.

(5 U.S.C. 3301, 3302, E.O. 10577, 19 F.R. 7521, 3 CFR, 1954–58 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[F.R. Doc. 67-7423; Filed, June 29, 1967; 8:46 a.m.]

PART 213—EXCEPTED SERVICE

Department of Housing and Urban Development and Housing and Home Finance Agency

Section 213.3384 is amended to show that the position of Assistant to the Assistant Secretary for Renewal and Housing Assistance on Problems of the Aging and Handicapped is excepted under Schedule C. Section 213.3344 is amended to show that the position of Assistant Administrator (Housing for Senior Citizens) is no longer excepted under Schedule C.

1. Effective on publication in the FEDERAL REGISTER, subparagraph (7) is added to paragraph (c) of § 213.3384 as set out below:

§ 213.3384 **Department of Housing and Urban Development.**

* * * * *

(c) *Office of the Assistant Secretary for Renewal and Housing Assistance.* * * *

(7) One Assistant to the Assistant Secretary for Renewal and Housing Assistance on Problems of the Aging and Handicapped.

* * * * *

2. Effective on publication in the FEDERAL REGISTER, subparagraph (17) of paragraph (a) of § 213.3344 is revoked.

§ 213.3344 **Housing and Home Finance Agency.**

(a) * * *

(17) [Revoked]

* * * * *

(5 U.S.C. 3301, 3302, E.O. 10577, 19 F.R. 7521, 3 CFR, 1954–58 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[F.R. Doc. 67-7424; Filed, June 29, 1967; 8:46 a.m.]

PART 213—EXCEPTED SERVICE

President's Commission on Postal Organization

Section 213.3175 is added to show that positions on the Commission's staff are excepted under Schedule A until June 30, 1968. Effective on publication in the FEDERAL REGISTER, § 213.3175 is added as set out below.

§ 213.3175 **President's Commission on Postal Organization.**

(a) Until June 30, 1968, all positions on the Commission staff.

(5 U.S.C. 3301, 3302, E.O. 10577, 19 F.R. 7521, 3 CFR, 1954–58 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[F.R. Doc. 67-7425; Filed, June 29, 1967; 8:46 a.m.]

PART 213—EXCEPTED SERVICE

Department of Transportation

Section 213.3394 is amended to show that the position of Special Assistant to the Assistant Secretary for International Affairs is excepted under Schedule C. Effective on publication in the FEDERAL REGISTER, subparagraph (6) is added to paragraph (a) of § 213.3394 as set out below.

§ 213.3394 **Department of Transportation.**

(a) *Office of the Secretary.* * * *

(6) One Special Assistant to the Assistant Secretary for International Affairs.

(5 U.S.C. 3301, 3302, E.O. 10577, 19 F.R. 7521, 3 CFR, 1954–1958 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[F.R. Doc. 67-7439; Filed, June 29, 1967; 8:47 a.m.]

Title 7—AGRICULTURE

Chapter I—Consumer and Marketing Service (Standards, Inspections, Marketing Practices), Department of Agriculture

SUBCHAPTER A—COMMODITY STANDARDS AND STANDARD CONTAINER REGULATIONS

PART 33—EXPORT APPLES AND PEARS

Minimum Requirements

Notice was published in the FEDERAL REGISTER on May 16, 1967 (32 F.R. 7289), regarding proposed amendments to the regulations (7 CFR Part 33) issued pursuant to the provisions of the Export Apple and Pear Act (48 Stat. 123; 7 U.S.C. 581–589) and to the authority set forth in section 7, 48 Stat. 124; 7 U.S.C. 587, for carrying out the provisions of said act.

The notice afforded interested persons opportunity to file with the Department written data, views, or arguments pertaining to the proposed amendments for consideration in connection with the final disposition thereof. All such data, views, or arguments received favored adoption of the aforesaid proposal.

After due consideration of all relevant material presented, including the proposals set forth in such notice and other available information, it is hereby found that the amendment of the said regulations as hereinafter set forth is in accordance with the provisions of the act in that it will facilitate the export of apples and pears and assist the industry by providing increased flexibility, economy, and simplicity in the printing and procurement of labels and containers for such fruit.

The amendment provides the option of marking packages of apples and pears with the name and address of the dis-

tributor in satisfaction of the marking requirement specified in § 33.10(d)(1). Currently, this requirement specifies that such packages shall be marked with the name and address of either the grower or packer.

As amended § 33.10(d)(1) reads as follows (for purposes of clarity the preamble text is included):

§ 33.10 Minimum requirements.

No person shall ship, or offer for shipment, and no carrier shall transport, or receive for transportation, any shipment of apples or pears to any foreign destination unless:

* * * * *

(d) Each package of apples or pears is marked plainly and conspicuously with (1) the name and address of the grower, packer, or domestic distributor: *Provided*, That the name of the foreign distributor may be placed on consumer unit packages shipped in a master container if such master container is marked with the name and address of the grower, packer, or domestic distributor; * * *.

Dated June 27, 1967, to become effective August 1, 1967.

G. R. GRANGE,
Deputy Administrator, Marketing Services.

[F.R. Doc. 67-7459; Filed, June 29, 1967; 8:49 a.m.]

Chapter II—Consumer and Marketing Service (Consumer Food Programs), Department of Agriculture

PART 220—SCHOOL BREAKFAST AND NONFOOD ASSISTANCE PROGRAMS

Appendix—Second Apportionment of the School Breakfast Program Funds Pursuant to Child Nutrition Act of 1966, Fiscal Year 1967

REAPPORTIONMENT FOR STATE OF OHIO

A second apportionment pursuant to section 4 of the Child Nutrition Act of 1966, Public Law 89-642, 80 Stat. 886, food assistance funds available for the fiscal year ending June 30, 1967, was published in the FEDERAL REGISTER on May 20, 1967 (32 F.R. 7491). The second apportionment is amended for the State of Ohio as follows:

State	Total Apportionment	State agency	Withheld for private schools
Ohio	$38,307	$33,874	$4,433
Total	1,040,329	986,737	53,592

(Secs. 2, 4, 6, and 8 through 16, 80 Stat. 885-890; 42 U.S.C. 1771, 1773, 1775, 1777-1785)

Dated: June 27, 1967.

ROY W. LENNARTSON,
Associate Administrator.

[F.R. Doc. 67-7460; Filed, June 29, 1967; 8:49 a.m.]

Chapter VII—Agricultural Stabilization and Conservation Service (Agricultural Adjustment), Department of Agriculture

SUBCHAPTER B—FARM MARKETING QUOTAS AND ACREAGE ALLOTMENTS

[Amdt. 4]

PART 722—COTTON

Subpart—Marketing Quotas for the 1966 and Succeeding Crops of Upland Cotton and Extra Long Staple Cotton

1967 RATES OF PENALTY

Basis and purpose. This amendment is issued pursuant to the Agricultural Adjustment Act of 1938, as amended (52 Stat. 31, as amended; 7 U.S.C. 1281 et seq.). The purpose of this amendment is to establish the 1967 rates of penalty for excess upland cotton and extra long staple cotton.

It is essential that the penalty rates be made available to producers and cotton buyers as soon as possible. Establishment of such rates involves a mathematical computation in accordance with the statutory formula. Accordingly, it is hereby determined and found that compliance with the notice, public procedure, and 30-day effective date requirements of 5 U.S.C. 553 is impracticable and contrary to the public interest and this amendment shall be effective upon filing of this document with the Director, Office of the Federal Register.

Section 722.100 of the regulations for Marketing Quotas for the 1966 and Succeeding Crops of Upland Cotton and Extra Long Staple Cotton (31 F.R. 6573, 9445) is amended by adding the following new paragraph (b) at the end thereof:

§ 722.100 Penalty rate for each crop year.

* * * * *

(b) *1967 crop*—(1) *Upland cotton.* The parity price for upland cotton effective as of June 15, 1967, is 42.78 cents per pound. The rate of penalty for upland cotton produced in 1967 as calculated on the basis of 50 percent of such parity price in accordance with § 722.79 shall be 21.4 cents per pound of upland lint cotton.

(2) *Extra long staple cotton.* The parity price for ELS cotton effective as of June 15, 1967, is 74.2 cents per pound and 50 percent thereof is 37.1 cents per pound. The support price of ELS cotton effective as of June 15, 1967, is 49.25 cents per pound. Since 50 percent of the parity price is higher than 50 percent of the support price so determined, the rate of penalty shall be such higher amount in accordance with § 722.79.

Such rate of penalty shall be 37.1 cents per pound of ELS lint cotton.

(Secs. 346, 347, 375, 63 Stat. 674, as amended, 63 Stat. 675, as amended, 52 Stat. 66, as amended, 7 U.S.C. 1346, 1347, 1375)

Effective date: Date of filing this document with the Director, Office of the Federal Register.

Signed at Washington, D.C., on June 26, 1967.

H. D. GODFREY,
Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 67-7454; Filed, June 29, 1967; 8:48 a.m.]

Chapter IX—Consumer and Marketing Service (Marketing Agreements and Orders; Fruits, Vegetables, Nuts), Department of Agriculture

PART 945—IRISH POTATOES GROWN IN CERTAIN DESIGNATED COUNTIES IN IDAHO, AND MALHEUR COUNTY, OREG.

Limitation of Shipments

Findings. (a) Pursuant to Marketing Agreement No. 98 and Order No. 945, as amended (7 CFR Part 945), regulating the handling of Irish potatoes grown in the production area defined therein, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674) and upon the basis of recommendations and information submitted by the Idaho-Eastern Oregon Potato Committee, established pursuant to the said marketing agreement and order, and other available information, it is hereby found that the limitation of shipments regulation as hereinafter established, limiting the grade, size, and quality of such potatoes will tend to effectuate the declared policy of the act and thereby maintain orderly marketing conditions tending to increase returns to producers of such potatoes.

(b) It is hereby found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this regulation until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 553 (1966)) that (1) producers and handlers have operated under this marketing order program since 1948; (2) the regulation establishes similar regulations to those made effective at the beginning of last season; (3) regulations (§ 945.325) are in effect at this time which continue through June 30, 1967; (4) information regarding the committee's recommendation has been disseminated to producers and handlers in the production area; and (5) to maximize benefits to growers of the 1967 crop Idaho-Eastern Oregon potatoes by making this regulation effective as of July 1, 1967.

§ 945.326 Limitation of shipments.

During the period July 1, 1967, through June 30, 1968, no person shall handle any lot of potatoes unless such potatoes meet the requirements of paragraphs (a) and (b) of this section, or

unless such potatoes are handled in accordance with paragraphs (c), (d), and (e) of this section.

(a) *Minimum quality requirements*—(1) *For potatoes grown in District No. 1 or No. 3*—(i) *Grade.* All varieties: U.S. No. 2, or better grade.

(ii) *Size*—(a) *Round red varieties.* 1⅞ inches minimum diameter.

(b) *All other varieties.* 2 inches minimum diameter, or 4 ounces minimum weight.

(c) *All varieties.* Size B if U.S. No. 1, or better grade.

(iii) *Cleanliness*—(a) *Kennebec variety.* Not more than "slightly dirty."

(b) *All other varieties.* "Generally fairly clean."

(2) *For potatoes grown in District No. 2*—(i) *Grade.* All varieties: U.S. No. 2 or better grade.

(ii) *Size*—(a) *Round red varieties.* 6 ounces minimum weight, except that potatoes which are 1⅞ inches minimum diameter may be shipped if they are U.S. No. 1, or better grade.

(b) *All other varieties.* 6 ounces minimum weight, except that potatoes which are 2 inches minimum diameter or 4 ounces minimum weight may be shipped if they are U.S. No. 1, or better grade.

(c) *All varieties.* Size B if U.S. No. 1, or better grade.

(iii) *Cleanliness*—(a) *Kennebec variety.* Not more than "slightly dirty."

(b) *All other varieties.* "Generally fairly clean."

(b) *Minimum maturity requirements*—(1) *White Rose variety.* "Moderately skinned" which means that not more than 10 percent of the potatoes in any lot may have more than one-half of the skin missing or "feathered."

(2) *All other varieties.* "Slightly skinned" which means that not more than 10 percent of the potatoes in any lot may have more than one-fourth of the skin missing or "feathered."

(3) *Exceptions.* (i) Subject to compliance with subdivision (iii) of this subparagraph, any lot of potatoes not exceeding a total of 50 hundredweight of each variety may be handled for any producer without regard to the foregoing maturity requirements.

(ii) If an officially inspected lot of potatoes meets the foregoing maturity requirements, but fails to meet the grade and size requirements, the lot may be regraded. If, after regrading, such lot then meets the grade and size requirements but fails to meet the maturity requirements, as indicated by the applicable Federal-State inspection certificate, such lot if not exceeding 100 hundredweight shall be exempt from the foregoing maturity requirements: *Provided*, That the handler complies with subdivision (iii) of this subparagraph.

(iii) Prior to each shipment of potatoes exempt from the foregoing maturity requirements, the handler thereof shall report to the committee the name and address of the producer of such potatoes, and each such shipment shall be handled as an identifiable entity.

(c) *Special purpose shipments.* (1) The minimum grade, size, cleanliness, and maturity requirements set forth in paragraphs (a) and (b) of this section shall not be applicable to shipments of potatoes for any of the following purposes:

(i) Certified seed;

(ii) Charity;

(iii) Starch;

(iv) Canning or freezing;

(v) Dehydration;

(vi) Experimentation.

(2) The minimum grade, size, cleanliness, and maturity requirements set forth in paragraphs (a) and (b) of this section shall be applicable to shipments of potatoes for each of the following purposes:

(i) Export: *Provided*, That potatoes of a size not smaller than 1½ inches in diameter may be shipped if the potatoes grade not less than U.S. No. 2; and

(ii) Potato chipping or prepeeling: *Provided*, That potatoes of a size not smaller than 1½ inches in diameter may be shipped if the potatoes grade not less than Idaho Utility, or Oregon Utility grade.

(d) *Safeguards.* Each handler making shipments of potatoes for starch, canning or freezing, dehydration, experimentation, export, potato chipping, or for prepeeling pursuant to paragraph (c) of this section shall:

(1) First, apply to the committee for and obtain a Certificate of Privilege to make each shipment;

(2) Upon request by the committee, furnish reports of each shipment pursuant to the applicable Certificate of Privilege;

(3) At the time of applying to the committee for a Certificate of Privilege, or promptly thereafter, furnish the committee with a receiver's or buyer's certification that the potatoes so handled are to be used only for the purpose stated in the application and that such receiver will complete and return to the committee such periodic receiver's reports that the committee may require;

(4) Mail to the office of the committee a copy of the bill of lading for each Certificate of Privilege shipment promptly after the date of shipment;

(5) Bill each shipment directly to the applicable processor or receiver.

(e) *Minimum quantity exception.* Each handler may ship up to, but not to exceed, 5 hundredweight of potatoes any day without regard to the inspection and assessment requirements of this part, but this exception shall not apply to any portion of a shipment that exceeds 5 hundredweight of potatoes.

(f) *Definitions.* The terms "U.S. No. 1," "U.S. No. 2," "Size B," "fairly clean," and "slightly dirty" shall have the same meaning as when used in the U.S. Standards for Potatoes (§§ 51.1540–51.1556 of this title), including the tolerances set forth therein. The term "generally fairly clean" means that at least 90 percent of the potatoes in a given lot are "fairly clean." The term "prepeeling" means potatoes which are clean, sound, fresh tubers prepared commercially in a prepeeling plant by washing, removal of the outer skin or peel, trimming, and sorting preparatory to sale in one or more of the styles of peeled potatoes described in § 52.2422 (U.S. Standards for Grades of Peeled Potatoes, §§ 52.2421–52.2433 of this title). The terms "Idaho Utility grade" and "Oregon Utility grade" shall have the same meanings as when used in the respective standards for potatoes for the respective States. Other terms used in this section shall have the same meaning as when used in Marketing Agreement No. 98 and Order No. 945, both as amended.

(g) *Applicability to imports.* Pursuant to section 608e–1 of the act and § 980.1 "Import regulations" (§ 980.1 of this chapter), Irish potatoes of the long varieties imported during the effective period of this section shall meet the grade, size, quality and maturity requirements specified in paragraphs (a) and (b) of this section, for Districts 1 and 3.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated, June 27, 1967, to become effective July 1, 1967.

FLOYD F. HEDLUND,
Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[F.R. Doc. 67-7461; Filed, June 29, 1967; 8:49 a.m.]

PART 946—IRISH POTATOES GROWN IN WASHINGTON

Limitation of Shipments

Findings. (a) Pursuant to Marketing Agreement No. 113, and Order No. 946 (7 CFR Part 946), regulating the handling of Irish potatoes grown in the State of Washington, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and upon the basis of recommendations and information submitted by the State of Washington Potato Committee, established pursuant to the said marketing agreement and order, and other available information, it is hereby found that the limitation of shipments regulation as hereinafter established, limiting the grade, size, and quality of such potatoes will maintain orderly marketing conditions tending to increase returns to producers of such potatoes.

(b) It is hereby found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 553 (1966)) in that (1) producers and handlers have operated under this marketing order program since 1949; (2) the regulation establishes similar requirements to those made effective at the beginning of last season; (3) regulations (§ 946.321) are in effect at this time which continue through June 30, 1967; (4) information regarding the committee's recommendation has been disseminated to producers and handlers in the production area; and (5) to maximize benefits to growers of the 1967 crop of Washington potatoes it

is necessary to make this regulation effective as of July 1, 1967.

§ 946.322 Limitation of shipments.

During the period July 1, 1967, through June 30, 1968, no person shall handle any lot of potatoes unless such potatoes meet the requirements of paragraphs (a) and (b) of this section, or unless such potatoes are handled in accordance with paragraphs (c), (d), (e), (f), and (g) of this section.

(a) *Minimum quality requirements*—(1) *Grade.* All varieties: U.S. No. 2, or better grade.

(2) *Size*—(i) *Round varieties.* 1⅞ inches minimum diameter.

(ii) *Long varieties.* 2 inches minimum diameter or 4 ounces minimum weight.

(3) *Cleanliness.* All varieties—at least "fairly clean."

(b) *Minimum maturity requirements*—(1) *Round and long white (White Rose) varieties.* "Moderately skinned" which means that not more than 10 percent of the potatoes in any lot may have more than one-half of the skin missing or "feathered."

(2) *Other long varieties (including but not limited to Russet Burbank, Norgold, and Early Gems).* "Slightly skinned" which means that not more than 10 percent of the potatoes in the lot have more than one-fourth of the skin missing or "feathered."

(c) *Special purpose shipments.* The minimum grade, size, cleanliness and maturity requirements set forth in paragraphs (a) and (b) of this section shall not be applicable to shipments of potatoes for any of the following purposes:

(1) Certified seed;
(2) Livestock feed;
(3) Charity;
(4) Starch;
(5) Canning or freezing;
(6) Dehydration;
(7) Export;
(8) Potato chipping; or
(9) Prepeeling.

(d) *Safeguards.* Each handler making shipments of potatoes for canning, freezing, dehydration, export, potato chipping, or prepeeling pursuant to paragraph (c) of this section unless such potatoes are handled in accordance with paragraph (e) of this section shall:

(1) Notify the committee of intent to ship potatoes pursuant to paragraph (c) of this section by applying on forms furnished by the committee for a certificate applicable to such special purpose shipments;

(2) Obtain a Washington State Shipping Permit as issued by the Washington State Department of Agriculture in lieu of a Federal-State Inspection Certificate, except shipments for export.

(3) Prepare on forms furnished by the committee a special purpose shipment report on each individual shipment diverted from fresh market channels to outlets specified in subparagraph (2) of this paragraph. The handler shall forward copies of such special purpose shipment report to the committee office and to the receiver with instructions to the receiver that he sign and return a copy to the committee office. Failure of handlers or receivers to report such shipments by promptly signing and returning the applicable special purpose shipment report to the committee office shall be cause for cancellation of such handler's certificate applicable to such special purpose shipments and/or the receiver's eligibility to receive further shipments pursuant to such certificate. Upon cancellation of such certificate, the handler may appeal to the committee for reconsideration. Such appeal shall be in writing.

(4) Before diverting any shipment from the receiver of record as previously furnished to the committee by the handler of potatoes under paragraph (c) of this section, each such handler shall submit to the committee a revised special purpose shipment report.

(e) *Special purpose shipments exempt from safeguards.* In the case of shipments of potatoes: (1) To freezers or dehydrators in the counties of Grant, Adams, Franklin, Benton, and Yakima in the State of Washington and (2) for canning, freezing, dehydration, potato chipping, or prepeeling within the district where grown, the handler of such potatoes shall be exempt from safeguard requirements of paragraph (d) of this section whenever the processor of such potatoes has signed an agreement with the committee to meet the reporting and other marketing order requirements specified by the committee.

(f) *Potatoes for regrading, resorting, or repacking.* Pursuant to § 946.50, the inspection requirements of § 946.53 applicable to the handling of regraded, resorted, or repacked potatoes are suspended during the effective time of this section with respect to any such potatoes which prior to regrading, resorting, or repacking thereof, were inspected pursuant to § 946.53(a).

(g) *Minimum quantity exception.* Each handler may ship up to, but not to exceed 5 hundredweight of potatoes any day without regard to the inspection and assessment requirements of this part, but this exception shall not apply to any portion of a shipment over 5 hundredweight of potatoes.

(h) *Definitions.* (1) The terms "U.S. No. 2," "fairly clean," "slightly skinned," and "moderately skinned" shall have the same meaning as when used in the U.S. Standards for Potatoes (§§ 51.1540–51.1556 of this title), including the tolerances set forth therein.

(2) The term "prepeeling" means potatoes which are clean, sound, fresh tubers prepared commercially in the prepeeling plant by washing, removal of the outer skin or peel, trimming, and sorting preparatory to sale in one or more of the styles of peeled potatoes described in § 52.2422 (U.S. Standards for Grades of Peeled Potatoes, §§ 52.2421–52.2433 of this title). Other terms used in this section shall have the same meaning as when used in Marketing Agreement No. 113 and this part (Order No. 946).

(i) *Applicability to imports.* Pursuant to section 608e–1 of the Act and § 980.1 "Import regulations" (§ 980.1 of this chapter), Irish potatoes of the round red skinned varieties imported during the months of July and August of 1967 shall meet the grade, size, quality, and maturity requirements specified for round varieties in paragraphs (a) and (b) of this section.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated, June 27, 1967, to become effective July 1, 1967.

FLOYD F. HEDLUND,
Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[F.R. Doc. 67-7462; Filed, June 29, 1967; 8:49 a.m.]

Chapter X—Consumer and Marketing Service (Marketing Agreements and Order; Milk), Department of Agriculture

[Milk Order 12]

PART 1012—MILK IN TAMPA BAY MARKETING AREA

Order Suspending Certain Provision

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and of the order regulating the handling of milk in the Tampa Bay marketing area (7 CFR Part 1012), it is hereby found and determined that:

(a) In § 1012.51(a), the provision "For the first 18 months from the effective date of this section" does not tend to effectuate the declared policy of the Act for the month of July 1967.

(b) Notice of proposed rule making, public procedure thereon, and 30 days' notice of the effective date hereof are impractical, unnecessary, and contrary to the public interest in that:

(1) This suspension order does not require of persons affected substantial or extensive preparation prior to the effective date.

(2) This suspension order is necessary to reflect current marketing conditions and to maintain orderly marketing conditions in the marketing area.

(3) This suspension will provide for continuation of the order Class I price provisions due to expire June 30, 1967. Evidence on proposed amendments of the Class I price provisions was received at a hearing held April 28, and May 1, 1967. A recommended decision resulting from that hearing was issued June 22, 1967.

(4) This suspension action is necessary since there is not sufficient time to carry out the procedure for amending the order prior to the expiration date of the Class I pricing provisions.

Therefore, good cause exists for making this order effective July 1, 1967.

It is therefore ordered, That the aforesaid provision of the order is hereby suspended for the month of July 1967.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Effective date: July 1, 1967.

Signed at Washington, D.C., on June 27, 1967.

JOHN A. SCHNITTKER,
Acting Secretary.

[F.R. Doc. 67-7463; Filed, June 29, 1967; 8:49 a.m.]

[Milk Order 13]

PART 1013—MILK IN SOUTHEASTERN FLORIDA MARKETING AREA

Order Suspending Certain Provision

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and of the order regulating the handling of milk in the Southeastern Florida marketing area (7 CFR Part 1013), it is hereby found and determined that:

(a) In § 1013.51(a), the provision "From the effective date of this paragraph through June 1967" does not tend to effectuate the declared policy of the Act for the month of July 1967.

(b) Notice of proposed rule making, public procedure thereon, and 30 days' notice of the effective date hereof are impractical, unnecessary, and contrary to the public interest in that:

(1) This suspension order does not require of persons affected substantial or extensive preparation prior to the effective date.

(2) This suspension order is necessary to reflect current marketing conditions and to maintain orderly marketing conditions in the marketing area.

(3) This suspension will provide for continuation of the order Class I price provisions due to expire June 30, 1967. Evidence on proposed amendments of the Class I price provisions was received at a hearing held April 28, and May 1, 1967. A recommended decision resulting from that hearing was issued June 22, 1967.

(4) This suspension action is necessary since there is not sufficient time to carry out the procedure for amending the order prior to the expiration date of the Class I pricing provisions.

Therefore, good cause exists for making this order effective July 1, 1967.

It is therefore ordered, That the aforesaid provision of the order is hereby suspended for the month of July 1967.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Effective date: July 1, 1967.

Signed at Washington, D.C., on June 27, 1962.

JOHN A. SCHNITTKER,
Acting Secretary.

[F.R. Doc. 67-7464; Filed, June 29, 1967; 8:49 a.m.]

Chapter XIV—Commodity Credit Corporation, Department of Agriculture

SUBCHAPTER B—LOANS, PURCHASES AND OTHER OPERATIONS

[CCC Grain Price Support Regs.; Rev. 1, Amdt. 2]

PART 1421—GRAINS AND SIMILARLY HANDLED COMMODITIES

Subpart—General Regulations Governing Price Support for the 1964 and Subsequent Crops

MISCELLANEOUS AMENDMENTS

The regulations issued by the Commodity Credit Corporation published in 31 F.R. 5941 and 32 F.R. 7843 and containing the general regulations governing price support for the 1964 and subsequent crops is hereby amended as follows:

1. In § 1421.55, paragraph (c) is amended to provide that CCC may, in the case of the warehouse storage loans secured by the pledged 1967 crops of barley, corn, grain sorghums, oats, rye, soybeans, and wheat, extend the time for repayment of a price support loan indebtedness with respect to one or more of the named commodities and to provide for notice to producers of acceleration of the time for repayment of a price support loan indebtedness. The amended paragraph reads as follows:

§ 1421.55 Program availability, disbursement and maturity of loans.

* * * * *

(c) *Availability and maturity dates.* Availability and maturity dates applicable to loans or purchases will be specified in the annual commodity supplements to the regulations in this subpart, except that whenever the final date of availability or the maturity date falls on a nonwork day for ASCS county offices, the applicable final date shall be extended to include the next work day. CCC may, by public announcement prior to the applicable loan maturity date, extend the time for repayment of the loan indebtedness with respect to warehouse storage loans secured by the pledge of one or more of the following commodities of the 1967 crop: Barley, corn, grain sorghums, oats, rye, soybeans, and wheat; if any such loan maturity date is extended, CCC will pay the storing warehouse, at the rates specified in the applicable CCC storage agreement, any charges which have accrued and are unpaid through the original loan maturity date with respect to the commodity pledged to secure the extended loan indebtedness and the amount so paid shall be for the account of the producer and shall be added to the loan indebtedness; storage charges which accrue after the original loan maturity date with respect to the above named commodities securing repayment of extended warehouse storage loans shall be for the account of CCC. CCC may at any time accelerate the time for repayment of a price support loan indebtedness; in the event of any such acceleration, CCC will give a producer affected thereby notice of such acceleration at least ten days in advance of the accelerated loan maturity date.

2. In § 1421.58, paragraph (a) is amended to provide that CCC may, after written notice to the producer, move a commodity represented by warehouse receipts from one storage point to another as CCC may determine necessary or appropriate. The amended paragraph reads as follows:

§ 1421.58 Warehouse receipts.

(a) *General.* Warehouse receipts tendered to CCC under this program must meet all of the requirements of this section and any other requirements contained in the regulations in this subpart and in any applicable commodity supplements. Notwithstanding any provisions of the Warehouse Storage Note and Security Agreement (Form CCC 698), CCC may, after written notice thereof to the producer, move the commodity represented by warehouse receipts pledged to secure a warehouse storage loan from one storage point to another as CCC may determine necessary or appropriate.

* * * * *

3. Section 1421.70 is amended to provide the rights of CCC and the producer in the event that a producer seeks to redeem a pledged commodity which CCC has moved from the original storing warehouse. The amended section reads as follows:

§ 1421.70 Liquidation of warehouse-storage loans.

If a producer does not repay the loan indebtedness upon maturity of the loan, CCC shall have the right to sell or acquire title to the commodity pledged as security for the loan indebtedness. If, on or before maturity of the loan, a producer seeks to redeem a commodity pledged as security for the loan indebtedness which CCC has removed from the original storing warehouse, the right of CCC and the producer shall be as provided in § 1421.72(m).

4. Section 1421.72 is amended to add a new paragraph (m) to provide for settlement of warehouse storage loans where the pledged commodity has been moved by CCC and the producer has requested redemption of the loan collateral. The new paragraph reads as follows:

§ 1421.72 Settlement.

* * * * *

(m) *Basis for settling warehouse storage loans where the commodity has been moved by CCC.* Notwithstanding any provisions of the Warehouse Storage Note and Security Agreement, if a producer desires to redeem a commodity pledged as security for his loan indebtedness (herein called "the pledged commodity") which CCC has moved from

the warehouse in which it was stored when such pledge was made, he shall give written notice thereof to the county office through which the loan was made. Whereupon, CCC shall take title to the pledged commodity and shall, at its election, either (1) return to the producer warehouse receipts representing a grade, quality, and quantity of the same kind of a commodity which has a market value determined by CCC to be equivalent to the market value of the pledged commodity or (2) settle with the producer by paying him the amount, if any, by which the market value of the pledged commodity exceeds the loan indebtedness. If CCC elects to return warehouse receipts to the producer, such receipts may be issued by any warehouse which has a storage agreement with CCC and which CCC determines is located in the same locality as the warehouse in which the pledged commodity was stored when such pledge was made. Market value of a pledged commodity shall be determined by CCC on the basis of (i) the quantity, grade, and quality of the pledged commodity as shown on the original warehouse receipts, (ii) the location of the warehouse where the commodity was stored when such pledge was made, and (iii) the date the producer notified the county office in writing of his desire to redeem. For purposes of settlement under this subsection, the amount of the producer's loan indebtedness shall be the amount of the original loan, any warehouse charges which accrued for the account of the producer prior to the original maturity date and were paid by CCC, and interest thereon from the dates of disbursement at the rate specified in the note and loan agreement.

Effective date: Upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on June 26, 1967.

H. D. GODFREY,
Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 67-7457; Filed, June 29, 1967; 8:49 a.m.]

[CCC Grain Price Support Regs.; 1966 and Subsequent Crops Grain Sorghum Supp., Amdt. 2]

PART 1421—GRAINS AND SIMILARLY HANDLED COMMODITIES

Subpart—1966 and Subsequent Crops Grain Sorghum Loan and Purchase Program

WAREHOUSE CHARGES AND SUPPORT RATES

The regulations issued by the Commodity Credit Corporation published in 31 F.R. 8000 and 32 F.R. 8124 containing provisions for price support loans and purchases applicable to the 1966 and subsequent crops of grain sorghum are amended as follows:

1. In § 1421.2569, paragraph (a) is amended to delete the reference to liens for warehouse elevation and storage charges on grain sorghums stored in warehouses operated by Eastern common carriers. The amended paragraph reads as follows:

§ 1421.2569 Warehouse charges.

(a) *Handling and storage liens.* Warehouse receipts and the grain sorghum represented thereby stored in an approved warehouse operating under the Uniform Grain Storage Agreement may be subject to liens for warehouse handling and storage charges at not to exceed the Uniform Grain Storage Agreement rates from the date the grain sorghum is deposited in the warehouse for storage. In no event shall a warehouseman be entitled to satisfy the lien by sale of the grain sorghum when CCC is holder of the warehouse receipt.

* * * * *

2. In § 1421.2571, paragraph (b) is amended to provide that with respect to the 1967 and subsequent crops of grain sorghum shipped from points in Texas and the counties of Curry and Lea, N. Mex., in line of transit to Gulf terminal markets, the amount to be deducted from the designated terminal market basic support rate shall be an amount equal to the transit balance of the through Gulf export freight rate from the point of origin for such grain sorghum to the terminal market. The amended paragraph reads as follows:

§ 1421.2571 Support rates.

* * * * *

(b) *Support rates for grain sorghum in approved warehouse storage at other than designated terminal markets.* In determining the support rate for grain sorghum which is shipped by rail or water and which is stored in approved warehouses (other than those situated in the designated terminal markets) there shall be deducted from the basic support rate for the appropriate designated terminal market, as determined by CCC, an amount equal to the transit balance, if any, of the through-freight rate from the point of origin for such grain sorghum to such terminal market: *Provided,* That in the case of 1967 and subsequent crops of grain sorghum shipped from points in Texas and the counties of Curry and Lea, N. Mex., in line of transit to Gulf terminal markets, there shall be deducted from the basic support rate for the appropriate designated terminal market, as determined by CCC, an amount equal to the transit balance, if any, of the through Gulf export freight rate from the point of origin for such grain sorghum to such terminal market: *Provided further,* That on any grain sorghum shipped at other than the domestic interstate freight rate, the basic support rate shall be further reduced by the amount by which the freight rate paid is less than the amount of the domestic interstate freight rate from the point of origin of such grain sorghum to the point of destination or appropriate terminal market: *And provided further,* That in the case of grain sorghum stored at any railroad transit point, taking a penalty by reason of out-of-line movement to the appropriate designated market, or for any other reason, there shall be added to such transit balance an amount equal to any out-of-line costs or other cost incurred in storing grain sorghum in such position.

* * * * *

(Sec. 4, 62 Stat. 1070 as amended; 15 U.S.C. 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 105, 401, 63 Stat. 1051 as amended; 15 U.S.C. 714c, 7 U.S.C. 1421, 1441)

Effective date: Upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on June 26, 1967.

H. D. GODFREY,
Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 67-7456; Filed, June 29, 1967; 8:48 a.m.]

[Cotton Loan Program Regs., Amdt. 6]

PART 1427—COTTON

Subpart—Cotton Loan Program Regulations

MISCELLANEOUS AMENDMENTS

The regulations issued by the Commodity Credit Corporation published in 30 F.R. 8096, 15795, 31 F.R. 4389, 9791, 32 F.R. 5671 and 6967, as Cotton Loan Program Regulations and containing terms and conditions with respect to the Cotton Loan Program are hereby amended as follows:

1. Paragraph (d) of § 1427.1356 is amended to delete reference to "wasty" extra long staple cotton, and paragraph (l) of that section is amended to incorporate by reference published specifications for jute bagging and bale ties used in wrapping cotton tendered for loan. The amended paragraphs (d) and (l) read as follows:

§ 1427.1356 Eligible cotton.

* * * * *

(d) Such cotton must not be false-packed, water-packed, mixed-packed reginned, or repacked; upland cotton just not have been reduced more than two grades because of preparation; extra long staple cotton must have been ginned on a roller gin, must not have a micronaire reading of 2.6 or less and must not have been reduced in grade for any reason.

* * * * *

(l) Each bale packaged in jute material must meet the requirements established by CCC for jute bagging and bale ties, published in 32 F.R. 3231, and any amendment thereto or revision thereof, unless approved by the Executive Vice President, CCC. Each bale packaged in material other than jute must be packaged in new material manufactured for cotton bale covering. All bagging must adequately protect the cotton. Bagging manufactured from sisal and other hard fibers will not be acceptable. Heads of bales must be completely covered.

* * * * *

2. Paragraph (b) of § 1427.1359 is amended to remove references to "wasty" cotton. The amended paragraph (b) reads as follows:

§ 1427.1359 Weight, loan rate, and amount.

* * * * *

(b) *Loan rate.* (1) The base loan rate for Middling 1-inch upland cotton (except for the special condition upland cotton provided for in this section) of each crop at each approved warehouse location will be stated in the schedule of base loan rates for upland cotton by warehouse locations contained in the supplement to this subpart for such crop. The schedule will be available at county offices.

(2) The premium or discount applicable to each other eligible grade and staple length of upland cotton of each crop and the premium or discount, if any, for each micronaire reading will also be contained in the supplement to this subpart for such crop.

(3) The loan rate for upland cotton for which the classification memorandum shows a reduction in grade because of the presence of extraneous matter (such as grass, bark, oil, sand, motes, etc.) or because of spindle twist shall be one-half cent per pound less than the loan rate for the quality (grade and staple length) to which the cotton is reduced. This discount shall be in addition to any discount for micronaire reading.

(4) Loan rates for extra long staple cotton of each crop will be contained in the supplement to these regulations for such crop.

* * * * *

3. Paragraph (c) of § 1427.1360 is amended to provide that if a person or firm has advanced the loan proceeds to the producer (by cash, book credit, or otherwise) such person or firm shall be responsible for collecting the $1 per bale research and promotion fee and for transmitting such fee to the Cotton Board. The amended paragraph (c) is amended to read as follows:

§ 1427.1360 Preparation of documents.

* * * * *

(c) *Producer's request for payment.* The spaces provided in Form A for the producer to request payment of the loan proceeds must be completed. If a person or firm has advanced the loan proceeds to the producer (by cash, book credit, or otherwise), the person or firm which advanced the loan proceeds is responsible under the regulations in §§ 1205.500–1205.540 of this title, and any amendment thereto, for collecting the $1 per bale research and promotion fee and for transmitting such fee to the Cotton Board.

* * * * *

4. Section 1427.1361 is amended to remove references to loan drafts and to show the form number and name of form the producer must obtain from his county office if he wants to have his loans disbursed by a county office other than the county office which keeps the farm program records for the farm on which the cotton was produced. The amended section reads as follows:

§ 1427.1361 Disbursement of loans.

Disbursement of each Form A loan will be made by any county office located in the cotton producing area by means of drafts drawn on CCC by the county office. If a producer tenders the loan documents for disbursement to a county office more convenient to him than the county office which keeps the farm program records for the farm on which the cotton was produced, he must present a Form CCC–822, Certificate of Eligibility to Obtain Cotton Loans, obtained from the county office which keeps the farm program records for the farm on which the cotton was produced. The Form 822 provides that (a) to the best of the county office's knowledge and belief, the producer is an eligible producer as defined in § 1427.1355, and all the cotton produced on farms owned or operated by him in the county is eligible cotton as defined in § 1427.1356, (b) the producer's name is not on the county debt record, and (c) the producer does not have a farm storage facility or drying equipment loan installment due and not paid. The producer or his agent shall not present the Form A for disbursement unless the cotton covered by the Form A is in existence and in good condition. If the cotton is not in existence and in good condition at the time of disbursement, the producer shall immediately return the draft issued in payment of the loan, or if the draft has been negotiated, shall promptly refund the proceeds.

5. Section 1427.1369 is amended to include additional warehouse receipt requirements. The amended section reads as follows:

§ 1427.1369 Warehouse receipt and insurance.

Producers may obtain loans on warehouse receipts only if they are negotiable machine card-type warehouse receipts, issued by approved warehouses, provide for delivery of the cotton to bearer or are properly assigned by endorsement in blank so as to vest title in the holder of the receipt, and otherwise are acceptable to CCC. The warehouse receipt must contain the tag number (warehouse receipt number) and the gin bale number, must show that the cotton is covered by fire insurance, and must be dated on or prior to the date the producer signs the note. Open yard endorsement, if any, on the warehouse receipt must have been rescinded with the legend "open yard disclaimer deleted" with appropriate warehouseman's signature. Each receipt must set out in its written or printed terms a description by tag number and gross weight of the bale represented thereby, including bagging weight allowance, if any, for bales of upland cotton as specified in § 1427.1359(a). Each warehouse receipt issued for extra long staple cotton must also show the tare weight and net weight of the bale. A warehouse receipt reflecting an alteration in the weight of the bale will not be accepted by CCC unless it bears, on the face of the receipt, the following legend or similar wording approved by CCC, duly executed by an authorized warehouse representative:

Corrected weight_____

_____

(Name of warehouse)

By _____

Date _____

Alterations in other inserted data on the receipt must be initialed by an authorized representative of the warehouseman. If warehouse storage charges have been paid, the receipt must be stamped or otherwise noted to show the date through which the storage charges have been paid. If warehouse receiving charges have been paid, the receipt must be stamped or otherwise noted to show such fact. If the warehouse receipt does not show that warehouse receiving charges have been paid, the amount of the loan will be reduced by the amount specified in the warehouseman's tariff for receiving charges. In such cases, the receiving charges will be paid to the warehouseman by CCC after loan maturity if the cotton is not redeemed from the loan, at time of shipment if the cotton is ordered shipped by CCC while in loan status, or after the cotton is destroyed by fire if the cotton is destroyed by fire while in loan status. If the bale was received by rail, the code number of the railroad must be entered on the receipt. If the bale has been compressed to standard density, the warehouse receipt must be stamped or otherwise noted to show whether the bale was compressed to standard density at a warehouse or to gin standard density at a gin. If the compression charge has been paid, the receipt must also be stamped or otherwise noted to show such fact. Each receipt must show the type of bagging used to wrap the bale and must be manually signed by the warehouseman or his authorized representative (unless the warehouseman has been authorized by CCC to sign warehouse receipts with a machine or rubber-stamp facsimile signature). Block warehouse receipts will not be accepted except on cotton to be reconcentrated pursuant to § 1427.1371.

6. Section 1427.1376 is amended to include reference to the Cotton Cooperative Loan Agreement as Form CCC Cotton G. The amended section reads as follows:

§ 1427.1376 Cotton cooperative marketing association loans.

A cotton cooperative marketing association which meets the eligibility requirements established by CCC as con-

tained in the regulations in Part 1425 of this chapter and any amendment thereto, may enter into a Cotton Cooperative Loan Agreement, Form CCC Cotton G, with CCC which provides for price support through the association to its producer-members. Copies of the form of agreement will be furnished to all associations which have been approved under such regulations. The loan rates under this agreement will be the same as for loans made to individual producers on Forms A and eligibility requirements for cotton and producers tendering cotton to the association and other loan provisions will be similar to those for Form A loans made to individual producers. Valid cotton payment-in-kind certificates may be used in payment of the amount due on upland cotton being redeemed.

7. Paragraph (b) of § 1427.1378 is amended to provide for collection of the $1 per bale research and promotion fee by the person or firm which advances the loan proceeds to the producers, and paragraph (d) is amended to show the form number and name of form that must be used by the financial institution to transmit the Forms A and related documents to the county office. The amended paragraphs (b) and (d) read as follows:

§ 1427.1378 Special procedure where full loan value advanced.

* * * * *

(b) *Eligible documents.* This special procedure shall apply only to loan documents covering cotton on which a person or firm has advanced to the producers (including payments to prior lienholders and other creditors and the $1 per bale research and promotion fee collected for transmission to the Cotton Board) the full loan value of the cotton as shown on the Form A, except for authorized loan clerk fees, and shall apply only if such person or firm is entitled to reimbursement from the proceeds of the loans for the amounts advanced, and has been authorized by the producers to deliver the loan documents to the county office for disbursement.

* * * * *

(d) *Delivery of notes to county offices.* The Form A and related documents as required by § 1427.1357 shall be mailed or delivered to the county office which keeps the farm records for the farm on which the cotton was produced. The documents shall be accompanied by Form CCC–825, Transmittal Schedule of Form A Cotton Loans, in original and two copies showing:

(1) The name and address of the county office.

(2) The name and address of the person or firm which made the loan advances.

(3) The name and address of the financial institution if the CCC–825 covers loans for which the institution allowed credit to the person or firm which made the advances to the producers.

(4) The producer's name, number of bales and loan amount for each note.

(5) The total number of bales and total amount of notes.

(6) A certification signed by the person or firm which made the loan advances as follows: I (we) certify with respect to the loan documents covered by this schedule that I (we) have made loan advances to the producers for the full loan value of the cotton as shown on the Form A notes.

(7) A certification by the financial institution as follows if the Form 825 covers loans for which the institution allowed credit to the person or firm which made the advances to the producers: We certify that we have allowed credit to the account of the person or firm identified above for the total amount of this schedule subject to adjustment for the amount of any notes not acceptable for disbursement.

Upon receipt of the loan documents and Form 825, the county office will stamp one copy of the Form 825 to indicate receipt of the documents and return this copy to the financial institution.

* * * * *

8. Section 1427.1379 is amended to provide that the $5 per bale liquidated damages will not be assessed in certain cases where, through inadvertent error or lack of knowledge and with no fraudulent intent, bales of cotton which are ineligible for loan are pledged for loan, provided actions are taken by producers or associations within 30 days after notification is given by CCC to correct the defects and make the cotton eligible for loan. The amended section reads as follows:

§ 1427.1379 Failure to comply.

The obtaining of loans by producers or associations of producers on cotton which is not eligible for tender to CCC for loans will cause serious and substantial program damages to CCC, such as damage to its cotton price support program and the incurring of certain administrative and other special costs, in addition to any loss to CCC in disposing of the ineligible cotton. Inasmuch as it will be difficult, if not impossible, to prove the exact amount of such program damages, a producer or association of producers obtaining a loan on cotton under this subpart shall pay to CCC as liquidated damages an amount equal to $5 for each bale of such cotton which is not eligible cotton as defined in § 1427.1356 or is cotton not eligible for tender by the association to CCC as provided in the Form G agreement executed by CCC and the association. By obtaining such loans, the borrower agrees with CCC that such amounts are reasonable estimates of the probable actual damages that would be incurred by CCC. Such amounts shall be paid to CCC promptly upon demand. Also, the borrower shall redeem such cotton upon demand by CCC, and, upon his failure to redeem such cotton, whether or not demand for redemption is made by CCC, shall be liable for any deficiency on the loan arising from sale of such cotton. Notwithstanding the foregoing provisions of this section, if the borrower tendered such cotton for loan through inadvertent error or lack of knowledge, and if the borrower corrects the condition which made the cotton ineligible within thirty (30) days from the date notification that the cotton is ineligible is given to the borrower by CCC, liquidated damages shall not be payable to CCC with respect to such cotton and the borrower shall not be obligated to redeem such cotton.

(Secs. 4, 5, 62 Stat. 1070, as amended; secs. 101, 103, 401, 63 Stat. 1051, as amended; 15 U.S.C. 714 b and c; 7 U.S.C. 1441, 1444, 1421)

Effective date. This amendment shall become effective upon filing with the Office of the FEDERAL REGISTER for publication.

Signed at Washington, D.C., on June 27, 1967.

H. D. GODFREY,
Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 67–7458; Filed, June 29, 1967; 8:49 a.m.]

Chapter XVIII—Farmers Home Administration, Department of Agriculture

SUBCHAPTER B—LOANS AND GRANTS PRIMARILY FOR REAL ESTATE PURPOSES

[FHA Instructions 442.2, 442.4, Administration Letter 870(442)]

PART 1823—ASSOCIATION LOANS AND GRANTS—COMMUNITY FACILITIES, DEVELOPMENT, CONSERVATION, UTILIZATION

Executing Insurance Endorsements

The introductory portion of paragraph (c), § 1823.24, Title 7, Code of Federal Regulations (32 F.R. 8377), is revised to read as follows:

§ 1823.24 Loan and grant closing.

* * * * *

(c) *Insurance endorsements.* For insured loans, each County Supervisor and each State Director is authorized to endorse notes and bonds and execute insurance endorsements. However, notes and bonds evidencing loans from the insurance fund will be assigned to the lender and insurance endorsements will be executed by the Director, Finance Office, or the Insured Loan Officer.

* * * * *

(Sec. 339, 75 Stat. 318, 7 U.S.C. 1989; Orders of Secretary of Agriculture, 29 F.R. 16210, 32 F.R. 6650)

Dated: June 22, 1967.

LARRY BROCK,
Acting Administrator,
Farmers Home Administration.

[F.R. Doc. 67–7421; Filed, June 29, 1967; 8:45 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation

SUBCHAPTER F—AIR TRAFFIC AND GENERAL OPERATING RULES

[Reg. Docket No. 8231; Amdt. 542]

PART 97—STANDARD INSTRUMENT APPROACH PROCEDURES

Miscellaneous Amendments

The amendments to the standard instrument approach procedures contained herein are adopted to become effective when indicated in order to promote safety. The amended procedures supersede the existing procedures of the same classification now in effect for the airports specified therein. For the convenience of the users, the complete procedure is republished in this amendment indicating the changes to the existing procedures.

As a situation exists which demands immediate action in the interests of safety in air commerce, I find that compliance with the notice and procedure provisions of the Administrative Procedure Act is impracticable and that good cause exists for making this amendment effective within less than 30 days from publication.

In view of the foregoing and pursuant to the authority delegated to me by the Administrator (24 F.R. 5662), Part 97 (14 CFR Part 97) is amended as follows:

1. By amending the following low or medium frequency range procedures prescribed in § 97.11(a) to read:

LFR STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Elkins VOR	Elkins LFR	Direct	5000	T-d%	1000-2	1000-2	1000-2
				T-n	NA	NA	NA
				C-d	2000-2	2000-2	2000-2
				C-n	NA	NA	NA
				A-d	2000-3	2000-3	2000-3
				A-n	NA	NA	NA

Procedure turn W side of crs, 354° Outbnd, 174° Inbnd, 4700' within 10 miles.
Minimum altitude over facility on final approach crs, 4300'.
Crs and distance, facility to airport, 177°—2.7 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 2.7 miles after passing EN LFR, climb to 6000' on S crs within 10 miles, make right turn to EN LFR, hold on N crs, 174° bearing Inbnd, 1-minute right turns.
AIR CARRIER NOTE: Night operations not authorized. Sliding scale not authorized. No reduction in minimums authorized due to local conditions. No reduction in takeoff minimums authorized.
%Takeoffs all runways: Climb direct to EN LFR, then via 042° bearing to intercept the EKN VOR R 074°, then continue climb on R 074°.
MSA within 25 miles of facility: N crs to E crs, 5800'; E crs to S crs, 6100'; S crs to W crs, 5900'; W crs to N crs, 4500'.

City, Elkins; State, W. Va.; Airport name, Elkins-Randolph County; Elev., 1967'; Fac. Class., SBMRAZ; Ident., EN; Procedure No. LFR-1, Amdt. 5; Eff. date, 22 July 67; Sup. Amdt. No. LFR-1, Amdt. 4; Dated, 7 Sept. 63.

2. By amending the following automatic direction finding procedures prescribed in § 97.11(b) to read:

ADF STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
BIL VOR	LOM	Direct	5300	T-dn%	300-1	300-1	200-½
BIL RBn	LOM	Direct	5300	C-dn	500-1	500-1	500-1½
Musselshell Int	LOM	Direct	6000	S-dn-9	500-1	500-1	500-1
Ryegate Int	LOM	Direct	5300	A-dn	800-2	800-2	800-2
Rapelje DME Fix	LOM	Direct	5300				

Procedure turn S side of crs, 275° Outbnd, 095° Inbnd, 5300' within 10 miles.
Minimum altitude over facility on final approach crs, 4800'.
Crs and distance, facility to airport, 095°—4 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4 miles after passing LOM, climb to 5300' on bearing 095° from BI LOM within 10 miles, or when directed by ATC, climb to 5300' on R 055°, BIL VOR within 10 miles.
NOTE: Final approach from holding pattern at LOM not authorized. Procedure turn required.
%When weather is below 600-2 and aircraft is southeastbound, flight below 4700' is prohibited SE of airport between BIL VOR radials 060° clockwise to 110° inclusive due to 4249' tower, 3 miles SE of airport.
MSA within 25 miles of facility: 000-090°—5700'; 090°-270°—6000'; 270°-360°—5300'.

City, Billings; State, Mont.; Airport name, Logan Field; Elev., 3606'; Fac. Class., LOM; Ident., BI; Procedure No. NDB (ADF) Runway 9, Amdt.12; Eff. date, 20 July 67; Sup. Amdt. No. ADF 1, Amdt. 11; Dated, 14 Jan. 67.

ADF STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less: 65 knots or less	2-engine or less: More than 65 knots	More than 2-engine, more than 65 knots
Boise VOR	LOM	Direct	4300	T-dn%	300-1	300-1	200-½
Parma Int	LOM (final)	Direct	4000	C-dn	400-1	500-1	500-1½
Reynolds Int	LOM	Direct	5000	S-dn-10 R-L	400-1	400-1	400-1
				A-dn	800-2	800-2	800-2

Radar available.
Procedure turn S side of crs, 276° Outbnd, 096° Inbnd, 4300' within 10 miles.
Minimum altitude over facility on final approach crs, 4000'.
Crs and distance, facility to airport, 096°—3.8 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 3.8 miles after passing LOM, climb to 5500' on crs of 111° from Boise LOM within 10 miles, all turns S.
%Takeoff all runways: Shuttle climb on R 212° of BOI VORTAC within 20 miles to minimum crossing altitude required for direction of flight, or as directed by ATC.

Direction of flight	*MCA*
N V-253	6000
E 096° radial	5000
E V4N-500	6000

MSA within 25 miles of facility: 000°-090°—8600'; 090°-180°—7000'; 180°-270°—7400'; 270°-360°—8000'.

City, Boise; State, Idaho; Airport name, Boise Air Terminal; Elev., 2858'; Fac. Class., LOM; Ident., BO; Procedure No. NDB(ADF) Runway 10 L and R, Amdt. 16; Eff. date, 22 July 67; Sup. Amdt. No. ADF 1, Amdt. 15; Dated, 20 Aug 66

Embarrass Int	Clintonville RBn	Direct	2500	T-dn%	300-1	300-1	200-½
				C-d	600-1	600-1	600-1½
				C-n	600-1½	600-1½	600-1½
				S-dn-32	600-1	600-1	600-1
				A-dn	NA	NA	NA

Procedure turn E side of crs, 143° Outbnd, 323° Inbnd, 2500' within 10 miles.
Minimum altitude over facility on final approach crs, 1422'.
Facility on airport.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0 mile of RBn, make right-climbing turn to 2500' on 143° bearing from RBn within 10 miles.
NOTE: Use Green Bay altimeter setting.
CAUTION: E/W runway unlighted.
%The following takeoff restrictions apply when ceiling is less than 200' or visibility is less than 1 mile: (1) Aircraft departing Runway 32 climb to 1500' on runway heading before turning westbound; (2) Aircraft departing Runway 27 climb to 1500' on runway heading before turning northbound. Restrictions due to 978' tower, 1 mile WNW of airport.
MSA within 25 miles of facility: 000°-360°—2400'.

City, Clintonville; State, Wis.; Airport name, Clintonville Municipal; Elev., 822'; Fac. Class., MHW; Ident., CLI; Procedure No. NDB(ADF) Runway 32, Amdt. Orig.; Eff. date, 20 July 67

Manilla Int	Denison RBn	Direct	3100	T-dn	300-1	300-1	200-½
				C-d	900-1	900-1	900-1½
				C-n	900-2	900-2	900-2
				S-d-30	900-1	900-1	900-1
				S-n-30	900-1½	900-1½	900-1½
				A-dn	NA	NA	NA

Procedure turn N side of crs, 107° Outbnd, 287° Inbnd, 3100' within 10 miles.
Minimum altitude over facility on final approach crs, 2175'.
Facility on airport.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0 mile of RBn, make left-climbing turn to 3100' on 107° bearing from RBn within 10 miles.
NOTE: Use Omaha, Nebr., altimeter setting.
CAUTION: Runways 6-24 unlighted.
MSA within 25 miles of facility: 000°-300°—2800'.

City, Denison; State, Iowa; Airport name, Denison Municipal; Elev., 1275'; Fac. Class., MHW; Ident., DNS; Procedure No. NDB(ADF) Runway 30, Amdt. Orig.; Eff. date, 20 July 67 or upon commissioning of facility

Fishers Int	LOM	Direct	2000	T-dn	300-1	300-1	200-½
Rochester VOR	LOM	Direct	2000	C-dn	500-1	600-1	600-1½
Marion Int	LOM	Direct	2200	A-dn	800-2	800-2	800-2

Radar available.
Procedure turn N side of crs, 097° Outbnd, 277° Inbnd, 2000' within 10 miles of LOM.
Minimum altitude over facility on final approach crs, 2000'; over MM, 1309'.
Crs and distance, facility to airport, 277°—4.5 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.5 miles after passing Rochester LOM, make right-climbing turn to 3000', intercept R 298° of Rochester VOR, proceed to Spencerport Int. Hold W, 1-minute left turns, 118° Inbnd, or when directed by ATC, within 4.5 miles after passing LOM, climb to 2000' on 277° bearing from Rochester LOM, turn left, return to Rochester LOM. Hold E, 1-minute right turns, 097° Inbnd.
AIR CARRIER NOTE: Takeoff on Runway 12 and landing on Runway 30 not authorized.
MSA within 25 miles of facility: 010°-100°—2100'; 100°-190°—3300'; 190°-280°—2600'; 280°-010°—2100'.

City, Rochester; State, N.Y.; Airport name, Rochester-Monroe County; Elev., 560'; Fac. Class., LOM; Ident., RO; Procedure No. NDB(ADF) Runway 13, Amdt. 13; Eff. date, 22 July 67; Sup. Amdt. No. ADF 1, Amdt. 12; Dated, 3 July 65

Chicago Heights VORTAC	VPZ RBn	Direct	2300	T-dn	300-1	300-1	200-½
Knox VOR	VPZ RBn	Direct	2300	C-dn	700-1	700-1	700-1¼
King Int	VPZ RBn	Direct	2300	S-dn-27	700-1	700-1	700-1
				A-dn	NA	NA	NA

Procedure turn S side of crs, 076° Outbnd, 256° Inbnd, 2300' within 10 miles.
Minimum altitude over facility on final approach crs, 1461'.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0 mile, climb to 2300' on crs, 256° within 10 miles and return to the RBn.
NOTE: Use South Bend altimeter setting.
MSA within 25 miles of facility: 000°-360°—2200'.

City, Valparaiso; State, Ind.; Airport name, Porter County Municipal; Elev., 761'; Fac. Class., MHW; Ident., VPZ; Procedure No. NDB(ADF) Runway 27, Amdt. Orig.; Eff. date, 22 July 67

ADF STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Herndon VOR	GTN RBn	Direct	3000	T-dn	300-1	300-1	200-½
Ironsides Int	GTN RBn	Direct	3000	C-dn*	900-1	900-1	900-1½
DC RBn	GTN RBn	Direct	3000	S-dn-15¢*	900-1	900-1	900-1
				A-dn	1000-2	1000-2	1000-2

Radar available.
Procedure turn W side of crs, 324° Outbnd, 144° Inbnd, 3000' within 10 miles.
Minimum altitude over facility on final approach crs, 1800'.
Crs and distance, facility to airport, 144°—5.6 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 5.6 miles after passing GTN RBn, climb to 1000' on crs of 144°, make a right turn and proceed to DC RBn 1800', hold S DC RBn on bearing 181° Outbnd, 001° Inbnd, 1-minute left turns.
CAUTION: 596' monument, 1.6 miles N of airport.
¢Reduction not authorized.
*All turbojet aircraft 900-2.
MSA within 25 miles of facility: 270°-090°—2600'; 090°-270°—2500'.

City, Washington; State, D.C.; Airport name, Washington National; Elev., 15'; Fac. Class., MHW; Ident., GTN; Procedure No. NDB (ADF) Runway 15, Amdt. 4; Eff. date, 22 July 67; Sup. Amdt. No. NDB (ADF) Runway 15, Amdt. 3; Dated, 13 May 67

3. By amending the following very high frequency omnirange (VOR) procedures prescribed in § 97.11(c) to read:

VOR STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.
If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
				T-dn*	300-1	300-1	300-1
				C-d	900-1	900-1	900-1½
				C-n	900-2	900-2	900-2
				A-dn	NA	NA	NA
				Minimums with DME:			
				C-d	500-1	500-1	500-1½
				C-n	500-2	500-2	500-2

Procedure turn N side of crs, 267° Outbnd, 087° Inbnd, 2200' within 10 miles.
Minimum altitude over facility on final approach crs, 2200' (1485' over 5-mile DME Fix).
Crs and distance, facility to airport, 087°—7.8 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 7.8 miles after passing MBS VOR, climb to 2600' on MBS R 087° and proceed to Reese Int via MBS R 087° and FNT R 003°.
NOTE: Use Saginaw altimeter setting.
CAUTION: Two 779' towers near SE boundary of airport.
MSA within 25 miles of facility: 000°-090°—2200'; 090°-180°—2700'; 180°-270°—2600'; 270°-360°—1900'.

City, Bay City; State, Mich.; Airport name, James Clements Municipal; Elev., 585'; Fac. Class., L-BVORTAC; Ident., MBS; Procedure No. VOR-1, Amdt. 1; Eff. date, 22 July 67; Sup. Amdt. No. VOR-1, Orig.; Dated, 27 Apr. 67

Boston VOR	Lawrence VOR	Direct	2000	T-dn	300-1	300-1	200-½
Kennebunk VOR	Lawrence VOR (final)	Direct	2200	C-dn	600-1	600-1	600-1½
Manchester VOR	Lawrence VOR (final)	Direct	2200	S-dn-23	600-1	600-1	600-1
Nashua RBn	Lawrence VOR	Direct	2100	A-dn	800-2	800-2	800-2
Beverly RBn	Lawrence VOR	Direct	2000				

Radar available.
Procedure turn N side of crs, 057° Outbnd, 237° Inbnd, 2000' within 10 miles.
Minimum altitude over facility on final approach crs, 2000'; over Silver Lake Int, 2000'.
Crs and distance, facility to airport, 223°—18 miles; Silver Lake Int to airport, 223°—5.8 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 5.8 miles after passing Silver Lake Int, make right-climbing turn to 2000' direct LWM VOR. Hold NE of LWM VOR, 1-minute right turns, 237° Inbnd, or when directed by ATC, make right-climbing turn to 1600', direct BED RBn. Hold W of BED RBn, 112° Inbnd, left turns, 1 minute.
MSA within 25 miles of facility: 015°-105°—1600'; 105°-195°—1900'; 195°-285°—2400'; 285°-015°—2600'.

City, Bedford; State, Mass.; Airport name, Laurence G. Hanscom Field; Elev., 133'; Fac. Class., T-BVOR; Ident., LWM; Procedure No. VOR Runway 23, Amdt. Orig.; Eff. date, 22 July 67

VOR STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
BIL RBn	VOR	Direct	5300	T-dn%	300–1	300–1	200–½
Ryegate Int	VOR	Direct	5300	C-dn	500–1	500–1	500–1½
Rapelje DME Fix	VOR	Direct	5300	S-dn-9	500–1	500–1	500–1
R 195°, BIL VOR clockwise	R 250°, BIL VOR	Via 7-mile DME Arc.	5300	A-dn	800–2	800–2	800–2
R 330°, BIL VOR counterclockwise	R 250°, BIL VOR	Via 7-mile DME Arc.	5300				
7-mile DME Fix, R 250°	BIL VOR (final)	Direct	4700				

Procedure turn S side of crs, 250° Outbnd, 070° Inbnd, 5300' within 10 miles.
Minimum altitude over 7-mile DME Fix, R 250° on final approach crs, 5300'; over facility, 4700'.
Crs and distance, facility to airport, 070°—3.2 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 3.2 miles after passing BIL VOR, climb to 5500' on R 065° BIL VOR within 10 miles.
NOTE: Final approach from holding pattern at BIL VOR not authorized. Procedure turn required.
%When weather is below 600–2 and aircraft is southeastbound, flight below 4700' is prohibited SE of airport between BIL VOR radials 080° clockwise to 110° inclusive due to 4249' tower, 3 miles SE of airport.
MSA within 25 miles of facility: 000°–090°—5700'; 090°–180°—6800'; 180°–270°—6000'; 270°–360°—5300'.

City, Billings; State, Mont.; Airport name, Logan Field; Elev., 3096'; Fac. Class., H-BVORTAC; Ident., BIL; Procedure No. VOR Runway 9, Amdt. 10; Eff. date, 20 July 67, Sup. Amdt. No. VOR 1, Amdt. 9; Dated, 3 Sept. 66

Canyon Creek Int	BOI VOR	Direct	6000	T-dn%	300–1	300–1	200–½
Mayfield Int	BOI VOR	Direct	7000	C-dn	400–1	500–1	500–1½
Willow Creek Int	BOI VOR	Direct	7500	S-dn-10 R & L @#	400–1	400–1	400–1
				A-dn	800–2	800–2	800–2

Radar available.
Procedure turn S side of crs, 300° Outbnd, 120° Inbnd, 4500' within 10 miles.
Minimum altitude over Perkins Int on final approach crs, 3400'.
Crs and distance, Perkins Int to airport, 120°—2 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0 mile after passing BOI VOR, climb to 5500' on R 111° within 10 miles. All turns S.
NOTE: ADF equipment required for descent below 3400'.
@400–1½ authorized Runway 10L with operative ALS, except for 4-engine turbojets.
#400–¾ authorized with operative HIRL, except for 4-engine turbojets.
%Takeoff all runways: Shuttle climb on R 212° of BOI VORTAC within 20 miles to minimum crossing altitude required for direction of flight, or as directed by ATC.

Direction of flight	MCA	Direction of flight	MCA
N V-253	6000	E V4N-500	6000
E 096° radial	5000		

MSA within 25 miles of facility: 000°–090°—9000'; 090°–180°—7700'; 180°–270°—6700'; 270°–360°—8600'.

City, Boise; State, Idaho; Airport name, Boise Air Terminal; Elev., 2858'; Fac. Class., H-BVORTAC; Ident., BOI; Procedure No. VOR Runway 10R and L, Amdt. 9; Eff. date, 22 July 67; Sup. Amdt. No. VOR 1, Amdt. 8; Dated, 27 Aug. 66

Litchfield VOR	Quincy Int (final)	Direct	2600	T-dn	300–1	300–1	300–1
CWM RBn	Quincy Int	Direct	2600	C-dn	600–1	600–1	600–1½
				S-dn-21	600–1	600–1	600–1
				A-dn	NA	NA	NA

Procedure turn N side of crs, 060° Outbnd, 240° Inbnd, 2600' within 10 miles of Quincy Int.
Minimum altitude over Quincy Int on final approach crs, 2600'.
Crs and distance, Quincy Int to airport, 240°—4.5 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4.5 miles after passing Quincy Int, make right turn, climb to 2600' and return to Quincy Int.
NOTE: Use Battle Creek, Mich., altimeter setting.
MSA within 25 miles of facility: 000°–360°—2600'.

City, Coldwater; State, Mich.; Airport name, Branch County Memorial; Elev., 956'; Fac. Class., L-BVORTAC; Ident., LFD; Procedure No. VOR Runway 21, Amdt. Orig.; Eff. date, 20 July 67

				T-dn	300–1		
				C-dn	800–1		
				A-dn	NA	NA	NA
				#The following minimums apply if Red Bank, N.J. operation altimeter issued by N.Y. ARTCC:			
				C-dn	600–1		

Procedure turn W side of crs, 015° Outbnd, 195° Inbnd, 1900' within 10 miles.
Minimum altitude over facility on final approach crs, 1000'.
Crs and distance, facility to airport, 215°—2.3 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 2.3 miles after passing Colts Neck VOR, climb on crs, 215° to 1000' within 5 miles, make left-climbing turn, proceed direct to Colts Neck VOR climbing to 1900'. Hold S Colts Neck VOR, R 190°, 1-minute right turns.
NOTES: (1) Night operations authorized for NE-SW runway only. (2) Runway lights on request after 2200 local.
#Red Bank operations altimeter normally available 0600–2400 daily.
MSA within 25 miles of facility: 000°–090°—2000'; 090°–360°—1000'.

City, Colts Neck; State, N.J.; Airport name, Colts Neck; Elev., 100'; Fac. Class., L-VORTAC; Ident., COL; Procedure No. VOR-1, Amdt. 2; Eff. date, 22 July 67; Sup. Amdt. No. VOR 1, Amdt. 1; Dated, 3 Sept. 66

VOR STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Hallsville VOR	CBI VOR	Direct	2600	T-dn	300-1	300-1	200-½
Wilton Int	CBI VOR	Direct	2400	C-d	500-1	500-1	500-1½
Scott Int	CBI VOR	Direct	2400	C-n	500-1½	500-1½	500-1½
Harrisburg Int	Brown Int (final)	Direct	1300	S-d-17	500-1	500-1	500-1
				S-n-17	500-1½	500-1½	500-1½
				A-dn	800-2	800-2	800-2
				Minimums with dual VOR receivers:			
				S-d-17	400-1	400-1	400-1
				S-n-17	400-1½	400-1½	400-1½

Procedure turn W side of crs, 357° Outbnd, 177° Inbnd, 2000' within 10 miles.
Minimum altitude over Brown Int on final approach crs, 1278'.
Facility on airport. Crs and distance, Brown Int to VOR, 177°—4.3 miles: Breakoff point to Runway 17, 171°—1 mile.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0 mile after passing CBI VOR, make right turn, climbing to 2600' on CBI VOR, R 240 within 10 miles, make left turn and return to CBI VOR.
AIR CARRIER NOTE: Sliding scale not authorized.
CAUTION: (1) 1068' tower, 2 miles E of airport. (2) Threshold and boundary lights only. Boundary lights 200' from runway edge.
MSA within 25 miles of facility: 090°-180°—2800'; 180°-090°—2400'.

City, Columbia; State, Mo.; Airport name, Columbia Municipal; Elev., 778'; Fac. Class., L-BVOR; Ident., CBI; Procedure No. VOR Runway 17, Amdt. 6; Eff. date, 20 July 67; Sup. Amdt. No. Ter VOR-17, Amdt. 5; Dated, 23 July 66

Hallsville VOR	CBI VOR	Direct	2600	T-dn	300-1	300-1	200-½
Wilton Int	CBI VOR	Direct	2400	C-d	500-1	500-1	500-1½
JEF VOR	Scott Int	Direct	2400	C-n	500-1½	500-1½	500-1½
Scott Int	Stadium Int (final)	Direct	1900	S-d-35	400-1	400-1	400-1
				S-n-35	400-1½	400-1½	400-1½
				A-dn	800-2	800-2	800-2

Procedure turn W side of crs, 170° Outbnd, 350° Inbnd, 2400' within 10 miles of Stadium Int.
Minimum altitude over Stadium Int on final approach crs, 1900'.
Crs and distance, Stadium Int to VOR, 350°—4 miles, breakoff point to Runway 35, 351°—1 mile.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0 mile after passing CBI VOR, climb to 2600' on the CBI, R 357° within 10 miles, make left turn and return to CBI VOR, hold N on CBI VOR, R 357°, or when directed by ATC, climb to 2600' on the CBI VOR, R 357° within 10 miles, proceed direct to HLV VOR.
NOTE: Procedure authorized for dual VOR equipped aircraft only.
AIR CARRIER NOTE: Sliding scale not authorized.
CAUTION: (1) 1068' tower, 2 miles E of airport. (2) Threshold and boundary lights only. Boundary lights 200' from runway edge.
MSA within 25 miles of facility: 090°-180°—2800'; 180°-090°—2400'.

City, Columbia; State, Mo.; Airport name, Columbia Municipal; Elev., 778'; Fac. Class., L-BVOR; Ident., CBI; Procedure No. VOR Runway 35, Amdt. 4; Eff. date, 20 July 67; Sup. Amdt. No. Ter VOR-35, Amdt. 3; Dated, 23 July 66

				T-d %	1000-2	1000-2	1000-2
				T-n	NA	NA	NA
				C-d	2000-2	2000-2	2000-2
				C-n	NA	NA	NA
				A-d	2500-3	2500-3	2500-3
				A-n	NA	NA	NA

Procedure turn S side of crs, 282° Outbnd, 102° Inbnd, 4500' within 10 miles.
Minimum altitude over facility on final approach crs, 4000'.
Crs and distance, facility to airport, 102°—11.4 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0 mile, make immediate left-climbing turn to 5000' to EKN VOR, hold W on R 269° Inbnd, 1-minute right turns.
CAUTION: Obstructions reaching 3490', 3 miles W of airport.
AIR CARRIER NOTE: Night operations not authorized. Sliding scale not authorized. No reduction in landing visibility for local conditions. No reduction in takeoff minimums authorized.
%Takeoffs all runways: Climb direct to EN LFR, then via 042° bearing to intercept the EKN VOR, R 074°, then climb on R 074°.
MSA within 25 miles of facility: 000°-090°—5100'; 090°-180°—6100'; 180°-270°—5000'; 270°-360°—3300'.

City, Elkins; State, W. Va.; Airport name, Elkins-Randolph County; Elev., 1987'; Fac. Class., L-BVORTAC; Ident., EKN; Procedure No. VOR-1, Amdt. 2; Eff. date, 22 July 67; Sup. Amdt. No. VOR 1; Amdt. 1; Dated, 7 Sept. 63

Aurora VHF Int	UBG VOR	Direct	3000	T-dn %	500-1	500-1	500-1
Gladstone VHF Int	UBG VOR	Direct	3500	C-dn*	400-1	500-1	500-1½
10-mile DME Fix, R 085° clockwise	10-mile DME Fix, R 166°	10-mile DME Arc	3400	A-dn*	800-2	800-2	800-2
10-mile DME Fix, R 204° counter-clockwise	10-mile DME Fix, R 166°	10-mile DME Arc	3400				
10-mile DME Fix, R 166°	UBG VOR	Direct	3000				

Procedure turn W side of crs, 166° Outbnd, 346° Inbnd, 3000' within 10 miles.
Minimum altitude over UBG VOR on final approach crs, 3000': over Farmington FM/UBG, 346°—6-mile Fix, 2000'.
Crs and distance, UBG VOR to airport, 346°—11.1 miles; Farmington FM to airport, 346°—5.1 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 11.1 miles after passing UBG VOR or 5.1 miles after Farmington FM, turn right, climb direct UBG VOR; continue climb in holding pattern to 3000'.
*Alternate minimums not authorized when control zone not effective. Use Portland altimeter setting when control zone not effective. Circling minimums 100' higher when Portland altimeter setting used.
%Takeoffs all runways: Climb visually to 700' over the airport, thence direct to UBG VOR or as directed by ATC. MSA within 25 miles of facility: 000°-090°—3100'; 090°-180°—3800'; 180°-360°—4600'.

City, Hillsboro; State, Oreg.; Airport name, Portland-Hillsboro; Elev., 204'; Fac. Class., H-BVORTAC; Ident., UBG; Procedure No. VOR-1, Amdt. 5; Eff. date, 20 July, 67 or upon commissioning of Farmington FM; Sup. Amdt. No. VOR 1, Amdt. 4; Dated, 18 Aug 66

VOR STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Wilton Int	JEF VOR	Direct	2900	T-d	500-1	500-1	500-1
Algoa Int	JEF VOR	Direct	2400	T-n	500-2	500-2	500-2
CBI VOR	Scott Int	Direct	2400	C-dn$&	700-1	700-1	700-1½
Scott Int	Cole Int (final)	Direct	1800	S-dn-12$&@	700-1	700-1	700-1
Readsville Int	JEF VOR	Via JEF VOR, R 035°.	4000	A-dn$&	1000-2	1000-2	1000-2
Booneville Int	JEF VOR	Via JEF VOR, R 301°.	4000				

Procedure turn S side of crs, 301° Outbnd, 121° Inbnd, 2400' within 10 miles.
Minimum altitude over facility on final approach crs—*1247' (*1347' when control zone not effective).
Facility on airport. Crs and distance, Cole Int to airport, 121°—5.8 miles; breakoff point to Runway 12, 116°—0.9 mile.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0 mile after passing JEF VOR, climb to 2500' on JEF VOR, R 112° within 10 miles, make right turn and return to JEF VOR. Hold SE on JEF VOR, R 112°, 292° Inbnd, left turns.
NOTES: (1) Use Columbia, Mo., altimeter setting when control zone not effective. (2) If weather is below 1300-3, climb to 1200' on runway heading before departing to NE.
CAUTION: 985' tower located 1.3 miles W of airport. 1000' tower located 2.7 miles SE of airport. 1151' tower located 3.9 miles NE of airport. 1784' tower located 6.2 miles NE of airport.
$Circling and straight-in ceiling minimums are raised 100' and alternate minimums not authorized when control zone not effective.
&These minimums apply at all times for air carriers with approved weather reporting service.
@Reduction not authorized for nonstandard REIL.
MSA within 25 miles of facility: 000°-090°—2800'; 090°-180°—2300'; 180°-270°—2200'; 270°-360°—2700'.

City, Jefferson City; State, Mo.; Airport name, Jefferson City Memorial; Elev., 547'; Fac. Class., L-BVOR; Ident., JEF; Procedure No. VOR Runway 12, Amdt. 4; Eff. date, 20 July 67; Sup. Amdt. No. Ter VOR-12, Amdt. 3; Dated, 18 June 66

Wilton Int	JEF VOR	Direct	2900	T-d	500-1	500-1	500-1
Algoa Int	JEF VOR	Direct	2400	T-n	500-2	500-2	500-2
CBI VOR	Scott Int	Direct	2400	C-dn$&	800-1	800-1	800-1½
Scott Int	JEF VOR	Direct	2400	S-dn-30$&	800-1	800-1	800-1
Readsville Int	JEF VOR	Via JEF VOR, R 035°.	4000	A-dn$&	1000-2	1000-2	1000-2
Booneville Int	JEF VOR	Via JEF VOR, R 301°.	4000				

Procedure turn S side of crs, 112° Outbnd, 292° Inbnd, 2000' within 10 miles.
Minimum altitude over facility on final approach crs—*1347' (*1447' when control zone not effective).
Facility on airport. Crs and distance, breakoff point to Runway 30, 296°—0.9 mile.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0 mile after passing JEF VOR, make right turn climbing to 2500' on JEF VOR, R 112° within 10 miles, make right turn and return to JEF VOR.
NOTES: (1) If weather is below 1300-3, climb to 1200' on runway heading before departing to NE. (2) Use Columbia, Mo., altimeter setting when control zone not effective.
CAUTION: 985' tower located 1.3 miles W of airport. 1000' tower located 2.7 miles SE of airport. 1151' tower located 3.9 miles NE of airport. 1784' tower located 6.2 miles NE of airport.
&These minimums apply at all times for air carriers with approved weather reporting service.
$Circling and straight-in ceiling minimums are raised 100' and alternate minimums not authorized when control zone not effective.
MSA within 25 miles of facility: 000°-090°—2800'; 090°-180°—2300'; 180°-270°—2200'; 270°-360°—2700'.

City, Jefferson City; State, Mo.; Airport name, Jefferson City Memorial; Elev., 547'; Fac. Class., L-BVOR; Ident., JEF; Procedure No. VOR Runway 30, Amdt. 3; Eff. date, 20 July 67; Sup. Amdt. No. Ter VOR-30, Amdt. 2; Dated, 2 Apr. 66

Chilton Int	MTW VOR	Direct	2500	T-dn	300-1	300-1	300-1½
Franklin Int	MTW VOR	Direct	2500	C-d#	600-1	600-1½	600-1½
Larrabee Int	MTW VOR	Direct	2000	C-n#	600-2	600-2	600-2
Green Bay VOR	MTW VOR	Direct	3000	S-dn-17#	600-1	600-1	600-1
				A-dn#	800-2	800-2	800-2
				Minimums with Rockwood FM received:			
				S-dn-17#	500-1	500-1	500-1

Procedure turn W side of crs, 342° Outbnd, 162° Inbnd, 2000' within 10 miles.
Minimum altitude over Rockwood Fan Marker on final approach crs, *1251' (*1351' when control zone not effective).
Crs and distance, Rockwood Fan Marker to facility on airport, 162°—2.5 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0 mile of VOR, climb to 2000' on R 162° within 10 miles and return to VOR.
NOTE: Use Green Bay altimeter setting when control zone not effective. Circling and straight-in ceiling minimums are raised 100' and alternate minimums not authorized when control zone not effective.
#These minimums apply at all times for air carriers with approved weather reporting service.
MSA within 25 miles of facility: 000°-090°—1900'; 090°-180°—2000'; 180°-270°—2700'; 270°-360°—3100'.

City, Manitowoc; State, Wis.; Airport name, Manitowoc Municipal; Elev., 651'; Fac. Class., T-BVOR; Ident., MTW; Procedure No. VOR Runway 17, Amdt. 2; Eff. date, 22 July 67; Sup. Amdt. No. TerVOR-17, Amdt. 1; Dated, 12 Mar. 66

Chilton Int	MTW VOR	Direct	2500	T-dn	300-1	300-1	300-1½
Franklin Int	MTW VOR	Direct	2500	C-d#	600-1	600-1½	600-1½
Larrabee Int	MTW VOR	Direct	2000	C-n#	600-2	600-2	600-2
GRB VOR	MTW VOR	Direct	3000	S-dn-35#	600-1	600-1	600-1
				A-dn#	800-2	800-2	800-2

Procedure turn W side of crs, 175° Outbnd, 355° Inbnd, 2000' within 10 miles.
Minimum altitude over facility on final approach crs, *1251' (*1351' when control zone not effective).
Facility on airport.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0 mile of VOR, climb to 2000' on R 355° and return to VOR.
NOTE: Use Green Bay altimeter setting when control zone not effective. Circling and straight-in ceiling minimums are raised 100' and alternate minimums not authorized when control zone not effective.
#These minimums apply at all times for air carriers with approved weather reporting service.
MSA within 25 miles of facility: 000°-090°—1900'; 090°-180°—2000'; 180°-270°—2700'; 270°-360°—3100'.

City, Manitowoc; State, Wis.; Airport name, Manitowoc Municipal; Elev., 651'; Fac. Class., T-BVOR; Ident., MTW; Procedure No. VOR Runway 35, Amdt. 2; Eff. date, 22 July 67; Sup. Amdt. No. TerVOR-35, Amdt. 1; Dated, 12 Mar. 66

VOR STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
				T-dn	300-1	300-1	200-½
				C-dn	600-1	600-1	600-1½
				A-dn	NA	NA	NA
				Following minimums authorized when control zone in effect:			
				C-dn*	500-1	500-1	500-1½
				A-dn*	800-2	800-2	800-2

Procedure turn E side of crs, 128° Outbnd, 308° Inbnd, 7300' within 10 miles.
Minimum altitude over facility on final approach crs, 6040' (or control zone in effect, 5940').
Facility on airport.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0 mile turn left, climb to 8000' on R 128° within 20 miles of Silver City VOR. Proceed to Silver City VOR or as directed by ATC.
NOTES: (1) Use Deming altimeter setting when control zone not in effect. (2) Takeoff: Runway 08, turn right—Runway 26, turn left; climb in the holding pattern on R 128°, SE of Silver City VOR to minimum crossing altitude for direction of flight. MCA for departing aircraft: 8400'—southwestbound on V-202; 8700'—northeastbound on V-202.
*These minimums apply at all times for air carriers with approved weather reporting service.
MSA within 25 miles of facility: 000°-090°—10,700'; 090°-180°—9500'; 180°-270°—9100'; 270°-360°—10,100'.

City, Silver City; State, N. Mex.; Airport name, Silver City-Grant County; Elev., 5443'; Fac. Class., L-VORW; Ident., SVC; Procedure No. VOR-1, Amdt. Orig.; Eff. date, 20 July 67

R 161°, DAB VOR clockwise	R 256°	Via 8-mile DME Arc.	1500	T-dn	300-1	300-1	200-½
				C-dn	500-1	500-1	500-1½
R 360°, DAB VOR counterclockwise	R 256°	Via 8-mile DME Arc.	1500	S-dn-8	500-1	500-1	500-1
				A-dn	NA	NA	NA
8-mile DME Fix, R 256° DAB VOR	DAB VOR (final)	Via R 256°	529	LF/DME minimums:			
				S-dn-8	400-1	400-1	400-1

Procedure turn N side of crs, 256° Outbnd, 076° Inbnd, 1500' within 10 miles.
Minimum altitude over Karona VHF/LF/DME Fix on final approach crs, 529'; over facility, 529' (429' with DME).
Crs and distance, Karona VHF/LF/DME Fix to airport, 076°—3 miles, breakoff point to runway, 079°—0.7 mile.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0 mile of Daytona Beach VORTAC, make left-climbing turn to 1500' on R 360° of DAB VORTAC within 15 miles.
NOTE: Use Daytona Beach altimeter setting.
MSA within 25 miles of facility: 000°-090°—1300'; 090°-180°—1500'; 180°-270°—2100'; 270°-360°—1400'.

City, Ormond Beach; State, Fla.; Airport name, Municipal; Elev., 29'; Fac. Class., H-BVORTAC; Ident., DAB; Procedure No. VOR Runway 8, Amdt. Orig.; Eff. date, 20 July 67

Kalamazoo VOR	Parkville Int (final)	Direct	2800	T-dn	300-1	300-1	300-1
Centreville Int	Parkville Int	Via SBN, R 075° and AZO, R 187°.	2800	C-dn	500-1	500-1	500-1½
				A-dn	NA	NA	NA
Keeler VOR	Parkville Int	Via ELX, R 094° and AZO, R 187°.	2800				
Litchfield VOR	Parkville Int	Via LFD, R 276° and AZO, R 187°.	2800				

Procedure turn W side of crs, 007° Outbnd, 187° Inbnd, 2800' within 10 miles of Parkville Int.
Minimum altitude over Parkville Int on final approach crs, 2800'.
Crs and distance, facility to airport, 187°—5 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 5 miles after passing Parkville Int, climb to 2800' on AZO R 187° and return to Parkville Int.
NOTES: (1) Use Battle Creek, Mich. altimeter setting. (2) Dual VOR receivers required.
MSA within 25 miles of facility: 000°-360°—2400'.

City, Three Rivers; State, Mich.; Airport name, Dr. Haines; Elev., 830'; Fac. Class., L-BVOR; Ident., AZO; Procedure No. VOR-1, Amdt. Orig.; Eff. date, 22 July 67

4. By amending the following very high frequency omnirange—distance measuring equipment (VOR/DME) procedures prescribed in § 97.15 to read:

VOR/DME STANDARD INSTRUMENT APPROACH PROCEDURE

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
BIL VOR	10-mile DME Fix, R 078°	Direct	8700	T-dn%	300-1	300-1	200-½
R 330°, BIL VOR clockwise	R 078°, BIL VOR	Via 16-mile DME Arc.	8700	C-dn	500-1	500-1	500-1½
				S-dn-27	400-1	400-1	400-1
R 114°, BIL VOR counterclockwise	R 078°, BIL VOR	Via 16-mile DME Arc.	8700	A-dn	800-2	800-2	800-2
Huntley DME Fix	10-mile DME Fix, R 078° (final)	Direct	5200				

Procedure turn N side of crs, 078° Outbnd, 258° Inbnd, 5700' between 10- and 20-mile DME Fix, R 078°.

Minimum altitude over 16-mile DME Fix, R 078° on final approach crs, 5700', 10-mile DME Fix, R 078°, 5200'.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished at 4.6-mile DME Fix, R 078°, climb to 5300' on R 256° of BIL VOR within 10 miles.

NOTE: Final approach from holding pattern at 10-mile DME Fix, R 078° not authorized. Procedure turn required.

%When weather is below 600-2 and aircraft is southeastbound, flight below 4700' is prohibited SE of airport between BIL VOR radials 080° clockwise to 110° inclusive due to 4249' tower, 3 miles SE of airport.

MSA within 25 miles of facility: 000°-090°—8700'; 090°-180°—6800'; 180°-270°—6000; 270°-360°—5300'.

City, Billings; State, Mont.; Airport name, Logan Field; Elev., 3606; Fac. Class., H-BVORTAC; Ident., BIL; Procedure No. VOR/DME Runway 27, Amdt. 7; Eff. date, 20 July 67; Sup. Amdt. No. VOR/DME No. 2, Amdt. 6; Dated, 15 Oct. 66

10-mile DME Fix, R 342°	BOI VORTAC	Direct	7000				
25-mile DME Fix, R 111°	17-mile DME Fix, R 111°	Direct	6000	T-dn%	300-1	300-1	200-½
17-mile DME Fix, R 111°	7-mile DME Fix, R 111°	Direct	4500	C-dn	500-1	500-1	500-1½
7-mile DME Fix, R 111°	3-mile DME Fix, R 111°	Direct	3800	A-dn	800-2	800-2	800-2
3-mile DME Fix, R 111°	1.5-mile DME Fix, R 111°	Direct	3358				

Radar available.

Procedure turn not authorized.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished at 1.5-mile DME Fix, R 111°, climb to 4200' on R 286° within 10 miles.

NOTES: (1) When authorized by ATC, DME may be used within 20 miles at 9500' between R 315° clockwise to R 111°, 6000' between R 111° clockwise to R 315° to position aircraft for final approach. (2) Minimum altitude over 17-mile DME Fix, R 111°, 6000'; over 7-mile DME Fix, R 111°, 4600'; over 3-mile DME Fix, R 111°, 3800'; over 1.5-mile DME Fix, R 111°, 3358'.

%Takeoff all runways: Shuttle climb on R 212° of BOI VORTAC within 20 miles to minimum crossing altitude required for direction of flight, or as directed by ATC.

Direction of flight	*MCA*
N V-253	6000
E 096° radial	5000
E V4N-500	6000

MSA within 25 miles of facility: 000°-090°—9000'; 090°-180°—7700'; 180°-270°—6700'; 270°-360°—8600'.

City, Boise; State, Idaho; Airport name, Boise Air Terminal; Elev., 2858'; Fac. Class., H-BVORTAC; Ident., BOI; Procedure No. VOR/DME-2, Amdt. 5; Eff. date, 22 July 67; Sup. Amdt. No. VOR/DME No. 2, Amdt. 4; Dated, 10 Sept. 66

Emmett Int	15-mile DME Fix, R 300°	Direct	5000	T-dn%	300-1	300-1	200-½
15-mile DME Fix, R 300°	7-mile DME Fix, R 300°	Direct	3700	C-dn	400-1	500-1	500-1½
7-mile DME Fix, R 300°	2-mile DME Fix, R 300°	Direct	3400	S-dn-10 I & R@#	400-1	400-1	400-1
2-mile DME Fix, R 300°	BOI VORTAC	Direct	3258	A-dn	800-2	800-2	800-2

Radar available.

Procedure turn not authorized.

Minimum altitude over 15-mile DME Fix, R 300°, 5000'; over 7-mile DME Fix, R 300°, 3700'; over 2-mile DME Fix, R 300°, 3400'; over VOR, 3258'.

If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 0 mile, climb to 5500' on R 111° within 10 miles. All turns S.

NOTE: When authorized by ATC, DME may be used between 8 and 20 miles at 9500' between R 315° clockwise to R 111° and 6000' between R 111° clockwise to R 315° to position aircraft for final approach.

@400-½ authorized Runway 10L with operative ALS, except for 4-engine turbojets.

#400-¾ authorized with operative HIRL, except for 4-engine turbojets.

%Takeoff all runways: Shuttle climb on the 212° radial of the BOI VORTAC within 20 miles to minimum crossing altitude required for direction of flight, or as directed by ATC.

Direction of flight	*MCA*
N V-253	6000
E 096° radial	5000
E V4N-500	6000

MSA within 25 miles of facility: 000°-090°—9000'; 090°-180°—7700'; 180°-270°—6700'; 270°-360°—8600'.

City, Boise; State, Idaho; Airport name, Boise Air Terminal; Elev., 2858'; Fac. Class., H-BVORTAC; Ident., BOI; Procedure No. VOR/DME Runway 10 L and R, Amdt. 4; Eff. date, 22 July 67; Sup. Amdt. No. VOR/DME No. 1, Amdt. 3; Dated, 27 Aug. 66

PROCEDURE CANCELED, 20 JULY 1967 OR CONCURRENT WITH EFFECTIVE DATE OF VOR-1, AMDT. 5.

City, Hillsboro; State, Oreg.; Airport name, Portland-Hillsboro; Elev., 204'; Fac. Class., H-BVORTAC; Ident., UBG; Procedure No. VOR/DME No. 1, Amdt. 3; Eff. date, 18 Aug. 66; Sup. Amdt. No. 2; Dated, 16 Apr. 66

5. By amending the following instrument landing system procedures prescribed in § 97.17 to read:

ILS STANDARD INSTRUMENT APPROACH PROCEDURES

Bearings, headings, courses and radials are magnetic. Elevations and altitudes are in feet MSL. Ceilings are in feet above airport elevation. Distances are in nautical miles unless otherwise indicated, except visibilities which are in statute miles.

If an instrument approach procedure of the above type is conducted at the below named airport, it shall be in accordance with the following instrument approach procedure, unless an approach is conducted in accordance with a different procedure for such airport authorized by the Administrator of the Federal Aviation Agency. Initial approaches shall be made over specified routes. Minimum altitudes shall correspond with those established for en route operation in the particular area or as set forth below.

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
BIL VOR	LOM	Direct	5300	T-dn*%	300–1	300–1	200–½
BIL RBn	LOM	Direct	5300	C-dn	500–1	500–1	500–1½
8-mile DME Fix, R 284°	OM (final)	Direct	5000	S-dn-9#¢	200–½	200–½	200–½
Musselshell Int	LOM	Direct	6000	A-dn	600–2	600–2	600–2
Rapelje DME Fix	LOM	Direct	5300				
Ryegate Int	LOM	Direct	5300				
12-mile DME Fix, R 284°, BIL VOR	W crs ILS (final)	Via R 284, BIL VOR.	5000				
R 195°, BIL VOR clockwise	R 284°, BIL VOR	Via 8-mile DME Arc.	5300				
BIL VOR, R 330° counterclockwise	BIL VOR, R 300°	Via 10-mile DME Arc.	5400				
10-mile DME Fix BIL VOR, R 300°	BIL LOC	DR (2-mile, 185°)	5400				
DR Position BIL LOC	OM (final)	LOC crs	5000				

Procedure turn S side of crs, 275° Outbnd, 095° Inbnd, 5300' within 10 miles.
Minimum altitude at glide slope interception Inbnd, 5000'.
Altitude of glide slope and distance to approach end of runway at OM, 4894'—4 miles; at MM, 3815'—0.6 mile.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 4 miles after passing LOM, climb to 5300' on E crs of the ILS within 10 miles, or when directed by ATC, climb to 5300' on R 053°, BIL VOR within 10 miles, or climb to 5300' on R 114°, BIL VOR within 10 miles.
NOTE: Final approach from holding p ttern at LOM not authorized. Procedure turn required.
*RVR 2400' authorized Runway 9.
%When weather is below 500-2 and aircraft is southeastbound, flight below 4700' is prohibited SE of airport between BIL VOR radials 080° clockwise to 110° inclusive due to 4249' tower, 3 miles SE of airport.
#400-¾ required when glide slope not utilized. 400-½ authorized with operative ALS except for 4-engine turbojets.
¢RVR 2400'. Descent below 3806' not authorized unless approach lights are visible.
MSA within 25 miles of LOM: 000°–090°—5700'; 090°–270°—6000'; 270°–360°—5300'.

City, Billings; State, Mont.; Airport name, Logan Field; Elev., 3606'; Fac. Class., ILS; Ident., I-BIL; Procedure No. ILS Runway 9, Amdt. 15; Eff. date, 20 July 67; Sup. Amdt. No. ILS-9, Amdt. 14; Dated, 14 Jan. 67

Lynn Int	BIL RBn	Direct	5700	T-dn%	300–1	300–1	200–½
Indian Int	BIL RBn	Direct	5700	C-dn	500–1	500–1	500–1½
Shepherd Int	BIL RBn	Direct	5700	S-dn-27*	400–1	400–1	400–1
Trask Int	BIL RBn	Direct	5700	A-dn	800–2	800–2	800–2
BIL VOR	BIL RBn	Direct	5700				
BIL LOM	BIL RBn	Direct	5700				
BIL VOR, R 114° counterclockwise	BIL VOR, R 090°	Via 16-mile DME Arc.	5700				
BIL VOR, R 330° clockwise	BIL VOR, R 083°	Via 17-mile DME Arc.	5700				
17-mile DME Fix BIL VOR, R 083°	BIL LOC	DR (2-mile, 185°)	5700				
DR position BIL LOC	BIL RBn (final)	Via LOC crs	5000				
16-mile DME Fix BIL VOR, R 090°	BIL RBn (final)	Direct	5000				

Procedure turn N side of crs, 095° Outbnd, 275° Inbnd, 5700' within 10 miles of BIL RBn.
Minimum altitude over facility on final approach crs, 5000'.
Crs and distance, facility to airport, 275°—5.9 miles.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 5.9 miles of RBn, climb to 5300' on W crs of ILS within 10 miles.
NOTE: Final approach from holding pattern at RBn not authorized. Procedure turn required.
*400-¾ authorized with operative HIRL, except for 4-engine turbojets.
%When weather is below 600-2 and aircraft is southeastbound, flight below 4700' is prohibited SE of airport between BIL VOR radials 080° clockwise to 110° inclusive due to 4249' tower, 3 miles SE of airport.
MSA within 25 miles of BIL RBn: 000°–090°—5300'; 090°–180°—8300'; 180°–270°—7700'; 270°–360°—5700'.

City, Billings; State, Mont.; Airport name, Logan Field; Elev., 3606'; Fac. Class, ILS; Ident., I-BIL; Procedure No. LOC (BC) Runway 27, Amdt. Orig.; Eff. date, 20 July 67

Parma Int*	LOM (final)	Direct	4000	T-dn%**	300–1	300–1	200–½
				C-dn	400–1	500–1	500–1½
BOI VOR	LOM	Direct	4300	S-dn-10L##	200–½	200–½	200–½
15-mile DME Fix, R 347°, BOI VOR	15-mile DME Fix, R 315°, BOI VOR	Via 15-mile Arc	8500	A-dn	600–2	600–2	600–2
Nampa DME Int*	LOM (final)	Direct	4000				
Reynolds Int	LOM	Direct	5000				
Canyon Creek	LOM	Direct	6000				

Radar available.
Procedure turn S side of crs, 276° Outbnd, 096° Inbnd, 4300' within 10 miles.
Minimum altitude over facility on final approach crs, 3900'.
Minimum altitude at glide slope interception Inbnd, 3900'.
Altitude of glide slope and distance to approach end of runway at OM, 3900'—3.8 miles; at MM, 3055'—0.6 mile.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished within 3.8 miles of OM, climb to 5500' on R 111° BOI VOR within 20 miles, or when directed by ATC, turn right and climb to 7500' on R 212° BOI VOR within 20 miles or right-climbing turn direct to BO LOM, shuttle climb W of BO LOM to 4300' on W crs of BOI ILS within 10 miles.
NOTE: When authorized by ATC, DME may be used from 20 miles to 12 miles at 6000' between radial 210° clockwise to radial 315° BOI VOR to position aircraft over Nampa Int for final approach with the elimination of procedure turn.
*Maintain 4000' until interception of glide slope. Descend on glide slope to cross LOM at 3900'.
%Takeoff all runways: Shuttle climb on R 212° of the BOI VORTAC within 20 miles to minimum crossing altitude required for direction of flight, or as directed by ATC

Direction of flight	*MCA*
N V-253	6000
E 096° radial	5000
E V4N-500	6000

#300-½ authorized without glide slope and with operative ALS except for 4-engine turbojets.
**RVR 2400' authorized Runway 10L.
§RVR 2400'. Descent below 3058' not authorized unless approach lights are visible.
MSA within 25 miles of LOM: 000°–090°—8600'; 090°–180°—7000'; 180°–270°—7400'; 270°–360°—8000'.

City, Boise; State, Idaho; Airport name, Boise Air Terminal; Elev., 2858'; Fac. Class., ILS; Ident., I-BOI; Procedure No. ILS Runway 10L, Amdt. 18; Eff. date, 22 July 67; Sup. Amdt. No. ILS-10L, Amdt. 17; Dated, 1 Oct. 66

ILS STANDARD INSTRUMENT APPROACH PROCEDURE—Continued

Transition				Ceiling and visibility minimums			
From—	To—	Course and distance	Minimum altitude (feet)	Condition	2-engine or less		More than 2-engine, more than 65 knots
					65 knots or less	More than 65 knots	
Marion Int	LOM	Direct	2200	T-dn@	300-1	300-1	200-½
Rochester VOR	LOM	Direct	2000	C-dn	500-1	600-1	600-1½
Fishers Int	LOM	Direct	2000	S-dn-28%#	200-½	200-½	200-½
				A-dn#	600-2	600-2	600-2
				With glide slope inoperative:			
				C-dn*	500-1	600-1	600-1½
				S-dn-28**##	500-1	500-1	500-1½

Radar available.
Procedure turn N side of crs, 097° Outbnd, 277° Inbnd, 2000' within 10 miles of LOM.
Minimum altitude at glide slope interception Inbnd, 2000'.
Altitude of glide slope and distance to approach end of runway at OM, 2000'—4.5 miles; at MM, 780'—0.6 mile.
If visual contact not established upon descent to authorized landing minimums or if landing not accomplished, make right-climbing turn to 3000', intercept R 298° of Rochester VOR, proceed to Spencerport Int. Hold W, 1-minute left turns, 118° Inbnd, or when directed by ATC, make left-climbing turn to 4000', proceed to Geneseo VOR hold SE, 1-minute right turns, 333° Inbnd.
AIR CARRIER NOTE: Takeoff on Runway 12 and landing on Runway 30 not authorized.
CAUTION: (1) Multiple unshielded lights in final approach area. (2) Glide slope unusable below 760'. (3) Back crs unusable.
%RVR 2400'. Descent below 760' not authorized unless approach lights are visible.
*Maintain 1300' to MM.
**Minimum altitude 1300' over 2-mile Radar Fix.
#All installed components of the ILS must be operating otherwise alternate minimums of 800-2 apply.
##Reduction not authorized.
@RVR 2400' authorized Runway 28.
MSA within 25 miles of RO LOM: 010°-100°—2100'; 100°-190°—3300'; 190°-280°—2600'; 280°-010°—2100'.

City, Rochester; State, N.Y.; Airport name, Rochester-Monroe County; Elev., 560'; Fac. Class., ILS; Ident., I-ROC; Procedure No. ILS Runway 28, Amdt. 16; Eff. date, 22 July 67; Sup. Amdt. No. ILS-28, Amdt. 15; Dated, 10 Sept. 66.

These procedures shall become effective on the dates specified therein.

(Secs. 307(c), 313(a), 601, Federal Aviation Act of 1958; 49 U.S.C. 1348(c), 1354(a), 1421; 72 Stat. 749, 752, 775)

Issued in Washington, D.C., on June 15, 1967.

RICHLAND S. SLIFF,
Acting Director, Flight Standards Service.

[F.R. Doc. 67-7072; Filed, June 29, 1967; 8:45 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER E—ALCOHOL, TOBACCO, AND OTHER EXCISE TAXES

[T.D. 6923]

PART 198—PRODUCTION OF VOLATILE FRUIT-FLAVOR CONCENTRATES

Removal of Concentrate

In order to liberalize the provisions of 26 CFR 198.114 with respect to the removal of concentrate from the place of manufacture, and to incorporate the provisions of Revenue Ruling 65-253 (C.B. 1965-2, 516) into the regulations, the regulations in 26 CFR Part 198 are amended as follows:

PARAGRAPH 1. Section 198.114 is amended to liberalize the provisions of regulations with respect to the removal of concentrate from the place of manufacture. As amended, § 198.114 reads as follows:

§ 198.114 Removal of concentrate.

(a) *General.* Concentrate fit for use as a beverage or which contains more than 15 percent alcohol by volume may not be removed from the place of manufacture: *Provided*, That the limitations of this section shall not be applicable to concentrates to be transferred to a bonded wine cellar under the provisions of § 198.116.

(b) *Without addition of substances.* Concentrate containing not more than 15 percent alcohol by volume may be removed from the place of manufacture without being modified by the addition of any substance, unless the Director finds that the concentrate is fit for use as a beverage and requires the addition thereto of substances specified in paragraph (c) of this section. In any instance where a concentrate is found to be fit for beverage use, such concentrate shall not be removed from the place of manufacture without the addition of substances as specified in paragraph (c) of this section.

(c) *With addition of substances.* Where a proprietor desires to remove from the place of manufacture a concentrate which has been found to be fit for beverage use, there shall be added to each gallon thereof not less than:

(1) 8⅗ pounds of sucrose; or

(2) 1 gallon of concentrated fruit juice of not less than 70 degrees Brix made from the same kind of fruit used in the manufacture of the concentrate; or

(3) 2½ ounces of any one of the following:

(i) Malic acid;

(ii) Citric acid;

(iii) Tartaric acid.

PAR. 2. A new § 198.114a is inserted, immediately following § 198.114, to read as follows:

§ 198.114a Adjustment of alcohol content.

In order to achieve compliance with the limitations of §§ 198.114 and 198.116 as to the alcohol content of concentrates which may be removed from concentrate plant premises, a proprietor may reduce the alcohol content of any such concentrate to the necessary level by the addition of water if such reduction does not result in a concentrate of less than 100 fold.

Because this Treasury decision merely liberalizes the provisions of regulations with respect to the removal of concentrates, it is found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under 5 U.S.C. 553(b). This Treasury decision shall become effective on the first day of the first month which begins not less than 30 days following the date of publication in the FEDERAL REGISTER.

(This Treasury decision is issued under the authority contained in sec. 7805 of the Internal Revenue Code (68A Stat. 917; 26 U.S.C. 7805))

[SEAL] SHELDON S. COHEN,
Commissioner of Internal Revenue.

Approved: June 26, 1967.

STANLEY S. SURREY,
Assistant Secretary of the Treasury.

[F.R. Doc. 67-7452; Filed, June 29, 1967; 8:48 a.m.]

Title 37—PATENTS, TRADEMARKS, AND COPYRIGHTS

Chapter II—Copyright Office, Library of Congress

PART 201—GENERAL PROVISIONS

Inspection and Copying of Records and Other Documents

Effective July 4, 1967, § 201.2 of Chapter II of Title 37 of the Code of

Federal Regulations is amended as follows: Section 201.2 is amended by adding a new subparagraph (3) to paragraph (b) and by revising subparagraphs (1) and (3) of paragraph (c) to read as follows:

§ 201.2 Information given by the Copyright Office.

* * * * *

(b) *Inspection and copying of records.* * * *

(3) The Copyright Office maintains an administrative staff manual, referred to as its "Compendium of Office Practices," and an index to the manual, for the general guidance of its staff in making registrations and recording documents. The manual and index, as amended and supplemented from time to time, are available in the Copyright Office for public inspection and copying.

(c) *Correspondence.* (1) Official correspondence, including preliminary applications, between copyright claimants or their agents and the Copyright Office, and directly relating to a completed registration or to a recorded document, is made available for public inspection. Requests for photocopies of the correspondence shall be made pursuant to paragraph (d) of this section.

* * * * *

(3) Correspondence, memoranda, reports, opinions, and similar material relating to internal matters of personnel and procedures, office administration, security matters, and internal consideration of policy and decisional matters, including the work product of an attorney, are not open to public inspection.

(Sec. 207, 61 Stat. 666; 17 U.S.C. 207)

Dated: June 26, 1967.

ABRAHAM L. KAMINSTEIN,
Register of Copyrights.

Approved:

L. QUINCY MUMFORD,
Librarian of Congress.

[F.R. Doc. 67-7414; Filed, June 29, 1967; 8:45 a.m.]

Title 45—PUBLIC WELFARE

Subtitle A—Department of Health, Education, and Welfare, General Administration

PART 5—AVAILABILITY OF INFORMATION TO THE PUBLIC PURSUANT TO PUBLIC LAW 90-23

This regulation describes the availability to the public of records of the Department of Health, Education, and Welfare pursuant to Public Law 90-23, the Public Information Act. The effect of the Act is to reinforce the Department's open-door public information policy.

The regulation formalizes the Department's policy of the fullest possible disclosure of records consistent with those obligations of confidentiality and administrative necessities which are recognized by the Act. In regard both to the information that is available to the public and to the sources from which it may be obtained this regulation supplements existing procedures and does not replace or restrict them. The normal channels through which information has regularly been made available to the public will continue to be accessible and to provide the same or greater services in the public interest; in addition, new information centers will provide records search and copying services as contemplated by the Act.

The Act and regulation do not direct the withholding of any record or other information, although they leave unchanged the requirements of confidentiality imposed under other laws. Materials exempted by the Act and regulation from mandatory disclosure, including materials of the kinds listed in appendix A, will continue to be made available when this can be done consistently with obligations of confidentiality and administrative necessity.

The regulation describes certain informational materials which will be available in each public information center; indicates the new and additional methods of requesting records; limits the Department officials who may deny such requests, and provides for appeals from denials.

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Subpart F—Exemptions

5.70 Exemptions.
5.71 Records specifically required by Executive order to be kept secret in the interest of the national defense or foreign policy.
5.72 Records relating solely to the internal personnel rules and practices of the Department.
5.73 Records specifically exempted from disclosure by statute.
5.74 Trade secrets and commercial or financial information obtained from any person and privileged or confidential.
5.75 Interagency or intraagency memorandums or letters which would not be available by law to a private party in litigation with the agency.
5.76 Personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.
5.77 Investigatory files compiled for law enforcement purposes except to the extent available by law to a private party.
5.78 Records contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of the Department or any operating agency responsible for the regulation or supervision of financial institutions.
5.79 Geological and geophysical information and data (including maps) concerning wells.

Subpart G—Administrative Review

5.80 Review of denial of a record.
5.81 Time for initiation of request for review.
5.82 By whom review is made.
5.83 Contents of request for review.
5.84 Consideration on review.
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Appendix A—Examples of kinds of exempt records.

AUTHORITY: The provisions of this Part 5 issued under 5 U.S.C. 552, as amended by Public Law 90-23.

Subpart A—Definitions

§ 5.1 Act.

As used in this part, "Act" means section 552 of Title 5, United States Code, as amended by Public Law 90-23, codifying the Act of July 4, 1966, sometimes referred to as the "Public Information Act".

§ 5.2 Department.

As used in this part, "Department" means the Department of Health, Education, and Welfare, which consists of the Office of the Secretary and the several operating agencies.

§ 5.3 Operating agency.

As used in this part, "operating agency" means the constituent operating agencies of the Department, i.e., the Public Health Service, the Office of Education, the Social Security Administration, the Welfare Administration, the Food and Drug Administration, the Vocational Rehabilitation Administration, the Administration on Aging, and Saint Elizabeths Hospital.

§ 5.4 Heads of Office of Secretary and operating agencies.

(a) The heads of the Office of the Secretary and the operating agencies are the following:

Office of the Secretary—Secretary of Health, Education, and Welfare.
Public Health Service—Surgeon General.
Office of Education—Commissioner of Education.

Social Security Administration—Commissioner of Social Security.
Welfare Administration—Commissioner of Welfare.
Vocational Rehabilitation Administration—Commissioner of Vocational Rehabilitation.
Administration on Aging—Commissioner on Aging.
Food and Drug Administration—Commissioner of Food and Drugs.
Saint Elizabeths Hospital—Superintendent.

(b) For the purposes of this part, the Secretary of Health, Education, and Welfare or the head of the operating agency includes his delegatee or designee.

§ 5.5 Records.

As used in this part:

(a) "Record" includes books, brochures, punch cards, magnetic tapes, paper tapes, sound recordings, maps, pamphlets, photographs, slides, motion pictures, or other documentary materials, regardless of physical form or characteristics, made or received by the Department in pursuant of Federal law or in connection with the transaction of public business and preserved by the Department as evidence of the organization, functions, policies, decisions, procedures, operations, programs, or other activities.

(b) "Record" does not include: Objects or articles such as tangible exhibits, models, equipment, or processing materials; or formulae, designs, drawings, or other items of valuable property; books, magazines, pamphlets, or other reference material in formally organized and officially designated libraries of the Department, which are available under the rules of the particular library concerned.

Subpart B—What Records Are Available

§ 5.11 Purpose and scope.

This part constitutes the regulation of the Department respecting the availability to the public, pursuant to the Act, of records of the Department. It informs the public about what records are available and where and how they may be obtained. It does not revoke, modify, or supersede the following regulations of operating agencies:

Social Security Administration—20 CFR Part 401.
Food and Drug Administration—21 CFR Part 4.
Public Health Service—42 CFR Part 1.
Saint Elizabeths Hospital—42 CFR Part 301.

§ 5.12 General policy.

The Department's policy is one of the fullest responsible disclosure limited only by the obligations of confidentiality and the administrative necessities recognized by the Act. Unless otherwise exempted from disclosure pursuant to law, records of the Department shall be available for inspection and copying in accordance with this part. The establishment of records search and copying services in especially designated centers shall supplement, and in no way curtail, the free access of public inquirers throughout the Department.

§ 5.13 Records available.

(a) *Publication in the Federal Register.* The following shall be published in the FEDERAL REGISTER:

(1) Descriptions of the Department's central and field organization and the established places at which, the officers from whom, and the methods whereby, the public may secure information, make submittals or requests, or obtain decisions;

(2) Statements of the general course and method by which the Department's functions are channeled and determined, including the nature and requirements of all formal and informal procedures available;

(3) Rules of procedures, descriptions of forms available or the places at which forms may be obtained, and instructions as to the scope and contents of all papers, reports, or examinations;

(4) Substantive rules of general applicability adopted as authorized by law, and statements of general policy or interpretations of general applicability formulated and adopted by the Department;

(5) Every amendment, revision, or repeal of the foregoing.

(b) *Agency opinions and orders.* The Department shall, in accordance with this part and applicable regulations, make available for public inspection and copying:

(1) All final opinions (including concurring and dissenting opinions) and all orders made in the adjudication of cases (initial decisions and reconsiderations thereof in matters that are not the result of administrative proceedings such as hearings or formal appeals—for example, initial decisions and reconsiderations on claims for benefits—are not "opinions and orders in the adjudication of cases");

(2) Those statements of policy and interpretations which have been adopted by the agency and are not published in the FEDERAL REGISTER;

(3) Administrative staff manuals and instructions to staff that affect any member of the public;

unless such materials are promptly published and copies offered for sale.

The Department shall maintain and make available for public inspection and copying current indexes providing identifying information for the public as to any matter which is issued, adopted, or promulgated after July 4, 1967, and which is required by this paragraph (b) to be published or made available.

(c) *Availability of records on request.* In addition to the records made available pursuant to paragraphs (a) and (b) of this section, the Department shall, upon request for identifiable records made in accordance with this part, make such records available to any person, unless it is determined that such records must be withheld from disclosure and are exempt under subsection (b) of the Act and Subpart F of this part.

§ 5.14 Published documents.

Published records of the Department, whether or not available for purchase, shall be made available for examination in or through the appropriate Information Centers.

§ 5.15 Creation of records.

Records are not required to be created by compiling selected items from the files, and records are not required to be created to provide the requester with such data as ratios, proportions, percentages, per capitas, frequency distributions, trends, correlations, and comparisons. If such data have been compiled and are available in the form of a record, the record shall be made available as provided in this part.

§ 5.16 Deletion of identifying details.

Whenever any final opinion, order, or other materials required to be made available pursuant to subsection (a)(2) of the Act relates to a private party or parties and the release of the name or names or other identifying details will constitute a clearly unwarranted invasion of personal privacy, the record shall be published or made available with such identifying details left blank, or shall be published or made available with obviously fictitious substitutes and with a notification such as the following as a preamble:

Names of parties and certain other identifying details have been removed [and fictitious names substituted] in order to prevent a clearly unwarranted invasion of the personal privacy of the individuals involved.

§ 5.17 Records in record centers.

When a request is made for identifiable records of the Department which have been stored in the National Archives or other record centers of the General Services Administration, but would otherwise be available under this Act, such records shall be requested by the Department for the requester.

§ 5.18 Destroyed records.

Records of specified form or character are destroyed after the lapse of time specified in the Records Disposal Act of 1943 (44 U.S.C. 366–380), the Federal Property Management Regulations (41 CFR Part 101–111), and the Records Control Schedules (Appendices A and B of the Department of Health, Education, and Welfare Records Management Manual).

§ 5.19 Records of other departments and agencies.

Requests for records which originated in or concern matters which originated in another Department or Government agency may be forwarded to the Department or agency primarily concerned and the requester so notified.

Subpart C—Where Information Centers Are Located

§ 5.31 Information centers or facilities.

(a) The Department maintains its Central Information Center at the following location:

Department of Health, Education, and Welfare, North Building, 330 Independence Avenue SW., Washington, D.C. 20201.

This Center shall include a records reference and copying service, and shall have as its primary goal the provision, as far as possible, of information service covering the programs and activities of the Department.

(b) The Department maintains an Information Center or information facilities in each of its Regional Offices as follows:

Region I—John F. Kennedy Federal Building, Boston, Mass. 02203.
Region II—42 Broadway, New York, N.Y. 10004.
Region III—220 Seventh Street NE., Charlottesville, Va. 22901.
Region IV—50 Seventh Street NE., Atlanta, Ga. 30323.
Region V—New Post Office Building, 433 West Van Buren Street, Chicago, Ill. 60607.
Region VI—601 East 12th Street, Kansas City, Mo. 64106.
Region VII—1114 Commerce Street, Dallas, Tex. 75202.
Region VIII—Federal Office Building, 19th and Stout Streets, Denver, Colo. 80202.
Region IX—Federal Office Building, 50 Fulton Street, San Francisco, Calif. 94102.

(c) The following operating agencies of the Department maintain subsidiary centers at the following locations:

Public Health Service—HEW South Building, 330 C Street SW., Washington, D.C. 20201.
Office of Education—Federal Office Building No. 6, 400 Maryland Avenue SW., Washington, D.C. 20202.
Social Security Administration—Social Security Building, 6401 Security Boulevard, Baltimore, Md. 21235.
Food and Drug Administration—Federal Office Building No. 8, 200 C Street SW., Washington, D.C. 20204.
Saint Elizabeths Hospital—Administration Building, Saint Elizabeths Hospital, Nichols Avenue beyond Anacostia SE., Washington, D.C. 20032.

The Department's Central Information Center serves as the information center for the following:

Office of the Secretary, Welfare Administration, Vocational Rehabilitation Administration, Administration on Aging.

(d) The operating agencies may establish such other information centers as they may hereafter determine. Upon the establishment of such additional center(s) the operating agency shall publish in the FEDERAL REGISTER a notice thereof, containing the address thereof, materials to be maintained therein, and the official who has a like responsibility to that of the Information Center Officers provided for in § 5.32 or § 5.53.

§ 5.32 Information center officers.

(a) The Central Information Center Officer shall be responsible for determining whether records of the Office of the Secretary must be withheld from disclosure. Responsibility for denying requests made at or through the Central Information Center for the following operating agencies shall be that of the officials indicated:

Welfare Administration: Information Officer.
Vocational Rehabilitation Administration: Chief, Public Information Office.
Administration on Aging: Director, Public Information Staff.

(b) The Regional Information Center Officer in each region shall have a like responsibility for records of the Office of the Secretary in his region. The Regional Information Center Officer in each region shall be the Assistant to the Regional Director (for Information).

(c) The Information Center Officer for each of the operating agency information centers shall have, concurrently with other duly authorized officers, a like responsibility for the records of his operating agency. The Information Center Officers for the respective operating agencies shall be as follows:

Public Health Service: Assistant to the Surgeon General and Director of Information.
Office of Education: Information Center Officer.
Social Security Administration: Information Officer.
Food and Drug Administration: Information Center Officer.
Saint Elizabeths Hospital: Public Information Officer.

§ 5.33 Duty hours.

The Information Centers shall be open to the public on regular work days during the regular duty hours of the installation where located.

§ 5.34 Material in the information centers.

(a) The Central Information Center shall contain or shall have available, as a minimum, the following:

(1) FEDERAL REGISTER, Code of Federal Regulations, and regulations of the Department contained therein;

(2) Precedent final opinions and orders in the adjudication of cases issued subsequent to July 4, 1967;

(3) Staff manuals;

(4) Program manuals;

(5) Those statements of policy and interpretations issued or adopted after July 4, 1967, and used or relied upon as precedents not otherwise published;

(6) Current indices of the foregoing materials issued, adopted or promulgated after July 4, 1967.

(b) Each Regional Office Information Center shall contain the records required by paragraph (a) of this section and in addition such records appertaining to the activities of that Regional Office as may be determined by the Regional Information Center Officer.

(c) The Information Centers of the operating agencies shall contain or shall provide for the availability of the material appertaining to the activities of the respective operating agency.

Subpart D—Procedures for Requesting Access to Records

§ 5.51 Procedure.

(a) A request for any information or record may be made at (1) the Department's Central Information Center, (2) any Regional Office Information Center, or (3) any subsidiary Information Center of an operating agency. A request may also be made at any appropriate office of the Department or of any operating agency.

(b) Requests made at the Central or a Regional Office Information Center for information or records not located there shall, if reduced to writing by the requester, be forwarded to the proper office. If a request is made at any other Center or office of the Department or any operating agency and the information or record is not located where the request is made, the requester shall be referred to the proper Center or office, or if the request is put in writing it may be forwarded to the proper office.

(c) A request should identify the requested record by brief description, containing the name, number or date as applicable, sufficient to enable the record to be identified and located. A reasonable time should be allowed for records to be located, reproduced, and mailed.

(d) The request should include the fee or request determination of the fee.

§ 5.52 Copies of records.

Copies of available records shall be produced as promptly as possible upon receipt of the fee therefor. Copying service shall be limited to not more than two copies of any single page, except that additional copies may be made where administrative considerations permit. Records which are published or available for sale need not be copied.

§ 5.53 Denial of requests for records.

Written requests for inspection or copying of records shall be denied only by the Department's Information Center Officer, the appropriate Information Center Officer of the region or the operating agency, or other duly authorized officer of the operating agency. Denials of written requests shall be in writing. Oral requests may be dealt with orally, but if the requester is dissatisfied with the disposition of such a request he shall be asked to put the request in writing.

Subpart E—Fees

§ 5.60 Policy on fees.

It is the policy of the Department to provide routine information to the general public without charge. Special information services involving a benefit that does not accrue to the general public shall be subject to the payment of fees, which shall be fixed in such amounts as to recover the cost to the Government of providing such services. Fees will be charged for the following special services:

(a) Reproduction, duplication, or copying of records;

(b) Certification or authentication of records;

(c) Searches of or for records.

§ 5.61 Fee schedules.

Since the cost of such services may vary between operating agencies of the Department due to variations in the way in which records are organized and maintained, in copying equipment, or for other reasons, each operating unit of the Department providing such services shall establish and publish schedules of fees for the above services and on the basis described below. New or modified fee

schedules may be published from time to time in recognition of changes in costs to the Government or changing circumstances. No fee shall be charged for searching for records which are contained in the Department Information Centers designated in or in accordance with § 5.31.

§ 5.62 Publication of fee schedules.

Fee schedules shall be published in the FEDERAL REGISTER by the Assistant Secretary for Administration for the Office of the Secretary and by the agency head for his operating agency. Schedules shall also be prominently posted at the Information Centers and made available to the public when information is requested in writing.

§ 5.63 Searching records.

Fees for searching shall be computed as follows:

(a) A predetermined standard hourly rate for labor and personal services of employees of the Department. Such hourly rates shall be published in advance.

(b) Actual cost to the Government of materials, postage and other direct costs, plus indirect costs to the Government. Such costs shall be determined for each request, at the time of the request, allowing a reasonable period for the development of the estimate.

§ 5.64 Copying.

Fees for copy or duplicating services shall be set on a per page basis. The fee shall be maintained as a predetermined standard rate.

§ 5.65 Certification or authentication.

A fee for certification or authentication of records shall be set on a per document basis. The fee shall be on the basis of a predetermined standard rate. Where the request includes making a copy of the record to be certified, the applicable fee for copying will also be charged. Where the requester furnishes a copy of the document to be authenticated or certified which requires comparison with the record on file, a comparing fee based upon predetermined hourly rates will be applicable.

Subpart F—Exemptions

§ 5.70 Exemptions.

No record duly requested shall be withheld from disclosure unless it comes within one of the following classes of records exempted by the Act. Appendix A to this part contains some examples of the kinds of materials which fall within one or more classes exempt from all requirements of the Act. Disclosure of particular items of such kinds will nevertheless be made when this can be done consistently with obligations of confidentiality and administrative necessity.

§ 5.71 Records specifically required by Executive order to be kept secret in the interest of the national defense or foreign policy.

No record shall be withheld from availability for disclosure on the ground that the national defense or foreign policy so requires, unless it has been classified pursuant to the criteria and procedures prescribed by Executive order, such as Executive Order 10501, as amended, and has not been declassified in accordance with applicable procedures.

§ 5.72 Records relating solely to the internal personnel rules and practices of the Department.

This exemption covers only those internal rules or instructions to personnel relating to how employees carry out their assigned functions and activities for which the Department has responsibility. Thus, materials which provide guidelines or instructions to employees relating to tolerances, selection of cases, quantums of proof, and the like, are within this exemption. However, materials having only management significance, such as rules relating to work hours, leave, promotion plans, while relating to personnel, will be disclosed.

§ 5.73 Records specifically exempted from disclosure by statute.

This exemption preserves the full force and effect of statutes which restrict public access to specific Government records. Several such statutes apply to records and information of the Department.

§ 5.74 Trade secrets and commercial or financial information obtained from any person and privileged or confidential.

This exemption protects generally against disclosure of information which the person furnishing it customarily would not release to the public or which is submitted by him in reliance upon the Department's assurance that it will not be disclosed. It includes records which fall in any one of such categories as: Trade secrets; technical, commercial, or financial information which is privileged through general custom and usage in the same line of endeavor; information which is obtained from any person under explicit or implicit pledge of confidentiality; and information which is privileged under any of the following privileges: Doctor-patient, lender-borrower, attorney-client, or Government-informer privileges. It also includes data and views of scientists, scholars, or consultants submitting or making judgments on research designs in applications for grant or other support.

§ 5.75 Interagency or intraagency memorandums or letters which would not be available by law to a private party in litigation with the agency.

This exemption preserves the existing freedom of Government officials and employees to engage in full and frank communication with each other; whether such expression relates, for example, to a recommendation for legislation, to the evaluation of a grant application, or to the recommendation to select one or another case for the enforcement of a law or regulation. Thus, proposed budgets which have not been transmitted to the Congress, the recommendations of an expert or consultant or advisory committee whose advice was sought by the agency, an opinion relating to liability of the Department in a medical malpractice lawsuit are not, except to the same extent routinely available to a party in litigation with the agency, available for inspection and copying. This exemption includes internal memorandums, opinions and recommendations, correspondence and documents, as well as notations, route slips, and working papers; materials received or generated by the Department before the transaction to which they relate has been completed.

§ 5.76 Personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

This exemption covers all personal, private, financial, or business information contained in any files which, if disclosed to the public, would constitute a clearly unwarranted invasion of the privacy of any person. This exemption includes such matters as names of unsuccessful applicants as well as other data which invades personal privacy.

§ 5.77 Investigatory files compiled for law enforcement purposes except to the extent available by law to a private party.

This exemption covers all matters, including sources of information or complaints, in investigative files and reports compiled for law enforcement or regulatory activities of the Department, or relating to matters in litigation.

§ 5.78 Records contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of the Department or any operating agency responsible for the regulation or supervision of financial institutions.

§ 5.79 Geological and geophysical information and data (including maps) concerning wells.

Subpart G—Administrative Review

§ 5.80 Review of denial of a record.

This subpart provides for the review of a denial, pursuant to § 5.53, of a written request for inspection or copying of a record.

§ 5.81 Time for initiation of request for review.

A person whose request has been denied may initiate a review by filing a request for review within 30 days of the date of the denial of the request.

§ 5.82 By whom review is made.

Review shall be made by the Assistant Secretary for Administration, or his designee, in respect to records of the Office of the Secretary, or by the head of an operating agency, or his designee, in respect to records of that operating agency. Requests for review by the Assistant Secretary shall be addressed to him at 330 Independence Avenue SW., Washington, D.C. 20201. Requests for review by an operating agency head shall be addressed to the head of the agency.

§ 5.83 Contents of request for review.

The request for review shall include a copy of the written request and the denial.

§ 5.84 Consideration on review.

Review shall be considered on the basis of the written record including any written argument submitted by the requester.

§ 5.85 Decisions on review.

(a) Decisions on review shall be in writing. If the decision is in favor of the requester, the decision shall order records made available to the requester as provided in the decision.

(b) The decision, if adverse to the requester, shall briefly state the reasons for the decision, and shall be promptly communicated to the requester, and shall constitute final action of the Department.

(c) All such decisions constituting precedents shall be indexed and available for inspection and copying in the same manner as final orders and opinions subject to subsection (a)(2) of the Act.

(d) Adverse decisions pursuant to this subpart may be reviewed by the courts as provided in subsection (a)(3) of the Act.

Effective date. These regulations are effective July 4, 1967.

Dated: June 27, 1967.

[SEAL] JOHN W. GARDNER,
Secretary.

APPENDIX A—EXAMPLES OF KINDS OF EXEMPT RECORDS

This appendix sets forth examples of kinds of materials which are exempt from mandatory disclosure pursuant to one or more of the exemptions in subsection (b) of the Act and Subpart F of this part.

1. Grant applications or research proposals which reveal research investigators' protocols or research designs.

2. Records of interim progress or incomplete development of Department-supported or Department-conducted studies or research projects, including notes, notebooks, and recordings compiled in the course of unfinished research.

3. Records containing information which is privileged through custom and usage in the same line of endeavor, or which is appropriately given to an agency in confidence and has been obtained from members of the public through questionnaires, surveys, and other inquiries.

4. Records of deliberations, discussions, comments, evaluations, and notes of members of advisory committees, study or review panels, task forces, or work groups.

5. Grant or loan applications which contain information exempt (e.g., under § 5.74 or § 5.76) from mandatory disclosure.

NOTE: Any of the records or materials in the examples noted in paragraphs 1–5 above may, however, be available for disclosure if the person requesting the record obtains the consent of the person who submitted the material or whose right of personal privacy is involved in its disclosure.

6. Manuals, guidelines, instructions, and other materials which are for guidance of employees in evaluating applications, in establishing or carrying out audit or inspection procedures, allowable tolerances, or quantums of proof, or in selection or handling of cases in litigation, and materials of similar kinds which cannot be disclosed to the public without defeating their purpose.

7. Patients' hospital, clinical, and medical records including related correspondence; medical histories, and supporting material; financial and property records and reports pertaining to patients in hospitals or clinics.

8. Records of pharmaceutical and related information concerning investigational drugs, revealed to the Department by private sources.

9. Procurement and disposal plans which if prematurely released would give aid to speculators.

10. Records of correspondence between Federal and State or local officials, privileged through custom and usage or where disclosure might prejudice negotiations in progress.

11. Respecting Food and Drug Administration regulatory activities: Trade secrets or commercial or confidential information voluntarily revealed in requests for opinions, and opinions and related records indicating that a person, firm, or product is or is not in compliance with the law; records relating to factory inspections, sample collections, seafood inspection, and other examinations and investigations by the Food and Drug Administration; Investigational New Drug files; New Drug Applications and master files, other than final printed labeling; reports and records relating to individual adverse drug reaction(s); data in support of petitions relating to pesticide chemicals, food standards, food additives, and color additives, and master files relating thereto; files relating to certification of insulin, antibiotics, and color additives, and master files relating thereto; notices of hearing issued to individuals and firms under 21 U.S.C. 335 and records relating thereto; records relating to research in support of actions to further the law enforcement or regulatory activities of the Food and Drug Administration.

NOTE: Certain documents in some of the above files may be available upon request identifying the particular documents.

12. Budget and legislative proposals and all materials related thereto, other than those presented to Congress.

13. Opinions of the Office of General Counsel.

14. Records revealing names of persons considered but not appointed to public advisory committees, unsuccessful job applicants; records reflecting the identity of experts, consultants, or other persons from whom opinions, judgments, evaluations, or other data were obtained.

15. Records to the extent they reveal names of complainants, drug abusers, or informers; audit, civil rights, disciplinary, grievance, security, and other investigation files, including reports of interviews, signed or sworn statements or other reports and related material.

16. Official personnel folders and related files including grievance and disciplinary files; confidential statement of employment and financial interest; performance evaluations and test scores; internal mailing keys.

17. Earnings record and claim files maintained by Social Security Administration.

[F.R. Doc. 67-7426; Filed, June 29, 1967; 8:46 a.m.]

Title 46—SHIPPING

Chapter IV—Federal Maritime Commission

SUBCHAPTER A—GENERAL PROVISIONS

[General Order 22]

PART 503—PUBLIC INFORMATION

Miscellaneous Amendments; Correction

On June 5, 1967, Congress enacted Public Law 90–23 codifying the provisions of Public Law 89–487. As a result of this codification the following corrections are made in the document published in the FEDERAL REGISTER on June 13, 1967 (32 F.R. 8407):

1. The first sentence of the prefatory language is corrected to read, "On June 5, 1967, Congress enacted Public Law 90–23 codifying the provisions of Public Law 89–487 which amended section 3 of the Administrative Procedure Act."

2. The first sentence of the 3d paragraph of the prefatory language is corrected to read, "Therefore, pursuant to 5 U.S.C. 552 as amended by Public Law 90–23 (81 Stat 54) Title 46 of the Code of Federal Regulations is hereby amended by adding a new Part 503—Public Information."

3. The "authority" statement is corrected to read, "The provisions of this Part 503 issued under 5 U.S.C. 552, as amended by Public Law 90–23 (81 Stat. 54)."

By the Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 67-7449; Filed, June 29, 1967; 8:48 a.m.]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Bureau of Customs

[19 CFR Part 1]

CUSTOMS DISTRICTS

Notice of Proposed Changes in Boundaries of Laredo and Houston Customs Districts in Region VI

JUNE 20, 1967.

Under the present alignment of district boundaries in Customs Region VI, two bonded smelting warehouses located at Dumas and Amarillo in the upper panhandle of Texas are within the Laredo district. Dumas and Amarillo are separated from the Laredo district office by approximately 717 and 670 miles, respectively.

Oklahoma City was designated as a customs port of entry in the Houston, Tex., district effective as of July 1, 1966 (T.D. 66–132; 31 F.R. 8928). As Oklahoma City is located approximately 260 miles from Amarillo and 292 miles from Dumas, more efficiency of operation could be achieved if these two warehouses were brought under the jurisdiction and control of the Oklahoma City customs office.

Accordingly, notice is hereby given that under the authority vested in the President by section 1 of the Act of August 1, 1914, as amended, 38 Stat. 623 (19 U.S.C. 2), which was delegated to the Secretary of the Treasury by the President by Executive Order No. 10289, September 17, 1951 (3 CFR Ch. II), and pursuant to authorization given to me by Treasury Department Order No. 190, Rev. 4 (30 F.R. 15769), it is proposed to transfer from the Laredo, Tex., district to the Houston, Tex., district all of that portion of the State of Texas lying north of 34° north latitude by redefining the area encompassing the Houston, Tex., district as follows:

That part of the State of Texas lying north of 34° north latitude and that part of the State of Texas lying east of 97° west longitude, except the territory embraced in the Port Arthur and Galveston districts. Also, the counties of Dallas and Tarrant and the State of Oklahoma.

No change in the present description of the boundaries of the Laredo district is required to accomplish this change, since the area of the Laredo district is presently described as "That part of the State of Texas lying west of 97° west longitude and east of the Pecos River, except that territory included in the Houston and Galveston districts."

Data, views, or arguments with respect to the proposed redesignation of boundaries of the above-named customs districts may be addressed to the Commissioner of Customs, Bureau of Customs, Washington, D.C. 20226. To insure consideration of such communications, they must be received in the Bureau not later than 30 days from the date of publication of this notice in the FEDERAL REGISTER. No hearing will be held.

[SEAL] TRUE DAVIS,
Assistant Secretary of the Treasury.

[F.R. Doc. 67-7451; Filed, June 29, 1967; 8:48 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 1]

PRESCRIPTION DRUG ADVERTISING AND LABELING REGULATIONS

Extension of Time for Filing Comments

In the matter of amending for clarification the regulations concerning prescription drug advertisements (§ 1.105) and the regulations establishing exemptions from the requirement that prescription drug labeling bear adequate directions for use (§ 1.106 (b) and (c)):

The notice of proposed rulemaking in the above-identified matter published in the FEDERAL REGISTER of May 23, 1967 (32 F.R. 7533), provided that comments could be filed regarding the proposal within 60 days following its date of publication.

The Commissioner of Food and Drugs has received a request for an extension of time for filing comments and, good reason therefor appearing, the time for filing comments in this matter is extended to September 1, 1967.

This action is taken pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 502 (f)(1), (n), 701, 52 Stat. 1050–51, as amended, 1055, as amended; 21 U.S.C. 352 (f)(1), (n), 371) and under the authority delegated to the Commissioner by the Secretary of Health, Education, and Welfare (21 CFR 2.120).

Dated: June 22, 1967.

JAMES L. GODDARD,
Commissioner of Food and Drugs.

[F.R. Doc. 67-7428; Filed, June 29, 1967; 8:46 a.m.]

[21 CFR Part 27]

ORANGE JUICE PRODUCTS

Definitions and Standards of Identity; Proposed Findings of Fact and Tentative Order

In the matter of amending the definitions and standards of identity for pasteurized orange juice (21 CFR 27.107), canned orange juice (21 CFR 27.108), and reconstituted orange juice (21 CFR 27.111):

Two notices of proposed rulemaking were published in the FEDERAL REGISTER of February 6, 1965 (30 F.R. 1296), setting forth proposals from the National Orange Juice Association, Exchange National Bank Building, Tampa, Fla. 33601, to amend the identity standards for pasteurized orange juice (21 CFR 27.107), canned orange juice (21 CFR 27.108), and reconstituted orange juice (21 CFR 27.111), and from the National Association of Frozen Food Packers, 919 18th Street NW., Washington, D.C. 20006, et al., to amend the identity standards for frozen concentrated orange juice (21 CFR 27.109) and canned concentrated orange juice (21 CFR 27.110).

Subsequently, an order was published in the FEDERAL REGISTER of November 19, 1965 (30 F.R. 14491), adopting part, but not all, of the proposals. Objections to portions of that order were filed, in accordance with section 701(e)(2) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 371(e)(2)), and a public hearing was requested. The Commissioner of Food and Drugs concluded that the objections stated reasonable grounds for a hearing and published in the FEDERAL REGISTER of December 31, 1965 (30 F.R. 17164), an order postponing the labeling requirements prescribed by § 27.107 (d) and (e) and by § 27.111 (c) and (d) until September 30, 1966 (further postponed until Dec. 31, 1966, by an order published Oct. 5, 1966 (31 F.R. 12949)), and stayed the amendment of § 27.111 that deleted the alternative name "reconstituted orange juice" pending the outcome of a hearing. In accordance with a notice published in the FEDERAL REGISTER of March 15, 1966 (31 F.R. 4413), which set forth six issues, a prehearing conference and hearing were held.

On the basis of motions made by the objectors and information submitted, certain objections were withdrawn at the prehearing conference, thereby eliminating three issues. These issues were whether the standard for pasteurized orange juice (§ 27.107) should have been amended to require label declaration of any frozen orange juice used, whether the standard for canned orange juice (§ 27.108) should have been amended to limit the added sweetener solids to no more than 4 percent by weight, and whether it was improper to amend the standard for orange juice from concentrate (§ 27.111) by dropping the alternative name "reconstituted orange juice."

Other issues were refined so that there remained in controversy at the hearing only the issues on whether it will promote honesty and fair dealing in the interest of consumers and is reasonable:

1. To amend § 27.107 (pasteurized orange juice) by changing paragraph (a)

to raise the minimum requirement for orange juice soluble solids to a higher figure.

2. To amend § 27.107 (pasteurized orange juice) by changing paragraph (b) to increase the solids that may be contributed by added concentrated orange juice ingredients from one-fourth to one-third of the total orange juice soluble solids in the finished pasteurized orange juice.

3. To amend § 27.111 (orange juice from concentrate) by changing paragraph (c) to provide for the optional use, if the food has been pasteurized, of the word "pasteurized" preceding the name of the food in letters not less than one-half the height of the letters used for the words "orange juice."

Based on the substantial evidence received at the hearing and after consideration of the written arguments and suggested findings received, which are adopted in part and rejected in part as is apparent from the detailed findings herein made, and pursuant to the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055, as amended 70 Stat. 919, 72 Stat. 948; 21 U.S.C. 341, 371) and delegated by him to the Commissioner (21 CFR 2.120), it is proposed that the following findings of fact, conclusions, and order be issued:

FINDINGS OF FACT[1]

1. Pasteurized orange juice (§ 27.107) and orange juice from concentrate (§ 27.111) are organoleptically similar and are marketed under similar conditions but are manufactured by entirely different methods. Pasteurized orange juice is prepared essentially from the juice extracted from mature oranges during the season when oranges are available. Most pasteurized orange juice is produced in Florida. Orange juice from concentrate can be prepared in any State on a 12-month basis. It is made by mixing water with a concentrated orange juice (§ 27.109 or § 27.114, or both). The manufacturers of these two competing products are divided on the issue involving the proposed increase of the minimum soluble solids requirement for pasteurized orange juice. Manufacturers of orange juice from concentrate are in favor of having the regulations increase the minimum orange juice soluble solids requirement for pasteurized orange juice from 10.5 percent to 11 percent, whereas manufacturers of pasteurized orange juice are opposed to such an increase. (R. 6, 15, 264, 276, 280, 308–309, 333, 336, 344, 348, 362, 384, 452, 496, 556; Ex. 47C.)

2. The oranges available to a processor of pasteurized orange juice in Florida are representative of the oranges available to the citrus industry throughout the State. Some oranges with a soluble solids content and Brix-acid ratio that meet the specifications of the pasteurized orange juice manufacturers, as well as the Florida State maturity standard, are available as early as the first week in October. Oranges continue to be available to manufacturers of pasteurized orange juice in increasing amounts and with increasing solids until the end of June. During October, November, and part of December the average soluble solids of oranges received at the processing plants in Florida fall below 10.5 percent. Most pasteurized orange juice produced during these early months requires an adjustment of the orange solids upward by the addition of orange juice with higher soluble solids to meet the minimum of 10.5 percent presently required by standards. Testimony was given that if the minimum orange juice soluble solids requirement is increased to 11 percent, production would be reduced or would cease during these early months. The proponents, in acknowledging the possibility of such a curtailment in production, suggested as a solution that the processor contract for oranges he normally uses during the early months but leave the fruit on the tree until the solids reach 11 percent. If such a program were practical, it would place the processor of pasteurized orange juice in the inequitable position of being the only processor of orange juice products in Florida who would be kept out of the market until such time as the solids of fruit reached 11 percent. A grower of oranges has as an outlet for his early fruit the fresh market, the processors of canned orange juice and pasteurized orange juice, and some processors who start concentrating orange juice in early December. A grower who sells his fruit to processors is paid for the fruit on the basis of the soluble solids content; therefore, it is to his interest to deliver fruit with the highest possible solids. Processors of pasteurized orange juice also pay a premium price to a grower who delivers fruit with higher solids during these early months. The producers of pasteurized orange juice use over half of the more than 2 million boxes of oranges sold to processors during October, November, and December, and if they are compelled to curtail production during this period, their competitors would have a decided advantage in purchasing the available fruit. (R. 36, 38, 82, 108, 129–130, 454, 461, 469, 479, 482, 484, 487, 609, 758; Ex. 17, 30A, 38, 38A, 41.)

3. Manufacturers of pasteurized orange juice could add concentrate, as presently permitted by the standard, to adjust the solids of the product upward until such time that the soluble solids of the oranges reach 11 percent; however, processors of pasteurized orange juice do not ordinarily use concentrated orange juice. Processors are reluctant to add concentrated orange juice because of the added cost and the necessity to maintain an additional inventory of labels declaring that the concentrate was added. (R. 37, 135, 453, 497, 564, 619–620, 831.)

4. Manufacturers with the facilities freeze orange juice during the months of May and June when the soluble solids of the oranges are high. Such frozen orange juice is stored and used during the early production months to blend with juice having low solids to raise the solids to the minimum orange juice soluble solids requirement of 10.5 percent. If the minimum orange juice soluble solids requirement is increased from 10.5 percent to 11.0 percent, a producer using such frozen juice would not only have a higher product cost resulting from the increased orange juice soluble solids, but would have an added expense arising from the cost of freezing and storing more of the high solids juice. It costs approximately 13 cents per gallon to freeze and store single strength orange juice. It requires 1 gallon of frozen orange juice with 12 percent soluble solids to adjust 2½ gallons of orange juice with 10 percent soluble solids to meet the minimum soluble solids requirement of 10.5 percent; however, to adjust the same quantity of 10 percent orange juice to meet a minimum soluble solids requirement of 11 percent would require 2½ gallons of such frozen orange juice. (R. 453, 482, 486–488, 573–576, 621–622; Ex. 10.)

5. Usually when processors are without freezing facilities, only freshly extracted juice is used in the production of pasturized orange juice. Oranges used for such juice are selected from among those normally available to such processors. The supply and characteristics of oranges vary considerably during the season. Since these processors rely solely upon fresh juice to provide all the desired characteristics of their finished product, they must exercise care in the selection of oranges in order that those used shall furnish the characteristics needed to meet all requirements. One of the characteristics on which the selection is based is the soluble solids. This characteristic is the one that varies the most on a day to day basis throughout the season. Due to such variability it is necessary for a processor to control the selection of oranges to eliminate those with inadequate soluble solids while selecting those that will assure him that the finished pasteurized orange juice will contain orange juice soluble solids within the range desired. The operator of one Florida citrus cooperative when selecting oranges in such a manner was unable to use more than 15 percent of fruit available to him in order to produce pasteurized orange juice which had a soluble solids minimum of 10.5 percent and a seasonal average of 11.8 percent. The soluble solids of all loads of oranges delivered to Florida processors for the past 15 years average 11.8 percent. Testimony was given that if the minimum orange juice soluble solids is increased to 11 percent, not only would processors using freshly extracted juice be further limited in the amount of pasteurized orange juice produced, but also they would have to produce a product having a seasonal average higher than 11.8 percent orange juice soluble solids. In achieving the 11.8 percent average, 10.5 percent orange juice soluble solids was shown to be a reasonable minimum closely matching the capability of industry where a processor is assured that the

[1] The citations following each finding of fact refer to the pages of the transcript of the testimony and the exhibits received in evidence at the hearing.

orange juice soluble solids of all samples of his finished product would meet the 10.5 percent minimum requirement. (R. 20, 24, 94, 698–702, 718, 742, 773–779; Ex. 2, 49A.)

6. A highly skilled panel of people who daily taste orange juices for flavor analysis were unable to distinguish differences in ranges of ½- and 1-percent solids when evaluating the flavor of various samples of orange juices. Further, witnesses asserted that the average consumer cannot differentiate between two samples of orange juice having a variation in solids of 1 percent. (R. 90, 442–443, 452, 537–538.)

7. The need for increasing the amount of concentrate that may be added to adjust the solids of pasteurized orange juice from the present limitation of ¼ to ⅓ is based on the supposition that the minimum orange juice soluble solids requirement of the product would be increased from 10.5 percent to 11 percent. For that matter, if the minimum orange juice soluble solids of pasteurized orange juice were to be raised to 11 percent, then 25 percent of the solids obtained from concentrate would be sufficient as long as the orange juice soluble solids of the juice being adjusted is not less than 9 percent. A reasonable minimum orange juice soluble solids for juice from which pasteurized orange juice is made and to which concentrate may be added is 9 percent. (R. 148, 315–316, 564, 618; Ex. 29B.)

8. The word "pasteurized" in the name "pasteurized orange juice" is included as part of the name for the purpose of distinguishing that product from raw single strength juice as squeezed from oranges. The main thrust of the term "pasteurized" in the name "pasteurized orange juice" is not to convey to the housewife the knowledge that the product has been pasteurized for safety's sake; it is included for the purpose of describing the heat treatment and, more importantly, to distinguish this orange juice product from a product that is not heat treated. Witnesses representing manufacturers of orange juice from concentrate urged that the identity standard for such food be amended to permit the optional use of the word "pasteurized" as part of the name for their product because it would inform the consumer that the food has been heat treated; however, if the term "pasteurized" is used on the label of orange juice from concentrate, it could be confusing for the consumer because the word "pasteurized" is already required as a part of the name for pasteurized orange juice. This is particularly true when the two products are marketed under similar or identical conditions in the retail store. (R. 56, 296, 549, 666, 844–846, 851; Ex. 20A, E, F, G, 40.)

Conclusions: On the basis of the foregoing proposed findings of fact, and taking into consideration the substantial evidence of the entire record, it is concluded that it will promote honesty and fair dealing in the interest of consumers to:

A. Retain 10.5 percent as the minimum orange juice soluble solids requirement for pasteurized orange juice.

B. Retain the requirement that the quantity of concentrated orange juice ingredients added shall not contribute more than one-fourth of the total orange juice solids in pasteurized orange juice.

C. Reject the proposal to amend § 27.111 to provide for the optional use of the word "pasteurized" preceding the name of the food "orange juice from concentrate."

Therefore, on the basis of the withdrawal of certain of the objections, and in consideration of the foregoing proposed findings of fact and tentative conclusions, it is proposed that all the provisions of the order published in the FEDERAL REGISTER of November 19, 1965 (30 F.R. 14491) be made effective.

Any interested person may, within 30 days from the date of publication of this tentative order in the FEDERAL REGISTER, file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C. 20201, written exceptions thereto. Exceptions shall point out with particularity the alleged errors in the proposed findings of fact, conclusions, and tentative order, and shall contain specific references to the pages of the transcript of testimony or to the exhibits on which the exceptions are based. Exceptions may be accompanied by memoranda of briefs in support thereof.

Dated: June 23, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-7429; Filed, June 29, 1967; 8:46 a.m.]

SMALL BUSINESS ADMINISTRATION

[13 CFR Part 121]

SMALL BUSINESS SIZE STANDARDS

Notice of Proposal To Establish New Definitions of Small Business Retailers in Certain Retail Industries and Subindustries for Purpose of Receiving Financial Assistance

Notice is hereby given that the Administrator of the Small Business Administration proposes to amend Part 121 of Chapter I of Title 13 of the Code of Federal Regulations by establishing new definitions of a small business retailer in certain retail industries and subindustries for the purpose of receiving financial assistance.

The presently effective definition provides that any concern primarily engaged in retailing is small if its annual sales do not exceed $1 million: *Provided, however,* That (1) if it is primarily engaged in making retail sales of groceries and fresh meats it is small if its annual sales do not exceed $5 million, (2) if it is primarily engaged in making retail sales of new or used motor vehicles it is small if its annual sales do not exceed $3 million, (3) if it is primarily engaged in the operation of a department store it is small if its annual sales do not exceed $2 million, and (4) if it is primarily engaged in making retail sales of aircraft it is classified as small if its annual sales do not exceed $3 million.

A study conducted by the Small Business Administration of the census data for the retail trades for 1954 and 1963 indicates that as a result of changes in the industries and subindustries listed in Schedule D below, a $1 million annual sales size standard is considered to be inadequate. Accordingly, it is proposed, for financial assistance purposes, to raise the annual sales size standards for such of the industries and subindustries in Schedule D as presently are subject to a $1 million annual sales size standard.

Interested persons may file with the Small Business Administration, within 15 days after publication of this proposal in the FEDERAL REGISTER, written statements of facts, opinions, or arguments concerning the proposal.

All correspondence shall be addressed to:

Associate Administrator for Procurement and Management Assistance,
Small Business Administration,
1441 L Street NW.,
Washington, D.C. 20416,
Attention: Size Standards Staff.

It is proposed to amend the regulation as follows:

Part 121 of Chapter I of Title 13 of the Code of Federal Regulations is hereby further amended by:

1. Revising § 121.3–10(c) thereof to read as follows:

§ 121.3–10 Definition of small business for SBA loans.

* * * * *

(c) *Retail.* (1) Any retailing concern is classified:

(i) As small if it is primarily engaged in an industry or subindustry set forth in Schedule D of this part and its annual sales do not exceed the size standard established therein for that industry or subindustry.

(ii) As small if it is primarily engaged in an industry or subindustry not set forth in Schedule D of this part and its annual sales do not exceed $1 million.

* * * * *

2. Adding Schedule D to Part 121 to read as follows:

SCHEDULE D—ANNUAL SALES SIZE STANDARDS FOR CONCERNS PRIMARILY ENGAGED IN RETAILING

(The following size standards are to be used when determining the size status of retailing concerns for the purpose of SBA loans, displaced business loans, economic opportunities loans, and as alternate standards for sections 505 and 502 loans and SBIC assistance.)

Industry or subindustry code	Industry, subindustry, or class of products	Annual sales size standard (maximum)
	Major Group 56—Apparel and Accessory Stores:	
5651	Family clothing stores	1.5
5611	Men's and boys' clothing and furnishings stores	1.5
5661	Shoe stores	1.5
5621	Women's ready-to-wear stores	1.5
	Major Group 55—Automotive Dealers and Gasoline Service Stations:	
5599a	Aircraft (a part of aircraft and automotive dealers, not elsewhere classified)	3.0
5511	Motor vehicle dealers (new and used cars)	3.0
5521	Motor vehicle dealers (used cars only)	3.0
	Major Group 54—Food Stores:	
5411	Grocery stores	5.0
5421a	Meat Markets (a part of meat and fish (seafood) markets)	5.0
	Major Group 57—Furniture, Home Furnishings and Equipment Stores:	
5722	Household appliance stores	1.5
5732	Radio and television stores	1.5
	Major Group 53—General Merchandise:	
5311	Department stores	5.0
5321	Mail order houses	5.0
5331	Variety stores	2.0

Dated: June 22, 1967.

BERNARD L. BOUTIN,
Administrator.

[F.R. Doc. 67-7358; Filed, June 29, 1967; 8:45 a.m.]

[13 CFR Part 121]

SMALL BUSINESS SIZE STANDARDS

Notice of Proposal To Establish New Definitions of Small Business Wholesalers in Certain Wholesale Industries and Subindustries for Purpose of Receiving Financial Assistance

Notice is hereby given that the Administrator of the Small Business Administration proposes to amend Part 121 of Chapter I of Title 13 of the Code of Federal Regulations by establishing new definitions of a small business wholesaler in certain wholesale industries and subindustries, for the purpose of receiving financial assistance.

The presently effective definition provides that any concern primarily engaged in wholesaling is small if its annual sales do not exceed $5 million.

A study conducted by the Small Business Administration shows that wholesale prices have increased 13 percent since the present definition was established in 1954 and many small wholesalers seem to have experienced increases in their physical volume of business as reflected by changes in their levels of employment and number of establishments operated. On the basis of the 1963 Census data, no single size criterion seems to be appropriate for all wholesalers. The size of firms differs greatly by type of wholesaler.

In the view of the above, it is proposed, for financial assistance purposes, to establish a new $10 million annual sales size standard for certain selected wholesale industries or subindustries, and a new $15 million annual sales size standard for certain other wholesale industries or subindustries, as listed in Schedule C which is hereinafter set forth. All other wholesale industries and subindustries will remain subject to the presently effective $5 million size standard. Since the increase between 1954 and 1963 in the number of persons employed by wholesale concerns was not such as to require an increase in the 500 employee size standard applicable to wholesaling concerns for the purpose of Government procurement, no change is proposed in this standard.

Interested persons may file with the Small Business Administration within 15 days after publication of this proposal in the FEDERAL REGISTER, written statements of facts, opinions, or arguments concerning the proposal.

All correspondence shall be addressed to:

Association Administrator for Procurement and Management Assistance, Small Business Administration, 1441 L Street NW., Washington, D.C. 20416, Attention: Size Standards Staff.

It is proposed to amend the regulation as follows:

Part 121 of Chapter I of Title 13 of the Code of Federal Regulations is hereby further amended by:

(1) Revising § 121.3-10(g) thereof to read as follows:

§ 121.3-10 Definition of small business for SBA loans.

* * * * *

(g) *Wholesale.* (1) Any wholesaling concern is classified.

(i) As small if it is primarily engaged in an industry or subindustry set forth in Schedule C of this part and its annual sales do not exceed the size standard established therein for that industry or subindustry.

(ii) As small if it is primarily engaged in an industry or subindustry not set forth in Schedule C of this part and its annual sales do not exceed $5 million.

(2) Any wholesaling concern also engaged in manufacturing is not a "small business concern" unless it qualifies under both the manufacturing and wholesaling standards.

(2) Adding Schedule C to Part 121 to read as follows:

SCHEDULE C—ANNUAL SALES SIZE STANDARDS FOR CONCERNS PRIMARILY ENGAGED IN WHOLESALING

(The following size standards are to be used when determining the size status of wholesaling concerns for the purpose of SBA business loans, displaced business loans, economic opportunity loans and as alternate standards for sections 501 and 502 loans and SBIC assistance.)

Industry or subindustry code	Industry, subindustry, or class of products	Annual sales size standard (maximum)
		Million
5099a	Amusement, sporting goods	$10
5091a	Coal	10
5088b	Construction materials	10
5082b	Construction, mining machinery, equipment	10
5043	Dairy products	10
5022	Drugs, drug proprietaries, druggist sundries	10
5032	Dry goods, piece goods, notions	10
5064	Electrical appliances, TV, radio sets	10
5039	Footwear	10
5051b	Grain	10
5097b	Home furnishings, floor coverings	10
5082c	Industrial machinery, equipment	10
5082d	Industrial supplies	10
5051c	Livestock, except horses and mules	10
5047	Meat, meat products	10
5091b	Metal service centers	10
5049	Other groceries and related products	10
5096a	Printing and writing paper	10
5094	Tobacco, tobacco products	10
5012	Automobiles, other motor vehicles	15
5082a	Commercial machines, equipment	15
5051a	Cotton	15
5063	Electrical supplies, apparatus	15
5083	Farm and garden machinery, equipment	15
5092a	Gasoline, Kerosene, fuel oils	15
5042	General line groceries	15
5096b	Industrial and personal service paper	15
5092b	Liquefied petroleum (LP) gas	15
5091c	Metal sales offices	15
5029	Other chemicals, allied products	15
5028	Paints, varnishes	15
5014	Tires, tubes	15
5095b	Wines, distilled spirits	15

Dated: June 22, 1967.

BERNARD L. BOUTIN,
Administrator.

[F.R. Doc. 67-7359; Filed, June 29, 1967; 8:45 a.m.]

Notices

DEPARTMENT OF THE INTERIOR

Geological Survey

[No. 138]

WYOMING

Coal Land Classification Order

Pursuant to authority under the Act of March 3, 1879 (20 Stat. 394; 43 U.S.C. 31), and as delegated to me by Departmental Order 2563, May 2, 1950, under authority of Reorganization Plan No. 3 of 1950 (64 Stat. 1262), the following described lands, insofar as title thereto remains in the United States, are hereby classified as shown:

SIXTH PRINCIPAL MERIDIAN, WYOMING

NONCOAL LANDS:

T. 40 N., R. 117 W.,
Sec. 7, unsurveyed;
Secs. 17 and 18, unsurveyed;
Secs. 19 and 20;
Secs. 28 to 33, inclusive.

The area described aggregates about 6957 acres.

Dated: June 22, 1967.

R. H. LYDDAN,
Acting Director.

[F.R. Doc. 67-7438; Filed, June 29, 1967; 8:47 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Stabilization and Conservation Service

PRICE-SUPPORTED COMMODITIES IN SURPLUS SUPPLY

Determination Affecting Lands Leased From United States

It is the policy of the United States to prohibit the cultivation of crops of price-supported commodities in surplus supply on farm lands leased from the United States. Pursuant to authority delegated to me in furtherance of such policy, it is hereby determined that the following price-supported commodities are in surplus supply: Cotton (upland and extra-long staple), corn, grain sorghum, rice, wheat, peanuts, dry edible beans, and tobacco of the kinds for which acreage allotments are in effect.

Signed at Washington, D.C., on June 26, 1967.

H. D. GODFREY,
Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 67-7455; Filed, June 29, 1967; 8:48 a.m.]

Office of the Secretary

CALIFORNIA

Extension of Designation of Area for Emergency Loans

For the purpose of making emergency loans pursuant to section 321 of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1961), it has been determined that in the hereinafter-named counties in the State of California natural disasters have caused a continuing need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

California	Original designation	First extension	Present extension
Butte	31 F.R. 542	31 F.R. 8602	31 F.R. 8002.
Colusa	32 F.R. 3474		
Glenn	32 F.R. 3474		
Imperial	29 F.R. 7012	30 F.R. 8801	
Kern	32 F.R. 3474		
Modoc	31 F.R. 12106		
Tulare	32 F.R. 3474		

Pursuant to the authority set forth above, emergency loans will not be made in the above-named counties after December 31, 1967, except to applicants who previously received emergency or special livestock loan assistance and who can qualify under established policies and procedures.

This extension shall become effective on June 30, 1967.

Done at Washington, D.C., this 26th day of June 1967.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 67-7418; Filed, June 29, 1967; 8:45 a.m.]

OKLAHOMA

Designation and Extension of Areas for Emergency Loans

For the purpose of making emergency loans pursuant to section 321 of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1961), it has been determined that in the hereinafter-named counties in the State of Oklahoma natural disasters have caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

OKLAHOMA

Blaine.	Noble.
Custer.	Pawnee.
Garfield.	

It also has been determined that in the hereinafter-named counties in the State of Oklahoma natural disasters have caused a continuing need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

Oklahoma	*Original Designation*
Alfalfa	32 F.R. 6458.
Beaver	31 F.R. 10855.
Bryan	31 F.R. 10855.
Caddo	31 F.R. 10855.
Canadian	31 F.R. 10855.
Cimarron	31 F.R. 10080.
Comanche	31 F.R. 10855.
Cotton	31 F.R. 9882.
Dewey	31 F.R. 10855.
Ellis	31 F.R. 9882.
Grady	31 F.R. 11002.
Grant	32 F.R. 6458.
Greer	31 F.R. 9882.
Harmon	31 F.R. 9882.
Harper	31 F.R. 11402.
Haskell	31 F.R. 9882.
Jackson	31 F.R. 9882.
Johnston	31 F.R. 10080.
Kingfisher	31 F.R. 10855.
Kiowa	31 F.R. 9882.
Logan	31 F.R. 10855.
Major	31 F.R. 10855.
Marshall	31 F.R. 9882.
Roger Mills	31 F.R. 10855.
Texas	31 F.R. 9882.
Tillman	31 F.R. 9882.
Wagoner	31 F.R. 10855.
Washita	31 F.R. 10855.
Woods	31 F.R. 10855.
Woodward	31 F.R. 11402.

Pursuant to the authority set forth above, emergency loans will not be made in the above-named counties after June 30, 1968, except to applicants who previously received emergency or special livestock loan assistance and who can qualify under established policies and procedures.

This designation shall become effective on the date this instrument is signed, and this extension shall become effective on June 30, 1967.

Done at Washington, D.C., this 26th day of June 1967.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 67-7419; Filed, June 29, 1967; 8:45 a.m.]

WYOMING

Extension of Designation of Areas for Emergency Loans

For the purpose of making emergency loans pursuant to section 321 of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1961), it has been determined that in the hereinafter-named counties in the State of Wyoming natural disasters have caused a continuing need for agricultural credit not readily available from commercial banks,

cooperative lending agencies, or other responsible sources.

Wyoming	Original designation
Campbell	31 F.R. 11691.
Converse	31 F.R. 11691.
Crook	31 F.R. 11691.
Johnson	31 F.R. 11691.
Niobrara	31 F.R. 11691.
Sheridan	31 F.R. 11691.
Weston	31 F.R. 11691.

Pursuant to the authority set forth above, emergency loans will not be made in the above-named counties after June 30, 1968, except to applicants who previously received emergency or special livestock loan assistance and who can qualify under established policies and procedures.

This extension shall become effective on June 30, 1967.

Done at Washington, D.C., this 26th day of June 1967.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 67-7420; Filed, June 29, 1967; 8:45 a.m.]

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ASSISTANT SECRETARY AND DEPUTY ASSISTANT SECRETARY FOR DEMONSTRATIONS AND INTERGOVERNMENTAL RELATIONS

Amendment of Delegations of Authority and Revocation of Redelegations of Authority

SEC. A. *Amendment of delegations of authority.* The delegations of authority to the Assistant Secretary for Demonstrations and Intergovernmental Relations and the Deputy Assistant Secretary for Demonstrations and Intergovernmental Relations effective as of July 1, 1966 (31 F.R. 9752, July 19, 1966), are hereby amended by deleting, from the list of programs and matters under section A thereof, paragraphs 1, 2, 3, 4, 7, 8, 9, and 12 (which are the programs and matters identified under section A of the delegation of authority to the Director, Office of Urban Technology and Research, effective as of June 30, 1967 (32 F.R. 9325, June 30, 1967)).

SEC. B. *Revocation of redelegations of authority.* The following redelegations of authority are hereby revoked:

1. Redelegation to Howard Cayton or Don I. Patch with respect to the urban renewal demonstration program under section 314 of the Housing Act of 1954, as amended (42 U.S.C. 1452a) (31 F.R. 13397, October 15, 1966).

2. Redelegation to Bernard T. Craum with respect to the low-income housing demonstration program under section 207 of the Housing Act of 1961, as amended (42 U.S.C. 1436) (31 F.R. 13396, October 15, 1966).

(Sec. 7(d) of Department of HUD Act, 42 U.S.C. 3535(d))

Effective date. This amendment of delegations of authority and revocation of redelegations of authority shall be effective as of June 30, 1967.

ROBERT C. WEAVER,
Secretary of Housing and Urban Development.

[F.R. Doc. 67-7430; Filed, June 29, 1967; 8:46 a.m.]

DIRECTOR, OFFICE OF URBAN TECHNOLOGY AND RESEARCH

Delegations of Authority

SECTION A. *Authority delegated with respect to specific programs and matters.* The Director, Office of Urban Technology and Research, is hereby authorized to exercise the powers and authorities of the Secretary of Housing and Urban Development with respect to the programs and matters listed below except as specified under this section A and as additionally excepted under section B:

1. Housing research and urban studies under Title III of the Housing Act of 1948, as amended (12 U.S.C. 1701e), and section 602 of the Housing Act of 1956, as amended (12 U.S.C. 1701d-3).

2. Urban renewal demonstration program under section 314 of the Housing Act of 1954, as amended (42 U.S.C. 1452a).

3. Low-income housing demonstration program under section 207 of the Housing Act of 1961, as amended (42 U.S.C. 1436).

4. Surveys relative to State and local public works under section 702(f) of the Housing Act of 1954, as amended (40 U.S.C. 462(f)).

5. Study of alternative programs to provide financial assistance to those suffering property losses in natural disasters, under section 5 of the Southeast Hurricane Disaster Relief Act of 1955 (79 Stat. 1301).

6. Studies, research, and demonstration projects on comprehensive urban planning, and grants for research on State statutes affecting local governments under section 701(b) of the Housing Act of 1954, as amended (40 U.S.C. 461(b)).

7. Technical assistance to State and local public bodies, studies, and publications relative to open-space land, urban beautification and improvement, and historic preservation under section 708 (a) and (b) of the Housing Act of 1961, as amended (42 U.S.C. 1500d).

8. Granting permission to a research contractor or its technical personnel to issue a publication concerning, or based in whole or in part on the results of, research or studies performed through contract for research and studies under a program listed under this section A, prior to 6 months from date of submission of the full report, in accordance with the Publication clause of the contract.

SEC. B. *Additional authority excepted.* There are further excepted from the powers and authorities delegated under section A the power and authority to submit to the President and to the Congress estimates of housing needs, proposals for executive action or legislation, and reports.

SEC. C. *Additional authority delegated.* The Director, Office of Urban Technology and Research, is further authorized to:

1. Make such rules and regulations as may be necessary to carry out the powers and authorities delegated in section A.

2. Redelegate to any employee under his jurisdiction any of the powers and authorities delegated in section A.

3. With respect to employees or positions under his jurisdiction:

a. Designate one or more employees to serve as Acting Director, Office of Urban Technology and Research, during the absence of the Director, Office of Urban Technology and Research, or to serve as acting head of an organizational unit during the absence of the head of a unit or during a vacancy in the position.

b. Authorize the head of an organizational unit to designate one or more subordinate employees to serve as acting head of such unit during the absence of the head of the unit, or to serve in an "Acting" capacity in any other position in the unit during the absence of the appointee to such position or during a vacancy in such position.

(Sec. 7(d) of Department of HUD Act of 1965, 42 U.S.C. 3535(d))

Effective date. These delegations of authority shall be effective as of June 30, 1967.

ROBERT C. WEAVER,
Secretary of Housing and Urban Development.

[F.R. Doc. 67-7431; Filed, June 29, 1967; 8:46 a.m.]

DIRECTOR, URBAN RENEWAL DEMONSTRATION PROGRAM

Redelegation of Authority With Respect to Urban Renewal Demonstration Program

The Director, Urban Renewal Demonstration Program, is hereby authorized to exercise the following authority of the Secretary of Housing and Urban Development with respect to the urban renewal demonstration program under section 314 of the Housing Act of 1954, as amended (42 U.S.C. 1452a):

1. To execute grant contracts and amendments thereto within the amounts and conditions of allocation orders approved by the Director, Office of Urban Technology and Research.

2. To approve requisitions for funds, third-party contracts, and budget amendments.

(Secretary's delegation to Director, Office of Urban Technology and Research, effective June 30, 1967 (32 F.R. 9325, June 30, 1967))

Effective date. This redelegation of authority shall be effective as of June 30, 1967.

THOMAS F. ROGERS,
Director, Office of Urban Technology and Research.

[F.R. Doc. 67-7435; Filed, June 29, 1967; 8:47 a.m.]

ACTING DIRECTOR, URBAN RENEWAL DEMONSTRATION PROGRAM

Designation

Don I. Patch, Demonstration Program Officer, is hereby designated to serve as Acting Director, Urban Renewal Demonstration Program, during the absence of the Director, Urban Renewal Demonstration Program, with all the powers, functions, and duties redelegated or assigned to the Director, Urban Renewal Demonstration Program.

(Secretary's delegation to Director, Office of Urban Technology and Research, effective June 30, 1967 (32 F.R. 9325, June 30, 1967))

Effective date. This designation shall be effective as of June 30, 1967.

THOMAS F. ROGERS,
Director, Office of Urban Technology and Research.

[F.R. Doc. 67-7432; Filed, June 29, 1967; 8:46 a.m.]

DIRECTOR, LOW-INCOME HOUSING DEMONSTRATION PROGRAM

Redelegation of Authority With Respect to Low-Income Housing Demonstration Program

The Director, Low-Income Housing Demonstration Program, is hereby authorized to exercise the following authority of the Secretary of Housing and Urban Development with respect to the low-income housing demonstration program under section 207 of the Housing Act of 1961, as amended (42 U.S.C. 1436):

1. To execute grant contracts and amendments thereto within the amounts and conditions of allocation orders approved by the Director, Office of Urban Technology and Research.

2. To approve requisitions for funds, third-party contracts, and budget amendments.

(Secretary's delegation to Director, Office of Urban Technology and Research, effective June 30, 1967 (32 F.R. 9325, June 30, 1967))

Effective date. This redelegation of authority shall be effective as of June 30, 1967.

THOMAS F. ROGERS,
Director, Office of Urban Technology and Research.

[F.R. Doc. 67-7433; Filed, June 29, 1967; 8:47 a.m.]

DIRECTOR, URBAN PLANNING RESEARCH AND DEMONSTRATION PROGRAM

Redelegation of Authority With Respect to Urban Planning Research and Demonstration Program

The Director, Urban Planning Research and Demonstration Program, is hereby authorized to exercise the following authority of the Secretary of Housing and Urban Development with respect to studies, research, and demonstration projects on comprehensive urban planning, and grants for research on State statutes affecting local governments under section 701(b) of the Housing Act of 1954, as amended (40 U.S.C. 461(b)):

1. To execute grant contracts and amendments thereto within the amounts and conditions of allocation orders approved by the Director, Office of Urban Technology and Research.

2. To approve requisitions for funds, third-party contracts, and budget amendments.

(Secretary's delegation to Director, Office of Urban Technology and Research, effective June 30, 1967 (32 F.R. 9325, June 30, 1967))

Effective date. This redelegation of authority shall be effective as of June 30, 1967.

THOMAS F. ROGERS,
Director, Office of Urban Technology and Research.

[F.R. Doc. 67-7434; Filed, June 29, 1967; 8:47 a.m.]

DEPARTMENT OF TRANSPORTATION

Coast Guard

[CGFR 67-35]

EQUIPMENT, INSTALLATIONS, OR MATERIALS

Approval and Termination of Approval Notice

1. Various items of lifesaving, firefighting and miscellaneous equipment, installations, and materials used on vessels subject to Coast Guard inspection or on certain motorboats and other pleasure craft are required by various laws and regulations in 46 CFR Chapter I to be of types approved by the Commandant, U.S. Coast Guard. The purpose of this document is to notify all concerned that certain approvals were granted or terminated, as described in this document during the period from January 9, 1967, to March 23, 1967, and on December 4, 1966 (List Nos. 4-67, 5-67, 6-67, 7-67, 8-67, 9-67, and 10-67). These actions were taken in accordance with the procedures set forth in 46 CFR 2.75-1 to 2.75-50, inclusive. For certain types of equipment, installation, and materials, specifications have been prescribed by the Commandant and are published in 46 CFR Parts 160 to 164, inclusive (Subchapter Q—Specifications).

2. The statutory authorities for granting approvals of equipment and the delegation of authority to the Commandant, U.S. Coast Guard, are set forth with the specific specifications governing the item and are set forth in 46 CFR Parts 160 to 164, inclusive (Subchapter Q—Specifications). The general authorities regarding approvals are set forth in sections 367, 375, 390b, 416, 481, 489, 526p, and 1333 in Title 46, U.S. Code, section 1333 in Title 43, U.S. Code and section 198 in Title 50, U.S. Code while the implementing regulations requiring such equipment are in 46 CFR Chapter I or 33 CFR Chapter I. The delegations of authority for the Commandant, U.S. Coast Guard, to take appropriate actions with respect to approvals are set forth in section 632 of Title 14, U.S. Code, and subsection 1.4(a), Department of Transportation Order 1100.1, dated March 31, 1967 (49 CFR 1.4(a)(2), 32 F.R. 5606).

3. In Part I of this document are listed the approvals which shall be in effect for a period of 5 years from the dates issued unless sooner canceled or suspended by proper authority.

4. In Part II of this document are listed the approvals which have been terminated. Notwithstanding this termination of approvals of the items as listed in Part II, such equipment may be used so long as it is in good and serviceable condition.

PART I—APPROVALS OF EQUIPMENT, INSTALLATIONS, OR MATERIALS

BUOYS, LIFE, RING, CORK OR BALSA WOOD

Approval No. 160.009/11/0, 20-inch cork ring life buoy, U.S.C.G. Specification Subpart 160.009, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, effective February 17, 1967. (It is an extension of Approval No. 160.009/11/0 dated July 31, 1962.)

Approval No. 160.009/13/0, 24-inch cork ring life buoy, U.S.C.G. Specification Subpart 160.009, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, effective February 17, 1967. (It is an extension of Approval No. 160.009/13/0 dated July 31, 1962.)

Approval No. 160.009/15/0, 30-inch cork ring life buoy, U.S.C.G. Specification Subpart 160.009, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, effective February 17, 1967. (It is an extension of Approval No. 160.009/15/0 dated July 31, 1962.)

BUOYANT APPARATUS

Approval No. 160.010/17/1, 5.0' x 2.5' (7½'' x 9'' body section) elliptical, solid balsa wood buoyant apparatus, five-person capacity, dwg. No. 31052 and specifications, dated March 10, 1952, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, effective February 17, 1967. (It is an extension of approval No. 160.010/17/1 dated June 14, 1962.)

SEA ANCHORS, LIFEBOAT

Approval No. 160.019/1/0, Type A Sea Anchor, U.S.C.G. Dwg. No. MMI-562 and Specification, dated November 1, 1943, revised August 24, 1944, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, effective February 17, 1967. (It is an extension of Approval No. 160.-019/1/0 dated July 31, 1962.)

LIFEFLOATS

Approval No. 160.027/5/1, 7.0' x 3.17' (9'' x 9'' body section) rectangular solid balsa wood lifefloat, 10-person capacity, specification and dwg. No. 2-27-52, dated

February 27, 1952, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, effective February 17, 1967. (It is an extension of Approval No. 160.027/5/1 dated May 1, 1962.)

Approval No. 160.027/6/1, 7.5' x 4.0' (11'' x 11'' body section) rectangular balsa wood lifefloat, 15-person capacity, specification and dwg. No. 2-27-52, dated February 27, 1952, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, effective February 17, 1967. (It is an extension of Approval No. 160.027/6/1 dated May 1, 1962.)

Approval No. 160.027/7/1, 9.0' x 5.08' (12'' x 12'' body section) rectangular solid balsa wood lifefloat, 25-person capacity, specification and dwg. No. 2-27-52, dated February 27, 1952, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, effective February 17, 1967. (It is an extension of Approval No. 160.027/7/1 dated May 1, 1962.)

Approval No. 160.027/8/1, 10.67' x 6.17' (13'' x 13'' body section) rectangular solid balsa wood lifefloat, 40-person capacity, specification and dwg. No. 2-27-52, dated February 27, 1952, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, effective February 17, 1967. (It is an extension of Approval No. 160.027/8/1 dated May 1, 1962.)

Approval No. 160.027/9/1, 12.0' x 7.58' (15'' x 15'' body section) rectangular solid balsa wood lifefloat, 60-person capacity, specification and dwg. No. 2-27-52, dated February 27, 1952, manufactured by Atlantic-Pacific Manufacturing Corp., 124 Atlantic Avenue, Brooklyn, N.Y. 11201, effective February 17, 1967. (It is an extension of Approval No. 160.027/9/1 dated May 1, 1962.)

DAVITS

Approval No. 160.032/171/0, gravity davit, Type 30-22 MK II, approved for a maximum working load of 22,240 pounds per set (11,120 pounds per arm) using two-part falls, identified by general arrangement dwg. No. D1-F-004, Revision C, dated January 13, 1967, and drawing list dated January 26, 1967, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J. 07727, effective February 14, 1967.

LIFEBOATS

Approval No. 160.035/87/3, 14.0' x 5.0' x 2.17' steel, oar-propelled lifeboat, 6-person* capacity, identified by general arrangement and construction dwg. No. 49R-1412, dated August 20, 1950, revised December 3, 1966, manufactured by Lane Lifeboat & Davit Corp., 150 Sullivan Street, Brooklyn, N.Y. 11231, effective January 9, 1967. (Approved for use on vessels in Great Lakes, bays, sounds and lakes, and river service, as well as for use on certain coastwise tank barges. If mechanical disengaging apparatus is fitted, it shall be of an approved type and the installation in this particular lifeboat shall be approved by the Commandant. *Approved for 9-person capacity for replacement lifeboats.) (It supersedes Approval No. 160.035/87/2 dated Jan. 9, 1962, to show change in construction and change in address.)

Approval No. 160.035/89/3, 16.0' x 5.71' x 2.3' steel, oar-propelled lifeboat, 9-person* capacity, identified by general arrangement and construction dwg. No. 49R-1612, dated August 27, 1950, and revised December 3, 1966, manufactured by Lane Lifeboat & Davit Corp., 150 Sullivan Street, Brooklyn, N.Y. 11231, effective December 4, 1966. (If mechanical disengaging apparatus is fitted, it shall be of an approved type and the installation of this particular lifeboat shall be approved by the Commandant. *Approved for 12-person capacity for replacement lifeboats.) (It supersedes Approval No. 160.035/89/2 dated Dec. 4, 1961, to show change in construction and change in address.)

Approval No. 160.035/236/2, 16.0' x 5.8' x 2.42' steel, oar-propelled lifeboat, 10-person* capacity, identified by general arrangement dwg. No. G-1613 dated April 28, 1952, and revised March 15, 1967, manufactured by C. C. Galbraith & Son, Inc., Maple Place and Manchester Avenue, Post Office Box 185, Keyport, N.J. 07735, effective March 15, 1967. (If mechanical disengaging apparatus is fitted, it shall be of an approved type and installed in accordance with drawings approved by the Commandant. *Approved for 13-person capacity as a replacement in kind for an existing lifeboat requiring 13-person capacity.) (It supersedes Approval No. 160.035/236/1 dated Mar. 25, 1963.)

Approval No. 160.035/258/3, 20.0' x 6.5' x 2.67' steel, oar-propelled lifeboat, 18-person* capacity, identified by construction and arrangement dwg. No. 20-3, dated August 19, 1949, and revised January 5, 1967, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J. 07727, effective January 30, 1967. (If mechanical disengaging apparatus is fitted, it shall be of an approved type and installed in accordance with drawings approved by the Commandant. *Approved for 20-person capacity as a replacement in kind of an existing lifeboat requiring 20-person capacity). (It supersedes Approval No. 160.035/258/2 dated Jan. 30, 1962.)

Approval No. 160.035/300/4, 24.0' x 8.0' x 3.5' aluminum, motor-propelled lifeboat, without radio cabin or searchlight (Class 1), 37-person capacity, identified by general arrangement dwg. No. 24-9H, Rev. G, dated March 2, 1967, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J. 07727, effective March 23, 1967. (It supersedes Approval No. 160.035/300/3 dated July 12, 1965, to show change in construction.)

Approval No. 160.035/358/1, 26.0' x 7.88' x 3.54' steel, oar-propelled lifeboat, 42-person capacity identified by construction and arrangement dwg. No. 26-11B dated October 15, 1956, and revised January 12, 1967, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J. 07727, effective January 13, 1967. (It supersedes Approval No. 160.035/358/0 dated Jan. 9, 1962.)

Approval No. 160.035/401/3, 26.0' x 9.0' x 3.83' steel, hand-propelled lifeboat, 51-person capacity, identified by general arrangement dwg. No. G2651-H, Rev. G, dated January 24, 1967, manufactured by C. C. Galbraith & Son, Inc., Maple Place and Manchester Avenue, Post Office Box 185, Keyport, N.J. 07735, effective March 9, 1967. (Approved for lifeboats Serial Numbers 5035 and 5036 only.) (It supersedes Approval No. 160.035/401/2 dated Aug. 31, 1965.)

Approval No. 160.035/449/1, 26.0' x 9.0' x 3.83' aluminum, motor-propelled lifeboat without radio cabin or searchlight (Class 1), 48-person capacity, identified by general arrangement dwg. No. 26-15, Rev. C, dated March 3, 1967, manufactured by Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J. 07727, effective March 21, 1967. (To be fitted with a Rottmer Type S-1 release gear 160.033/39/3 or Rottmer Type B-1 release gear 160.033/52/0.) (It supersedes Approval No. 160.035/449/0 dated Dec. 8, 1966.)

KITS, FIRST-AID

Approval No. 160.041/1/0, first-aid kit, Model M 2, dwg. No. 99, dated July 1, 1951, manufactured by E. D. Bullard, 2680 Bridgeway, Sausalito, Calif. 94965, effective February 27, 1967. (It is an extension of Approval No. 160.041/1/0 dated Mar. 5, 1962.)

BUOYANT VESTS, UNICELLULAR PLASTIC FOAM, ADULT AND CHILD

Approval No. 160.052/340/0, Type II, Model BVA, adult vinyl-dip coated unicellular plastic foam buoyant vest, dwg. No. 1001, Rev. 1, dated December 23, 1966, manufactured by Texas Water Crafters, Post Office Drawer 539, Wichita Falls, Tex. 76307, effective February 6, 1967. (Approved for use on motorboats of Classes A, 1, or 2 not carrying passengers for hire.)

LIFE PRESERVERS, UNICELLULAR PLASTIC FOAM, ADULT AND CHILD

Approval No. 160.055/66/0, Type IB, Model 63, adult, cloth-covered unicellular plastic foam life preserver, U.S.C.G. Specification Subpart 160.055 and dwg. No. 160.055-IB (sheets 1 and 2), manufactured by Billy Boy Products Division, Crotty Corp., Quincy, Mich. 49082, effective February 3, 1967. (Approved for use on all vessels and motorboats.)

Approval No. 160.055/67/0, Type IB, Model 67, child, cloth-covered unicellular plastic foam life preserver, U.S.C.G. Specification Subpart 160.055 and dwg. No. 160.055-IB (sheets 3 and 4), manufactured by Billy Boy Products Division, Crotty Corp., Quincy, Mich. 49082, effective February 3, 1967. (Approved for use on all vessels and motorboats.)

PROTECTING COVER FOR LIFEBOATS

Approval No. 160.065/7/0, "MASECO", Type MARK II, protecting cover for the occupants of all types of aluminum steel and fibrous glass reinforced plastic (FRP) lifeboats, for lengths of 16' through 37' lifeboats, identified by master drawing, dwg. No. PC 85-24A Rev. A, dated March 9, 1967, manufactured by

Marine Safety Equipment Corp., Foot of Paynter's Road, Farmingdale, N.J. 07727, effective March 23, 1967. (Modifications to the cover and supports may be necessary in the case of some motor-propelled lifeboats equipped with vertical (dry) exhaust lines, radio cabins, and antenna masts.)

SAFETY VALVES (POWER BOILERS)

Approval No. 162.001/279/0, Style HC–MS–75 carbon steel body pop safety valve nozzle type, exposed spring fitted with cover 2,000 p.s.i. primary service pressure rating and 675° F. maximum temperature with standard inlet flange or optional inlet flange, dwg. No. HV–53–MS issued January 6, 1967, approved for sizes 1½", 2", 2½", and 3", manufactured by Crosby Valve & Gage Co., Wrentham, Mass. 02093, effective February 24, 1967.

Approval No. 162.001/280/0, Style HC–MS–76 carbon steel body pop safety valve nozzle type, exposed spring fitted with cover 2,000 p.s.i. primary service pressure rating and 750° F. maximum temperature with standard inlet flange or optional inlet flange, dwg. No. HV–53–MS issued January 6, 1967, approved for sizes 1½", 2", 2½", and 3", manufactured by Crosby Valve & Gage Co., Wrentham, Mass. 02093, effective February 24, 1967.

Approval No. 162.001/281/0, Style HCA–MS–77 alloy steel body pop safety valve nozzle type, exposed spring fitted with cover 2,000 p.s.i. primary service pressure rating and 900° F. maximum temperature with standard inlet flange; 1,750 p.s.i. primary service pressure rating and 900° F. maximum temperature with optional inlet flange, dwg. No. HV–52–MS issued January 5, 1967, approved for sizes 1½", 2", 2½", and 3", manufactured by Crosby Valve & Gage Co., Wrentham, Mass. 02093, effective February 24, 1967.

Approval No. 162.001/282/0, Style HCA–MS–78 alloy steel body pop safety valve nozzle type, exposed spring fitted with cover 1,655 p.s.i. primary service pressure rating and 1,050° F. maximum pressure with standard inlet flange; 995 p.s.i. primary service pressure rating and 1,050° F. maximum temperature with optional inlet flange, dwg. No. HV–52–MS issued January 5, 1967, approved for sizes 1½", 2", 2½", and 3", manufactured by Crosby Valve & Gage Co., Wrentham, Mass. 02093, effective February 24, 1967.

BOILERS, AUXILIARY, AUTOMATICALLY CONTROLLED PACKAGED

Approval No. 162.026/10/0, Johnston Bros. Type 298–30, 150 p.s.i. maximum allowable pressure, 30 horsepower automatically controlled packaged auxiliary boiler, light oil fired (fuel no heavier than Std. No. 2 gravity 30–48 API at 60° F.), manufactured by Johnston Brothers, Inc., Ferrysburg, Mich. 49409, effective March 7, 1967. (Plans approved Dec. 13, 1966.)

BULKHEAD PANELS

Approval No. 164.008/12/1, Marinite–36, asbestos incombustible binder board type bulkhead panel identical to that described in National Bureau of Standards Test Report No. TG3619–23; FR1274, dated March 21, 1939; approved as meeting Class B–15 requirements in a ¾-inch thickness, manufactured by Johns-Manville Sales Corp., 22 East 40th Street, New York, N.Y. 10016, effective February 24, 1967. (Formerly J-M Marinite.) (It is an extension of Approval No. 164.008/12/1 dated May 1, 1962.)

Approval No. 164.008/13/1, Marinite–30, asbestos incombustible binder board type bulkhead panel identical to that described in Protexol Testing Laboratory Test Report No. 146, dated November 15, 1946; approved as meeting Class B–15 requirements in a ¾-inch thickness, manufactured by Johns-Manville Sales Corp., 22 East 40th Street, New York, New York, N.Y. 10016, effective February 24, 1967. (Formerly J-M Marinite.) (It is an extenison of Approval No. 164.008/12/1 dated May 1, 1962.)

Approval No. 164.008/14/1, Marinite–65, asbestos incombustible binder board type bulkhead panel identical to that described in Johns-Manville letter of March 6, 1947; approved as meeting Class B–15 requirements in a ¾-inch thickness, manufactured by Johns-Manville Sales Corp., 22 East 40th Street, New York, N.Y. 10016, effective February 24, 1967. (Formerly J-M Marine Sheathing). (It is an extension of Approval No. 164.008/14/1 dated May 1, 1962.)

Approval No. 164.008/15/1, Marine Veneer, asbestos cement board type bulkhead panel identical to that described in Johns-Manville letter of March 6, 1947; approved as meeting Class B–15 requirements in a ¾-inch thickness, manufactured by Johns-Manville Sales Corp., 22 East 40th Street, New York, N.Y. 10016, effective February 24, 1967. (Formerly J-M Marine Veneer.) (It is an extension of Approval No. 164.008/15/1 dated May 1, 1962.)

Approved No. 164.008/29/1, "Marinite–23", inorganic composition board type bulkhead panel with aluminum, steel, marine veneer, wood, or hard melamine plastic laminate veneers on both sides identical to that described in Protexol Testing Laboratory Report No. 193, dated February 24, 1950, approved as meeting Class B–15 requirements in a ⅞-inch thickness inclusive of veneers, manufactured by Johns-Manville Sales Corp., 22 East 40th Street, New York, N.Y. 10016, effective February 27, 1967. (When veneered with combustible material not meeting the requirements of 46 CFR Subpart 164.012 the restrictions of 46 CFR 72.05–15 apply). (It supersedes Approval No. 164.008/29/1 dated May 1, 1962, to clarify description.)

INCOMBUSTIBLE MATERIALS

Approval No. 164.009/43/0, "Thermobestos" asbestos-hydrous calcium silicate type pipe and block insulation identical to that described in Commandant, U.S. Coast Guard, letter dated April 9, 1957, file 164.009/43, manufactured by Johns-Manville Sales Corp., 22 East 40th Street, New York, N.Y. 10016, effective February 24, 1967. (It is an extension of Approval No. 164.009/43/0 dated May 29, 1962.)

Approval No. 164.009/97/0, "J-M Foil-Faced Marine BX Spintex Duct Insulation", aluminum faced mineral wool type incombustible material identical to that described in National Bureau of Standards Test Report No. TG10210–2141; FR 3678, dated March 1, 1967 and Commandant (MMT–3) letter dated March 9, 1967, approved in a density of 3.5 through 6.0 pounds per cubic foot, manufactured by Johns-Manville Sales Corp., 22 East 40th Street, New York, N.Y. 10016, effective March 9, 1967. (Plant: Richmond, Ind.)

Approval No. 164.009/98/0, "J-M Foil-Faced Marine Microlite Duct Insulation", aluminum faced fibrous glass insulation type incombustible material identical to that described in National Bureau of Standards Test Report No. TG10210–2141; FR 3678, dated March 1, 1967 and Commandant (MMT–3) letter dated March 9, 1967, approved in a density of 0.6 through 2 pounds per cubic foot, manufactured by Johns-Manville Sales Corp., 22 East 40th Street, New York, N.Y. 10016, effective March 9, 1967. (Plant: Defiance, Ohio.)

PART II—TERMINATIONS OF APPROVAL OF EQUIPMENT, INSTALLATIONS, OR MATERIALS

BUOYANT APPARATUS

The Welin Davit & Boat Division of Continental Copper & Steel Industries, Inc., Perth Amboy, N.J., no longer manufactures certain buoyant apparatus and therefore Approval Nos. 160.010/37/0, 160.010/38/0, 160.010/39/0, and 160.010/56/0 are terminated, effective February 16, 1967.

WINCHES, LIFEBOATS

The Welin Davit & Boat Division of Continental Copper & Steel Industries, Inc., Perth Amboy, N.J., no longer manufactures certain lifeboat winches and therefore Approval Nos. 160.015/15/1, 160.015/23/2, 160.015/28/1, 160.015/53/1, 160.015/62/1, 160.015/66/0, 160.015/70/0, 160.015/72/1, 160.015/73/1, 160.015/74/0, 160.015/80/0, 160.015/81/0, 160.015/83/0, 160.015/85/0, 160.015/86/0, and 160.015/88/0 are terminated, effective February 16, 1967.

LIFERAFTS

The Welin Davit & Boat Division of Continental Copper & Steel Industries, Inc., Perth Amboy, N.J., no longer manufactures a particular liferaft and therefore Approval No. 160.018/17/0 is terminated, effective February 16, 1967.

LIFEFLOATS

The Welin Davit & Boat Division of Continental Copper & Steel Industries, Inc., Perth Amboy, N.J., no longer manufactures certain lifefloats and therefore Approval Nos. 160.027/34/0, 160.027/39/1, 160.027/47/1, 160.027/49/1, 160.027/54/0, 160.027/57/0, and 160.027/58/0 are terminated, effective February 16, 1967.

DAVITS

The Welin Davit & Boat Division of Continental Copper & Steel Industries, Inc., Perth Amboy, N.J., no longer manufactures certain davits and therefore Approval Nos. 160.032/43/3, 160.032/47/5, 160.032/50/1, 160.032/53/1, 160.032/55/1,

160.032/69/1, 160.032/96/1, 160.032/101/1, 160.032/102/1, 160.032/135/0, 160.032/147/0, 160.032/150/1, 160.032/152/0, 160.032/155/0, 160.032/156/0, 160.032/158/2, 160.032/159/0, 160.032/161/0, 160.032/162/0, and 160.032/168/0 are terminated, effective February 16, 1967.

MECHANICAL DISENGAGING APPARATUS, LIFEBOAT

The Welin Davit & Boat Division of Continental Copper & Steel Industries, Inc., Perth Amboy, N.J., no longer manufactures certain releasing gear and therefore Approval Nos. 160.033/23/2, 160.033/24/2, 160.033/25/2, 160.033/26/2, 160.033/27/2, 160.033/28/4, and 160.033/47/1, are terminated, effective February 16, 1967.

HAND PROPELLING GEAR, LIFEBOAT

The Welin Davit & Boat Division of Continental Copper & Steel Industries, Inc., Perth Amboy, N.J., no longer manufactures certain hand-propelling gear and therefore Approval Nos. 160.034/9/1 and 160.034/15/0 are terminated, effective February 16, 1967.

LIFEBOATS

The C. C. Galbraith & Son, Inc., 99 Park Place, New York 7, N.Y., Approval No. 160.035/12/3 for a particular oar-propelled lifeboat has expired and is therefore terminated, effective January 9, 1967.

The Welin Davit & Boat Division of Continental Copper & Steel Industries, Inc., Perth Amboy, N.J., no longer manufactures certain life boats and therefore Approval Nos. 160.035/32/2, 160.035/34/2, 160.035/35/2, 160.035/41/2, 160.035/50/1, 160.035/52/1, 160.035/59/2, 160.035/64/2, 160.035/147/1, 160.035/148/2, 160.035/168/1, 160.035/179/2, 160.035/181/2, 160.035/183/2, 160.035/184/2, 160.035/187/2, 160.035/189/2, 160.035/191/2, 160.035/201/2, 160.035/248/1, 160.035/264/1, 160.035/265/1, 160.035/266/0, 160.035/276/1, 160.035/287/1, 160.035/303/1, 160.035/307/1, 160.035/308/1, 160.035/316/2, 160.035/354/0, 160.035/359/0, 160.035/364/0, 160.035/365/0, 160.035/366/0, 160.035/367/0, 160.035/374/0, 160.035/377/0, 160.035/380/0, 160.035/385/0, 160.035/398/1, 160.035/402/0, 160.035/411/1, 160.035/412/2, 160.035/417/2, 160.035/419/0, 160.035/425/0, 160.035/428/0, 160.035/438/0, and 160.035/441/0 are terminated, effective February 16, 1967.

PUMPS, BILGE, LIFEBOAT

The Welin Davit & Boat Division of Continental Copper & Steel Industries, Inc., Perth Amboy, N.J., no longer manufactures certain lifeboat bilge pumps and therefore Approval Nos. 160.044/8/1, 160.044/10/1, and 160.044/12/1 are terminated, effective February 16, 1967.

BUOYANT VESTS, UNICELLULAR PLASTIC FOAM, ADULT AND CHILD

The Texas Water Crafters, Post Office Drawer 539, Wichita Falls, Tex. 76307, Approval No. 160.052/338/0 for a particular unicellular plastic foam buoyant vest has terminated, effective February 6, 1967.

Dated: June 22, 1967.

W. J. SMITH,
Admiral, U.S. Coast Guard,
Commandant.

[F.R. Doc. 67-7453; Filed, June 29, 1967; 8:48 a.m.]

FEDERAL MARITIME COMMISSION

SAN FRANCISCO PORT AUTHORITY AND PORT OF SAN FRANCISCO GRAIN TERMINAL, INC.

Notice of Agreement Filed for Approval

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter), and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Miriam E. Wolff, Deputy Attorney General of California, State Building, San Francisco, Calif. 94102.

Agreement No. T-2061 between San Francisco Port Authority (Authority) and Port of San Francisco Grain Terminal, Inc. (Tenant), provides for a 60-year lease of certain terminal property and improvements to be made thereon. Tenant is to operate the property as a public elevator and bulk grain terminal. The Authority reserves secondary berthing privileges. Rates and charges for handling, storage, and services shall be those published in Tenant's tariff and rates on wharfage, dockage, and switching will be as provided in Authority's tariff. Compensation will be in accordance with the terms outlined in the lease agreement. After the 40th—year the rental terms of the agreement will be renegotiated. Tenant guarantees to put an annual minimum of 300,000 tons of grain through the facility on which tolls will be applicable.

Dated: June 27, 1967.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 67-7448; Filed, June 29, 1967; 8:48 a.m.]

[Commission Order 1 (Rev.); Supp. 1 (Amended)]

ORGANIZATION AND FUNCTIONS

Public Information

On June 5, 1967, Congress enacted Public Law 90-23 codifying provisions of Public Law 89-487. As a result of this codification, section 11.011 of Commission Order No. 1 (Revised), Supplement 1, published in the FEDERAL REGISTER on June 13, 1967 (32 F.R. 8433) is hereby amended. In addition, section 11.04 of the basic order is amended to include the Director, Bureau of Investigation as an official designated to receive requests or submittals, furnish information or make decisions within his respective functional area. The amended sections are as follows:

11.01 General: 1. 5 U.S.C. 552(a)(1)(A) requires that every agency shall separately state and currently publish in the FEDERAL REGISTER for the guidance of the public descriptions of its central and field organizations and the established places at which, the officers from whom, and the methods whereby, the public may secure information, make submittals or requests or obtain decisions.

* * * * *

11.04 The Director, Office of International Affairs and Relations, the Director, Bureau of Investigation, the Director, Bureau of Financial Analysis, the Secretary, the General Counsel, and the Chief Hearing Examiner are designated to receive requests or submittals, furnish information or make decisions within their respective functional areas of responsibility as provided in sections 5.032, 5.035, 5.036, 5.04, 5.05, and 5.06.

* * * * *

Approved: June 20, 1967.

JOHN HARLLEE,
Rear Admiral, U.S. Navy (Retired),
Chairman.

[F.R. Doc. 67-7450; Filed, June 29, 1967; 8:48 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

SHELL CHEMICAL CO.

Notice of Establishment of Temporary Tolerance for Insecticide

Notice is given that at the request of the Shell Chemical Co., a division of Shell Oil Co., New York, N.Y. 10020, a temporary tolerance of 0.25 part per mil-

lion is established for residues of the insecticide dimethyl phosphate of 3-hydroxy *N,N*-dimethyl-*cis*-crotonamide in or on safflower seed and citrus. The Commissioner of Food and Drugs has determined that this temporary tolerance will protect the public health.

A condition under which this temporary tolerance is established is that the insecticide will be used in accord with the temporary permit issued by the U.S. Department of Agriculture. Distribution will be under the Shell Chemical Co. name.

This temporary tolerance expires June 23, 1968.

This action is taken pursuant to the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 408(j), 68 Stat. 516; 21 U.S.C. 346a(j)) and delegated by him to the Commissioner (21 CFR 2.120).

Dated: June 23, 1967.

J. K. KIRK,
Associate Commissioner for Compliance.

[F.R. Doc. 67-7427; Filed, June 29, 1967; 8:46 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[812-2140]

NUVEEN TAX-EXEMPT BOND FUND, SERIES 15

Notice of Application for Order of Exemption

JUNE 26, 1967.

Notice is hereby given that Nuveen Tax-Exempt Bond Fund, Series 15 ("applicant"), 209 South La Salle Street, Chicago, Ill. 60604, a unit investment trust registered under the Investment Company Act of 1940 ("Act"), has filed an application pursuant to section 6(c) of the Act for an order of the Commission exempting applicant from compliance with the provisions of section 14(a) of the Act. In substance, section 14(a) of the Act provides that no registered investment company shall make a public offering of securities of which it is the issuer unless it has a net worth of at least $100,000. All interested persons are referred to the application on file with the Commission for a statement of the representations therein which are summarized below.

Applicant is one of a series of 15 similar funds, named "Nuveen Tax-Exempt Bond Fund, Series 1–15," organized pursuant to a Trust Indenture and Agreement between John Nuveen & Co., as Sponsor and United States Trust Company of New York as Trustee. It is contemplated that the Sponsor will deposit with the Trustee under the Trust Agreement a minimum of $10,000,000 principal amount of municipal bonds and will receive in exchange therefor certificates of undivided interest in the trust. It is proposed to offer such units for sale to the public and for this purpose a registration statement under the Securities Act of 1933 has been filed and has not yet become effective. The Trust Agreement provides in substance that no additional bonds will be deposited during the life of the Trust and no additional units will be issued. The proceeds of bonds which may be sold, redeemed or matured will be distributed to unit holders. Units may be redeemed by the holders at their current net asset value. The Trust may be terminated by 100 percent agreement of the unit holders of the applicant, or, in the event that the value of the bonds shall fall below 20 percent of the aggregate principal amount of bonds initially deposited therein, upon direction of the Sponsor to the Trustee.

In connection with the requested exemption the Sponsor has agreed to refund the original price including sales load paid by purchasers for units, if within 90 days after the registration becomes effective, the net worth of the Trust shall be reduced to less than $100,000. Applicant further represents that at the present time the Sponsor maintains a market for the units of the Nuveen Tax-Exempt Bond Funds with which it is similarly connected, and continually offers to purchase such units at prices which exceed the redemption price for such units by amounts which depend upon general market conditions. It is the Sponsor's intention to maintain a market for the units of the applicant and to continuously offer to purchase such units at prices in excess of the redemption price as set forth in the Trust Agreement, although the Sponsor is not obligated to do so.

Notice is further given that any interested person may, not later than July 13, 1967, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (air mail if the person being served is located more than 500 miles from the point of mailing) upon applicant at the address stated above. Proof of such service (by affidavit or in case of an attorney at law by certificate) shall be filed contemporaneously with the request. At any time after such date, as provided by Rule 0–5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the information stated in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and postponements thereof.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 67-7415; Filed, June 29, 1967; 8:45 a.m.]

[812-2142]

UNION CARBIDE INTERNATIONAL CAPITAL CORP.

Notice of Filing of Application for Order Exempting Company

JUNE 26, 1967.

Notice is hereby given that Union Carbide International Capital Corp. ("Applicant"), 270 Park Avenue, New York, N.Y. 10017, has filed an application pursuant to section 6(c) of the Investment Company Act of 1940 ("Act") for an order exempting it from all provisions of the Act and the rules and regulations thereunder. All interested persons are referred to the application on file with the Commission for a statement of the representations therein, which are summarized below.

Applicant was organized by Union Carbide Corp. ("Union Carbide"), under the laws of the State of New York on June 13, 1967. Union Carbide or a fully owned subsidiary of Union Carbide (which term is used herein means a corporation all of the outstanding securities of which, other than short-term paper as defined in sec. 2(a)(36) of the Act and directors' qualifying shares, are owned, directly or indirectly, by Union Carbide) will subscribe for all of the capital stock of Applicant to be issued and outstanding. Union Carbide has subscribed for 10 of the 200 authorized shares of Applicant and will pay an aggregate amount of $1 million in cash for said shares. On or before December 31, 1967, Union Carbide will make such capital contributions to Applicant of, or will purchase additional securities of Applicant for, cash, securities, or other property so that the capital of Applicant will be not less than $10 million at that date. Any additional securities which Applicant may issue, other than debt securities, will be issued only to Union Carbide or a fully owned subsidiary of Union Carbide. Union Carbide will continue to retain its present holdings of Applicant's common stock and any additional securities of Applicant which Union Carbide may acquire and Union Carbide will not dispose of any of Applicant's securities (other than debt securities) except to Applicant or to a fully owned subsidiary of Union Carbide and Union Carbide will cause each fully owned subsidiary not to dispose of Applicant's securities except to Union Carbide, Applicant or to one or more fully owned subsidiaries of Union Carbide.

Union Carbide is principally engaged in the manufacture of chemicals, plastics, industrial gases, metals, and carbons.

Union Carbide is interested in developing and expanding its foreign operations. In order to do so it intends to make substantial investments in foreign companies. Union Carbide is using Applicant to fulfill this objective and at the same time to support the balance of payments position of the United States in compliance with the voluntary cooperation program instituted by the President in February 1965.

Applicant intends to issue and sell an aggregate of up to $50 million of its Guaranteed Debentures Due 1982 ("Debentures"). Union Carbide will guarantee the principal, interest payments, and premium, if any, on the Debentures. The Debentures will be convertible into common stock of Union Carbide at any time on and after May 1, 1968, and (unless previously redeemed) on or prior to July 1, 1982. Any additional debt securities of Applicant which may be issued to or held by the public will be guaranteed by Union Carbide in a manner substantially similar to the guarantee of the Debentures.

It is intended that upon completion of the long-term investment of Applicant's assets, substantially all of the assets of Applicant (exclusive of U.S. Government securities and cash items) will be invested in or loaned to foreign companies, including U. S. companies all or substantially all of whose business is carried on abroad either directly or indirectly through foreign companies, which are primarily engaged in a business or businesses other than investing, reinvesting, owning, holding, or trading in securities and which are, or upon the making of such investments will be (1) majority-owned subsidiaries of Union Carbide within the meaning of section 2(a)(23) of the Act, (2) companies under Union Carbide's control within the meaning of section 2(a)(9) of the Act, or (3) companies which are engaged in a business related to the business of Union Carbide, in which Union Carbide or Applicant owns directly or indirectly, an equity interest of 15 percent or more. Applicant will proceed as expeditiously as practicable with the long-term investment of its assets in the manner described above. Pending such investment, and from time to time thereafter in connection with changes in long-term investments, Applicant will invest temporarily in debt obligations (including time deposits) of foreign governments, foreign financial institutions (including foreign branches of U.S. financial institutions) and foreign subsidiaries of Union Carbide, payable in U.S. dollars or other currencies and in each case maturing in 1 year or less from the date of acquisition. Applicant will not acquire the securities representing its investments or loans for the purpose of resale and will not trade in securities.

The Debentures are to be sold to a group of underwriters for offering and sale only outside the United States. The Debentures are to be offered and sold under conditions which are intended to assure that the Debentures will not be offered or sold in the United States, its territories or possessions or to nationals, citizens or residents of the United States, its territories or possessions. The contracts relating to such offer and sale will contain various provisions intended to assure that the Debentures will not be purchased by nationals, citizens or residents of the United States, its territories or possessions. Any additional debt securities of Applicant which may be sold to the public in the future will be sold under substantially similar conditions.

Counsel has advised Applicant that U.S. persons will be required to report and pay an interest equalization tax with respect to acquisition of the Debentures, except where a specific statutory exemption is available. By financing its foreign operations through Applicant rather than through the sale of its own obligations, Union Carbide will utilize an instrumentality the acquisition of whose debt obligations by U.S. persons would generally subject such persons to the interest equalization tax, thus discouraging them from purchasing such debt obligations.

The Applicant will use its best efforts to have the Debentures listed on the New York Stock Exchange and registered under the Securities Exchange Act of 1934. The Debentures will also be listed on the Luxembourg Stock Exchange. The common stock of Union Carbide is listed on the New York Stock Exchange and registered under the Securities Exchange Act of 1934.

Applicant submits that it is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act for the Commission to enter an order exempting Applicant from each and every provision of the Act for the following reasons: (1) A significant purpose of the Applicant is to assist in improving the balance of payments program of the United States by obtaining funds for foreign operations in foreign countries; (2) the payment of the Debentures, which is guaranteed by Union Carbide, and the value of the right to convert the Debentures into shares of Union Carbide common stock, do not depend solely on the operation or investment policy of the Applicant, for the Debenture holders may ultimately look to the business enterprise of Union Carbide; (3) none of the securities of the Applicant (other than debt securities) will be held by any person other than Union Carbide or a fully owned subsidiary of Union Carbide; (4) Applicant will not deal or trade in securities; (5) Applicant's security holders will have the benefit of the disclosure and reporting provisions of the Securities Exchange Act of 1934 and of the New York Stock Exchange; (6) the Debentures will be sold only to foreign nationals and the burden of the Interest Equalization Tax will discourage resale to any U.S. national, citizen, or resident.

Notice is further given that any interested person may, not later than July 7, 1967, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon Applicant at the address stated above. Proof of such service (by affidavit or in case of an attorney at law be certificate) shall be filed contemporaneously with the request. At any time after said date, as provided by Rule 0-5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the information stated in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 67-7416; Filed, June 29, 1967; 8:45 a.m.]

CIVIL SERVICE COMMISSION

DIRECTOR, REHABILITATION AND CODES DIVISION, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Manpower Shortage; Notice of Listing

Under the provisions of 5 U.S.C. 5723, the Civil Service Commission has found effective June 19, 1967, that there is a manpower shortage for the single position of Director, Rehabilitation and Codes Division, GS-301-16, Department of Housing and Urban Development, Washington, D.C. This finding will terminate when the position is filled.

The appointee may be paid for the expenses of travel and transportation to his first post of duty.

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[F.R. Doc. 67-7440; Filed, June 29, 1967; 8:47 a.m.]

FEDERAL POWER COMMISSION

[Docket Nos. G-3894 etc.]

ATLANTIC RICHFIELD CO. ET AL.

Notice of Applications for Certificates, Abandonment of Service and Petitions To Amend Certificates [1]

JUNE 21, 1967.

Take notice that each of the Applicants listed herein has filed an application or petition pursuant to section 7 of the Natural Gas Act for authorization to sell natural gas in interstate commerce or to abandon service heretofore authorized as described herein, all as more fully described in the respective applications and amendments which are on file with the Commission and open to public inspection.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before July 13, 1967.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on all applications in which no protest or petition to intervene is filed within the time required herein if the Commission on its own review of the matter believes that a grant of the certificates or the authorization for the proposed abandonment is required by the public convenience and necessity. Where a protest or petition for leave to intervene is timely filed, or where the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given: *Provided, however*, That pursuant to § 2.56, Part 2, Statement of General Policy and Interpretations, Chapter I of Title 18 of the Code of Federal Regulations, as amended, all permanent certificates of public convenience and necessity granting applications, filed after April 15, 1965, without further notice, will contain a condition precluding any filing of an increased rate at a price in excess of that designated for the particular area of production for the period prescribed therein unless at the time of filing such certificate application, or within the time fixed herein for the filing of protests or petitions to intervene the Applicant indicates in writing that it is unwilling to accept such a condition. In the event Applicant is unwilling to accept such condition the application will be set for formal hearing.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicants to appear or be represented at the hearing.

GORDON M. GRANT,
Secretary.

[1] This notice does not provide for consolidation for hearing of the several matters covered herein, nor should it be so construed.

Docket No. and date filed	Applicant	Purchaser, field, and location	Price per Mcf	Pressure base
G-3894 ..... C 6-7-67	Atlantic Richfield Co.,[1] Post Office Box 2819, Dallas, Tex. 75221.	El Paso Natural Gas Co., Spraberry Trend Area, Reagan County, Tex.	18.2430	14.65
G-6614 ..... C 2-1-67	Union Texas Petroleum, a division of Allied Chemical Corp.,[2] Box 2120, Houston, Tex. 77001.	El Paso Natural Gas Co., acreage in Reagan and Glasscock Counties, Tex.	18.2430	14.65
G-6937 ..... E 6-5-67	Catherine B. McElvain et al. (successor to T. H. McElvain), 220 Shelby St., Post Office Box 2148, Santa Fe, N. Mex. 87501.	El Paso Natural Gas Co., Ignacio-Blanco Field, La Plata County, Colo.	[3] 14.0	15.025
G-12005 ..... D 6-13-67	Mobil Oil Corp., Post Office Box 2444, Houston, Tex. 77001. (partial abandonment).	United Gas Pipe Line Co., Eugene Island Area, Offshore Iberia Parish, La.	Depleted	.....
G-13103 ..... C 6-12-67	Aztec Oil & Gas Co., 2000 First National Bank Bldg., Dallas, Tex. 75202.	Southern Union Gathering Co., Basin Dakota Pool, San Juan County, N. Mex.	13.0	15.025
G-13345 ..... E 6-5-67	Catherine B. McElvain et al. (successor to T. H. McElvain).	El Paso Natural Gas Co., West Ignacio-Mesaverde Field, La Plata County, Colo.	[4] 14.0	15.025
G-14225 ..... D 6-7-67 [5]	Mobil Oil Corp.	United Fuel Gas Co., Thornwell Field, Jefferson Davis Parish, La.	Assigned	.....
G-17811 ..... E 6-5-67	Catherine B. McElvain et al. (successor to T. H. McElvain et al.)	El Paso Natural Gas Co., Blanco Mesaverde Field, Rio Arriba County, N. Mex.	[6] 14.0	15.025
G-20377 ..... E 6-5-67	Catherine B. McElvain, et al. (successor to T. H. McElvain).	El Paso Natural Gas Co., Ballard Pictured Cliff Field, Rio Arriba County, N. Mex.	[7] 12.0	15.025
CI60-750 ..... E 6-1-67	Roger M. Wheeler (successor to Tamarack Petroleum Co., Inc., agent, et al.), c/o J. B. Bailey, attorney, 602 National Bank of Tulsa Bldg., Tulsa, Okla. 74103.	Transwestern Pipeline Co., acreage in Roberts County, Tex.	17.0	14.65
CI61-1503 ..... E 5-29-67	J. & S. Gas Co. (successor to Hal Pack, d.b.a. Hal Pack & Co.), c/o Hugh K. Spencer, partner, West Union, W. Va. 26456.	Consolidated Gas Supply Corp., McClellan District, Doddridge County, W. Va.	25.0	15.325
CI61-1674 ..... E 6-5-67	Catherine B. McElvain et al. (successor to T. H. McElvain et al.).	El Paso Natural Gas Co., Ignacio-Blanco Mesaverde Field, La Plata County, Colo.	[8] 14.0	15.025
CI62-24 ..... E 5-29-67	J. & S. Gas Co. (successor to Hal Pack, d.b.a. Hal Pack & Co.).	Consolidated Gas Supply Corp., Eagle District, Harrison County, W. Va.	25.0	15.325
CI62-260 ..... E 6-6-67	Fred Bowman (successor to Jenney Manufacturing Co.), Post Office Box 1391, Corpus Christi, Tex. 78403.	Banquete Gas Co., a division of Crestmont Consolidated Corp., Spartan and Odem Fields, San Patricio County, Tex.	[9] 10.0	14.65
CI62-446 ..... E 6-5-67	Catherine B. McElvain et al. (successor to T. H. McElvain (Operator) et al.).	El Paso Natural Gas Co., Ignacio-Blanco Mesaverde Field, La Plata County, Colo.	[8] 14.0	15.025
CI62-650 ..... E 6-5-67	Catherine B. McElvain et al. (successor to T. H. McElvain et al.).	do	[8] 14.0	15.025
CI62-733 ..... E 6-8-67	Roosth & Genecov Production Co. (successor to T. F. Hodge (Operator) et al.), Post Office Box 2019, Tyler Tex. 75701.	Texas Eastern Transmission Corp., South Karon Field, Live Oak County, Tex.	12.0	14.65
CI62-754 ..... E 5-29-67	J. & S. Gas Co. (successor to Hal Pack, d.b.a. Hal Pack & Co.).	Consolidated Gas Supply Corp., Eagle District, Harrison County, W. Va.	25.0	15.325
CI62-787 ..... E 5-29-67	do	do	25.0	15.325
CI62-882 ..... E 6-5-67	Catherine B. McElvain et al. (successor to T. H. McElvain et al.).	El Paso Natural Gas Co., Ignacio-Blanco Field, La Plata County, Colo.	[8] 14.0	15.025
CI62-1311 ..... E 5-29-67	J. & S. Gas Co. (successor to Hal Pack d.b.a. Hal Pack & Co.).	Consolidated Gas Supply Corp., Coal District, Harrison County, W. Va.	21.88	15.325
CI63-20 ..... D 6-12-67	Humble Oil & Refining Co. (Operator) et al., Post Office Box 2180, Houston, Tex. 77001.	Arkansas Louisiana Gas Co., Arkoma Area, Latimer County, Okla.	[10]	.....
CI63-207 ..... E 5-29-67	J. & S. Gas Co. (successor to Hal Pack).	Consolidated Gas Supply Corp., McClellan District, Doddridge County, W. Va.	25.0	15.325
CI63-562 ..... E 5-29-67	do	Consolidated Gas Supply Corp., Eagle District, Harrison County, W. Va.	25.0	15.325
CI63-804 ..... E 5-29-67	do	Consolidated Gas Supply Corp., Clark and Union Districts, Harrison County, W. Va.	25.0	15.325
CI63-919 ..... E 6-5-67	Catherine B. McElvain et al. (successor to Estate of T. H. McElvain).	El Paso Natural Gas Co., Ignacio-Blanco Mesaverde Field, La Plata County, Colo.	[11] 14.0	15.02
CI63-961 ..... E 6-5-67	do	El Paso Natural Gas Co., Ignacio-Dakota Field, La Plata County, Colo.	[11] 14.0	15.025
CI65-2 ..... (CI63-20) C 5-19-67 [12]	Arkla Exploration Co. et al., Post Office Box 1126, Shreveport, La. 71102.	Arkansas Louisiana Gas Co., acreage in Haskell County, Okla.	15.0	14.65

Filing code: A—Initial service.
B—Abandonment.
C—Amendment to add acreage.
D—Amendment to delete acreage.
E—Succession.
F—Partial succession.

See footnotes at end of table.

Docket No. and date filed	Applicant	Purchaser, field, and location	Price per Mcf	Pressure base
CI65-269 E 6-8-67	Sinclair Oil & Gas Co. (Operator) et al. (successor to Worth Exploration Co. (Operator) et al.), Post Office Box 521, Tulsa, Okla. 74102.	Southern Natural Gas Co., Northeast Lafitte Field, Jefferson and Plaquemines Parishes, La.	15.0	15.025
CI65-323 D 6-9-67	Exchange Oil & Gas Co., 1200 Oil & Gas Bldg., New Orleans, La. 70112 (partial abandonment).	Consolidated Gas Supply Corp., Chalkley Field, Cameron Parish, La.	(13)	
CI65-603 D 6-12-67[14]	Marathon Oil Co. (Operator) et al., 539 South Main St., Findlay, Ohio 45840.	Natural Gas Pipeline Co. of America, Indian Basin Area, Eddy County, N. Mex.	Assigned	
CI65-1322 E 6-8-67	Sinclair Oil & Gas Co., et al. (successor to Worth Exploration Co. et al.).	Consolidated Gas Supply Corp., South Bosco Field, Lafayette Parish, La.	[16] 17.5	15.025
CI66-947 E 5-25-67	Charles F. Sheldon and Nola May Sheldon (successor to C. J. Fowlston et al.), Drawer 775, Dumas, Tex. 79029.	Colorado Interstate Gas Co., Keyes Field, Cimarron County, Okla.	[16] 17.0	14.65
CI67-91 E 6-5-67	Catherine B. McElvain et al. (successor to Estate of T. H. McElvain et al.).	El Paso Natural Gas Co., Basin Dakota Field, Rio Arriba County, N. Mex.	13.0	15.025
CI67-1104 C 6-12-67	Humble Oil & Refining Co.	Arkansas Louisiana Gas Co., Kinta Field, Pittsburg County, Okla.	15.0	14.65
CI67-1446 A 6-12-67	Frank E. Morrison, Box 85, Cairo, W. Va. 26667.	Consolidated Gas Supply Corp., Grant District, Ritchie County, W. Va.	20.0	15.325
CI67-1741 S 6-7-67	Shelly & Snider, c/o Mrs. E. W. Shelbaer, 426 Pearl St., Brownsville, Pa. 15417.	Consolidated Gas Supply Corp., Mannington District, Marion County, W. Va.	Uneconomical	
CI67-1742 B 6-8-67	Fred Attaya, 1122 Stanley St., Denton, Tex. 76201.	Texas Eastern Transmission Corp., Altair Field, Colorado County, Tex.	Depleted	
CI67-1743 A 6-8-67	J. & J. Enterprises, Inc., 518 Allegheny Ave., Avonmore, Pa. 15618.	Cumberland and Allegheny Gas Co., Union District, Upshur County, W. Va.	25.0	15.325
CI67-1744 A 6-8-67	W. Leslie Rogers, Cooper Parkway Office Bldg., North Park Drive and Airport Highway, Pennsauken, N.J. 08109.	Equitable Gas Co., Greenwood Field, Doddridge County, W. Va.	25.0	15.325
CI67-1745 A 6-8-67	Mid-American Exploration Co. et al., c/o Hays & Co., agent, Box 590, Spencer, W. Va. 25276.	Consolidated Gas Supply Corp., Cove District, Doddridge County, W. Va.	25.0	15.325
CI67-1746 A 6-9-67	Buttes Gas & Oil Co., 2550 Franklin St., Oakland, Calif. 94612.	Michigan Wisconsin Pipe Line Co., Laverne Field, Harper County, Okla.	[17] 17.0	14.65
CI67-1747 A 6-9-67	H. & B. Gas Co., c/o L. E. Haught, attorney, Smithville, W. Va. 26178.	Consolidated Gas Supply Corp., Murphy District, Ritchie County, W. Va.	25.0	15.325
CI67-1748 A 6-9-67	Shield Petroleum Corp., c/o James C. Eigel, vice president, 6980 Tenderfoot Lane, Cincinnati, Ohio 45242.	Consolidated Gas Supply Corp., Williams District, Wood County, W. Va.	25.0	15.325
CI67-1749 A 6-9-67	Harper Oil Co., 904 Hightower Bldg., Oklahoma City, Okla. 73102.	Michigan Wisconsin Pipe Line Co., acreage in Harper County, Okla.	[17] 17.0	14.65
CI67-1751 A 6-9-67	Pan American Petroleum Corp.,[18] Post Office Box 591, Tulsa, Okla. 74102.	Michigan Wisconsin Pipe Line Co., East Campbell Field, Major and Woods Counties, Okla.	[17] 15.0	14.65
CI67-1752 A 6-9-67	Parker Petroleum Co. et al., c/o Hays & Co., agent, Box 590, Spencer, W. Va. 25276.	Consolidated Gas Supply Corp., Parkersburg District, Wood County, W. Va.	25.0	15.325
CI67-1754 A 6-12-67	King Resources Co.,[19] 324 North Robinson, Suite 200, Oklahoma City, Okla. 73102.	Panhandle Eastern Pipe Line Co., Southwest Avard Area, Woods County, Okla.	[17] 15.0	14.65

Docket No. and date filed	Applicant	Purchaser, field, and location	Price per Mcf	Pressure base
CI67-1755 B 6-12-67	L. B. Horn (Operator) et al., 942 Milam Bldg., San Antonio, Tex. 78205.	Coastal States Gas Producing Co., A & H Field, Duval County, Tex.	Depleted	
CI67-1756 B 6-12-67	Harper Oil Co.	Lone Star Gas Co., Sholem Alechem Area, Carter County, Okla.	Depleted	
CI67-1757 A 6-12-67	Carter-Jones Drilling Co. et al., Post Office Box 1597, Kilgore, Tex. 75662.	Lone Star Gas Co., Carthage Field, Rusk and Panola Counties, Tex.	14.0	14.65
CI67-1759 A 6-12-67	J. F. Deem, 400 South Spring St., Harrisville, W. Va. 26362.	Consolidated Gas Supply Corp., Murphy District, Ritchie County, W. Va.	25.0	15.325
CI67-1760 A 6-12-67	Louis Fabian, d.b.a. Lou Fabian Oil & Gas, Greenbrier Bldg., Parkersburg, W. Va. 26102.	Consolidated Gas Supply Corp., Grant District, Ritchie County W. Va.	25.0	15.325
CI67-1761 A 6-12-67	Stydahar Oil & Gas Co., c/o L. L. Crawford, Lost Creek, W. Va. 26385.	Consolidated Gas Supply Corp., Elk District, Harrison County, W. Va.	25.0	15.325
CI67-1762 A 6-12-67	Humble Oil & Refining Co.	United Fuel Gas Co., East Cameron Meadows Field, Cameron Parish, La.	18.5	15.025
CI67-1763 A 6-9-67	Union Producing Co., Post Office Box 1407, Shreveport, La. 71102.	United Gas Pipe Line Co., Kent Bayou Field, Terrebonne Parish, La.	20.625	15.025
CI67-1764 B 6-12-67	Investors Syndicate of the Southwest, Inc., 211 First National Bank Bldg., McAllen, Tex. 78501.	Florida Gas Transmission Co., North Monte Christo Field, Hidalgo County, Tex.	Depleted	
CI67-1765 (G-10022) (G-14225) (CI61-1285) F 6-12-67	Edgewater Oil Co., Inc. (successor to Pan American Petroleum Corp., Mobil Oil Corp., and The California Co., a division of Chevron Oil Co.), Post Office Box 55, Harvey, La. 70058.	United Fuel Gas Co., South Thornwell Field, Jefferson Davis Parish, La.	19.0	15.325
CI67-1766 A 6-6-67	Thomas E. Collins, West Union, W. Va. 26456.	Carnegie Natural Gas Co., Central District, Doddridge County, W. Va.	20.0	15.325
CI67-1767 B 6-12-67	Amigos Oil & Gas Ventures (Operator) et al., c/o Mr. Hyman Ginsberg, 610 Citizens Bank Bldg., Tyler, Tex. 75701.	Texas Eastern Transmission Corp., Carthage Field, Rusk County, Tex.	Depleted	
CI67-1769 B 6-12-67	Mobil Oil Corp. (Operator) et al.	Transcontinental Gas Pipe Line Corp., Raceland Field, Lafourche Parish, La.	[20]	
CI67-1770 B 6-12-67	Mobil Oil Corp.	Texas Eastern Transmission Corp., East Bishop Field, Nueces County, Tex.	Depleted	
CI67-1771 B 6-12-67	do	Northern Natural Gas Co., South Glenwood Field, Beaver County, Okla.	Depleted	
CI67-1772 A 6-9-67	Texota Oil Co., 811 San Jacinto Bldg., Houston, Tex. 77002.	Arkansas Louisiana Gas Co., acreage in Le Flore County, Okla.	15.0	14.65
CI67-1773 A 6-14-67	Petroleum, Inc., 300 West Douglas, Wichita, Kans. 67202.	Panhandle Eastern Pipe Line Co., Mocane-Laverne Pool, Beaver County, Okla.	[17] 17.0	14.65
CI67-1774 B 6-14-67	Union Oil Co. of California, Union Oil Center, Los Angeles, Calif. 90017.	Panhandle Eastern Pipe Line Co., Tuttle Ranch Field, Clark County, Kans.	Depleted	
CI67-1775 B 6-14-67	Southland Royalty Co., 1603 First National Bldg., Fort Worth, Tex. 76102.	Panhandle Eastern Pipe Line Co., Wil Field Area, Edwards and Stafford Counties, Kans.	Depleted	
CI67-1776 A 6-15-67	A.I.K., Ltd., No. 2, 706 Bank of the Southwest Bldg., Amarillo, Tex. 79109.	Michigan Wisconsin Pipe Line Co., Mocane-Laverne Field, Harper County, Okla.	[17] 17.0	14.65

See footnotes at end of table.

[1] By letter filed June 7, 1967, Applicant advised willingness to accept permanent authorization containing conditions similar to those imposed by Opinion No. 468, as modified by Opinion No. 468-A.
[2] By letter filed June 8, 1967, Applicant advised willingness to accept permanent authorization containing conditions similar to those imposed by Opinion No. 468, as modified by Opinion No. 468-A.
[3] Rate in effect subject to refund in Docket No. RI67-170.
[4] Rate in effect subject to refund in Docket No. RI67-171.
[5] Deletes acreage assigned to Edgewater Oil Co., Inc.
[6] Rate in effect subject to refund in Docket No. RI67-165.
[7] Plus settlement for liquids.
[8] Rate in effect subject to refund in Docket No. RI67-410.
[9] Rate in effect subject to refund in Docket No. RI67-166.
[10] Volume of gas attributable to Applicant's small interest in the Henry Unit does not qualify for connection to Buyer's system.
[11] Rate in effect subject to refund in Docket No. RI67-167.
[12] Adds acreage acquired from Humble Oil & Refining Co., Docket No. CI63-20.
[13] Acreage released to land owner due to nondevelopment.
[14] Deletes acreage assigned to Emmett D. White.
[15] Includes 1.5 cents per Mcf tax reimbursement.
[16] Rate in effect subject to refund in Docket No. RI66-359.
[17] Subject to upward and downward B.t.u. adjustment.
[18] Applicant states its willingness to accept permanent certificate at an initial price of 15.0 cents per Mcf, plus B.t.u. adjustment.
[19] Applicant states its willingness to accept permanent certificate on the same terms specified by the Commission's order issued Mar. 30, 1964 in Docket Nos. G-19417 et al.
[20] Interests assigned to B. T. Murphree.

[F.R. Doc. 67-7339; Filed, June 29, 1967; 8:45 a.m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-271]

VERMONT YANKEE NUCLEAR POWER CORP.

Vermont Yankee Nuclear Power Station; Notice of Hearing on Application for Provisional Construction Permit

Pursuant to the Atomic Energy Act of 1954, as amended, and the regulations in Title 10, Code of Federal Regulations, Part 50, "Licensing of Production and Utilization Facilities," and Part 2, "Rules of Practice," notice is hereby given that a hearing will be held at 10 a.m., local time, on August 1, 1967, in the Windham County District Courthouse, 230 Main Street, Brattleboro, Vt., to consider the application filed under section 104(b) of the Act by the Vermont Yankee Nuclear Power Corp., Rutland, Vt., for a provisional construction permit for a boiling water nuclear reactor, designed to operate at 1593 megawatts (thermal), to be located at the applicant's 125 acre site in the town of Vernon in Windham County, Vt.

The hearing will be conducted by the Atomic Safety and Licensing Board designated by the Atomic Energy Commission, consisting of Dr. Eugene Greuling, Durham, N.C.; Mr. R. B. Briggs, Oak Ridge, Tenn., and Valentine B. Deale, Esq., Chairman, Washington, D.C. Dr. Clark D. Goodman, Houston, Tex., has been designated as a technically qualified alternate.

A prehearing conference will be held by the Board at 10 a.m., local time, on July 18, 1967, in the Windham County District Courthouse, 230 Main Street, Brattleboro, Vt., to consider the matters provided for consideration by § 2.752 of 10 CFR Part 2 and section II of Appendix A to 10 CFR Part 2.

The Director of Regulation proposes to make affirmative findings on Item Numbers 1-3 and a negative finding on Item 4 specified below as the basis for the issuance of a provisional construction permit to the applicant substantially in the form proposed in Appendix A hereto.

1. Whether in accordance with the provisions of 10 CFR 50.35(a):

(a) The applicant has described the proposed design of the facility, including, but not limited to, the principal architectural and engineering criteria for the design, and has identified the major features or components incorporated therein for the protection of the health and safety of the public;

(b) Such further technical or design information as may be required to complete the safety analysis and which can reasonably be left for later consideration, will be supplied in the final safety analysis report;

(c) Safety features or components, if any, which require research and development have been described by the applicant and the applicant has identified, and there will be conducted, a research and development program reasonably designed to resolve any safety questions associated with such features or components; and

(d) On the basis of the foregoing, there is reasonable assurance that (i) such safety questions will be satisfactorily resolved at or before the latest date stated in the application for completion of construction of the proposed facility and (ii) taking into consideration the site criteria contained in 10 CFR Part 100, the proposed facility can be constructed and operated at the proposed location without undue risk to the health and safety of the public;

2. Whether the applicant is technically qualified to design and construct the proposed facility;

3. Whether the applicant should be granted an interim exemption, pursuant to its request in Amendment No. 8 to the application, dated June 16, 1967, from the requirements of Part 50 that it demonstrate prior to the issuance of the construction permit that it is financially qualified to design and construct the proposed facility;

4. Whether the issuance of a permit for the construction of the facility will be inimical to the common defense and security or to the health and safety of the public.

In the event that this proceeding is not a contested proceeding, as defined by § 2.4 of the Commission's "Rules of Practice," 10 CFR Part 2, the Board will, without conducting a de novo evaluation of the application, consider the issues of whether the application and the record of the proceeding contain sufficient information, and the review by the Commission's regulatory staff has been adequate, to support the findings proposed to be made and the provisional construction permit proposed to be issued by the Director of Regulation.

In the event that this proceeding becomes a contested proceeding, the Board will consider and initially decide, as the issues in this proceeding, Item Numbers 1 through 4 above as the basis for determining whether a provisional construction permit should be issued to the applicant.

As they become available, the application, the report of the Commission's Advisory Committee on Reactor Safeguards (ACRS) and the Safety Evaluation by the Commission's regulatory staff will be placed in the Commission's Public Document Room, 1717 H Street NW., Washington, D.C., where they will be available for inspection by members of the public. Copies of the ACRS report and the regulatory staff's Safety Evaluation may be obtained by request to the Director of the Division of Reactor Licensing, U.S. Atomic Energy Commission, Washington, D.C. 20545.

Petitions for leave to intervene, pursuant to the provisions of § 2.714 of the Commission's "Rules of Practice," must be received in the Office of the Secretary, U.S. Atomic Energy Commission, Germantown, Md., or the Commission's Public Document Room, 1717 H Street NW., Washington, D.C., not later than July 17, 1967, or in the event of a postponement of the specific hearing date, at such time as the Board may specify.

Any person who wishes to make an oral or written statement setting forth his position on the issues specified, but who does not wish to file a petition to intervene, may request permission to make a limited appearance pursuant to the provisions of § 2.715 of the Commission's "Rules of Practice." Limited appearances will be permitted at the time of the hearing in the discretion of the Board, within such limits and on such conditions as may be fixed by the Board. Persons desiring to make a limited appearance are requested to inform the Secretary, U.S. Atomic Energy Commission, Washington, D.C. 20545, by July 17, 1967.

Answers to this notice, pursuant to the provisions of § 2.705 of the Commission's "Rules of Practice," must be filed by the applicant on or before July 17, 1967.

Papers required to be filed in this proceeding may be filed by mail or telegram addressed to the Secretary, U.S. Atomic Energy Commission, Washington, D.C. 20545, or may be filed by delivery to the Office of the Secretary, U.S. Atomic Energy Commission, Germantown, Md., or the Commission's Public Document Room, 1717 H Street NW., Washington, D.C.

Pending further order of the Board, parties are required to file, pursuant to the provisions of § 2.708 of the Commission's "Rules of Practice," an original and 20 conformed copies of each such paper with the Commission.

Dated at Washington, D.C. this 27th day of June 1967.

UNITED STATES ATOMIC ENERGY COMMISSION,
W. B. McCOOL,
Secretary to the Commission.

APPENDIX A

PROVISIONAL CONSTRUCTION PERMIT

1. Pursuant to section 104b. of the Atomic Energy Act of 1954, as amended, (the Act) and Title 10, Chapter 1, Code of Federal Regulations, Part 50, "Licensing of Production and Utilization Facilities," and pursuant to the order of the Atomic Safety and Licensing Board, the Atomic Energy Commission (the Commission) hereby issues a provisional construction permit to Vermont Yankee Nuclear Power Corp. (the applicant) for a utilization facility (the facility), described in the application and amendments thereto filed in this matter by the applicant and as more fully described in the evidence received at the public hearing upon that application. The facility, known as the Vermont Yankee Nuclear Power Station, will be located at the applicant's 125 acre site in the town of Vernon in Windham County, Vt.

2. This permit shall be deemed to contain and be subject to the conditions specified in §§ 50.54 and 50.55 of said regulations; is subject to all applicable provisions of the Act, and rules, regulations and orders of the Commission now or hereafter in effect; and is subject to the conditions specified or incorporated below:

A. The earliest date for the completion of the facility is April 1, 1970, and the latest date for completion of the facility is December 31, 1971.

B. The facility shall be constructed and located at the site as described in the application, as amended, in the town of Vernon in Windham County, Vt.

C. This construction permit authorizes the applicant to construct the facility described in the application and the hearing record in accordance with the principal architectural and engineering criteria set forth therein.

3. This permit is provisional to the extent that a license authorizing operation of the facility will not be issued by the Commission unless (a) the applicant submits to the Commission, by amendment to the application, the complete final safety analysis report, portions of which may be submitted and evaluated from time to time; (b) the Commission finds that the final design provides reasonable assurance that the health and safety of the public will not be endangered by the operation of the facility in accordance with procedures approved by it in connection with the issuance of said license; and (c) the applicant submits proof of financial protection and the execution of an indemnity agreement as required by § 170 of the Act.

4. This construction permit is conditioned upon the submission by the applicant of its complete capital funds agreements and power contracts with its sponsoring companies on or before (60 days after issuance of Initial Decision) or within such additional time as may be authorized by the Commission on motion for good cause shown; and the submission on or before (1 year after issuance of Initial Decision) of sufficient information relating to the financial resources of Vermont Yankee Atomic Power Corp. to enable the Commission to make a finding that the Corporation is financially qualified to design and construct the proposed facility. The time within which such information shall be submitted may be extended from time to time for periods not to exceed 12 months each by order of the Commission on motion for good cause shown, including evidence of the applicant's current financial condition.

For the Atomic Energy Commission.

[F.R. Doc. 67-7475; Filed, June 29, 1967; 8:50 a.m.]

[Docket No. 27-40]

ATOMIC DISPOSAL CO., INC.

Notice of Issuance of Amendment to Byproduct and Source Material License

Please take notice that the Atomic Energy Commission has issued Amendment No. 3 to License No. 12-11286-1, as set forth below. This amendment provides for replacement of the individuals currently authorized to conduct operations for Atomic Disposal Co., Inc.

Specifically, the license amendment substitutes for the names of Mr. Carl J. Collica, Dr. Robert K. Clark, Dr. Louis Chandler, and Dr. Walter S. Moos, who are the individuals currently authorized to conduct operations, the name of Mr. Louis F. Allocco.

Mr. Allocco was employed in a similar capacity for a firm authorized to carry out activities similar to those for which Atomic Disposal Co., Inc., is authorized. The Commission has determined that Mr. Allocco is qualified to conduct operations for Atomic Disposal Co., Inc.

The Commission has determined that prior public notice of proposed issuance of this amendment is not required since the amendment does not involve significant hazard considerations different from those previously evaluated.

Within fifteen (15) days from the date of publication of this notice in the FEDERAL REGISTER, any person whose interest may be affected by this proceeding may file a petition for leave to intervene. Requests for a hearing and petitions to intervene shall be filed in accordance with the Commission's rules of practice (10 CFR Part 2).

If a request for a hearing or a petition for leave to intervene is filed within the time prescribed in this notice, the Commission will issue a notice of hearing or an appropriate order. Petitions to intervene or requests for public hearing may be filed with the Secretary, U.S. Atomic Energy Commission, Washington, D.C. 20545.

For further details with respect to this amendment, see the application dated May 17, 1967, which is available for public inspection in the Commission's Public Document Room, 1717 H Street NW., Washington, D.C.

The text of the amendment is attached to this notice.

Dated at Bethesda, Md., June 23, 1967.

For the Atomic Energy Commission.

J. A. McBRIDE,
Director,
Division of Materials Licensing.

[License No. 12-11286-1; Amdt. 3]

License No. 12-11286-1 is amended as follows:

Condition 3. is amended to read:

3. Operations shall be conducted by Louis F. Allocco.

Date of issuance: June 23, 1967.

For the Atomic Energy Commission.

J. A. McBRIDE,
Director,
Division of Materials Licensing.

[F.R. Doc. 67-7412; Filed, June 29, 1967; 8:45 a.m.]

[Docket No. 50-171]

PHILADELPHIA ELECTRIC CO.

Notice of Extension of Expiration Date

The Atomic Energy Commission has issued an order extending to July 24, 1968, the expiration date specified in Provisional Operating License No. DPR-12 for operation of the Peach Bottom Atomic Power Station located near Peach Botton, Pa.

Copies of the order and of the application by Philadelphia Electric Co. are available for public inspection at the Commission's Public Document Room, 1717 H Street NW., Washington, D.C. 20545.

Dated at Bethesda, Md., this 19th day of June 1967.

For the Atomic Energy Commission.

DONALD J. SKOVHOLT,
Acting Director,
Director of Reactor Licensing.

[F.R. Doc. 67-7413; Filed, June 29, 1967; 8:45 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 17256, 17257; FCC 67M-1053]

EAST ST. LOUIS BROADCASTING CO., INC., AND METRO-EAST BROADCASTING, INC.

Order Scheduling Further Hearing

In re applications of East St. Louis Broadcasting Co., Inc., East St. Louis, Ill., Docket No. 17256, File No. BP-16579; Metro-East Broadcasting, Inc., East St. Louis, Ill., Docket No. 17257, File No. BP-16682; for construction permits.

Pursuant to the arrangement made in the hearing session held on June 22, 1967: *It is ordered,* That the further hearing to receive evidence under Issue 2, heretofore scheduled for July 11, 1967, is postponed to July 18, 1967 at 10 a.m. in the offices of the Commission in Washington, D.C.

Issued: June 22, 1967.

Released: June 26, 1967.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 67-7442; Filed, June 29, 1967; 8:47 a.m.]

[Docket Nos. 17200-17208; FCC 67-684]

FETZER CABLE VISION ET AL.

Memorandum Opinion and Order Amending Designation Order

In re petitions by Fetzer Cable Vision, Kalamazoo, Mich., Docket No. 17200, File No. CATV 100-12; Booth American Co., North Muskegon, Muskegon, Muskegon Township, Muskegon Heights, Norton Township, and Roosevelt Park, Mich., Docket No. 17201, File No. CATV 100-45; Allegan Tele-Ception, Inc., Allegan, Mich., Docket No. 17202, File No. CATV 100-116; GT&E Communications, Inc., South Haven, Mich., File No. CATV 100-144; for authority pursuant to § 74.1107 of the rules to operate CATV systems in the Grand Rapids-Kalamazoo Market (ARB-36); and in re petitions by Jackson TV Cable Co., Jackson and Blackman Township, Mich., Docket No. 17203, File No. CATV 100-83; Cascade Cable Television Co., Jackson and Blackman Township, Mich., File No. CATV 100-100; Coldwater Cablevision, Inc., Coldwater, Mich., Docket No. 17204, File No. CATV 100-111; Calhoun Telephone Cable Television Co., Homer, Mich., Docket No. 17205, File No. CATV 100-126; Gross Telecasting, Inc., Lansing, Mich., Docket No. 17206, File No. CATV 100-131; Booth American Co., Summit and Leoni Townships, Mich., File No. CATV 100-147; for authority pursuant to § 74.1107 of the rules to operate CATV systems in the Lansing Television Market (ARB-48); and in re petitions by Triad Cablevision, Inc., Albion, Marshall, Battle Creek, Battle Creek Township, Emmett Township, Bedford Township, Pennfield Township, and Springfield, Mich., Docket No. 17207, File No. CATV 100-14; Wolverine Cable Vision, Inc., Albion, Marshall, Battle Creek, Battle Creek Township, and Springfield, Mich., Docket No. 17208, File No. CATV 100-49; for authority pursuant to § 74.1107 of the rules to operate CATV systems in the Grand Rapids-Kalamazoo and Lansing Television Markets.

1. A number of petitions for reconsideration are now before the Commission which seek revision of the Memorandum Opinion and Order (FCC 67-223) which was released on February 17, 1967.[1] The questions which were treated by the Commission in that order related to the Grand Rapids-Kalamazoo and Lansing television markets in the State of Michigan, particularly whether waivers of § 74.1107 of the Commission's rules should be granted so that certain "distant" television signals might be carried on various CATV systems. Except with regard to the requests for waiver filed by Booth American Co. (Booth), the requests for waiver were granted in part, and as to those requests which were denied, an evidentiary hearing was ordered on specified issues.

I. *Booth American Co. petition for reconsideration.* 2. Booth requests the following relief: (a) Reconsideration by the Commission to permit it to distribute over its CATV system in North Muskegon and Muskegon during the pendency of the hearing the following "distant" signals—WMAQ-TV, Channel 5, Chicago; WTMJ-TV, Channel 4, WITI-TV, Channel 6, WISN-TV, Channel 12, and WMVS-TV, Channel 10 (educational), all of which are located in Milwaukee, Wis.; (b) if the Commission decides to grant only a portion of Booth's request for interim relief, it should authorize the distribution of WMVS-TV and WISN-TV in North Muskegon and Muskegon pending the outcome of the hearing; and (c) reconsideration and waiver of § 74.1107 to permit, in particular, the distribution of the signals of WMVS-TV and WISN-TV in the Greater Muskegon area and the signal of WWTV (Channel 9), Cadillac, Mich., in Muskegon Heights, Muskegon Township, Norton Township, and Roosevelt Park. Booth subsequently requested the Commission to accelerate action on its petition for reconsideration only insofar as it relates to the request for special temporary authority in North Muskegon and Muskegon, with particular reference to carriage of WMVS-TV and WISN-TV pending the outcome of the hearing.

3. Four principal points are urged by Booth in support of its petition for reconsideration. First, Booth asserts that it is being penalized by the Commission because it appealed from the cease and desist order, was granted an interlocutory stay thereof, and continued to import distant signals during the effective period of the stay (until midnight of Feb. 15, 1967). The short answer to this contention is that Booth's request for waiver was not denied because Booth had previously operated in violation of the rule; the waiver was denied because the Commission could not find that the importation of distant signals was consistent with the maintenance of independent UHF service without the hearing called for by the rules. Secondly, Booth states that the Commission erred in applying the Buckeye policy (Buckeye Cablevision, Inc., 3 FCC 2d 808) to it because Booth was not engaged in an "illegal" operation inasmuch as the distant signals continued to be imported under the authority of the stay, carriage of such signals was terminated on the evening of February 15, 1967, the signals are not now being carried, and compliance with the rules has been achieved. Booth argues, therefore, that the merits of its waiver request should be decided without regard to the Buckeye policy. Contrary to Booth's contention, the reference to Buckeye in the memorandum opinion and order was to the substantive discussion therein on the waiver request, and not to the statement therein that the Commission ordinarily would not consider a waiver while illegal operation continued. Had the Commission been applying this latter aspect of Buckeye, it would not have taken up Booth's request for waiver and temporary authority. The Commission did, however, consider the requests and denied them on their merits. Moreover, the Commission's order does not state that relief is being denied because Booth is operating illegally, but merely asserts that Booth's illegal commencement of operation is not a ground for permitting continued operation in violation of the rule. Thirdly, a number of cases are cited by Booth as showing that it was treated differently from other parties in the same circumstances.[2] However, examination of those cases reveals that the Commission has not permitted outside signals to be brought into communities with the total populations of Muskegon and North Muskegon which have local independent UHF stations and are in the service area of an independent UHF in the main city in the market. Booth also refers to the Commission's disposition of the waiver requests herein of Fetzer Cable Vision and Jackson TV Cable Co. as showing disparate treatment. Although Fetzer was permitted to bring an independent and an educational station into Kalamazoo, Kalamazoo has no UHF station of its own and only a signal from a network proposal in Battle Creek. Unlike the case of Jackson's waiver request, there is no factor in Booth's proposal of equalizing competition among stations in a distant city some of which already put a Grade B signal into the community involved.

4. Another aspect of Booth's third principal point is its contention that its request for temporary operating authority pending the hearing should not have been denied. Booth points to the interest of the local people in the distant signals, claims that the Commission did not realize it wanted authority to continue even if a waiver was denied, and asserts that no interim injury has been found. Booth also asserts that it would add only 2,000 more subscribers, that this cannot hurt the Grand Rapids UHF, and that the Muskegon UHF does not object. These contentions are not persuasive. In no case has the Commission permitted a CATV to carry any signal on which a hearing has been ordered. The denial of temporary authority was not due to Booth's previous operation in violation of the rule but, as the Commission's order makes clear, to avoid entrenchment. No other finding of specific injury during the interim period is necessary or contemplated by the rule. By referring to the fact that people are now accustomed to this service, Booth demonstrates the validity of the Commission's view that it is difficult to discontinue an entrenched service. Further entrenchment while the impact question is in hearing would be undesirable, and it cannot be determined without hearing what the probable impact will be.

5. As a final aspect of its third point, Booth urges waiver to permit carriage of educational station WMVS-TV in Milwaukee. As the Broadcast Bureau points out, there is a lack of educational television service from Michigan stations

[1] See Appendix which lists the pleadings before the Commission.

[2] Martin County Cable Co., Inc., 4 FCC 2d 348; Coldwater Cablevision, Inc., 4 FCC 2d 351; Fulton Community Antenna Television System, Inc., 6 FCC 2d 571; Long Island Cablevision Corp., 6 FCC 2d 653; Unicable, Inc., 6 FCC 2d 771; and American Television Relay, Inc., 6 FCC 2d 837.

in the Muskegon area, and Booth's additional showing concerning the need for the programs provided by WMVS–TV justifies a waiver. Booth also particularly urges waiver to permit carriage of CBS affiliate WISN–TV, Milwaukee, which is said to carry sports programs, but this does not seem to be warranted. Booth's reliance in this connection on the Allegan situation is misplaced, since Allegan has a population under 5,000 and no local UHF station. Booth also requests that it be permitted to carry WWTV from Cadillac in the other communities in the Muskegon area, since this station is "local" to Muskegon and it is claimed that it is not technically possible to carry it in part of the area only. This request appears to be justified.

6. Booth argues also in its supplement to its petition for reconsideration that because of the distance between the Greater Muskegon area and Grand Rapids and the size of its CATV system, its proposed operation could not have any adverse impact on the Grand Rapids UHF station; that even if it were able to attract 2,000 subscribers in North Muskegon and Muskegon during the course of the hearing, this would amount to less than 1 percent of the total number of television homes within the predicted Grade B coverage area of the Grand Rapids television station; that there will not be any additional or cumulative impact on such station pending the outcome of the hearing since there are no other existing CATV systems located within its service area; that grant of its waiver request to authorize permanently the importation of "distant" signals could not have an adverse impact on the development of the Grand Rapids UHF station because even if the CATV system grows to 11,500 subscribers in the next 5 years this would amount to only 5.4 percent of the total number of television homes within the coverage area of such station. These claims alone are not sufficient to determine without hearing what the impact will be. Moreover, the impact on the Muskegon UHF permittee should be determined even though the permittee now believes that the CATV will help it, because the initial benefit of being carried can be totally destroyed in the long run by multiple outside signals.

7. In its fourth principal point, Booth argues that it and the public will be injured if Booth cannot continue to bring distant signals into the area. Booth relies on promises it made to the public and to local authorities, and it asserts that substantial numbers of subscribers may drop the service if Booth is limited to the carriage of four local stations. Booth states that it has reduced its monthly charges from $5 to $3.75. The argument based on equity was fully considered by the Commission when it issued the cease and desist order, and its rejection of that argument has been sustained upon appeal. The cessation of the previous "distant signal" operation, while injurious to Booth, was directed in view of the greater public interest in preserving the opportunity for the development of the independent UHF stations in Muskegon and Grand Rapids, and these considerations remain the same.

II. *Allegan Tele-Ception, Inc., petition for reconsideration.* 8. Allegan Tele-Ception, Inc. (Allegan), seeks reconsideration of the Commission's order to the extent that it denied the request for waiver of § 74.1107 to permit carriage of the distant signal of Chicago independent station WGN–TV, on Channel 9. The Commission's denial was based on the anticipated activation of UHF Channel 17 in Grand Rapids as an independent service whose predicted Grade B contour includes Allegan.

9. Allegan reiterates in its petition for reconsideration essentially the same arguments which it advanced in support of its petition for waiver of § 74.1107. It asserts that carriage of the distant signal of WGN–TV would not reduce the prospects of Channel 17 as an independent service because the proposed CATV system would provide that UHF station immediately with viewers who otherwise might not receive its service because of terrain and other factors; that without authority to carry WGN–TV, Allegan's proposed CATV system cannot operate successfully; and that because the independent programs of that station, including its popular sports programs, were a major inducement to public and official approval of its franchise, Allegan hesitates to install and operate its system until it is assured of the availability to it of such programs; and that a waiver should be granted for its proposal consistently with Coldwater, Martin County, American Television Relay, Fulton Community, and Unicable, supra, because Allegan is a small and remotely situated community which is outside of the heart of the market involved. Particularly in view of the size of Allegan and its considerable distance from any city in which UHF stations are proposed or have been authorized, the Broadcast Bureau supports Allegan's petition, stating that it has demonstrated that carriage of WGN–TV would have no appreciable adverse effect on the establishment of UHF broadcasting. Allegan's petition for reconsideration will be denied. No persuasive reason is advanced by Allegan which warrants departure from our earlier determination herein that the anticipated activation of UHF Channel 17 in Grand Rapids as an independent service, whose Grade B contour includes Allegan, calls for hearing on the question whether the distant signal of independent station WGN–TV, Chicago, should be permitted to be carried on Allegan's CATV system. We think that this procedure is necessary so that the question of any risk or potential harm to the establishment and maintenance of UHF service may be thoroughly explored.

III. *Jackson TV Cable Co. petition for reconsideration.* 10. Jackson TV Cable Co. (Jackson) requests reconsideration of the Commission's memorandum opinion and order so that it will be permitted to carry the signal of educational Station WTVS, Channel 56, Detroit, without interruption, and the signals of Channels 11 and 13, Toledo. If this request is denied, Jackson requests reconsideration to the extent of: (1) Permitting Jackson to carry without interruption the signal of Channel 56, (2) permitting Jackson to carry without interruption of the signal Channel 56, (2) permitting Jackson to carry without interruption the signal of Channel 11, Toledo, and (3) placing the burden of proceeding with the introduction of evidence and the burden of proof under Issues 2 and 4(3) upon the licensees and permittees of the television stations named as parties to this proceeding. Jackson's original request for waiver to carry Channels 11 and 13 was denied principally because an independent UHF service is expected to commence in Jackson. Section 74.1107 was waived to permit carriage of Channel 56, such carriage, however, being conditioned upon the hours when educational Channel 10, Onondaga, is not operational.

11. A portion of Jackson's petition for reconsideration is devoted to allegations that the provisions of § 74.1107 are inapplicable to it because: (a) The notice of inquiry and notice of proposed rule making leading to the second report and order on CATV matters did not cover systems in small cities remote from major cities, and (b) the provision of § 74.1107(d) giving retroactive effect to February 15, 1966, is unlawful. For these reasons, Jackson asserts that the designation order herein must be set aside insofar as Jackson is concerned. Similar contentions were advanced by Jackson, and were rejected, in the Commission's decision (4 FCC 2d 979, 984) ordering Jackson to cease and desist from extending certain television signals beyond their Grade B contours in violation of § 74.1107.

12. In support of its request for carriage of Channel 56 without limitation, Jackson argues that it is required, under the terms of its franchise, to furnish service to the schools of Jackson without charge, that most of the programs of Channel 56 designed for in-school viewing cannot be used in the public and parochial schools of Jackson and Blackman Township because of the limitations imposed by the Commission, and that limitations were not requested by anyone, not even the licensee of Channel 10. Jackson submits that the public interest would not be served by denying the schools in Jackson the opportunity to make use of the outstanding educational programs of Channel 56.

13. Television Corporation of Michigan, Inc., licensee of WILX–TV, which shares Channel 10 with educational station WMSB, Onondaga, and the Broadcast Bureau oppose Jackson's petition in its entirety. Regarding carriage of Channel 56, WILX asserts that there is no showing that WMSB's educational programs are not designed for service to the Jackson area or that the distant signals of the Detroit educational station bring in programs more closely tailored to the needs of Jackson area than are programs of WMSB. The Bureau states that limitation of carriage of Channel 56 was imposed to protect the Onondaga Channel 10 educational station, and that Jackson has not demonstrated why this restriction should be lifted. We agree. As we indicated in our second report and order,

the existence and viability of local educational broadcast outlets is of particular concern, and to this end the permission given to Jackson to carry Channel 56 was conditioned upon the hours when educational Channel 10, Onondaga, is not operational. We adhere to this determination.

14. In urging that it should be permitted to carry the signals of Channel 11, Toledo, on its CATV system in Blackman Township, Jackson argues that its "system" in that community serves fewer than 50 subscribers, and that even if its system is considered as a single system serving both Jackson and Blackman Township, so long as the Grade B contour of Channel 11 penetrates any part of Jackson, Jackson will be violating § 74.1103(a) of the rules by not honoring the request for carriage of Channel 11 in Blackman Township. Television Corporation of Michigan, Inc., and the Broadcast Bureau oppose this aspect of Jackson's petition for reconsideration, the former asserting that Jackson fails to note that it was the party initiating the request for a waiver, thus indicating that it proposed to serve 50 or more subscribers in Blackman Township, and the latter stating that Jackson stipulated in the cease and desist proceeding that the Blackman Township facility was a CATV system. In light of the stipulation and our holding in the cease and desist order, it is clear that Jackson's CATV system serving each of the communities of Jackson and Blackman Township is a separate system for the purposes of § 74.1107(a) of the rules. As such, Jackson was called upon to demonstrate persuasively that it should be permitted to carry the signal of Channel 11. This it failed to do in its original request for waiver herein, and no showing is now advanced which warrants a change in our determination.[4]

15. Because the issues specified in this proceeding inquire into the "effects" and "impact" of CATV systems upon television broadcast stations, Jackson asserts that the only possible way to meet Issues 2 and 4(3) herein is by considering the revenues of the stations which might be adversely affected by the CATV operations. In this situation, Jackson submits, the burden of proceeding with the introduction of evidence and the burden of proof should be upon the television stations instead of upon the CATV systems. In particular, Jackson asserts that WILX–TV is the only party now objecting to Jackson's request for waiver, that it charges that carriage of distant signals can have an adverse impact upon it, and, therefore, that the burden should be upon such licensee to prove its allegations and claims.

16. The Broadcast Bureau urges that the burden is properly upon Jackson because it is the party seeking waiver of § 74.1107. Television Corporation of Michigan, Inc., also opposes Jackson's request to shift the burdens, arguing that it is proper that a party seeking to show in an evidentiary hearing the exceptional circumstances warranting a departure from the distant signal rule should have both the burden of proceeding with the introduction of evidence and the burden of proof. Indeed, as Television Corporation of Michigan points out, § 74.1107 provides that unless otherwise specified both burdens rest upon the CATV system making the request. We agree that the burdens have been properly placed on Jackson, and Jackson has not persuaded us to the contrary in its petition for reconsideration.

IV. *Coldwater Cablevision Inc., petition for reconsideration.* 17. To provide a full-time educational service to the community of Coldwater, Mich. (population 8,880), the Commission waived the provisions of § 74.1107 to permit carriage by Coldwater Cablevision Inc. (Coldwater), of educational Channel 56 from Detroit, but it limited such carriage to the hours when educational Channel 10, Onondaga, is not operational. Coldwater's remaining requests for permission to carry "additional" network services from out-of-State were denied, i.e., Channels 15 (CBS) and 33 (NBC), Fort Wayne, Ind., and Channel 28 (ABC), South Bend, Ind.[4]

18. Coldwater now seeks reconsideration so that the signal of Channel 28 can be carried for backup of ABC network programing, and the signals of Channels 15 and 33, Fort Wayne, carried for locally originated programing to preempt duplicated network programing.[5] In support of carriage of Channel 28, Coldwater asserts that the reception of Channel 7, Detroit, is unreliable because of fluctuating signal intensity, and weather and interference conditions. Coldwater also contends that present carriage of the signals of the ABC affiliates at Fort Wayne (Channel 21) and Toledo (Channel 13) is unsuitable because the former is not always carrying ABC–TV programing when the Detroit ABC affiliate "is less than useable", and the latter carries programs from networks other than ABC at times and its signal is subject to interference. In further support of its petition for reconsideration, Coldwater asserts that "substitution" of ABC network programing from a South Bend UHF station, instead of carriage of such programing from a Detroit VHF or a Toledo VHF station, cannot increase the impact on the Lansing market; that proposed carriage of the two Fort Wayne UHF stations on a part-time basis is for the purpose of obtaining the nonnetwork programs of such stations, which carry locally originated programing of immediate area interest; and that such local programing would be utilized in lieu of duplicated network programs from distant stations. Coldwater states that because it is not naturally located within the Lansing market inasmuch as share-time stations on Channel 10, Onondaga, provide the only Grade A signal to Coldwater and such stations place a city grade signal over Lansing, the minimal penetration of the Lansing market by the Coldwater CATV system would not be increased by substitution of the above-mentioned three UHF signals to overcome technical difficulties or supply locally-originated programing.

19. Adverting to the characteristics of the Coldwater community noted in the Commission's earlier order (footnote 2, supra), Coldwater submits that other than a grant of the Jackson Channel 18 application, there has been no over-all change in the situation since the Commission's Order of July, 1966. Additionally, Coldwater states that no opposition has been filed to the proposed substitution of the three UHF signals on a part-time basis, and approval of the request for carriage would tend to equalize UHF facilities.

20. Supporting Coldwater's petition for reconsideration, the Broadcast Bureau notes that in granting Coldwater's earlier request for waiver of § 74.1107 the Commission found that because of the size of Coldwater and its remoteness from any television stations the operations there proposed by it would be consistent with the public interest and specifically the establishment and healthy maintenance of television service in the area. Consistently with that holding, the Bureau believes that there is equal warrant in granting Coldwater's present request. We agree that Coldwater has made a persuasive showing for grant of the relief requested, and on reconsideration such relief will be granted.

V. *Calhoun Telephone Cable Television Co. petition for reconsideration.* 21. To provide ABC, independent and educational programing to the relatively small community of Homer, Mich. (population 1,629) in the Lansing market, the Commission waived § 74.1107 to permit carriage by Calhoun Telephone Cable Television Co. (Calhoun) of Channels 7 and 50 from Detroit and MPATI when available. Calhoun's requests for waiver of § 74.1107 to carry Channel 13 (ABC), Toledo, and Channel 9 (CBC), Windsor, were denied and set for hearing.[6]

22. Calhoun seeks reconsideration of the Commission's order so that carriage of Channel 9, Windsor, Ontario, and

[4] As a footnote in its petition for reconsideration, Jackson states that if and when the requests to remove the restrictions on carriage of the signals of WTVS, Channel 56, Detroit, and WTOL–TV are granted, it will abandon its request for permission to carry the signals of WSPD–TV, Channel 13, Toledo. No additional showing has been made by Jackson why it should be permitted to carry the signal of Channel 13, and no reason exists to change our earlier determination herein.

[4] In Coldwater Cablevision Inc., 4 FCC 2d 351, the Commission granted Coldwater's earlier waiver requests to carry, in addition to Channels 10, Onondaga, 3 (CBS), Kalamazoo; 8 (NBC), Grand Rapids; and 6 (CBS), Lansing, the following distant signals: Channels 7 (ABC) and 50 (IND.) from Detroit; Channels 13 (ABC) and 24 (IND.) from Toledo; Channel 21 (ABC), Fort Wayne; Channel 22 (CBS), South Bend; and Channel 9 (CBC) from Windsor.

[5] Coldwater now carries 11 signals and a locally originated weather channel on its 12 channel capacity CATV system. If addition of the three UHF signals is permitted, other less than Grade B signals would be deleted at the time such alternate UHF signals are carried.

Channel 13, Toledo, stations will be permissible. The following arguments are urged by Calhoun: The petition for waiver was not opposed by any existing or proposed television station; Homer is not in the heart of the Lansing market, but is 41 miles therefrom, and other than Channel 10 in Lansing no other station provides a Grade A contour over Homer; Homer is not within the Grade B contour of any one of the UHF stations which have construction permits, or of those applicants which have applied for such permits in this general area; denial of Calhoun's waiver request is inconsistent with a number of decisions where waivers have been granted to CATV systems which are not in the heart of a market; and the most compelling precedent is Coldwater, supra, where waiver was granted to permit carriage of the Windsor station and a Toledo station in a community substantially comparable to Homer in size and location.

23. The Broadcast Bureau supports Calhoun's petition, particularly in view of the size of Homer and its remoteness from any television stations. The Bureau urges that grant of Calhoun's waiver request would be consistent with the Commission's disposition of Coldwater's petition for waiver. Upon reconsideration, we agree with Calhoun and the Broadcast Bureau that grant of the waiver requests would be appropriate.

VI. *Gross Telecasting, Inc., and WJRT, Inc., petitions for reconsideration.* 24. Two petitions for reconsideration of the Commission's order relating to the Lansing market will be discussed at this juncture inasmuch as they both relate to the question of signal carriage on the Lansing CATV system which is proposed to be operated by Gross Telecasting, Inc. (Gross). WJRT, Inc. (WJRT),* the licensee of Channel 12, Flint, opposed Gross' waiver request to import the distant signals of Channels 7 and 50 from Detroit and Channel 13 from Grand Rapids without an evidentiary hearing. WJRT also, pursuant to section 74.1109, requested the Commission to prohibit Gross from carrying the Grade B signals of Channels 2 and 4, Detroit; 9, Windsor; 8, Grand Rapids; and 3, Kalamazoo. The Commission granted WJRT's § 74.1109 request in part to prohibit Gross from carrying the Grade B signals of Channels 2 and 4, Detroit, and of Channel 9, Windsor. The Commission also denied Gross' request to carry the distant signals of Channels 7 and 50 from Detroit. The Commission waived the provisions of § 74.1107 to permit Gross to carry the distant signals of Channel 13, Grand Rapids, Channel 25, Saginaw, and educational Channel 56, Detroit, with certain conditions attached to carriage of the latter. The Commission explained its actions regarding these waivers as follows: Channel 13 (ABC), pursuant to its general introductory comments herein; Channel 25 (CBS), to enable carriage of a UHF competitor in an otherwise VHF market (Saginaw-Bay City-Flint); and educational Channel 56, to provide additional educational service on a conditional and temporary basis. The exclusion of the Detroit commercial stations, including Windsor, was predicated upon the following: Such stations either do not provide Grade B service to the city of Lansing (Channels 7 and 50) or their Grade B contours fall tangent to or just intersect the city limits (Channels 2 and 4); Gross concedes that programs aired on Detroit and Windsor channels are "not" seen in Lansing, about 75 miles away; and three commercial UHF channels are presently allocated to Lansing and East Lansing.

25. Gross seeks reconsideration of the Commission's order so that it will be permitted to carry the television stations in the Detroit market without a prior evidentiary hearing. Gross argues that preclusion of carriage of such stations was based on an erroneous understanding of the facts in that while Channels 2 and 4 fall tangent to or just intersect the city limits of Lansing, Buckeye Cablevision, Inc., 3 FCC 2d 798, permits such carriage as well as carriage of Channel 9, Windsor, based on even the slightest penetration of the city in which the CATV system will operate. Gross states that it did not concede that programs aired on the Detroit and Windsor stations are not seen in Lansing, but that it indicated that such stations are viewed in Lansing although they can not be relied upon for a consistently good and viewable signal. In further support of its petition for reconsideration, Gross submits that carriage of the Detroit signals would not hinder the development of UHF in Lansing because there has been no UHF activity in that city. Gross argues that it has been treated inconsistently herein in that in this same proceeding CATV proposals for Jackson, Battle Creek, and Kalamazoo have been permitted to carry the signals of certain Detroit television stations although there has been UHF activity in each of these communities.

26. The opponents of Gross' petition for reconsideration urge denial of the request, and, in substance, they argue as follows: The fact that no applications have as yet been filed for the Lansing and East Lansing UHF assignments is not a sufficient reason to write off the prospects for additional local stations in Lansing as negligible; the significant amount of existing, proposed and allocated television station activity in the Lansing market supports the need for an evidentiary hearing on Gross' waiver requests; contrary to Gross' assertions that the Commission's action regarding it are at odds with other actions herein relating to nearby communities in Michigan, the several UHF allocations in Lansing are more likely to lead to independent stations since the three networks are represented on existing stations providing principal city or Grade A signals to Lansing; that the widely separated Detroit and Lansing communities do not have that relationship which the Commission attributes to certain of the other communities herein; and that footnote 69 of the Commission's second report and order was intended to preclude the CATV carriage in one major market of overlapping Grade B signals from an adjacent market. Citing Susquehanna Broadcasting Co., 7 FCC 2d 578, Gross in reply states that in only the rarest cases will a CATV system be precluded from the carriage of Grade B signals, that the Lansing market is not such a case, and that Susquehanna demonstrates that footnote 69 of the second report will only rarely be applicable.

27. Gross' petition for reconsideration will be denied. Insofar as the Detroit and Lansing markets are concerned it is apparent that a footnote 69 situation is involved because Lansing is on the very edge of certain of the Grade B contours from Detroit stations. Indeed, while Gross asserted in its original petition for waiver that Channels 2 and 4, Detroit, and 9, Windsor, penetrate Lansing within their Grade B contours (an assertion which was not challenged by the responsive pleadings), we noted in our order that it appears from the Commission's files that the predicted Grade B contours of Channels 2 and 4 either fall tangent to or just intersect the city limits of Lansing. While in some circumstances, cf. Buckeye, supra, such location of predicted Grade B contours might make carriage permissible, here, in considering Gross' overall petition for waiver, the Commission determined that carriage of those stations should not be permitted without an evidentiary hearing because of the apparent impact upon the development of the three commercial UHF channels presently allocated to Lansing and East Lansing. Gross is correct in pointing out that it did not concede that programs aired on the Detroit and Windsor stations are not seen in Lansing, but that it indicated that such stations cannot be relied upon to provide a consistently good and viewable signal in Lansing. The appendix to Gross' original petition for waiver lists certain programs telecast on one day by the Detroit and Windsor stations, among others, which were not seen in Lansing. This refinement of Gross' position, however, is not significantly helpful to its petition for reconsideration for if anything it demonstrates the advisability of denying carriage of such stations prior to evidentiary hearing so that potential harm to UHF development will be minimized. A final observation is appropriate. Even though we deny Gross' petition for reconsideration, our earlier disposition of Gross' requests enabled the Lansing CATV system to provide three CBS services; three NBC services; two ABC services; and two educational services (combined as one full-time service).

28. The petition for reconsideration filed by WJRT asks that the Commission reconsider so much of its order as: (1) Denies WJRT's petition for an order prohibiting Gross from carrying on its proposed Lansing CATV system the signals

* An application for modification of the WJRT-TV license to reflect a change in the licensee's name from "WJRT, Inc." to "Poole Broadcasting Co." was accepted for filing on Mar. 17, 1967.

of WOOD–TV Channel 8, Grand Rapids, and WKZO–TV, Channel 3, Kalamazoo, (2) waives section 74.1107 to permit Gross to carry the signal of WZZM–TV, Grand Rapids, and (3) assigns the burden of proof with respect to Issue 3 herein to WJRT. The Commission gave careful consideration in its order to WJRT's footnote 69 argument relating to carriage by Gross of the Grand Rapids and Kalamazoo stations, and rejected such argument. WJRT asserts that upgrading of signals from adjacent markets, by carriage on the Lansing CATV system, which would otherwise be technically inferior to that of a Lansing station, would severely impair the prospects for new local UHF stations in Lansing and East Lansing. Urging that the normal presumption of carriage of received Grade B signals must give way so that the stronger signal of the local station receives protection, as footnote 69 recognizes, WJRT submits that the Commission should reconsider its order herein; that a criterion should be applied analogous to the nonduplication provisions of § 74.1103(e) which, like footnote 69, makes the Commission's treatment of CATV activity turn upon a realistic appraisal of its effects upon the development of the basic off-the-air television service to which all CATV operation is an adjunct. No further elaboration of our rejection in our earlier order of WJRT's arguments in this connection is necessary, and we adhere to the discussion and determinations therein made.

29. Regarding WJRT's contention as to the placement of the burden of proof, which contention is supported by Television Corp. of Michigan, we agree with Gross and the Broadcast Bureau that the Commission quite properly placed the burden under Issue 3 on WJRT inasmuch as WJRT sought special relief and is the proponent of the public interest inquiry concerning carriage by Gross of certain television signals.

VII. *Triad Cablevision, Inc., petition for reconsideration.* 30. Triad Cablevision, Inc. (Triad), requests reconsideration of the Commission's order to the extent of authorizing Triad to receive and distribute the signals of experimental, educational, airborne television station MPATI (KS2XGD and KS2XGA), Lafayette, Ind., as requested in its original petition for waiver, and, on an interim basis, the signals of educational Channels 11 (Station WTTW, Chicago) and 56 (Station WTVS, Detroit). Although Triad did not originally request waiver to permit carriage of the latter two stations, it now asks for interim authority to do so because its competitor, Wolverine Cable Vision, Inc., was authorized eight channels versus six channels for Triad, and the additional channels relate to carriage of the Chicago and Detroit educational stations. Triad argues that failure to grant the temporary and interim relief requested would insure that Triad could not compete effectively with Wolverine during the pendency of the instant proceeding and would cause the demise of the Triad operation. Triad submits that, in light of the Wolverine authorization, no adverse effect could result to the public interest by grant of the relief requested since the identical service is presently authorized to the identical communities. Triad asserts that it will accept a grant of the requested relief on the same conditions as were imposed on the Wolverine reception of the Detroit and Chicago educational channels, i.e., conditioned upon the hours when educational Channel 10, Onondaga, is not operational.

31. Fetzer Cable Vision argues that Triad's request is untimely inasmuch as Triad was aware of the imbalance of authorized signals from the pleadings and could have submitted petitions for waiver; that all CATV systems in a given area do not share equally in whatever favorable results are achieved by one CATV system's successful showing that a waiver is warranted; and that the channels upon which MPATI operates are not assigned under § 73.606, with the result that MPATI is, therefore, not a television station for purposes of Subpart K of the rules, and is not to be considered as a distant signal.

32. We agree with the Broadcast Bureau that grant of Triad's request for relief is warranted because carriage of the above-mentioned educational stations is consistent with the public need for educational service. Additionally, as the Bureau asserts, a conditional grant of carriage of educational Channels 11 and 56 is in accord with the authorization of such service to Wolverine, Triad's CATV competitor. Regarding Fetzer's contention concerning carriage of MPATI, we note that we treated MPATI as a distant television signal when we granted Calhoun Telephone Cable Television Co.'s petition for waiver of § 74.1107 to permit carriage of MPATI, when available.

VIII. *BCU–TV petition for reconsideration, rehearing, and clarification.* 33. BCU–TV (BCU) is a UHF applicant seeking to activate Channel 41 in Battle Creek, Mich.[1] BCU seeks reconsideration, rehearing, and clarification of the Commission's order so that cable carriage of WZZM–TV, Channel 13, ABC, Grand Rapids, by Triad Cablevision, Inc., and Wolverine Cable Vision, Inc., in Battle Creek and by Fetzer Cable Vision in Kalamazoo must cease and desist pending the outcome of the evidentiary hearing herein. However, it is apparent from BCU's reply to Triad's opposition that the relief requested regarding Triad's carriage of WZZM–TV is narrower than the relief requested concerning carriage of that station by Fetzer and Wolverine. Thus, in its reply BCU states that it seeks clarification of the Commission's order "to remove any doubt that Triad's waiver to import the distant signal of WZZM–TV be limited to the period until BCU–TV is activated."

34. Among the distant signals which were proposed to be imported by Triad in its original petition for waiver were those of Channels 7 (ABC) and 50 (IND.) from Detroit. Triad proposed that Channel 7 would be replaced by BCU's Channel 41 upon its activation as an ABC outlet. Triad also stated in its petition for waiver that BCU's proposed UHF station would also be protected against any duplication by Station WJRT–TV, Flint, Mich., "in recognition of the public interest factors inherent in providing this nascent UHF station with exclusive exposure as the ABC outlet in the market." BCU advised the Commission by letter that it had no objection to the waiver requested by Triad. Subsequently, the permittee of WZZM–TV opposed Triad's waiver request, and thereafter by letter advised the Commission that it withdrew its opposition in view of Triad's commitment to file a request for authority to carry WZZM–TV "and if given that authority to continue to carry the WZZM–TV signal consistent with all Commission requirements." To provide ABC and independent service to the communities involved, of which only Battle Creek has a commercial UHF allocation, the Commission waived the provisions of § 74.1107 to permit Triad's carriage of Channels 13, Grand Rapids, and 50, Detroit. The Commission attached no conditions to such waiver.

35. Although Triad agrees with BCU that it agreed to provide BCU's UHF station when activated with exclusive exposure as the ABC outlet in the market, it does not agree that it represented to BCU that under no circumstances would WZZM be carried by Triad. Triad asserts that its subsequent agreement with WZZM is at all times subject to Triad's commitment to BCU. Thus, Triad states that when BCU's Channel 41 becomes operable at Battle Creek, it will be provided with full program exclusivity vis-a-vis the signals of any other television station. Triad states again that it will provide Channel 41, when activated, with exclusive exposure as the ABC outlet in the market. In reply to Triad's opposition, BCU submits that Triad's commitment can only be interpreted one way, i.e., that the ABC programing of WZZM will not be aired on any basis once BCU begins to carry ABC programing. BCU asserts that Triad's reference to certain protections afforded by the Commission's rules does not of itself satisfy its "obligation" to BCU. Accordingly, BCU requests clarification of the Commission's order to remove any doubt that Triad's carriage of WZZM is limited to the period of time until Channel 41 is activated.

36. Regarding Fetzer Cable Vision, BCU asserts that Fetzer has been importing the programing of WZZM into Kalamazoo without ever having requested waiver to do so, and that the Commission's order herein did not give Fetzer authority to carry WZZM. BCU urges that Fetzer's carriage of WZZM must cease and desist pending outcome of the evidentiary hearing ordered herein. In opposition to BCU's petition for reconsideration, Fetzer asserts that BCU misinterprets the Commission's order as prohibiting carriage of WZZM, and that

[1] By Order (FCC 67M–543), released Mar. 31, 1967, Hearing Examiner Kyle permitted BCU–TV to intervene in this proceeding.

the Commission's order, considered in the light of Fetzer's petition for waiver and in light of the fact that WZZM owns and operates a translator in Kalamazoo which carries its programs on Channel 12, demonstrates to the contrary. Fetzer states that if BCU's proposed Channel 41 operation places a sufficient signal into Kalamazoo, Fetzer will afford all of the priorities due and owing under the rules to the Channel 41 licensee in the way of carriage and nonduplication protection. Replying, BCU asserts that the Commission's order did not authorize Fetzer to carry the distant WZZM signal into Kalamazoo. BCU states that Fetzer's promise to provide nonduplication protection to Channel 41 does not suffice since the WZZM signal must be excluded entirely absent an affirmative showing by Fetzer in a hearing proceeding that carriage of WZZM is in the public interest.

37. In its original petition for waiver, Wolverine stated that the programs of WZZM will not be carried on its CATV system upon the commencement of operations of an ABC–TV affiliated UHF station in Battle Creek. In a later petition for temporary relief, Wolverine requested permission to carry WZZM to provide ABC service to Calhoun County but reserved the right to seek further relief to substitute another ABC signal on the Marshall-Albion system if carriage of WZZM is not technically feasible. To provide ABC services to communities in Calhoun County, the Commission waived the provisions of § 74.-1107 to permit carriage, among others, of the signal of WZZM. Because the Commission's order is silent as to whether Wolverine must replace WZZM with Channel 41, assuming an ABC affiliation, upon activation of the latter, BCU requests clarification and reconsideration so that cable carriage of WZZM by Wolverine must cease and desist pending the outcome of the evidentiary hearing.

38. Opposing BCU's petition for reconsideration, Wolverine points out that in its original petition for waiver it committed itself to the carriage of BCU's Channel 41 when and if Battle Creek is activated with an ABC affiliation; that although it did not restate this commitment in its later petition, Wolverine feels strongly bound to its original promise; and that it reasserts the commitment that when and if BCU–TV or any other applicant receives a construction permit for Channel 41 in Battle Creek and commences operation on that channel, Wolverine will respect whatever carriage and nonduplication priorities are afforded to that station by the rules. Replying, BCU asserts that waiver was granted to Wolverine to carry WZZM only as to the Marshall-Albion system and not as to the Battle Creek system. BCU states that the remaining request by Wolverine, including carriage of WZZM on the Battle Creek system, was denied and set for hearing. Stating that the WZZM distant signal must be excluded entirely, absent an affirmative showing that such carriage is in the public interest, BCU submits that Wolverine's statement that it will respect carriage and nonduplication priorities as to BCU–TV will not suffice.

39. Opposing BCU's petition, WZZM asserts that it is in a competitively disadvantageous position with respect to the two other VHF stations serving the Grand Rapids-Kalamazoo market; that because of its present site location WZZM does not provide Grade B service to Battle Creek and Kalamazoo; and that if the BCU petition is granted the competitive imbalance which already exists will be further aggravated. WZZM submits that carriage of its signal will not affect BCU's opportunity for an ABC network affiliation because to the extent that there would be duplication of the programing of BCU's facility and the service provided by WZZM, the WZZM signal would have to be deleted.

40. The Broadcast Bureau supports BCU's petition, urging that a substantial question exists whether carriage of WZZM by Triad, Wolverine, and Fetzer would prevent the establishment and healthy maintenance of UHF Channel 41. Noting that both Triad and Wolverine have agreed to afford BCU exclusive ABC network coverage on their CATV systems, and that it appears that Fetzer may also be willing to afford Channel 41 similar ABC exclusivity, the Bureau submits that an accommodation of interests is feasible which would permit BCU to maintain its ABC exclusivity and at the same time insure that CATV subscribers of Triad and Wolverine are not deprived of ABC programing. In this connection, the Bureau states that Kalamazoo is outside the Grade B contour of WZZM, and that, notwithstanding Fetzer's assertions, it does not appear that the Commission's order herein granted Fetzer a waiver to carry WZZM. The Bureau recommends that the Commission allow Triad and Wolverine to carry WZZM on an interim basis with such authority to be terminated upon Channel 41's activation as an ABC outlet. The Bureau adds that the Commission may also wish to allow Fetzer to carry WZZM under these same conditions.

41. Some challenges have been made to BCU's standing to file its petition for reconsideration because it is only an applicant for a construction permit. However, BCU does have standing herein in view of the fact that the second report and order and Subpart K of Part 74 of the rules contemplate that applicants for UHF stations, as well as others, have an interest in proceedings of this nature. See, e.g. § 74.1109.

42. As BCU suggests, it does not appear that the Commission's order herein clearly gave authority to Fetzer to carry the signal of WZZM on its CATV system. However, the Commission noted that in reply to an opposition filed by WZZM, Fetzer stated that it would carry WZZM on a parity with the other network affiliates. So that no question will remain, we modify our earlier order herein to make it clear that Fetzer has authority to carry the signal of WZZM, subject to the condition which will be set out hereinafter. BCU is inaccurate when it states that our order did not give authority to Wolverine to carry the signal of WZZM on its Battle Creek CATV system. The Commission waived the provisions of § 74.1107 to permit Wolverine to carry the signal of WZZM in the Calhoun County communities, and, as Wolverine's petition for waiver shows, Battle Creek is among those communities included within Calhoun County.

43. In light of the representations made to BCU by Triad and Wolverine, and apparently by Fetzer as well, regarding carriage of WZZM, we agree with the Broadcast Bureau that an accommodation of interests is feasible and desirable which would permit BCU to maintain its ABC exclusivity, if BCU's application is granted and the ABC exclusivity is otherwise appropriate, and at the same time insure that CATV subscribers of Triad, Wolverine, and Fetzer are not deprived of ABC programing. Accordingly, our earlier order herein is modified to indicate that Triad, Wolverine, and Fetzer will be permitted to carry the signal of WZZM on an interim basis, with such authority to be terminated upon BCU's activation of Channel 41 as an ABC outlet.

44. In view of the actions which we have taken herein, both the petition for stay filed by WJRT, Inc. and the petition for accelerated action filed by Booth American Co. will be dismissed as moot.

45. *It is ordered*, That the petition for reconsideration filed by Booth American Co. is granted to the extent that the provisions of § 74.1107 are waived to permit Booth American Co.'s carriage of educational station WMVS–TV (Channel 10) in Milwaukee and of station WWTV (Channel 9) in Cadillac over its CATV system in Muskegon Heights, Muskegon Township, Norton Township, and Roosevelt Park, and is denied in all other respects;

46. *It is further ordered*, That the petition for reconsideration filed by Allegan Tele-Ception, Inc., is denied;

47. *It is further ordered*, That the petition for reconsideration filed by Jackson TV Cable Co. is denied;

48. *It is further ordered*, That the petition for reconsideration filed by Coldwater Cablevision Inc. is granted and that the provisions of § 74.1107 are waived to permit carriage by Coldwater Cablevision Inc. of Channels 15 and 33, Fort Wayne, Ind., and Channel 28, South Bend, Ind.;

49. *It is further ordered*, That the petition for reconsideration filed by Calhoun Telephone Cable Television Co. is granted and that the provisions of § 74.1107 are waived to permit carriage by Calhoun Telephone Cable Television Co. of Channel 9, Windsor, Ontario, and Channel 13, Toledo, Ohio;

50. *It is further ordered*, That the petition for reconsideration filed by Gross Telecasting, Inc., is denied;

51. *It is further ordered*, That the petition for reconsideration filed by WJRT, Inc., is denied;

52. *It is further ordered*, That the petition for reconsideration filed by Triad Cablevision, Inc., is granted and the provisions of § 74.1107 are waived

to permit carriage by Triad Cablevision, Inc., of experimental, educational, airborne television station MPATI (KS2XGD and KS2XGA), Lafayette, Ind., when available, and of educational Channel 11 (Station WTTW, Chicago) and 56 (Station WTVS, Detroit), with carriage of the latter two stations conditioned upon the hours when educational Channel 10, Onondage, is not operational:

53. *It is further ordered*, That the petition for reconsideration, rehearing and clarification filed by BCU-TV is granted to the extent that our earlier order herein is modified to indicate that Triad Cablevision, Inc., Wolverine Cable Vision, Inc., and Fetzer Cable Vision will be permitted to carry the signal of station WZZM-TV, Grand Rapids, on an interim basis, with such authority to be terminated upon BCU-TV's activation of Channel 41, Battle Creek, as an ABC, outlet;

54. *It is further ordered*, That BCU-TV's petition is denied in all other respects;

55. *It is further ordered*, That the petition for stay filed by WJRT, Inc., is dismissed as moot; and

56. *It is further ordered*, That the petition for accelerated action filed by Booth American Co. is dismissed as moot.

Adopted: June 14, 1967.

Released: June 21, 1967.

FEDERAL COMMUNICATIONS COMMISSION,*
[SEAL] BEN F. WAPLE,
Secretary.

APPENDIX

PLEADINGS CONSIDERED BY COMMISSION IN SUBJECT MEMORANDUM OPINION AND ORDER

(1) Petition for reconsideration, filed March 7, 1967, by Booth American Co.
(2) Supplement to petition for reconsideration, filed March 20, 1967, by Booth American Co.
(a) Comments thereon of the Chief, Broadcast Bureau, filed April 27, 1967.
(b) Reply, filed May 9, 1967, by Booth American Co.
(3) Petition for reconsideration, filed March 20, 1967, by Allegan Tele-Ception, Inc.
(a) Comments thereon of Chief, Broadcast Bureau, filed April 27, 1967.
(4) Petition for reconsideration, filed March 20, 1967, by Jackson TV Cable Co.
(a) Comments thereon of Chief, Broadcast Bureau, filed April 27, 1967.
(b) Opposition, filed May 8, 1967, by Television Corporation of Michigan, Inc.
(5) Petition for reconsideration and grant of waiver request without hearing, filed March 17, 1967, by Coldwater Cablevision, Inc.
(a) Comments thereon of Chief, Broadcast Bureau, filed April 27, 1967.
(6) Petition for reconsideration and grant without hearing, filed March 20, 1967, by Calhoun Telephone Cable Television Co.
(a) Comments thereon of Chief, Broadcast Bureau, filed April 27, 1967.
(7) Petition for reconsideration, filed March 20, 1967, by Gross Telecasting, Inc.
(a) Comment thereon of Chief, Broadcast Bureau, filed April 27, 1967.
(b) Opposition of WJRT, Inc., filed March 28, 1967.
(c) Comments of Television Corporation of Michigan, Inc., filed April 27, 1967.
(d) Comments of Fetzer Cable Vision, filed April 20, 1967.
(e) Reply, filed April 12, 1967, of Gross Telecasting, Inc., to the WJRT, Inc., opposition.
(f) Reply, filed May 9, 1967, of Gross Telecasting, Inc., to comments filed by the Broadcast Bureau, Television Corporation of Michigan, Inc., and Fetzer Cable Vision.
(8) Petition for reconsideration and for interim relief, filed March 20, 1967, by Triad Cablevision, Inc.
(a) Comment thereon of Fetzer Cable Vision, filed April 20, 1967.
(b) Reply thereto, filed May 2, 1967, by Traid Cablevision, Inc.
(c) Comment, filed April 27, 1967, by Chief, Broadcast Bureau on Triad's petition for reconsideration.
(9) Petition for reconsideration, filed March 15, 1967, by WJRT, Inc., licensee of Station WJRT-TV, Flint, Mich.
(a) Opposition thereto, filed April 27, 1967, by Gross Telecasting, Inc.
(b) Comment of Chief, Broadcast Bureau, filed April 27, 1967.
(c) Comment of Fetzer Cable Vision, filed April 20, 1967.
(d) Comment of Television Corporation of Michigan, Inc., filed April 27, 1967.
(10) Petition for reconsideration, rehearing, and clarification, filed March 20, 1967, by BCU-TV, an applicant for Channel 41 in Battle Creek, Mich.
(a) Comments thereon of Chief, Broadcast Bureau, filed April 27, 1967.
(b) Opposition, filed April 3, 1967, by Fetzer Cable Vision.
(c) Reply thereto, filed April 11, 1967, by BCU-TV.
(d) Errata to reply, filed April 12, 1967, by BCU-TV.
(e) Opposition, filed April 27, 1967, by West Michigan Telecasters, Inc.
(f) Reply thereto, filed May 9, 1967, by BCU-TV.
(g) Opposition, filed April 3, 1967, by Wolverine Cable Vision, Inc.
(h) Reply thereto, filed May 2, 1967, by BCU-TV.
(i) Opposition, filed April 20, 1967, by Triad Cablevision, Inc.
(j) Reply thereto, filed April 28, 1967, by BCU-TV.
(11) Request for accelerated action, filed April 17, 1967, by Booth American Co.
(a) Opposition thereto, filed April 26, 1967, by Chief, Broadcast Bureau.
(b) Reply of Booth American Co., filed May 2, 1967.
(12) Petition for stay, filed March 15, 1967, by WJRT, Inc.
(a) Comment and opposition of Fetzer Cable Vision, filed April 20, 1967.
(b) Opposition of Chief, Broadcast Bureau, filed April 27, 1967.

[F.R. Doc. 67-7443; Filed, June 29, 1967; 8:47 a.m.]

* Statements of Commissioners Bartley and Loevinger in which they concur in part and dissent in part and statement of Commissioner Cox in which he concurs filed as part of the original document; Commissioner Wadsworth absent; Commissioner Johnson not participating.

[Docket Nos. 17519, 17520; FCC 67-699]

HI-POINT BROADCASTING CO. AND CHARLES H. CHAMBERLAIN

Order Designating Applications for Consolidated Hearing on Stated Issues

In re applications of Hi-Point Broadcasting Co., Bellefontaine, Ohio, Docket No. 17519, File No. BPH-5468; Requests: 98.3mc, No. 252; 1.29 kw(H); 1.29 kw(V); 430 ft. (H); 425 ft. (V); Charles H. Chamberlain; Bellefontaine, Ohio, Docket No. 17520, File No. BPH-5497; Requests: 98.3mc, No. 252; 3 kw(H); 3 kw (V); 300 ft.; for construction permits.

1. The Commission has under consideration the above captioned and described applications which are mutually exclusive in that operation by the applicants as proposed would result in mutually destructive interference.

2. On May 11, 1966, the Commission adopted a Report and Order, 3 FCC 2d 598, which, among other things, assigned Channel 252A to Bellefontaine, Ohio, and substituted Channel 237A for Channel 252A in Kenton, Ohio. This change had been opposed by station WKTN-FM, currently operating on Channel 252A in Kenton. Although the Commission determined that the public interest would be served by this substitution which would bring Bellefontaine (the larger of the two communities), a first FM assignment and a first full-time outlet, it nevertheless concluded that equitable considerations called for the Bellefontaine permittee to reimburse station WKTN-FM for its reasonable expenses incurred in connection with the channel change. The amount of reimbursement was left to negotiation between the parties, subject to resolution by the Commission in case of dispute.[1] Therefore, an appropriate condition will be attached to the permit granted for this channel. In addition, the report and order specified that the Channel assignment would become effective upon the expiration of station WKTN-FM's license (after which time it would be required to operate on the new channel) or such earlier time as it requests and obtains interim operating authority on the new channel. Accordingly, it will be necessary to condition the permit to withhold station license or operating authority until station WKTN-FM vacates the channel.

3. Each of the applicants is qualified to construct and operate as proposed. However, because of their mutual exclusivity, the Commission is unable to make a statutory finding that a grant of the subject applications would serve the public interest, convenience, and necessity, and is of the opinion that they must be designated for hearing in a consolidated proceeding on the issues set forth below.

It is ordered, That, pursuant to section 309(e) of the Communications Act of 1934, as amended, the applications are designated for hearing in a consolidated proceeding, at a time and place to be specified in a subsequent Order, upon the following issues:

1. To determine which of the proposals would better serve the public interest.

2. To determine in the light of the evidence adduced pursuant to the foregoing issue, which of the applications for construction permit should be granted.

[1] Guidelines regarding such reimbursement are contained in the Second Report and Order in Docket No. 16662_____ FCC 2d _____, FCC 67-578 (1967).

It is further ordered, That, in the event of a grant of either application, the construction permit shall contain the following conditions:

(a) Permittee shall reimburse Ohio Radio for its reasonable expenses in effecting a change in frequency; determination of such costs shall be by agreement between the parties, subject to Commission resolution in case of dispute.

(b) Station license or operating authority shall not be granted prior to 3 a.m., e.s.t., October 1, 1967 (concurrently with the expiration of the outstanding license for Station WKTN–FM on Channel 252A at Kenton, Ohio) or such earlier date as Station WKTN–FM may, upon its request, cease such operation on Chanel 252A.

It is further ordered, That to avail themselves of the opportunity to be heard, the applicants herein, pursuant to § 1.221(c) of the Commission's rules, in person or by attorney shall, within twenty (20) days of the mailing of this order, file with the Commission in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

It is further ordered, That the applicants herein shall, pursuant to section 311(a)(2) of the Communications Act of 1934, as amended, and § 1.594 of the Commission's rules, give notice of the hearing either individually or, if feasible and consistent with the rules, jointly, within the time and in the manner prescribed in such rule, and shall advise the Commission of the publication of such notice as required by § 1.594(g) of the rules.

Adopted: June 14, 1967.

Released: June 26, 1967.

FEDERAL COMMUNICATIONS COMMISSION,[1]
[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 67-7444; Filed, June 29, 1967; 8:47 a.m.]

[Docket Nos. 17519, 17520; FCC 67M-1063]

HI-POINT BROADCASTING CO. AND CHARLES H. CHAMBERLAIN

Order Scheduling Hearing

In re applications of Hi-Point Broadcasting Co., Bellefontaine, Ohio, Docket No. 17519, File No. BPH-5468; Charles H. Chamberlain, Bellefontaine, Ohio, Docket No. 17520, File No. BPH-5497; for construction permits.

It is ordered, That Elizabeth C. Smith shall serve as Presiding Officer in the above-entitled proceeding; that the hearings therein shall be convened on September 7, 1967, at 10 a.m.; and that a prehearing conference shall be held on July 14, 1967, commencing at 9 a.m.: *And, it is further ordered*, That all proceedings shall take place in the offices of the Commission, Washington, D.C.

[1] Commissioner Wadsworth absent.

Issued: June 20, 1967.

Released: June 27, 1967.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 67-7445; Filed, June 29, 1967; 8:47 a.m.]

[Docket No. 17504; FCC 67M-1057]

ARTHUR H. JONES, JR.

Order Scheduling Prehearing Conference

In the matter of Arthur H. Jones, Jr., 4017 Cold Spring Lane, Baltimore, Md. 21215, Docket No. 17504; suspension of radiotelephone first-class operator license.

On the Hearing Examiner's own motion;

It is ordered, That a prehearing conference shall convene on July 12, 1967, at 9 a.m. in the offices of the Commission at Washington, D.C., for the purpose of ascertaining whether it is feasible to integrate the taking of evidence in this hearing with the taking of evidence in the hearing in Docket No. 17509, and such other matters as the parties may deem appropriate.

Issued: June 23, 1967.

Released: June 26, 1967.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 67-7446; Filed, June 29, 1967; 8:48 a.m.]

[Docket No. 17509; FCC 67M-1056]

ARTHUR H. JONES, JR.

Order Scheduling Prehearing Conference

In the matter of Arthur H. Jones, Jr., Baltimore, Md., Docket No. 17509; suspension of amateur radio operator license (W3IRL).

On the Hearing Examiner's own motion;

It is ordered, That a prehearing conference shall convene on July 12, 1967, at 9 a.m. in the offices of the Commission at Washington, D.C., for the purpose of ascertaining whether it is feasible to integrate the taking of evidence in this hearing with the taking of evidence in the hearing in Docket No. 17504, and such other matters as the parties may deem appropriate.

Issued: June 23, 1967.

Released: June 26, 1967.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 67-7447; Filed, June 29, 1967; 8:48 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 16474 etc.]

ALLEGHENY AIRLINES, INC.

Segment 8 Renewal and Route Realignment Investigation; Notice of Oral Argument

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that oral argument in the above-entitled investigation is assigned to be heard on July 26, 1967, at 10 a.m., e.d.s.t., in Room 1027, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., before the Board.

Dated at Washington, D.C., June 26, 1967.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 67-7441; Filed, June 29, 1967; 8:47 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATION FOR RELIEF

JUNE 27, 1967.

Protests to the granting of an application must be prepared in accordance with Rule 1.40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 410—*Soybeans screenings to Memphis, Tenn.* Filed by Southwestern Freight Bureau, agent (No. B-8987), for interested rail carriers. Rates on screenings, soybeans, soybeans broken or cracked, in carloads, minimum 50,000 pounds, from specified points in Arkansas and Missouri, to Memphis, Tenn.

Grounds for relief—Market competition.

Tariff—Supplement 117 to Southwestern Freight Bureau, agent, tariff ICC 4494.

By the Commission.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 67-7465; Filed, June 29, 1967; 8:49 a.m.]

[Notice 411]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

JUNE 27, 1967.

The following are notices of filing of applications for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC 67 (49 CFR, Part 340) published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that

protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protest must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protest must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in the field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 2202 (Sub-No. 322 TA), filed June 23, 1967. Applicant: ROADWAY EXPRESS, INC., 1077 Gorge Boulevard, Post Office Box 471, Akron, Ohio 44309. Applicant's representative: Douglas W. Faris (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), serving the plantsites and warehouse of Rockwell Standard Corp. located at or near Winchester, Ky., as an off-route point in connection with applicant's presently authorized route between Cincinnati, Ohio, and Chattanooga, Tenn.; for 180 days. NOTE: Applicant states that it will tack with authority in MC 2202 and all subnumbers thereto and will effect interchange at all points served. Supporting shipper: Rockwell Standard Corp., Transmission and Axle Division, Winchester, Ky. 40391. Send protests to: G. J. Baccei, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 435 Federal Building, 215 Superior Avenue, Cleveland, Ohio 44114.

No. MC 33037 (Sub-No. 10 TA), filed June 22, 1967. Applicant: STUDER TRUCK LINE, INC., Beattie, Kans. 66406. Applicant's representative: John E. Jandera, 641 Harrison Street, Topeka, Kans. 66603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Animal feed*, from St. Joseph, Mo., to Peddicord Feed Yard, approximately 4 miles east and 2 miles north of Wamego, Kans.; for 150 days. Supporting shipper: George Peddicord, Peddicord Feed Yard, Wamego, Kans. 66406. Send protests to: I. C. Peterson, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 234 Federal Building, Topeka, Kans. 66603.

No. MC 59590 (Sub-No. 11 TA), filed June 22, 1967. Applicant: CLIPPER TRANSPORTATION COMPANY, 142 Danforth Avenue, Jersey City, N.J. 07305. Applicant's representative: George A. Olsen, 69 Tonnele Avenue, Jersey City, N.J. 07306. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Precast forms* composed of concrete and wood fibers or other reinforcing materials, and when moving therewith, *equipment, tools, and implements* used in the erection of such forms, from Farmington, Conn., to points in Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and the District of Columbia; and *returned shipments of the equipment, tools, and implements* specified above, on return; for 150 days. Supporting shipper: Concrete Plank Co., Inc., Porete Avenue, North Arlington, N.J. 07032. Send protests to: Walter J. Grossmann, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 1060 Broad Street, Room 363, Newark, N.J. 07102.

No. MC 76266 (Sub-No. 115 TA), filed June 22, 1967. Applicant: ADMIRAL-MERCHANTS MOTOR FREIGHT, INC., 2625 Territorial Road, St. Paul, Minn. 55114. Applicant's representative: Robert P. Sack (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), serving the plantsite of the Frederick Willys Co. at Zumbrota, Minn., as an intermediate point in connection with applicant's regular route operations between St. Paul and Rochester, Minn.; for 180 days. NOTE: Applicant states that it will tack with authority in MC 76266 and various subs. Supporting shipper: The Frederick-Willys Co., Inc., 510 Willow Street, Farmington, Minn. 55024. Send protests to: A. E. Rathert, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 448 Federal Building and U.S. Courthouse, 110 South Fourth Street, Minneapolis, Minn. 55401.

No. MC 105807 (Sub-No. 27 TA), filed June 22, 1967. Applicant: RED BALL EXPRESS CO., 45th at Jackson Street, Denver, Colo. 80216. Applicant's representative: Edward A. Upp (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over regular and irregular routes, transporting: *Classes A and B explosives;* for 180 days. Regular routes: (A) (1) Between Omaha, Nebr., and Kansas City, Mo., serving all intermediate points; and the off-route point of the site of the Goodyear plant (located approximately 1½ miles northwest of the city limits of Topeka, Kans., on U.S. Highway 24 and truck route U.S. Highway 40); (2) between Omaha, Nebr., and Kansas City, Mo., serving all intermediate points; (3) between Omaha, Nebr., and Lincoln, Nebr., serving all intermediate points; (4) between Lincoln, Nebr., and Union, Nebr., serving all intermediate points; (5) between Nebraska City, Nebr., and Sidney, Iowa, serving all intermediate points; (6) between Lincoln, Nebr., and junction Nebraska Highway 4 and U.S. Highway 73, serving all intermediate points; (7) between Hiawatha, Kans., and St. Joseph, Mo., serving all intermediate points; (8) between Fairmont, Nebr., and Grand Island, Nebr., serving all intermediate points; (9) between Lincoln, Nebr., and Henderson, Nebr., serving all intermediate points; (10) between Sioux City, Iowa, and Omaha, Nebr., serving all intermediate points; and the off-route points of Little Sioux, Modale, and Turin, Iowa; (11) between Omaha, Nebr., and Chicago, Ill., serving the intermediate point of Council Bluffs, Iowa; and all intermediate and off-route points in the Chicago, Ill., commercial zone, as defined by the Commission; (12) between Omaha, Nebr., and Chicago, Ill., serving the intermediate point of Council Bluffs, Iowa; and all intermediate and off-route points in the Chicago, Ill., commercial zone, as defined by the Commission.

(13) Between Sioux City, Iowa, and Bancroft, Nebr., serving all intermediate points; and the off-route points of Homer, Thurston, and Rosalie, Nebr.; (14) between Sioux City, Iowa, and Bancroft, Nebr., serving all intermediate points; and the off-route points of Homer, Thurston, and Rosalie, Nebr.; (15) between McCook, Nebr., and Grand Island, Nebr., serving all intermediate points; (16) between McCook, Nebr., and Grand Island, Nebr., serving all intermediate points; and the off-route points of Kenesaw and Juniata, Nebr.; (17) between Holdrege, Nebr., and Maywood, Nebr., serving all intermediate points; and the off-route points of Orafino and Ingham, Nebr. Irregular routes: (18) Between points in the Chicago, Ill., commercial zone, as defined by the Commission, other than Chicago, Ill., on the one hand, and, on the other, points in Illinois within 40 miles of Chicago; and (19) between Chicago, Ill., on the one hand, and, on the other, points in Illinois within 40 miles of Chicago (other than Dundee, Carpentersville, and Algonquin, Ill., and except points in that part of Illinois bounded by a line beginning at Chicago and extending along U.S. Highway 20 to Elgin, Ill., thence along Illinois Highway 31 to Oswego, Ill., and thence along U.S. Highway 34 to Chicago, including points on the indicated portions of the highways specified). Over specified regular routes set forth in MC 105807, in (A) (1) through (17) above. Regular routes: (B) Serving the site of the Glenn L. Martin plant near Waterton, Colo., as an off-route point in connection with carrier's regular route operations to and from Denver, Colo. (C) Between Omaha, Nebr., and Denver, Colo., serving the intermediate and off-route points within 30 miles of Gibbon, Nebr., including Gibbon, and the off-route point of the site of the U.S. Atomic Energy Plant, at or near Marshall, Colo.; over specified regular routes set forth in MC 105807 (Sub-No. 19). (D) Between McCook, Nebr., and Denver, Colo., serving no intermediate points, as an alternate route for operating convenience only, in connection with carrier's authorized regular route operations between Denver, Colo., and Omaha, Nebr., and between McCook,

Nebr., and Grand Island, Nebr.; over specified regular routes set forth in MC 105807 (Sub-No. 21).

Restriction: The operations authorized over the above-described alternate route are restricted to the transportation of eastbound traffic only originating at or moving through Denver, Colo., destined to or moving through Grand Island or Hastings, Nebr., or westbound traffic originating at or moving through Grand Island or Hastings, Nebr., destined to or moving through Denver, Colo., (E) Between junction Nebraska Highway 51 and U.S. Highway 77, approximately 5 miles east of Bancroft, Nebr., and Lincoln, Nebr., as an alternate route for operating convenience only, in connection with carrier's regular route operations, serving no intermediate points, and serving junction Nebraska Highway 51 and U.S. Highway 77 for joinder only; over specified regular routes set forth in MC 105807 (Sub-No. 23). Restriction: The authority granted herein is restricted to transportation of traffic originating at or moving through Sioux City, Iowa, and destined to or moving through Lincoln, Nebr., and originating at or moving through Lincoln, Nebr., and destined to or moving through Sioux City, Iowa. (F) Between Missouri Valley, Iowa, and junction U.S. Highways 30 and 275 near Fremont, Nebr., as an alternate route for operating convenience only, in connection with carriers' authorized regular route operations, serving no intermediate points, and serving the termini for joinder only; over specified regular routes set forth in MC 105807 (Sub-No. 25). NOTE: Applilant states that all authority sought will be tacked with presently held authority, and that interline points will be Chicago and Joliet, Ill.; Denver, Colo.; Grand Island and Lincoln, Nebr.; Kansas City, Mo.; and Sioux City, Iowa. Applicant presently holds authority over the above specified routes to transport general commodities with certain exceptions, including classes A and B explosives. Authority is sought to remove the exception in applicant's existing certificates against the transportation of classes A and B explosives in all instances where applicant holds authority to transport general commodities with various exceptions, including classes A and B explosives. Supporting shipper: MTMS, 607 Nasis Building, Washington, D.C. 20315. Send protests to: Herbert C. Ruoff, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 2022 Federal Building, 1961 Stout Street, Denver, Colo. 80202.

No. MC 124078 (Sub-No. 284 TA), filed June 23, 1967. Applicant: SCHWERMAN TRUCKING CO., 611 South 28th Street, Milwaukee, Wis. 53215. Applicant's representative: Richard Prevette (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Cement*, from the plantsite of United Cement Co. at Memphis, Tenn., to points in Mississippi; that part of Arkansas east of Marion, Searcy, Pope, Conway, Perry, Saline, Grant, Dallas, Calhoun, and Union Counties, Ark.; that part of Kentucky west of Hancock, Breckinridge, Grayson, Edmondson, Barren, and Allen Counties, Ky.; and that part of Tennessee west of Sumner, Wilson, Rutherford, Bedford, Moore, and Franklin Counties, Tenn.; for 150 days. Supporting shipper: United Cement Co., Post Office Box 175, West Point, Miss. 39773 (Jack M. Reese, Vice President and General Manager). Send protests to: W. F. Sibbald, Jr., District Supervisor, Bureau of Operations, Interstate Commerce Commission, 135 West Wells Street, Room 807, Milwaukee, Wis. 53203.

No. MC 129121 (Sub-No. 1 TA), filed June 23, 1967. Applicant: GEORGE W. CARMEAN, INC., Post Office Box 129, Georgetown, Del. 19947. Applicant's representative: F. D. Hammond, Post Office Box 53, Dover, Del. 19901. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Bean harvesters* (a self-propelled machine), for the account of Green Giant Co., between points in Georgia, South Carolina, North Carolina, Virginia, Maryland, Delaware, New Jersey, Pennsylvania, and New York; for 180 days. Supporting shipper: Green Giant Co., Le Sueur, Minn. (Gerald R. Russeth, Motor Transportation Supervisor). Send protests to: Paul J. Lowry, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 206 Old Post Office Building, Salisbury, Md. 21801.

No. MC 129194 (Sub-No. 1 TA), filed June 23, 1967. Applicant: TERENCE D. TROUTTE, doing business as TROUTTE CAMPER DELIVERIES, 13771 Cypress Street, Garden Grove, Calif. 92640. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Shelters* designed to be mounted upon light trucks, i.e., pickup campers, from points in Los Angeles and Orange Counties, Calif., to points in Oregon, Washington, Nevada, Idaho, Montana, Wyoming, Colorado, Utah, Arizona, New Mexico, and Texas; and *damaged or rejected shipments* on return; for 180 days. Supporting shippers: California Camper Manufacturing, 1000 North Parker Street, Orange, Calif. 92667; and Harris' Honker Camper Manufacturing Co., 12024 Centralia Road, Post Office Box 1325, Hawaiian Gardens, Calif. 90701. Send protests to: W. J. Huetig, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 7708 Federal Building, 300 North Los Angeles Street, Los Angeles, Calif. 90012.

No. MC 129196 TA, filed June 23, 1967. Applicant: A B C EXPRESS, 1214 Borah Street, Boise, Idaho 83706. Applicant's representative: Harlin L. Fulmer (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities*, in express service, not to exceed 250 pounds, (1) between Butte, Mont., and Spokane, Wash., over U.S. Highway 10; and (2) between Coeur d'Alene, Idaho, and Riggins, Idaho, over U.S. Highway 95; and return over the same routes, serving all intermediate points in (1) and (2) above; for 180 days. Supporting shippers: There are 63 shippers' supporting statements attached to application, which may be examined at the Interstate Commerce Commission in Washington, D.C., or at the field office named below. Send protests to: C. W. Campbell, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 203 Eastman Building, Boise, Idaho 83702.

No. MC 129197 TA, filed June 22, 1967. Applicant: ASHLEY TRANSFER AND STORAGE COMPANY, 1142 Morrison Drive, Charleston, S.C. 29403. Applicant's representative: Robert J. Gallagher, Professional Building, 66 Central Street, Wellesley, Mass. 02181. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Used household goods*, between points in South Carolina, restricted to shipments moving on the through bill of lading of a forwarder operating under section 402(B)(2) exemption, and having an immediate, prior, or subsequent line haul movement by rail, motor, water, or air; for 180 days. Supporting shippers: Kingpak, Inc., Post Office Box 18298, Wichita, Kans. 67218; and U.S. Van Lines, Inc., 59642 South U.S. 31, South Bend, Ind. 46614. Send protests to: Arthur B. Abercrombie, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 303A Federal Building, 901 Sumter Street, Columbia, S.C. 29201.

By the Commission.

[SEAL] H. NEIL GARSON, *Secretary.*

[F.R. Doc. 67-7466; Filed, June 29, 1967; 8:49 a.m.]

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PART II

General Services Administration

Federal Supply Service

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Procurement Regulations

•

Revision of Chapter



Title 41—PUBLIC CONTRACTS AND PROPERTY MANAGEMENT

SUBTITLE A—FEDERAL PROCUREMENT REGULATIONS SYSTEM

Chapter 5A—Federal Supply Service, General Services Administration

REVISION OF CHAPTER

Chapter 5A of Title 41 of the Code of Federal Regulations is revised to read as set forth below.

Dated: June 21, 1967.

H. A. ABERSFELLER,
Commissioner,
Federal Supply Service.

Part
5A-1 General.
5A-2 Procurement by formal advertising.
5A-3 Procurement by negotiation.
5A-5 Special and directed sources of supply.
5A-6 Foreign purchases.
5A-7 Contract clauses.
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5A-60 Contract appeals.
5A-72 Regular purchase programs other than Federal Supply Schedule.
5A-73 Federal Supply Schedule program.
5A-74 Special purchase programs.
5A-75 Review committees and teams.
5A-76 Exhibits.

AUTHORITY: The provisions of this chapter 5A issued under sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c); and 41 CFR 5-1.101(c).

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§ 5A–1.000 Scope of part.

This part describes the method by which the Federal Supply Service implements and supplements the Federal Procurement Regulations (Chapter 1 of Title 41, Code of Federal Regulations) and the GSA-wide procurement policies and procedures (Chapter 5 of the General Services Administration Procurement Regulations). In addition, it contains policies and procedures which implement and supplement Chapter 1 and Chapter 5.

Subpart 5A–1.1—Introduction

§ 5A–1.101 Scope of subpart.

This subpart establishes Chapter 5A of the General Services Administration Procurement Regulations (41 CFR Ch. 5A), states its relationship to the Federal Procurement Regulations (FPR) and Chapter 5 of the General Services Administration Procurement Regulations (GSPR), and sets forth other introductory information.

§ 5A–1.102 Establishment of Chapter 5A, General Services Administration Procurement Regulations.

This Chapter 5A of GSPR is prescribed by the Commissioner, Federal Supply Service, and is established to provide all Federal Supply Service (FSS) activities with additional uniform policies and procedures applicable to the procurement of personal property and nonpersonal services.

§ 5A–1.103 Relationship of Chapter 5A to the FPR and Chapter 5, GSPR.

(a) GSPR Chapter 5A implements and supplements the FPR and GSPR Chapter 5. Implementing material is that which expands upon related FPR or Chapter 5 material. Supplementing material is that for which there is no counterpart in the FPR or Chapter 5.

(b) Material published in the FPR or GSPR Chapter 5 becomes effective throughout FSS upon the effective date of the particular FPR or Chapter 5 material. Such material will not be repeated, paraphrased, or restated in Chapter 5A. Therefore, all three must be reviewed to obtain comprehensive coverage of FSS-wide procurement policies and procedures.

(c) Material in Chapter 5A implements and supplements but does not supersede the FPR or Chapter 5 unless a deviation has been authorized and the deviation is explicitly referenced. In cases of other conflict, or when Chapter 5A contains no related material implementing the FPR or Chapter 5, the FPR or Chapter 5 will govern.

§ 5A–1.104 Applicability.

Chapter 5A applies to all purchases and contracts made by FSS for the procurement of personal property and nonpersonal services.

§ 5A–1.105 Exclusions.

(a) Certain FSS procurement policies and procedures which come within the scope of this chapter nevertheless may be excluded therefrom when there is justification. These exclusions include the following categories:

(1) Subject matter which bears a security classification.

(2) Policies or procedures which are expected to be effective for a period of less than 6 months.

(3) Policies or procedures which are effective on an experimental basis for a reasonable period.

(4) Policies or procedures pertaining to other functions of FSS as well as to procurement functions and there is need to make the issuance available simultaneously to all FSS employees concerned.

(5) Where speed of issuance is essential, numerous changes are required, and all necessary changes cannot be made promptly.

(b) Procurement policies and procedures issued in other than the FPR System format under paragraphs (a) (4) and (5), above, shall be codified into Chapter 5A at the earliest practicable date, but in any event not later than 6 months from date of issuance.

§ 5A–1.106 Method of issuance.

(a) All Chapter 5A material deemed necessary for business concerns, and others interested, to understand FSS procurement policies and procedures will be published in the FEDERAL REGISTER. Other related material also may be published in the FEDERAL REGISTER when its inclusion will provide a logical, comprehensive statement of FSS procurement policies and procedures.

(b) Chapter 5A material published in the FEDERAL REGISTER will be published in cumulative form in Chapter 5A of Title 41 of the Code of Federal Regulations (41 CFR Ch. 5A). The FEDERAL REGISTER and Title 41 of the Code of Federal Regulations may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D.C.

(c) Chapter 5A is issued in looseleaf form on blue paper stock for use by employees of FSS, and other interested GSA offices.

§ 5A–1.107 Arrangement.

§ 5A–1.107–1 General plan.

Chapter 5A is divided into parts, subparts, sections, subsections, and further subdivisions as necessary.

§ 5A–1.107–2 Numbering.

(a) Generally, the numbering system used in Chapter 5A conforms to that of the FPR (see § 1–1.007–2). Thus, a particular procurement policy or procedure is identified by the same number in the FPR, Chapter 5, and Chapter 5A, except that the first digit of the number is either 1, 5, or 5A.

(b) Where Chapter 5A implements a part, subpart, section, or subsection of the FPR or Chapter 5, the implementing part, subpart, section, or subsection of Chapter 5A will be numbered (and captioned) to correspond to the FPR or the Chapter 5 part, subpart, section, or subsection.

(c) Where Chapter 5A supplements the FPR or Chapter 5 and thus deals with subject matter not contained in the FPR or Chapter 5, numbers in the group 70 through 89 will be assigned to the respective supplementing parts, subparts, sections, or subsections.

(d) Where the subject matter contained in a part, subpart, section, or subsection of the FPR or Chapter 5 requires no implementation, Chapter 5A will contain no corresponding part, subpart, section, or subsection number. Thus, there may be gaps in the Chapter 5A series of part, subpart, section, or subsection numbers. In such cases, reference must be made to the FPR and Chapter 5 for policy and procedure applicable throughout FSS.

§ 5A–1.107–3 Cross-references.

(a) Within Chapter 5A, cross-references to the FPR will be made in the same manner as used within the FPR and Chapter 5. Illustrations of cross-references to Chapter 5 are:

(1) Part 5–3.

(2) Subpart 5–3.1.

(3) § 5–3.102–50.

(b) Within Chapter 5A, cross-references to parts, subparts, and sections will be made in a manner generally similar to that used in making cross-references to the FPR. For example, this paragraph would be referenced as "§ 5A–1.107–3(b)."

§ 5A–1.108 Citation.

(a) Citation in formal documents, such as legal briefs, shall give the number of the part, subpart, or section of Chapter 5A following the words "General Services Administration Procurement Regulations" and shall include an appropriate reference to "41 CFR ——" where the material has been published in the FEDERAL REGISTER.

(b) Any section of Chapter 5A, for purpose of brevity, may be informally identified as "GSPR" followed by the section number. For example, this paragraph could be identified in a memorandum as "GSPR 5A–1.108(b)."

§ 5A–1.109 Deviation.

(a) The term "deviation" as used in this Chapter 5A is defined in the same manner as described in § 1–1.009–1.

(b) In order to maintain uniformity to the greatest extent feasible, deviation by FSS activities from this Chapter 5A will be kept to a minimum and controlled as follows:

(1) Deviation will be made only after prior approval by the Assistant Commissioner for Procurement, if the deviation

does not affect the programs and operations assigned to any other Assistant Commissioner of FSS.

(2) Deviation affecting the programs and operations of two or more Assistant Commissioners, FSS, will be made only after prior approval by the Commissioner, FSS.

(3) Requests for authority to deviate from Chapter 5A shall be submitted to the Assistant Commissioner for Procurement. Such requests will be supported by statements adequate to disclose fully the nature of the deviation and the reasons for special action.

(4) Deviations in classes of cases, authorized under subparagraphs (1) and (2), above, will expire, unless extended, 12 months from the date of approval, unless sooner rescinded, without prejudice to any action taken thereunder.

Subpart 5A–1.3—General Policies

§ 5A–1.305 Specifications.

Requests for exceptions to the mandatory use of, or deviations from, Federal Specifications shall be submitted to the Director, Standardization Division, in accordance with § 5A–1.305–70(c)(3), below, for approval or disapproval.

§ 5A–1.305–50 Use and availability of specifications and standards.

Where formal specifications or standards are referenced in the invitation for bids, the following provision should be inserted:

COPIES OF GOVERNMENT SPECIFICATIONS AND STANDARDS

The Government specification(s) or standard(s), if any, applicable to each article is stated in the invitation for bids in connection with the general description of the article. Copies of referenced Federal or Interim Federal Specifications or Standards are available without charge at the General Services Administration Business Service Centers in Boston; New York; Washington, D.C.; Atlanta; Chicago; Kansas City, Missouri; Dallas; Denver; San Francisco; Los Angeles; and Seattle. Military Specifications, Military Qualified Products Lists, and Joint Army-Navy Specifications may be obtained from: Commanding Officer, U.S. Naval Supply Depot, 5801 Tabor Avenue, Philadelphia, Pa. 19120, Attention: Code CDS. If other specifications or standards are applicable, the invitation for bids will state where copies of such specifications or standards may be obtained.

§ 5A–1.305–70 Procurement of nonstandard items.

This section establishes the procedures for obtaining approval prior to the purchase by FSS of certain nonstandard items, and prior to the furnishing of advice to other Federal agencies concerning the purchase of such nonstandard items by them.

(a) *Definitions.* For the purpose of this section:

(1) The term "standard item" is defined as an item covered by a Federal Specification, a Federal Standard, an Interim Federal Specification, an Interim Federal Standard, a Military (MIL) Specification, or a Military (MIL) Standard; or is an "FSS buying program item."

(2) An "FSS buying program item" means any item covered by a Federal Supply Schedule or FSS national term contract or carried in GSA stores stock, even though the item may not be currently covered by any published Federal or Military Specification or Standard.

(3) The term "nonstandard item" is defined as any item not covered by (a)(1), above, and which shall be further identified as "permitted" or "prohibited," as defined in (a)(4), and (5), below.

(4) A "permitted nonstandard item" is one for which there is no standard item which will serve the same functional end use.

(5) A "prohibited nonstandard item" is one for which there is a standard item which will serve the same functional end use.

(6) The term "same functional end use" is defined as that which will accomplish the same intended function within reasonable limits.

(b) *Exceptions.* This § 5A–1.305–70 does not apply to:

(1) Items covered by supply support agreements with the Department of Defense or any individual military department (including items coded GSA 5, 6, 7, or 8 in military pricelists).

(2) Items procured under supply support programs for overseas activities.

(3) Items required in support of the Forest Service fire control program as provided in § 5A–72.106–2.

(4) Items involving a total purchase price per line item of $250 or less.

(5) Exigency purchases.

(c) *Procedure.*—(1) *Review of purchase requisitions.* Requisitions received for items not identified to any of the specifications or standards referenced in (a)(1), above, shall be checked against the current Index of Federal Specifications and Standards.

(i) If the commodity requested is listed in the Index, the contracting officer shall determine whether any item covered by the specification or standard will fulfill the same functional end use as the item requested. If so, the specification or standard shall be used unless the ordering office submits a justification for an exception to or deviation from such specification or standard. Prior approval of the ordering office for the use of such specification or standard should be obtained when the purchase requisition cites a "brand name" or includes a detailed description.

(ii) If the commodity is not listed in the Index, or it is not covered by an existing specification or standard of the types referred to in (a)(1), above, the item may be purchased as a "permitted nonstandard item" subject to current commodity procurement assignments and applicable procurement regulations.

(2) *Advice to agencies.* In all contacts involving furnishing of technical or professional advice and assistance to agencies in their own procurements, buying activities shall promote the procurement of standard items. Whenever an agency requests a buying activity to furnish advice or recommendations with respect to the purchase by the agency of items under deviations or exceptions authorized by §§ 1–1.305–2 or 1–1.305–3, or a waiver for purchase of an item similar to a GSA stores stock item or a Federal Supply Schedule item, and the advice, recommendation, or reply proposed by the buying activity will be (or might be) construed as concurrence in the purchase of a "prohibited nonstandard item," approval shall be obtained before such advice or recommendation is given.

(3) *Request for approval.* Whenever (i) an ordering agency submits a justification for the purchase, either by the agency (see § 5A–73.110–2) or by an FSS buying activity, of a "prohibited nonstandard item" or (ii) a buying activity proposes to furnish advice or a recommendation as to the purchase of such an item by an agency through its own procurement office, prior approval shall be obtained by addressing a memorandum to the Director, Standardization Division. The memorandum shall contain the recommendation of the buying activity, be accompanied by the agency justification, where applicable, and be prepared for the signature of the Director, POD, or Regional Director, FSS, as appropriate. The Director, Standardization Division, shall evaluate the request in collaboration with any other interested Central Office organizational elements and shall recommend the action to be taken by preparing a reply to the agency (with a copy for the buying activity involved) in the case of (i), above, or to the Director, POD, or Regional Director, FSS, in the case of (ii), above. The reply will be signed by the Assistant Commissioner for Standards and Quality Control where the request is denied, or by the Commissioner, FSS, where the request is approved.

(4) *Use of special terminology.* The terms "nonstandard item," "permitted nonstandard item," and "prohibited nonstandard item" are intended for internal use only in applying the procedures prescribed in this § 5A–1.305–70. Because these terms may not have the same meanings to other agencies, they should not be used in correspondence or discussions with agencies. More detailed language which will be more meaningful to such agencies shall be used.

§ 5A–1.305–71 Equipment guarantee and servicing.

Where guarantee, servicing, or maintenance requirements are contained in a specification for the purchase of items of operating equipment, the following provision may be inserted in the invitation for bids or solicitation of offers when considered desirable:

Bidders are requested to indicate the extent, if any, to which the guarantee, servicing, and maintenance offered exceeds the minimum requirements therefor contained in the invitation or solicitation.

§ 5A–1.306 Standards.

Requests for exceptions to the mandatory use of, or deviations from, Federal Standards shall be submitted to the Director, Standardization Division, in accordance with § 5A–1.305–70(c)(3), above, for approval or disapproval.

§ 5A–1.310 Responsible prospective contractor.

§ 5A–1.310–6 Determination of responsibility.

(a) Where by virtue of the terms of any invitation for bids, a contractor will be required to meet estimated or stated peak monthly requirements, consideration shall be given, in making determinations of responsibility, to the bidder's ability to meet these peaks, as contrasted with his ability to meet the average monthly requirements.

(b) FSS contracting officers shall submit proposed determinations of nonresponsibility to the appropriate Review Committee in accordance with § 5A–75.201(c)(3) and § 5A–75.401(e). After review, the letter of rejection shall be issued promptly to the bidder. A memorandum to the Compliance Division transmitting a copy of the determination shall then be prepared for the signature of the Regional Director, FSS, or the Director, Procurement Operations Division, as appropriate. Copies of the memorandum and determination shall be distributed to each other FSS buying activity and the Director, Procurement Policy Division. If the basis for rejection includes lack of financial responsibility, copies shall be furnished to the Chief, Finance Division, in the appropriate regional accounting center or Director, Credit and Finance Division, Central Office, as appropriate.

§ 5A–1.310–7 Information regarding responsibility.

(a) All readily available information concerning a prospective contractor shall be fully evaluated before making a determination as to whether he qualifies as responsible (see § 1–1.310–7). This includes the performance records to be maintained as required by §§ 1–1.310–10 and 5–1.310–10 and information obtained in the bidding or negotiation process. A responsibility determination may be made without obtaining a plant facilities report if the contracting officer is reasonably satisfied that the prospective contractor has the facilities and capacity to perform the proposed contract, considering the dollar value thereof and any critical aspects involved in the procurement. However, if the contracting officer needs additional information in order to eliminate any doubt he may have in this regard, a plant facilities report shall be requested as provided in (b), below. In the case of procurements of relatively large dollar value or which warrant special attention for other reasons (e.g., a special or critical item not previously produced by the prospective contractor), a plant facilities report shall be requested even though the contracting officer has available sufficient information to warrant a determination that the prospective contractor meets the standards in § 1–1.310–5(a) (2) and (3).

(b) Requests for a plant facilities evaluation shall be made on GSA Form 353, Plant Facilities Report. The buying activity making the request shall complete section I of GSA Form 353. Where there is a special reason for making the request, it should be stated in block 6 of the form. Any pertinent information on past performance or otherwise in the possession of the buying activity which would be helpful to Quality Control in making its evaluation should be noted in block 5 of the form.

(1) In the case of requests initiated in the Procurement Operations Division, the original and 2 copies of the GSA Form 353 shall be forwarded to the Central Office Quality Control Division with the following:

(i) Three copies of the invitation for bids;

(ii) Three copies of all pertinent information submitted by the bidder in his bid, including the bidder's offered delivery or shipping time and, where applicable, the bidder's indicated monthly production capacity (supply potential) (In lieu of extracting such information from the bid, copies of the bid or of pertinent pages thereof may be furnished, if the latter method is more practical.);

(iii) Any pertinent correspondence between GSA and the bidder; and

(iv) Any other information the buying activity has which should be considered by the regional Quality Control Division in making the evaluation.

(2) In the case of requests initiated in a regional buying activity, the original and a copy of the GSA Form 353, together with two copies of the documents and information described in (i) through (iv) of § 5A–1.310–7(b)(1), above, shall be sent to the Quality Control Division in the GSA region in which the prospective supplier's plant is located. In addition, a copy of the GSA Form 353 and a copy of the documents and information described in (i) through (iv) of § 5A–1.310–7(b)(1), above, shall be forwarded to the Central Office Quality Control Division.

(3) A buying activity making an award to a bidder after a Quality Control Division has recommended in a plant facilities report that no award be made to that bidder shall promptly after award send a memorandum notice of the action taken and the reason for it to the appropriate Quality Control Division in accordance with (i) or (ii), below, as applicable.

(i) In the case of an award made by POD, the memorandum shall be sent to the Central Office Quality Control Division with a copy to the regional Quality Control Division which made the "no award" recommendation.

(ii) In the case of an award made by a regional buying activity, the memorandum shall be sent to the regional Quality Control Division which made the "no award" recommendation with a copy to the Central Office Quality Control Division.

§ 5A–1.311 Priorities, allocations, and allotments.

(a) *General.* Contracting officers should be familiar with regulations of the Business and Defense Services Administration, Department of Commerce.

(b) *Application of ratings and symbols.* The Department of Defense and Atomic Energy Commission may apply authorized ratings or controlled materials order symbols to requisitions or purchase authorities submitted to GSA for stores stock or for items to be purchased by GSA for direct delivery.

(1) Stock replenishment requests for replacement of stock issued against such requisitions will show the applicable rating or symbol.

(2) When such authorized ratings or symbols appear on a purchase authority or stock replenishment request, the contracting officer shall indicate such ratings or symbols on related invitations for bids, contracts, and purchase orders.

(3) Purchase authorities to which authorized ratings or symbols are applicable shall be given preference over other purchase authorities.

§ 5A–1.315 Use of liquidated damages provisions in procurement contracts.

§ 5A–1.315–2 Policy.

Under ordinary circumstances, proper administration of Article 11, Default, of the General Provisions, Standard Form 32, should produce acceptable deliveries and obviate the necessity of using liquidated damage clauses. The use of liquidated damage clauses in supply contracts should be avoided except when prompt delivery is of unusual importance and knowledge of facts in connection with a specific transaction indicates the necessity therefor. Accordingly, liquidated damage clauses shall not be used without the prior approval of the Assistant Commissioner, Office of Procurement.

§ 5A–1.316 Time of delivery or performance.

§ 5A–1.316–5 Time of delivery clauses.

(a) The following clauses represent modification of clauses contained in § 1–1.316–5 and the addition of one clause providing for "time of delivery of the essence".

(1) *General.* Except as provided in (b), below, contracting officers shall select the appropriate clause as set forth in (2), (3), and (4), below to provide timely delivery. Clauses set forth in (2) and (3) will cover most procurements. However, when justified, the "time of delivery of the essence" clause, (4), below, may be used.

(2) *Time of delivery not a major factor in award.* The following clause shall be used when a desired and maximum delivery date at destination is to be specified. Such date shall be expressed in number of days after receipt of order. (If a Notice of Award is used as the delivery order, the words "Notice of Award" may be substituted for "order"). The maximum time for delivery must be reasonable and possible of accomplishment by a large segment of the bidders and shall be based on the latest date by which delivery will meet needs of using or ordering activity.

TIME OF DELIVERY

The Government desires that delivery be made at destination within (Contracting Officer insert number of days) days after receipt of order.

Bidder shall insert in the appropriate blank below a definite number of days within which delivery will be made. *If the bidder does not insert a delivery time, his bid shall be deemed to offer delivery in accordance with the Government's desired delivery stated above.* Although time of delivery will not be a factor in determining awards, any bid offering a delivery time which exceeds (Contracting Officer insert number of days) days after receipt of order will be considered nonresponsive on the basis that the time for delivery offered is unreasonable.

Bidder's Proposed Delivery: ____ calendar days after receipt of order.

(3) *Time of shipment not a major factor in award.* In some instances because of multiple destinations or f.o.b. origin prices use of delivery time is not feasible and in lieu thereof a time for placing merchandise in transit must be used. Such time for shipment shall be expressed in a number of days after receipt of order. (If Notice of Award is used as delivery order, the words "Notice of Award" may be substituted for "order"). The maximum number of days to be allowed for shipment must be reasonable and possible of accomplishment under normal conditions by a large segment of the bidders. Under these conditions the following clause shall be used:

TIME OF SHIPMENT

The Government desires that shipment be made within (Contracting Officer insert number of days) days after receipt of order.

Bidder shall insert in the appropriate blank below a definite number of days within which merchandise will be placed in transit. *If the bidder does not insert a shipment time, his bid will be deemed to offer shipment in accordance with the Government's desired shipping time.* Although time of shipment will not be a factor in determining awards, any bid offering a time of shipment which exceeds (Contracting Officer insert number of days) days after receipt of order will be considered nonresponsive on the basis that the time of shipment offered is unreasonable.

Bidder's Proposed Time of Shipment: ____ calendar days after receipt of order.

(4) *Time of delivery a factor in awards.* Time of delivery may be made a factor in awards under circumstances outlined in (i) and (ii), below. Consideration shall also be given to negotiation under public exigency if circumstances will support such action (see § 1–3.202, § 5–3.202, and § 5A–3.202).

(i) *Direct delivery.* Time of delivery may be made a factor in determining award in connection with direct delivery contracts only when the requisitioning agency has furnished a written statement of circumstances which justify such action. Examples of circumstances justifying such action would be delivery of (1) furniture to outfit quarters scheduled for occupancy on a specific date, (2) construction materials in accordance with predetermined job progress schedules, (3) special equipment, such as for forest firefighting purposes, requiring special mills run weeks or months ahead of actual delivery date, or (4) supplies required at port to meet scheduled ship sailings for overseas destinations.

(ii) *Stock replenishment.* Time of delivery may be made a factor in award of definite quantity stock replenishment contracts when the Chief of the appropriate Procurement Branch of the Procurement Operations Division or the Chief of the regional Buying Division determines that based upon past experience as to demand and knowledge of current market conditions, stock will be exhausted, back orders created and normal supply support to customer agencies curtailed unless delivery is accomplished by the time specified.

(iii) *Justification statement and contract clause.* When time of delivery is made a factor in award, a written statement of the specific circumstances justifying the action approved by the contracting officer in connection with direct delivery purchases and by the officials designated above for stock replenishment purchases shall be made a part of the purchase case file. Under these conditions the following clause shall be used:

TIME OF DELIVERY

Time of delivery at the specified f.o.b. point shall be of the essence in making awards on this invitation. Delivery is required at the specified point within (contracting officer to insert number of days) calendar days after receipt of order.

Bidders shall state in blank below a definite number of days in which delivery will be made. *If the bidder does not state a delivery time or if the delivery time so stated exceeds the time specified above, the bid will be considered nonresponsive.* Since acceptance of late delivery, as hereinafter set forth, will result in a downward price adjustment, the bidder is cautioned to submit a bid only for items either on hand or for which he has definite availability.

Bidder's promised delivery: _____ calendar days after receipt of order.

For any supplies delivered to *and accepted by the Government* after the time specified by the Government, the price payable to the Contractor shall be the contract price reduced by _____ (*) percent for each calendar day of delay, not to exceed a total of _____ (**) percent, irrespective of whether delay is excusable under Article 11 of the General Provision, Standard Form 32.

(NOTE: This clause must be appropriately modified if a liquidated damage clause based upon a specific dollar amount for each day of delay is approved in accordance with § 5–1.315–2 and § 5A–1.315–2.)

(b) If delivery requirements of requisitioning agency on direct delivery procurements cannot be adequately stated by use of any clause set forth in (a) above, clauses prescribed in § 1–1.316–5 may be adapted to fit individual procurements observing other provisions of § 1–1.316.

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*Contracting Officer shall insert percentage which shall be determined by the conditions justifying the use of this clause. Normally 1 percent would seem to be adequate. The insertion of any amount in excess of 2 percent per day must be approved in advance by the Director, Program Management Division.

**Contracting Officer shall insert a percentage ranging from 5 to 20 percent dependent upon (1) the circumstances justifying the use of the clause, (2) the estimated premium which would be paid for the early delivery, and (3) the extent of damages which would be suffered by the Government through late delivery. The insertion of any amount in excess of 20 percent must be approved in advance by the Director, Program Management Division.

§ 5A–1.317 Noncollusive bids and proposals.

The determinations required by § 5–1.317 and § 1–1.317, for transactions originating in the Procurement Operations Division, shall be made by the Assistant Commissioner for Procurement.

§ 5A–1.350 Advance notices of award.

The form and content of advance notices of award shall be essentially as shown in § 5A–76.101, except when preparing advance notices of award with respect to Federal Supply Schedule contracts involving contractors' catalogs and price lists, in which case the instructions in § 5A–73.120 are applicable.

§ 5A–1.372 Protests of award.

Protests by bidders, or others having a legitimate interest, shall be handled as prescribed in this section. All protests must be reduced to writing. When oral protests are received, the person making the protest shall be requested to submit the protest in writing, stating therein his interest in the matter. Any protest of award received by other than the buying activity, which is referred to the contracting officer for preparation of a reply, shall normally be handled in the same manner as prescribed in this § 5A–1.372. Disputes concerning questions of fact arising under existing contracts shall be handled in accordance with Subpart 5–53.6.

(a) *Protests before award.* When a protest is received prior to making award, no award shall be made pending resolution of the protest, except where the items to be procured are urgently required, or if it is otherwise in the best interests of the Government to do so. However, no awards under such circumstances shall be made without advice from the Office of General Counsel or Regional Counsel, as appropriate, and the approval of the Director, Procurement Operations Division, or the Regional Director, FSS, as appropriate, or higher authority.

(b) *Protests after award.* When protests are received by the purchase activity after award has been made, the contracting officer shall develop the facts in the case and prepare a reply to the protest in letter form for the signature of the chief of the purchase activity. Such replies must be concurred in by the Office of the General Counsel or Regional Counsel, as appropriate.

§ 5A–1.373 Contract administration assistance.

(a) The contracting officer has overall responsibility for contract administration. However, the regional Quality Control Divisions are responsible for providing contract administration assistance on contracts (and orders) if (1) the contract specifies origin inspection; (2) the contract is under the Federal Supply Schedule program and Quality Control has been assigned responsibility for providing contract administration assistance; or (3) contract administration assistance has been requested by the contracting officer. In such cases, the Quality Control Division is responsible

for initiating or requesting necessary action to ensure full compliance with all terms of the contract and for keeping the contracting officer advised of the status of the contract.

(b) Where contracts have been established to cover the particular requirements of another GSA service or staff office (other than contracts for PMDS, in which case see § 5A–72.307–4) and the performance of the contract is an integral part of the program mission of the service or staff office for which the contract was established, the contracting officer shall delegate the authority for contract administration to activities or individuals designated by the requiring service or staff office, if requested. However, basic responsibility for adequate contract arrangements and final action in connection with such matters as disputes, terminations, etc., shall be retained by the contracting officer.

§ 5A–1.374 [Reserved]

§ 5A–1.375 Form for requesting approval of awards.

(a) *Requirement.* GSA Form 1535, Request for Approval of Awards, shall be used by all Federal Supply Service buying activities to document contract cases which contain one or more proposed awards, advertised or negotiated, in amounts in excess of $2,500. Substitute forms shall not be used for purposes for which the use of GSA Form 1535 is prescribed without prior written approval of the Assistant Commissioner for Procurement.

(b) *Preparation.* For each appropriate proposed award all applicable information will be entered on the GSA Form 1535. The instructions for its preparation which appear on the form are supplemented by the following:

(1) The columns provided for the point of production and the labor area classification of the production point are not applicable to cases which involve production points which are unknown (as in the case of most gasoline and fuel oil contracts), or which do not involve production points (such as service contracts);

(2) In the case of a proposed definite quantity award in excess of $100,000, the number of units of the product covered by the proposed award shall be shown on the GSA Form 1535, where feasible; and

(3) The price analysis shall include, where more than one item is involved, not only a statement as to the overall price increase or decrease but also a statement concerning any substantial increase of an individual item and an explanation of why it occurred.

(c) *Checklist.* A checklist is provided on the reverse of the form for use by contracting officers and reviewers in determining that all significant aspects of the proposed award have been considered. When the GSA Form 1535 is used, that part of the GSA Form 289, Abstract of Bids, provided for recommendations and approval of awards need not be completed.

(d) *Distribution.* The original of the completed GSA Form 1535 shall become a part of the applicable case file. When the case requires submission to the POD Review Committee or to the Regional Buying Division Review Committee, an extra copy of the form shall be forwarded with the case file. When a proposed POD negotiated contract is subject to approval by the Central Office Negotiated Contracting Review Committee, the original and three copies of the GSA Form 1535 shall be submitted to the POD Review Committee with the case file.

Subpart 5A–1.5 Contingent Fees

§ 5A–1.507 Use of Standard Form 119.

§ 5A–1.507–70 Prescribed action upon receipt of Standard Form 119.

The contracting officer shall take the following action with respect to each Standard Form 119 received.

(a) Obtain advice from the Office of General Counsel or Regional Counsel, as appropriate, as to the legality and general propriety of the relationship disclosed thereon.

(b) Transmit immediately a copy of the completed Standard Form 119 to the regional representative or to the Central Office of the Compliance Division, as appropriate, requesting comment regarding the relationship disclosed on the Standard Form 119, and any other information which might be of assistance in making the necessary determination. The contracting officer may request the Compliance Division to develop further information if, in his opinion, the facts available to him through the usual administrative, trade, or credit sources are deemed insufficient for a proper decision.

(c) After careful review and evaluation of all the information obtained, and bearing in mind the legal and ethical requirements of the General Services Administration, the contracting officer shall render a decision taking into consideration the principles and standards of § 1–1.504. The decision shall be in writing and made a part of the contract file.

§ 5A–1.508 Enforcement.

§ 5A–1.508–1 Failure or refusal to furnish representation and agreement.

The name of each bidder who fails to furnish the representation and agreement after such opportunity has been afforded, shall be submitted, with a statement of the pertinent circumstances, to the Compliance Division, for such further action as may be appropriate.

(a) If the bid is signed by a sales agent (other than a bona fide full-time officer or employee who is employed solely by the bidder), the same procedure prescribed in § 5A–1.508–1(b) shall be followed, and such action as may be appropriate in accordance with § 1–1.508–3 and § 5A–1.508–3 shall be taken.

(b) If the indicated successful bidder makes the representation in the affirmative, he shall be required to submit a completed Standard Form 119 in triplicate.

§ 5A–1.508–2 Failure or refusal to furnish Standard Form 119.

The name of each bidder who refuses or fails to furnish a completed Standard Form 119, or a statement in lieu thereof as provided in § 1–1.507–2, regardless of whether award was made to the bidder in question, shall be submitted with a statement of the pertinent circumstances to the Compliance Division for appropriate action, including consideration as to future eligibility as a bidder or contractor.

§ 5A–1.508–3 Misrepresentations or violations of the covenant against contingent fees.

If an award has been made, any action to enforce the terms of the covenant shall be taken only upon the written recommendations of the General Counsel or Regional Counsel, as appropriate. Whether or not an award has been made, a misrepresentation or violation of the covenant against contingent fees shall be reported to the Compliance Division as in § 5A–1.508–2.

Subpart 5A–1.7—Small Business Concerns

§ 5A–1.706 Procurement set-asides for small business.

§ 5A–1.706–5 Total set-asides.

(a) The requirement in § 1–1.706–5 (b) that "Invitations for bids and requests for proposals involving total small business set-asides shall be restricted to small business concerns" is fully complied with by the insertion in such solicitations of the "Notice of Total Small Business Set-Aside" set forth in § 1–1.706–5(c). Paragraph (a) of that notice is captioned "Restriction" and states, "Bids or proposals under this procurement are solicited from small business concerns only * * *." Additionally, the appropriate notice required by § 5–1.706–1(b) calls the total set-aside to the attention of concerns other than small business.

(b) Accordingly, when using the FSS mechanized bidders mailing lists, no attempt shall be made to limit to small business concerns the distribution of invitations for bids and requests for proposals involving total small business set-asides.

Subpart 5A–1.8—Labor Surplus Area Concerns

§ 5A–1.801 Definitions.

(a) For definitions of "Labor Surplus Area Concern," "Labor Surplus Area," and "Small Business Concern" see § 1–1.801.

(b) "Partial Set-aside," as used in this subpart, means a method of procurement under which a portion of a procurement (either advertised or negotiated), as determined by the procurement activity, is withheld from general solicitation and reserved for negotiation exclusively with firms which will perform, or cause to be performed, a substantial portion of a contract received as the result of such negotiations, in labor surplus areas.

§ 5A–1.804 Partial set-asides for labor surplus areas.

§ 5A–1.804–1 General.

(a) *Applicability.* The provisions of § 1–1.804 and of this subpart shall be applicable, to the extent practicable, to all FSS procurements. However, it is not practicable to make set-asides in every procurement. For example, procurement of proprietary items and indefinite quantity requirements, as well as procurements for delivery outside of the United States, ordinarily are not suitable for partial set-asides.

(b) *Initiating set-aside.* Labor surplus area set-asides shall be initiated by the contracting officer. When it is determined to set-aside a quantity of a procurement for negotiation with labor surplus area concerns, the invitation for bids or request for proposals covering the quantity not set-aside shall be prepared and processed pursuant to normal procurement procedures except that it shall include a notice to bidders or offerors as prescribed in § 1–1.804–2.

(c) *Determining the quantity to set-aside.* When a partial set-aside is deemed appropriate, the buying activity shall determine the optimum quantity which would probably result in the most favorable price, considering such factors as the manufacturing process involved, the quantity required for an economical production run, and handling and transportation costs. Invitations for bids or requests for proposals on the non-set-aside portion shall be issued for not less than such optimum quantity. Also, the resulting set-aside quantity shall be for not less than such optimum quantity.

§ 5A–1.804–2 Notice to bidders or offerors.

(a) GSA Form 1448, Notice of Labor Surplus Area Set-aside, contains in preprinted form the short-form notice to bidders or offerors, as prescribed in § 1–1.804–2(b). Each invitation for bids or request for proposals involving a partial set-aside for labor surplus areas normally shall incorporate by reference and attach a copy of GSA Form 1448. However, where experience in connection with previous set-asides for the commodity involved indicates a probability that bids may be received which appear designed to take unfair advantage of other bidders, by devices such as token bids, tie-in bids, or all or none bids, the long-form notice prescribed in § 1–1.804–2(c) shall be used in lieu of the short-form notice. When the short-form notice is used and the aforementioned situation nevertheless arise, the case shall be carefully considered with legal counsel and, if the circumstances justify, referred to the Central Office through normal procedures.

(b) Each concern that is interested in negotiating a contract for any portion of the set-aside quantity is required to identify in his bid the geographical areas in which he proposes to perform, or cause to be performed, a substantial proportion of the production of the contract. GSA Form 1448 provides space for each bidder to fill in and provide this information in the bid.

§ 5A–1.804–3 Award procedures on the set-aside portion.

(a) *Eligible concerns.* Negotiation for the set-aside portion will be conducted only with concerns which have (1) indicated they will perform, or cause to be performed, a substantial proportion of the production in labor surplus areas, and (2) which have submitted responsive bids or proposals at a unit price within 120 percent of the highest price at which award was made on the non-set-aside portion.

(b) *Procedure.* Negotiation will be conducted with eligible concerns progressively, by categories, in accordance with the priority groupings prescribed in § 1–1.802–2(b), beginning with the eligible concern in the first category which submitted the lowest responsive bid or proposal with respect to the quantities not set-aside. If the set-aside portion is not placed with that concern, negotiation will be conducted with the eligible concern, in the same category, which submitted the next higher responsive bid. This process will be continued until acceptable offers are received on the entire quantity set-aside or until the contracting officer determines that the set-aside portion cannot be placed with any of the eligible concerns in that category. In such event, similar negotiations will be conducted in each of the next succeeding priority categories, if necessary, until all eligible concerns have been contacted.

(c) *Limitation on contract price for set-aside portion.* (1) When procurement of the non-set-aside portion of an item has resulted in one contract, or in several awards all at the same price, awards for the set-aside portion of that item shall be made at the same price, adjusted to reflect transportation and other cost factors which were considered in evaluating bids on the non-set-aside portion.

(2) When procurement of the non-set-aside portion of an item has resulted in several awards for that item at different prices, except as set forth below, the set-aside portion shall be awarded at the highest unit price awarded on the non-set-aside portion, adjusted to reflect transportation and other cost factors which were considered in evaluating bids on the non-set-aside portion.

(3) In no event will a set-aside award be made for an item to a bidder at a higher unit price than his bid for that item on the non-set-aside portion.

(d) *Labor market information.* Classification of labor surplus areas are listed in the Department of Labor's "Area Labor Market Trends." This publication and related advance releases are available through normal GSA distribution channels.

§ 5A–1.807 Report on procurement in labor surplus areas.

Each FSS buying activity shall submit reports of labor surplus area set-aside actions in accordance with § 5A–1.5082.

Subpart 5A–1.9—Reporting Possible Antitrust Violations

§ 5A–1.901 General.

(a) If it is determined that bids or offers received evidence any possible violation of antitrust laws (or related laws, such as those administered by the Federal Trade Commission), a notification shall be forwarded to the Director, National Buying Division (NBD). The Director, NBD, is responsible for review and referral to the Director, Compliance Division, for investigation as warranted by the facts reported. Any means of communication available, including personal contact, may be used in reporting irregularities.

(b) All notifications to the Director, NBD, shall be submitted in duplicate and shall be prepared in narrative form. Each notification shall be accompanied by the documents and information required by § 1–1.902 and § 1–1.903. The reporting office shall be advised by the Director, NBD, of the action taken. (No reports control symbol is required.)

Subpart 5A–1.10—Publicizing Procurement Actions

§ 5A–1.1004 Synopses of contract awards.

Awards of all unclassified contracts to be performed in whole or in part within the United States, exceeding $10,000 in amount, shall be published in the Department of Commerce "Synopsis of U.S. Government Proposed Procurement, Sales, and Contract Awards."

Subpart 5A–1.11—Qualified Products

§ 5A–1.1101 General.

Listings of products which are qualified by examination and tests under the requirements stated in any applicable specification are for the use of the Government agencies, their contractors, and subcontractors in the performance of procurement functions described by FPR 1–1.11. However, such products can be removed from applicable qualified products lists for reasons stated in the Federal Standardization Handbook (FPMR 101–29).

§ 5A–1.1102 Contract provisions.

(a) When security cabinets, security vault doors, and changeable combination padlocks, which have been qualified under applicable Federal or Interim Federal Specifications, are to be procured insert the following provision in the invitation for bids or solicitation and the resultant contract:

PRODUCT REMOVAL FROM QUALIFIED PRODUCTS LIST

If, during the performance of this contract, the product being furnished is, for any reason except those outlined by paragraph 3.1.1 of the applicable Federal or Interim Federal Specification, removed from the Qualified Products Lists, the Government may terminate this contract for default pursuant to Article 11(a)(ii) of the General Provisions (SF 32).

(b) When other qualified products are to be procured insert the following provision in the invitation for bids or solicitation and the resultant contract:

PRODUCT REMOVAL FROM QUALIFIED PRODUCTS LIST

If, during the performance of this contract, the product being furnished is, for any reason, removed from the Qualified Products List, the Government may terminate this contract for default pursuant to Article 11(a)(ii) of the General Provisions (SF 32).

Subpart 5A–1.18—Postaward Orientation of Contractors

§ 5A–1.1800 Scope of subpart.

The policies and procedures in this Subpart 5A–1.18 are not to be interpreted as precluding appropriate meetings with personnel of prospective contractors during the course of preaward surveys or otherwise for the purpose of obtaining information regarding the ability of prospective contractors to meet the responsibility standards in § 1–1.310.

§ 5A–1.1803 Postaward orientation conferences.

§ 5A–1.1803–2 Initial action.

(a) Upon the award of a contract for which a regional Quality Control Division has responsibility for providing contract administration assistance (see § 5A–1.373), that Division also has the responsibility for conducting a postaward orientation conference (see the Quality Control Handbook, FSS P 4400.1, Chapter 9). Ordinarily, such conferences will be conducted by the quality control representative (QCR) on his initial visit to the supplier's plant. Where, because of special circumstances, the contracting officer determines that GSA personnel in addition to the QCR should participate in the conference or that the conference should be held at the office of the contracting activity or at some place other than the supplier's plant, the contracting officer shall make special arrangements with the Quality Control Division responsible for contract administration assistance.

(b) In the case of contracts other than those referred to in (a), above, the contracting officer shall determine whether there is a need for a postaward orientation conference, giving consideration to the factors in § 1–1.1803–1 and any other pertinent factors. Special consideration as to the feasibility and desirability of postaward orientation conferences shall be given to contracts exceeding $50,000 when the contracts involve new suppliers, suppliers who have given substandard performance under previous contracts, new types of contracts, or important changes in the specifications or test methods from those used in previous purchases. Sound judgment shall be used in determining whether postaward orientation conferences should be conducted. The Regional Director, FSS, or the Director, Procurement Operations Division, as appropriate, shall approve each determination of need for a postaward orientation conference prior to any action toward arranging such a conference.

(c) Where feasible, the postaward orientation conference shall be held at the contractor's plant or other designated place of business so that the contractor's plant management officials and other representatives responsible for contract performance can participate in the conference. In unusual circumstances, and where agreeable to the contractor, the conference may be held at the office of the contracting activity, or at the regional office in the region in which the contractor (or his plant) is located.

(1) When it is determined under (b), above, that a postaward orientation conference is to be conducted by the contracting activity, the contracting officer shall make the necessary arrangements (see § 1–1.1803–2). Such conferences shall be conducted by the contracting officer unless otherwise directed by the Regional Director, FSS, or the Director, POD, as applicable.

(2) When it is determined under (b), above, that a postaward orientation conference should be conducted by the region in which the contractor (or his plant) is located, a memorandum request to arrange for and conduct the conference shall be sent to the Regional Director, FSS, in that region. The memorandum shall be signed by the Regional Director, FSS, of the contracting region, or the Director, POD, as applicable. The memorandum shall specify the matters to be included in the conference agenda (see § 1–1.1803–3) and shall be accompanied by the documents and information needed to conduct the conference. In the case of POD, the memorandum shall be coordinated with the Quality Control Division, Central Office. When such a request is received, the arrangements referred to in § 1–1.1803–2(b) shall be made by the Regional Director, FSS, or his designee.

§ 5A–1.1803–4 Participants.

Participants in postaward orientation conferences should include, as appropriate, quality control personnel, personnel of the requiring service or staff office to whom the contracting officer will delegate the authority for contract administration (see § 5A–1.373(b)), legal counsel, accounting personnel, and other interested Government personnel. Personnel attending conferences as representatives of quality control or any other service or staff office to whom the authority for contract administration has been delegated, shall, whenever possible, be the same individuals who will be responsible for providing contract administration assistance in connection with the contract (see § 5A–1.1803–2(a)).

§ 5A–1.1803–5 Conference procedure.

During the course of a conference, the contractor shall be fully informed as to his responsibilities under the contract and of the desire on the part of GSA to be helpful in answering any questions or in resolving any difficulties which the contractor may encounter. The conference shall also be used as an opportunity to emphasize to the contractor the close, direct, and continuous interest which this agency will display in his performance under his contract. Also, the contractor should be informed that other than routine questions should be taken up with the contracting officer, either directly or through the quality control representative.

§ 5A–1.1805 Reports.

The official who conducts a postaward orientation conference shall be responsible for preparing a summary report in accordance with § 1–1.1805. In those cases where the conference was conducted by one region at the request of another region or POD pursuant to § 5A–1.1803–2(b) and (c)(2), the report shall be transmitted to the requesting activity with a covering memorandum signed by the Regional Director, FSS.

Subpart 5A–1.50—Report

§ 5A–1.5000 Scope of subpart.

This subpart sets forth the reports required by this Chapter 5A and provides instructions for the preparation and submission of the reports or cites the applicable section containing such instructions.

§ 5A–1.5070 Buying Operations Report.

§ 5A–1.5070–1 Submission.

Each Federal Supply Service buying activity shall mail one copy of the subject report to the Director, National Buying Division, not later than the third working day following the end of the calendar month covered by the report.

§ 5A–1.5070–2 Form.

GSA Form 338, Buying Operations Report, shall be used when submitting this report.

§ 5A–1.5070–3 Reports control.

Reports control symbol FS–173 is assigned to this report.

§ 5A–1.5070–4 Instructions.

GSA Form 338 shall be prepared in accordance with the instruction in this § 5A–1.5070–4. Each report shall cover operations during the entire month. The Buying Operations Report is a report of the work results of the reporting FSS buying activity. These instructions are the same as those issued for the June 1958 edition.

(a) *Heading.*—(1) *Reporting office.* Identify the office submitting the report by region number and city of location. Example: Region 1, Boston.

(2) *Period covered.* Enter the month covered by the report. Example: July 1958.

(b) *Columnar entries.*—(1) *Line number—columns (a) and (f).* Numbers have been assigned to lines requiring data in columns (c), (d), and (e).

(2) *Category of data—column (b).* Short titles have been used to indicate the general nature of the data. To the extent possible, the short titles are self-explanatory. Further explanations and instructions are given below.

(i) *Federal Supply Schedule program.* Data are divided into two parts. These are Production and Usage by Agencies. Production covers direct work by the buying activity. Usage by Agencies covers indirect results of the work by the buying activity.

(*a*) Contractors required to report. Contractors required to report are those

who, under the terms of the contracts, are to report the value of orders received from agencies.

(b) Contractors not required to report. Contractors not required to report are those whose contracts do not contain the requirement that they report the value of orders received from agencies.

(ii) *Stores buying program; nonstores buying program.* Purchases of stores stock items requisitioned by a Department of Defense activity under a purchase assignment will be reported:

(a) Under stores buying if made by a regional buying activity; and

(b) Under nonstores buying if made by the National Buying Division on the basis of requisitions received directly from DOD.

(iii) *Contracts—future-order type.* These are definite and indefinite quantity contracts, other than those issued under the Federal Supply Schedule program, issued for the future use of ordering offices. All contracts in this category require purchase orders or other documents to be issued after the contracts establish the available sources of supply. This category consists of term contracts, blanket purchase arrangements and contracts involving the subsequent use of GSA Form 1430, Stores Direct Delivery Order-Invoice.

(iv) *Ordered from established sources.* This method of purchase utilizes sources of supply, other than blanket purchase arrangements, that have been established for future use in buying operations. Reporting is limited to orders placed by Federal Supply Service activities.

(v) *Using national stores contracts.* This category is limited to usage of stores future-order type contracts made by the National Buying Division and national and zonal stores future-order type contracts made by regional buying activities on an assignment basis.

(vi) *Using regional stores contracts.* This category is limited to usage of stores term contracts established by regional buying activities for use by the contracting region.

(vii) *Using Federal Supply Schedule contracts.* This category is limited to usage for stores buying of contracts established by the National Buying Division and regional buying activities under the Federal Supply Schedule program.

(viii) *Using other sources but excluding blanket purchase arrangements.* This category reflects usage for stores buying of all previously established sources of supply other than:

(a) National and regional stores contracts;

(b) Contracts established under the Federal Supply Schedule program; and

(c) Blanket purchase arrangements. (Purchases under blanket purchase arrangements are to be included in purchases by negotiation under 302(c)3.)

In this category are included National Industries for the Blind, Federal Prison Industries, interwarehouse transfer orders, orders for surplus or excess property, and other interagency orders.

(ix) *Purchased by negotiation under 302(c)3.* This category includes purchases made by Federal Supply Service buying activities under blanket purchase arrangements.

(x) *Foreign aid procurement program.* This category consists of buying on behalf of the International Cooperation Administration by the National Buying Division and by regional buying activities on an assignment basis.

(3) *Number of contracts—column (c).* Enter the number of contracts which were made during the period. Do not include extensions which are granted under the terms of the basic contract and do not count amendments and cancellations. Count the contract as made when the last page is sent for reproduction or, if no reproduction is required, when the award has been signed by the contracting officer and mailed to the contractor.

(4) *Number of line items—column (d).* Enter the number of line items as follows:

(i) *Federal Supply Schedule program—production.* Enter the number of line items on schedules and term contracts made and on amendments thereto; count these documents as made when the last page is sent for reproduction.

(ii) *Contracts — future-order type.* Enter the number of line items on future-order type contracts made and on cancellations and amendments thereto.

(iii) *Ordered from established sources.* Enter the number of line items on purchase orders or shipping orders calling forth or confirming the calling forth of merchandise under previously made future-order type contracts. Include line items on amendments and cancellations. Count the line items when the orders are forwarded to the contractor.

(iv) *Purchased by negotiation under 302(c)3, purchased by negotiation other than 302(c)3, purchased by formal advertising.* Enter the number of line items on purchase orders (including amendments and cancellations) issued as part of the contracting procedure, Standard Forms 44, and contracts not requiring the issuance of purchase orders. Count the line items when formal notification of the purchase action has been forwarded to the contractor.

(v) *Definitions of a line item.* A line item is defined as follows:

(a) *Line item on a purchase order.* A line entry (exclusive of lines of description, specifications, special instructions, or similar necessary wordage) identifying a specific article, set of articles, or a service, without regard to quantity, to be delivered to or furnished at any one location, at a definite price. For example, the following would be counted as three line items:

Tab: Signal, Transparent cellulose, crimped, size ¼" x ⅜".
Packed 100 per box, 18 boxes to carton, 40 cartons to case.

Items	Color	Unit	Quantity	Unit price	Amount
7510-183-6471	Blue	Box	1440	$0.10	$144.00
7510-183-6472	Green	Box	900	.10	90.00
7510-183-6474	Yellow	Box	216	.10	21.60

(b) *Line item on a term or other future-order type contract of definite or indefinite quantity.* A line entry (exclusive of lines of description, specifications, special instructions, or similar necessary wordage) identifying a specific article, set of articles, or a service, without regard to quantity to be delivered to or furnished at any one destination or location or within a specified area, at a price fixed by the terms of the contract. Reference to a contractor's catalog or list is the equivalent of one price. See Examples in (I), (II), and (III), below.

(I) The following would be counted as four line items:

Federal Stock No. 7510-161-4292, Clips: Paper; Gem-pattern; light duty; large; formed from steel wire 0.036-inch diameter with plus or minus tolerance of 0.001-inch; coated or plated; shall be smoothly finished, free from burrs and sharp edges; shall leave no mark or discoloration upon paper and show no tendency to tear or cut paper when used; in accordance with Fed. Spec. FF-C-436a, Type I, Size 1, Class B; packed 100 to box, 10 boxes to carton in uniform commercial shipping cartons.

For delivery to the following destinations as called forth:

Destination	Unit	Quantity	Unit price	Amount
Franconia, Va	Box	116,000	$0.0338	$3,920.80
East Point, Ga	Box	170,000	.0338	5,746.00
Chicago, Ill	Box	45,000	.0338	1,521.00
Seattle, Wash	Box	5,000	.0407	203.50

(II) The following would be counted as four line items:

44-139(a), Tabs, index, assorted types, in accordance with all applicable requirements of Interim Fed. Spec. No. UU-T-0054B(VA):

Index signal tabs, Graffco, contractors' price list for the current period with discount as shown therein.

Zone 1: List. *Zone 2:* List. *Zone 3:* List. *Zone 4:* List.

(III) The following would be counted as six line items:

7510-634-3252, Tape, pressure sensitive, cellophane, colored, in accordance with Interim Fed. Spec. L-T-0090, Type I, Class B, ¾-inch, 72-yard roll, 3-inch core, red 11136.

Quantity	Unit	Zone 1	Zone 2
1 to 5	Roll	$1.36	$1.36
6 to 47	Roll	1.23	1.23
48 to 575	Roll	1.12	1.12

(5) *Dollar value—column (e).* Enter the dollar value as follows:

(i) *Federal Supply Schedule program—usage by agencies.*—(a) *Contractors required to report.* For each report-month, enter the total value shown on GSA Form 72 received from contractors during that month, regardless of the month to which the report applies as shown in block 1 of GSA Form 72.

(b) *Contractors not required to report.* Estimate the value of purchase orders placed by agencies during the report-month against contracts which do not require contractors to report such information.

(ii) *Contracts—future-order type.* Enter the total of the value of definite quantity and the estimated future usage of indefinite quantity future-order type contracts made. In the case of such indefinite quantity contracts, make the estimates when the contracts are established. Ignore amendments and cancellations.

(iii) *Purchase documents and amendments other than future-order type contracts; foreign aid procurement.* Enter the net dollar value. The net dollar value is the value of the initial document, increased or decreased by the dollar value of amendments and cancellations.

§ 5A–1.5071 Reporting possible antitrust violations.

The requirements for reporting possible antitrust violations appear in Subpart 5A–1.9. No reports control symbol is required.

§ 5A–1.5072 [Reserved]

§ 5A–1.5073 [Reserved]

§ 5A–1.5074 Report of vendor performance.

The requirements for reporting vendor performance appear in § 5A–53.471. Reports control symbol FS–58 has been assigned to this report.

§ 5A–1.5075 Contingent or other fees.

Buying activities shall submit reports of contractors' refusal to furnish information regarding contingent or other fees and misrepresentations or violations of the covenant against contingent fees in accordance with the instructions in § 5A–1.508. No reports control symbol is required for this report.

§ 5A–1.5076 [Reserved]

§ 5A–1.5077 [Reserved]

§ 5A–1.5078 [Reserved]

§ 5A–1.5079 Report of purchase program price economies.

§ 5A–1.5079–1 Submission.

(a) *Overall responsibility.* The Office of Procurement, Program Evaluation and Control Division, shall develop, annually, estimates of price economies for all purchase programs. Estimates shall be based on reports submitted annually by activities performing purchase program operations at the time the reports are due.

(b) *Period covered.* Reports submitted by the activities performing purchase program operations shall cover the 12 months ending June 30.

(c) *Transmission.* Reports prepared by the activities performing purchase program operations shall be transmitted to the Program Evaluation and Control Division, Attention: Chief, Evaluation Branch, not later than July 31, for all programs.

§ 5A–1.5079–2 Forms.

Reports for programs 1 through 4 listed in § 5A–1.5079–4(b) shall be prepared on GSA Form 1211, Price Economies—Purchase Programs, in accordance with instructions contained in this section. Programs numbered 5 and 6 shall be reported on GSA Form 1212, Comparative Price Study—Stock Replenishment Programs, in accordance with instructions contained in this section.

§ 5A–1.5079–3 Reports control.

Reports control symbol FS–105 has been assigned to this report.

§ 5A–1.5079–4 Instructions.

Estimates are required for inclusion in budget justifications prepared for submission to the Bureau of the Budget and to the Congress, for inclusion in the Administrator's Annual Report to the Congress, and for other purposes. Administrative costs of the Federal Supply Service and of agencies utilizing its services are not to be considered in developing estimates of price economies.

(a) *Basic plan.* The objective in determining purchase program price economies is to develop a sound estimate of the difference between actual expenditures of agencies when using the FSS services and their probable expenditures if these services did not exist, recognizing the probability that price economies do not accrue to the total volume of any single FSS program. To reach the objective, one of two approaches is used, depending upon the purchase program to be analyzed.

(1) One approach involves (i) estimating the portion of total program volume on which economies accrue, (ii) determining the current relationship of GSA prices that agencies otherwise would have to pay, and (iii) computing the potential agency expenditures and the difference between these potential expenditures and actual expenditures during the period covered for the same quantities.

(2) The second approach involves use of representative samples of items contained in the programs to be analyzed. By the nature of their selection and application, the samples give weight to the portions of the programs to which no economies accrue. The prices agencies would have to pay in the absence of the FSS program are estimated from current market prices for average agency purchase quantities. Potential agency expenditures are then computed and compared with the actual expenditures made through the FSS program. The difference is the estimate of the price economies achieved by the program. Alternative Federal sources of supply, such as Federal Prison Industries, Inc., are taken into account by the sampling procedures, and no economies are credited to items obtainable from such sources. Scientific sampling techniques have been developed for Central Office use in the selection of items to be studied where the approach requires representative sampling. The items thus selected will then be listed for the regional offices and will constitute the entire list for reporting to the Central Office.

(3) All estimates are governed by the assumptions that:

(i) An agency would establish with commercial sources of supply a contractual relationship based on consolidating its requirements and scheduling receipts from the supplier;

(ii) Agencies would make no changes in storage facilities for the handling of material thus procured;

(iii) Agencies would check prices and discounts at several sources of supply and buy at the lowest available net prices for items, or services, of comparable quality; and

(iv) Time discounts available to FSS would be available to other agencies.

(b) *Programs to be reported.* Estimates of price economies shall be prepared separately for the following numbered programs:

(1) Federal Supply Schedules.
(2) Term Contracts under the Federal Supply Schedule Program.
(3) Consolidated Direct Deliveries.
(4) Regular Direct Deliveries.
(5) Warehouse Stock Replenishment.
(6) Fuel Yard Stock Replenishment.

(c) *Instructions for preparation of GSA Form 1211, Price Economies—Purchase Programs*—(1) *General.* A separate report shall be used for each program listed in the heading of the form, and for each type of product reported in this section. This form reflects the first approach, explained in § 5A–1.5079–4(a) for estimating program price economies.

(2) *Heading.* Identify (a) the program covered by the report, (b) the reporting office, and (c) the fiscal year covered by the data reported.

(3) *Body*—(i) *Federal Supply Schedules.* Entries, particularly with respect to columns (c) and (d), shall reflect the assumptions set forth in § 5A–1.5079–4 (a)(3). All Federal Supply Schedules in effect June 30 and those discontinued or reassigned during the year shall be included.

(a) List in column (a) the identification number and brief title of each Schedule issued by the reporting office. Schedules issued as Parts under a major Class shall be listed by Parts and a subtotal shown for each Class reported.

(b) Enter in column (b) the total dollar value of usage during the report year of each Schedule and Schedule Part listed in column (a). Data should agree with that reported on GSA Form 338, Buying Operations Report, line 5.

(c) Complete the entries in columns (c) through (f) for each entry in column (b). In estimating column (c) entries, proper recognition must be given

to the fact that no economies would accrue to some of the large quantity purchases made by certain agencies, such as the Department of Defense.

(d) Enter the totals for columns (b), (c), (e), and (f). If the listing extends beyond one page, enter totals on the last page only.

(ii) *Term contracts included in Federal Supply Schedule program.* Entries, particularly with respect to columns (c) and (d), shall reflect the assumptions set forth in § 5A–1.5079–4(a)(3). All term contracts issued in conjunction with the Federal Supply Schedule program and in effect June 30, and those discontinued during the year shall be reported by type.

(a) List in column (a) a brief description of each type of service (or supplies) contracted for.

(b) Enter in column (b) the reported or estimated value of usage during the report year of each type of service (or supplies) listed in column (a). This should agree with data submitted on line 8, GSA Form 338, Buying Operations Report.

(c) Complete the entries in columns (c) through (f) for each entry in column (b).

(d) Entries on the Total line shall be as prescribed in (i), above.

(iii) *Consolidated direct delivery.* Entries, particularly with respect to columns (c) and (d), shall reflect the assumptions set forth in § 5A–1.5079–4(a)(3). The total value of purchases for each reporting office shall agree with the net dollar value shown for the year on monthly operating reports.

(a) Using a separate form for each type of product (new motor-propelled vehicles, new refrigerators, etc.), enter as the first line in column (a) the identification of the type of product. Make no entries in other columns on this line.

(b) Enter the total value of purchases on the Total line in column (b).

(c) Below the product identification entered in column (a), enter a representative listing of agencies served during the year by purchases of the type of product reported. This listing should cover 75 percent of the dollar value shown on the total line of column (b), buy maybe less if a smaller proportion is considered to be representative. Enter the words "All other Agencies" as the final entry in column (a).

(d) Complete the entries in columns (b) through (f) separately for each agency listed in column (a) and for "All other Agencies". In estimating column (c) entries, proper recognition must be given to the fact that price economies may not accrue to large volume purchasing performed for some individual agencies.

(e) Entries on the Total line shall be as prescribed in (a), above.

(iv) *Regular direct delivery.* Entries, particularly with respect to columns (c) and (d), shall reflect the assumptions set forth in § 5A–1.5079–4(a)(3). The purchases to be reported shall consist of both stores and nonstores items for direct delivery. The total value of purchases for each reporting office shall agree with the net dollar value shown for the year on monthly operating reports.

(a) Using a single form, enter in column (a) the following categories of Direct Delivery purchases to be analyzed:

(I) Non-Stores Direct Delivery.
Military.
Civilian.

(II) Stores Direct Delivery.
Military.
Civilian.

(b) Enter in column (b) the net dollar value of purchases made during the fiscal year in each category identified in column (a).

(c) Complete the entries in columns (c) through (f) for each entry listed in column (b). In estimating column (c) entries, proper recognition must be given to the fact that price economies may not accrue to large volume purchasing performed for some individual agencies.

(d) Entries on the Total line shall be as prescribed in (a), above.

(d) *Instructions for preparation of GSA Form 1212, Comparative Price Study—Stock Replenishment Programs*—(1) *General.* GSA Form 1212 shall be used to transmit data to the Central Office for the development of estimated price economies of Warehouse Stock Replenishment and Fuel Yard Stock Replenishment programs. A separate report is required for each program. This form reflects the second approach, explained in § 5A–1.5079–4, for estimating program price economies.

(2) *Responsibility.* Prime responsibility for preparation of the report rests with the Buying Division of a regional office; the Stores Division will cooperate in providing data pertaining to stock item sales and current GSA prices.

(3) *Columnar entries.* (i) Columns (a) and (b): List the stock item number and nomenclature of items for which commercial unit prices are to be reported. The items to be listed and reported by each region shall be those designated annually by the Commissioner, FSS.

(ii) Column (c): For each item listed in columns (a) and (b) enter the dollar value of sales by the reporting office during the 12 months ending June 30.

(iii) Columns (d) and (e): Enter the current GSA issue unit and issue price.

(iv) Column (f): Enter the average agency purchase quantity in terms of GSA issue units. This average shall be based upon statistical records of the regional Stores Division, adjusted where necessary to reflect the assumptions in § 5A–1.5079–4, and shall include abnormal quantity orders provided they were actually filled from stock.

(v) Column (g): Three prices shall be obtained for each item. Unit prices, less applicable trade and time discounts, shall be entered in columns (1), (2), and (3).

(a) Requests for price information shall be governed by the objective set forth in § 5A–1.5079–4. Consideration needs to be given to the sources from which agency offices served by FSS would buy in the absence of GSA stores.

(b) Request for prices shall be made for quantities specified in column (f).

(c) Prices requested shall be for items delivered to the general location of the warehouse of the reporting region.

(d) Close adherence to specifications is required. It is recognized that certain conditions such as the order quantity being priced may rule out sources which could furnish strictly specification items. Pricing of closely comparable items will then be necessary.

(e) It is expected that some commercial prices will be reported as low as GSA prices, or lower, because of the various factors involved in the selection of the sample items and their assignment to the regional offices for pricing.

§ 5A–1.5080 Net value of nonstores purchases.

§ 5A–1.5080–1 Submission.

Each buying activity submitting the Buying Operations Report in accordance with § 5A–1.5070 shall also submit additional information to the National Buying Division, each month, to assist in the reconciliation of nonstores purchasing data with General Supply Funds sales.

§ 5A–1.5080–2 Form.

No form has been prescribed for this report. Data shall be submitted on the reverse of GSA Form 338, Buying Operations Report (or on an attachment thereto). The format shall be as follows:

For	Net value of nonstores purchases in (month)		
	GSF investment (vehicles, lift trucks, etc.)	Paid direct out of funds other than GSF	Total
GSA:			
PBS	XXX		
DMS	XXX		
FSS			
NARS	XXX		
Other	XXX		
Air Force	XXX		
Navy	XXX		
Army	XXX		
Other (identify)	XXX		
Total			

§ 5A–1.5080–3 Reports control.

Reports control symbol FS–173 has been assigned to this report.

§ 5A–1.5080–4 Instructions.

The format is considered to be self-explanatory.

§ 5A–1.5081 [Reserved]

§ 5A–1.5082 Aid to labor surplus areas.

§ 5A–1.5082–1 Submission.

Each buying activity shall submit monthly reports, in accordance with this section, to the Assistant Commissioner for Procurement concerning labor surplus area set-aside actions taken under Subpart 5A–1.8. This report is in addition to the information in this regard reported quarterly pursuant to § 1–1.807 and § 5–1.5008.

§ 5A–1.5082–2 Form.

No form is prescribed for this report. The report may be included on the back

of GSA Form 338, Buying Operations Report, or on an attachment thereto.

§ 5A–1.5082–3 Reports control.

Reports control symbol FS–173, is assigned to this report.

§ 5A–1.5082–4 Instructions.

Each regional buying activity and the Procurement Operations Division, Central Office, shall submit monthly reports concerning labor surplus area set-aside actions, containing the following information:

(a) Number of invitations for bids issued during the month containing a notice of labor surplus area set-aside.

(b) Number of contracts awarded as a result of labor surplus area set-aside action during the month. Enter separate subtotals showing the number of contracts awarded to small business concerns and the number to other than small business concerns.

(c) The dollar amount of contracts awarded as a result of labor surplus area set-aside action during the month. Enter separate subtotals showing the amount awarded to small business concerns and the amount to other than small business concerns.

§ 5A–1.5083 Unordered contract guaranteed quantities.

§ 5A–1.5083–1 Submission.

Each commodity section of the Procurement Operations Division, and each regional Buying Division, executing national and/or regional term contracts for stores items, shall report those items which have, as of June 30 each year, unordered balances of guaranteed minimum quantities. Reports prepared for national term contracts shall be submitted to the Chief, Production Control Staff, Procurement Operations Division, so as to be received no later than July 13 of each year, for transmittal to the Office of Data and Financial Management, Office of Finance and Administration by July 20 of each year. Reports prepared for regional term contracts shall be submitted to the Accounting and Reports Division, Office of Regional Data and Financial Management, no later than July 15 of each year.

§ 5A–1.5083–2 Form.

GSA Form 1719, Guaranteed Quantity Data, shall be used when submitting this report.

§ 5A–1.5083–3 Reports control.

Reports control symbol FS–204 is assigned for this report.

§ 5A–1.5083–4 Instructions.

(a) The required data shall be obtained from such records as are available in the organizational elements of POD and/or the regional Buying Division, as the case may be, including any cumulative tabulations from GSA Form 1227, Contractor's Report of Orders Received and Shipments Made.

(b) Instructions for preparation of the report are on the face of the form.

(c) A negative report shall be submitted by each commodity section of POD and by each regional Buying Division which has no unordered balance to report.

Subpart 5A–1.53—Procurement Authority and Responsibility

§ 5A–1.5303 General authority of contracting officers.

Contracting officers may enter into, amend, modify, and take other appropriate action with respect to contracts provided:

(a) The contract is written on a standard or approved contract form;

(b) The contract is authorized by law and complies with applicable provisions of the law, GSA regulations, including Federal Procurement Regulations, procedures, and instructions;

(c) Necessary clearance and approval as prescribed by applicable purchasing activity instructions have been obtained; and

(d) The contract does not contain any unauthorized clauses or involve any matter which is inconsistent or in conflict with the established policy of higher authority.

§ 5A–1.5304 General responsibility of contracting officers.

Contracting officers shall exercise reasonable care, skill, and judgment in all actions.

§ 5A–1.5306 Responsibility for assuring the availability of funds.

(a) Unless otherwise notified by the appropriate Office of Data and Financial Management, contracting officers may assume that sufficient funds are available for purchases payable from GSA revolving funds upon the receipt of a properly authenticated requisition citing such funds.

(b) On purchases payable from GSA funds other than revolving funds, the receipt of a properly authenticated requisition shall be considered as sufficient evidence that the amount of funds cited thereon is available. When purchases payable from such funds would exceed by 10 percent or $50 (whichever is greater) the amount of funds cited on the purchase requisition, clearance as to the availability of the additional funds shall be obtained from the requisitioning activity prior to issuance of the contract or purchase order.

(c) On purchases for direct delivery to Federal agencies other than GSA, the receipt of a properly authenticated purchase request shall be considered as sufficient evidence that funds are available. Where, however, the agency's purchase request indicates that a specific dollar amount has been set aside for the procurement, as in the case of a PIO/C from the Agency for International Development, the buying activity shall not exceed the fund limitation except to the extent authorized in supply support agreements. If it appears that the amount stated on the purchase request is insufficient to cover all applicable costs for the procurement, the buying activity shall so advise the agency with a request for additional funds in the amount required. When time permits, GSA Form 1774, Request for Additional Funds and/or Information, shall be used for this purpose; otherwise the request may be made by a more expeditious means of communication. GSA Form 1774 may also be used to obtain information concerning specifications, inadequate purchase descriptions or other data necessary to prepare an invitation for bids.

§ 5A–1.5307–70 Applicable penal statutes.

There are certain statutes which make it a criminal offense for an officer, employee, or agent of the United States to engage in practices or activities which are at variance with the full measure of duty which he owes to the United States as such an officer, employee, or agent. Among applicable criminal statutes are:

(a) Acts affecting a personal financial interest (18 U.S.C. 208);

(b) Activities of officers and employees in claims against and other matters affecting the Government (18 U.S.C. 205);

(c) Compensation to Members of Congress, officers, and others in matters affecting the Government (18 U.S.C. 203); and

(d) Fraud in connection with procurements (40 U.S.C. 489(b)).

Subpart 5A–1.71—Criteria for Determining Method of Supply

§ 5A–1.7101 General.

This subpart establishes criteria for guidance in determining when requirements for items needed on a recurring basis should be consolidated for procurement at one or more points, and whether such consolidated requirements should be purchased and stored at redistribution points in advance of immediate need for issue to use points as needs arise; purchased in definite quantities for direct delivery to use points; or contracted for in advance of immediate need under indefinite delivery type contracts covering specific periods and providing for delivery to use points as needs arise.

§ 5A–1.7102 Definition of use point.

The term "use point," as used in this subpart, means that point from which supplies are issued to consumers or equipment is placed in use, as distinguished from storage points where supplies and equipment are issued to redistribution points.

§ 5A–1.7103 Basic criteria.

(a) The basic criteria set forth in this subpart are intended to be applied only to the normal recurring needs of the Government and shall be subject to appropriate adjustments in technique when purchase of abnormally large quantities are involved, or requirements involved cover special items for which stocks are maintained in support of a specific activity of any Government agency.

(b) Principles are established governing selection of the appropriate methods of supply to be utilized. However, in applying these criteria to specific items and requirements therefor, appropriate consideration shall be given to any other significant factors not mentioned herein.

§ 5A–1.7104 Purchase for storage and issue.

The following criteria will govern in determining whether an item can be handled most advantageously through consolidated purchasing for storage and issue to use points:

(a) The items shall be physically adaptable to storage and issue and of such a character that it is feasible to forecast with reasonable accuracy overall requirements of the use points served.

(b) Rate of use and frequency of ordering by use points shall be sufficient to warrant storage and issue.

(c) Rate of deterioration or obsolesence shall be sufficiently low to avoid unnecessary loss.

(d) Price advantage through bulk buying shall be sufficient to render storage and issue more economical, all costs both direct and indirect considered, or conditions exist where any of the following factors require consolidated purchasing of items suitable for storage and issue:

(1) Where close inspection or testing is necessary to assure quality, or where repetitive inspection and test of small lots are prohibitive from the standpoint of cost or potential urgency of need.

(2) Where advance purchase and storage are necessitated by long procurement lead time.

(3) Where an item is of special manufacture or design and is not readily available from commercial sources.

(4) Where an adequate industry distribution system does not exist to assure availability at use points.

(5) Where contracts for production quantities are necessary to secure timely deliveries and advantageous prices.

(6) Where market conditions are such that central procurement is required to secure adequate supply.

§ 5A–1.7105 Consolidated purchase for direct delivery.

The following criteria shall govern in determining whether an item can be most advantageously handled through consolidated purchase for direct delivery to use points:

(a) The items shall be equipment or supply items of such a character that it is feasible to forecast requirements for delivery to specific use points.

(b) The greatest price advantage, both direct and indirect costs considered, shall be obtainable through definite quantity purchasing, or conditions exist where any of the following factors require consolidated purchasing of such items for direct delivery to use points:

(1) Where an item is of special manufacture or design and is not readily available from commercial sources.

(2) Where market conditions are such that central procurement is required to assure adequate supply.

(3) Where contracts for production quantities are necessary to secure timely deliveries and advantageous prices.

(4) Where quantity is large enough to assure lowest transportation cost, or conversely, where transportation costs for small quantity redistribution are so excessive that it is not feasible to store and issue the item.

§ 5A–1.7106 Purchase through indefinite delivery type contracts.

The following criteria shall govern in determining whether an item can be most advantageously purchased through the medium of indefinite delivery type contracts, as described in § 1–3.405–5 (such as Federal Supply Schedules), covering specific periods and providing for delivery to use points as needs arise:

(a) The item shall be of such a character that:

(1) Handling on a storage and issue basis is not economically sound.

(2) It is either not feasible to forecast definite requirements for delivery to specific use points, or no advantage accrues for doing so.

(b) Industry distribution facilities shall be adequate to serve properly the use points involved.

(c) Price advantage shall be sufficient to warrant the cost involved in maintaining indefinite delivery type contracts, or conditions exist where any of the following factors require handling on that basis:

(1) Where acute competitive bidding problems exist based upon highly technical matters which can best be met by centralizing contracting work.

(2) Where item is of special manufacture or design and is not readily available from commercial sources.

(d) This method of purchase shall be used also when:

(1) Items are proprietary or so highly complex in design, function, or operation as to be noncompetitive.

(2) Technical assistance or service to be furnished by suppliers is a fundamental consideration in use of equipment.

§ 5A–1.7107 Local purchase.

Whenever it is not feasible to procure under any of the other methods described in this subpart, procurement shall be made locally by the FSS buying office to which the requirements has been submitted in accordance with applicable procedures.

Subpart 5A–1.73—Preparation and Distribution of Contract Documents

§ 5A–1.7301 Purchase order forms.

§ 5A–1.7301–1 GSA Forms 300, 301, 364, 300a, and 301a.

(a) GSA Form 300, Purchase Order, is an 8-part form and shall be used for all purchases to be accomplished by use of a purchase order, except where Standard Form 44, Purchase Order-Invoice-Voucher, Standard Form 147, Order for Supplies or Services, or GSA Form 1430, GSA Stores Direct Delivery Order, are used. GSA Form 300 also shall be used when correcting or canceling purchase orders except where the contractor's acceptance of such correction or cancellation is required.

(b) GSA Form 301, Direct Delivery Invoice, is a 3-part form and shall be used as a supplement to GSA Form 300 (thereby making an 11-part purchase order and invoice form) when issuing purchase orders for direct delivery to another agency and on which the General Services Administration (GSA) invoices such agency.

(c) GSA Form 300a, Purchase Order, Continuation Sheet, is an 8-part form and shall be used with and attached to GSA Form 300 when a continuation sheet is required.

(d) GSA Form 301a, Direct Delivery Invoice, Continuation Sheet, is a 3-part form and shall be used with and attached to GSA Form 301 when a continuation sheet is required.

(e) GSA Form 364, Purchase Order, is a 1-part carbon-faced form designed for use as a supplement to GSA Form 300 when more than 8 copies of the purchase order are required. The preparation of additional copies should be held to an absolute minimum.

§ 5A–1.7301–2 Preparation of GSA Forms 300, 301, 364, 300a, and 301a.

Since the forms described in § 5A–1.7301–1 are considered to be self-explanatory, only special instructions for preparation are prescribed in this § 5A–1.7301–2.

(a) *Entries in block headed "This Order Is Issued Pursuant To."* The following entries, as appropriate, shall be made in the block entitled "This Order Is Issued Pursuant To" in the lower left portion of GSA Form 300:

(1) When used as a purchase order. Enter quotation reference (e.g., letter, TWX, telephone, or other) and date.

(2) When used as a delivery order. Enter "Contract cited above."

(3) When used as an acceptance document (Award). Delete "issued pursuant to" and enter "an award (acceptance) under invitation No. (enter number) for the item(s) listed herein."

(b) *Entries in blocks headed "Requisition Number" and "Requisitioning Office."* (1) Purchase or delivery orders issued for direct shipment to a Federal agency shall cite the agency requisition number. However, if the direct shipment covers multiple MILSTRIP or FEDSTRIP requisitions, the words "see below" shall be entered in the block entitled "Requisition Number," and the requisition (document) numbers shall be entered and so identified immediately above the stock numbers and the descriptions for the items.

(2) In order to facilitate purchase order identification, all orders shall show specifically whether the purchase covers stores or nonstores items. Accordingly, on GSA Form 300 the block entitled Requisitioning Office" shall be used for this purpose by entering the words "Stores" or "Nonstores," as appropriate. The "Stores" category shall include direct delivery of stores items as well as deliveries to supply depots. All other orders shall be designated "Nonstores."

(c) *Notice of shipment.* GSA Form 1056, Notice of Shipment, shall be attached to the vendor's copy of the purchase order in accordance with § 5A–53.402–71 and the following statement shall

be entered on the vendor's copy of the purchase order:

Notice of shipment must be furnished to the purchasing office on the attached post card at the time each shipment is made.

(d) [Reserved]

(e) *Marking instructions.* (1) The following statement shall be entered on each purchase order issued against a contract that requires marking in accordance with Federal Standard No. 123:

Marking must be in strict accordance with Federal Standard No. 123. GSA Form 1400, Guide for Marking Shipments, is attached for your convenience in preparing shipments.

(2) GSA Form 1400, Guide for Marking Shipments, shall be attached to each purchase order issued against a contract that requires marking in accordance with Federal Standard No. 123. GSA Form 1400 contains a condensation of the more essential information in Federal Standard No. 123. It is intended to bring that information to the level at which the shipment is packed and marked; i.e., the contractor's shipping department.

(f) *Inspection considerations.*—(1) *Reference to specifications, brand names, and samples.* Purchase orders shall reflect the specification requirements of the accepted bid in sufficient detail to permit proper inspection and acceptance of delivered merchandise. When the bidder is required by the invitation to specify the brand name of the item he is offering, the purchase order shall state the accepted brand name or number. If it is necessary to refer to a sample for certain characteristics (color, workmanship, et cetera) in addition to the specifications, the exact extent to which the sample is to be considered shall be clearly stated on the purchase order for the guidance of the inspector.

(2) *Origin inspection.* When GSA Form 300 is the award document and inspection will be made at origin, the address of the office which will arrange for such inspection shall be entered on the purchase order. An extra copy of such orders shall be furnished to the quality control activity. If the place at which origin inspection is to be performed is other than the contractor's address shown in the Seller's block of the purchase order, the place of inspection shall be stated on the purchase order.

(3) *USDA Certificates of Quality and Condition.* (i) Purchase orders against contracts requiring a USDA Certificate of Quality and Condition with delivery of canned fruits and vegetables and products thereof, including juices, and with delivery of dried fruits shall contain a statement substantially as that set forth in § 5A–72.106–4(c)(2).

(ii) The language contained in § 5A–72.106–5(c) shall be inserted in any purchase order where procurement of at least 10,000 pounds of roasted whole bean coffee is involved.

(g) *Reference to special discount terms.* When issuing purchase orders under contracts in which special discount terms prescribed in § 5A–7.170–1 have been used, the notation "see below" shall be entered on the purchase order form in the block headed "Discount Terms" and a statement similar to the following, with the blank spaces appropriately filled in, shall be entered in the body of the purchase order:

------% ------ days computed from the date beginning ------ calendar days after delivery.

(h) *Time of delivery.* Where time of delivery was a factor in determining award, the statement prescribed in § 5A–2.407–77(b) shall be entered on the purchase order when appropriate.

(i) *When acquiring excess personal property.* GSA Form 300 with 3 extra copies shall be prepared when obtaining excess personal property. Purchase orders shall show where such information is available, the number of the applicable report or circular on which the property is listed as excess, the name of the holding agency, location of property, the item numbers, and property desired, the fair value unit price and total amount, except that prices shall not be shown when the excess property transferred was acquired by the holding agency without use of reimbursable funds or appropriations. Copies of the purchase orders to be transmitted to the holding agency by the Utilization and Sales Division should contain a statement showing the authority for the transfer without reimbursement. Additional information, such as appropriation symbol and title, must be included on the purchase order so that proper accounting action may be taken.

(1) *Acquired for stores stock.* Purchase orders covering excess property to be taken into stores inventory, acquired by the holding agency by use of reimbursable funds or appropriations, shall be prepared by the buying activity and shall show the prices established for the acquisition of such property.

(2) *Acquired for other than stores stock.* Purchase orders covering excess property to be acquired by GSA other than that to be taken into the stores inventory, and which was acquired by the holding agency by use of reimbursable funds or appropriations will be prepared by the buying activity to show the value of the excess as determined by application of the "fair value" percentage shown in GSA Reg. 1–III–303.03.

§ 5A–1.7301–3 Distribution of copies of GSA Forms 300, 301, 364, 300a, and 301a.

(a) *When acquiring other than excess property.* GSA Form 300 and GSA Form 301 shall be distributed in accordance with the instructions contained in § 5A–76.201, when acquiring other than excess property. Purchase order cancellations and corrections shall be distributed in the same manner as purchase orders.

(b) *When acquiring excess property*—(1) *When excess has been reported to the Utilization and Sales Division.* The original of GSA Form 300 and 3 extra copies shall be forwarded to the Utilization and Sales Division. All other copies shall be retained pending notification of availability. If excess property is available, the Utilization Division will indicate approval on one copy and return it to the issuing office, forward the original and one copy to the holding agency for transfer purposes, and retain one copy. If the property is not available, the Utilization Division will note such information on the original and return it with all copies to the issuing office. Upon receipt of notification of availability, copies 2 through 8 shall be distributed as shown in § 5A–76.201. In the event of notification that the materials are not available, all copies of the purchase order shall be voided.

(2) *When excess has not been reported to the Utilization Division.* The issuing office shall forward the original and one extra tissue copy of the purchase order to the holding agency and distribute the remaining copies in the same manner as prescribed in paragraph (b)(1), above.

§ 5A–1.7301–4 Standard Form 44, Purchase Order-Invoice-Voucher.

Standard Form 44 shall be prepared and distributed in accordance with § 5–3.605–1.

§ 5A–1.7301–5 Standard Form 147, Order-Invoice-Voucher.

Standard Form 147 may be used in accordance with the instructions contained in § 1–3.605–2.

§ 5A–1.7301–6 GSA Form 1430, GSA Stores Direct Delivery Order-Invoice.

GSA Form 1430, GSA Stores Direct Delivery Order-Invoice, shall be prepared and distributed in accordance with § 5A–72.107.

§ 5A–1.7302 Invitations for bids.

(a) *Standard Form 33, Invitation, Bid, and Award.*—(1) *Preparation.* Standard Form 33, Invitation, Bid, and Award shall be prepared in accordance with Subpart 5A–2.2.

(2) *Distribution.* Invitations for bids shall be distributed as prescribed in § 5A–2.203–1 and § 5A–2.203–72.

(b) *Federal Supply Schedules.* Federal Supply Schedule invitations for bids shall be prepared in accordance with Subpart 5A–73.1 and distributed as prescribed in § 5A–2.203–1 and § 5A–2.203–72.

§ 5A–1.7303 Contracts.

(a) *Preparation.* Contracts shall be prepared in accordance with Part 5A–2 or Part 5A–3, as appropriate.

(b) *Distribution.* Contracts shall be distributed in accordance with the instructions shown in § 5A–76.201.

§ 5A–1.7304 Bills of lading.

(a) When bills of lading are prepared by the buying activity, preparation and distribution shall be in accordance with freight traffic management provisions.

(b) When contracts require a USDA Certificate of Quality and Condition with delivery of canned fruits and vegetables and products thereof, including juices, with delivery of dried fruits, and where procurement of at least 10,000 pounds of roasted whole bean coffee is involved,

the statement contained in § 5A–72.106–4(c)(3) and § 5A–72.106–5(d) shall be placed on Government bills of lading covering such shipments.

Subpart 5A–1.74—Control of Procurement Transactions

§ 5A–1.7401 Establishment of control system.

Each buying activity shall establish a control system to assure the timely completion of buying action on purchase authorities (requisitions) and to provide a means of locating purchase case files during or after the time the buying action is taken.

§ 5A–1.7402 Numbering system.

§ 5A–1.7402–1 Assignment of case numbers.

(a) Each purchase request shall be assigned a case number for control purposes. If several purchase requests are consolidated into one case file, all such requests shall be assigned the same case number.

(b) The case number shall be entered on the case file and on all documents and correspondence relating to the same purchase case. When the assigned case number reaches the maximum number that can be assigned by using five digits (e.g. 99999), the numbering normally shall start over again with number 1. Where more than one series of numbers is used, each series shall be identified to preclude the use of the same number on more than one current purchase case.

(c) Where purchase requests are extracted on GSA Form 231, Extract of Agency Order, a case number shall be assigned to each extract consisting of the case number assigned to the original purchase request followed by the letter "A" to designate the first extract, by the letter "B" to designate the second, and so on. The assigned case number shall be entered on the covering case file, the purchase authority control record, and on all related documents in the same manner prescribed above for purchase requests.

§ 5A–1.7402–2 Numbering of purchase orders.

(a) *Basic Purchase Order Number.* Purchase order numbers shall be based on case numbers. The number of the first purchase order written against a purchase case shall consist of the case number followed by "–1." The second purchase order written against the same purchase case shall consist of the case number followed by "–2," and so on. Each purchase order number shall be prefixed by the applicable buying activity identification symbol shown below.

(1) National Buying Division:
(i) Washington Office—FNW.
(ii) New York Office—FNN.
(2) Boston—BO.
(3) New York—NY.
(4) Washington (region)—WA.
(5) Atlanta—AT.
(6) Chicago—CH.
(7) Kansas City—KC.
(8) Dallas—DA.
(9) Denver—DE.
(10) San Francisco—SF.
(11) Los Angeles—LA.
(12) Seattle—SE.

Additional identification symbols may be used provided they follow the above activity identification symbol and precede the case file number.

(b) *Supplemental coding of consolidated purchases.* Purchase orders issued under consolidated programs which are prepared by the buying activity having responsibility therefor shall be uniformly coded by entering the symbol(s) shown in (1) and (2), below, after a slanted line following the basic purchase order number. Such coding enables ready identification as to the type of transaction by inspection and other personnel, and facilitates the processing of misdirected invoices.

(1) *Type of transaction.* The following symbol shall be entered immediately after the slanted line on purchase orders issued under consolidated programs to indicate the type of transaction. Enter the letter "X" after the symbol, if it is desired to indicate interim purchases separately.

Symbol and Type of Transaction

CS	Consolidated stores replenishment (national).
Z	Zone Consolidated stores replenishment.
SD	Direct delivery of stores item under consolidated program.
CD	Consolidated direct delivery of nonstores item.

(2) *Paying office.* When payment is to be made by a GSA fiscal office other than the one which serves the issuing buying activity, the following symbol shall be entered after the symbol prescribed in (1), above, to indicate the paying office. No paying office symbol is necessary in other cases.

Symbol and Paying Office

0	Washington, Central Office.
1	Boston, Region 1.
2	New York, Region 2.
3	Washington, Region 3.
4	Atlanta, Region 4.
5	Chicago, Region 5.
6	Kansas City, Region 6.
7	Dallas, Region 7.
8	Denver, Region 8.
9	San Francisco, Region 9.
10	Seattle, Region 10.

(c) *Example.* (1) Under this uniform coding system, purchase order number FNW 55678–4/CS7 can be analyzed as follows:

(i) "FNW" means that the order was issued by the National Buying Division, Washington Office.

(ii) "55678" means that the case number is 55678.

(iii) "–4" means that it is the fourth order issued under case file 55678.

(iv) "/" merely is the division between the regular purchase order number and the supplemental code.

(v) "CS" means it is a consolidated stores replenishment purchase.

(vi) "7" means that Dallas, Region 7, is the paying office.

(2) Where it is advantageous to have more than one series of purchase order numbers and/or to use symbols in addition to those prescribed herein to designate different programs or other pertinent information, the purchase order number may be expanded as stated in § 5A–1.7402–2(a) to include additional symbols. For example, purchase order number SE–F–M–6083–1 (or SEFM 6083–1) could be used by Region 10 for an "Alaska program" purchase to retain the advantages of the numbering system used by that region. The symbol "F" would indicate the buying branch handling the transaction and the symbol "M" would indicate the agency that issued the purchase request. Although the meaning of such added symbols usually would be known only to the issuing office, the complete purchase order number will identify the issuing and paying offices.

§ 5A–1.7403 Acknowledgment of receipt of purchase authority.

(a) Within one working day after the receipt of the purchase authority, the buying activity shall notify the ordering activity that the purchase authority has been received and that purchase action will be taken. GSA Form 191, Acknowledgment of Receipt of Purchase Authority, or a similar form locally designed but approved by the Director, National Buying Division, shall be used for this purpose and shall have indicated thereon the address of the buying activity, involved. In unusual cases where the purchase authority is not accepted, it shall be returned to the ordering activity with an explanatory letter stating the reasons therefor.

(b) Acknowledgment is not required for purchase authorities originating within the General Services Administration nor for purchase authorities from other agencies when acknowledgment is made on a consolidated basis or when it is expected that the resultant purchase order will be issued within two days.

§ 5A–1.7404 Extracting purchase authorities.

GSA Form 231, Extract of Agency Order, is for use when it is advantageous to establish more than one case file for a purchase authority; e.g., when simultaneous purchase action cannot be taken for all items on a purchase authority, or when the required purchase action is to be performed by different buying groups. When a copy of the purchase authority is available, it may be used in lieu of GSA Form 231. The GSA Form 231 or the duplicate copy of the appropriately notated purchase authority, as the case may be, shall be placed in a separate file and numbered in accordance with § 5A–1.7402.

§ 5A–1.7405 Optional processing procedure.

Each buying activity shall establish and maintain an efficient control procedure for the timely completion of purchase transactions. The processing procedure set forth in this § 5A–1.7405 has been developed to provide a maximum degree of flexibility and adaptability to

meet the needs of both the large and small buying activities. It is recommended for use in part or in its entirety, whenever such use is advantageous.

(a) *Purchase case files.* Upon receipt and review of purchase authorities and assignment of case numbers, purchase authorities shall be placed in file folders. Several purchase authorities may be grouped in a single file folder, when appropriate.

(b) *Purchase authority control.* Although GSA Form 191, Acknowledgment of Receipt of Purchase Authority, is a single-sheet form for use as prescribed in § 5A–1.7403, buying activities may requisition GSA Form 191 with any of the optional purchase authority control forms (see § 5A–16.950–191) in combination multipurpose carbon-interleaved sets with GSA Form 191 as the original. The number of copies in such sets and the detailed makeup of the purchase authority control forms may be determined by each buying activity based upon local needs. The use of such combination forms enables simultaneous production of the purchase authority control forms as a byproduct when the GSA Form 191, Acknowledgment of Receipt of Purchase Authority, is prepared. By so doing, purchase control registers can be economically produced. When such combination acknowledgment and control forms are requisitioned, provision can be made for the sets to (1) be serially numbered to facilitate number control and increase number legibility, (2) indicate the local address of the buying activity concerned, (3) be slotted and punched so as to fit the type of filing equipment to be used. The various parts of the purchase authority control formats are listed and briefly described below. The sequence of these parts in the carbon-interleaved sets with GSA Form 191 as the original is for the determination by each buying activity.

(1) *Acknowledgment copy.* GSA Form 191, Acknowledgment of Receipt of Purchase Authority, shall be used as prescribed in 5A–1.7403. Use as original of multipart form.

(2) *Progress record copy.* For use at a control point to record purchase action progress and/or as a numerical register. If card stock is used for this copy it should be the last copy of the set. File by purchase case number.

(3) *Cross reference copy.* For use as agency cross reference. File by purchase authority number within agency and bureau.

(4) *Purchase group copy.* To be forwarded with the purchase case file for use by the buying activity to record the action taken, to control the work flow, and for preparing reports.

(5) *Order preparation record copy.* To be forwarded with the purchase case file for use by the activity which prepares the purchase orders to record the action taken and to control the work flow.

(6) *Numerical register copy.* For use by a control point as a supplemental numerical register. File by purchase case number.

(c) *Transmittal of purchase case files.* GSA Form 1075, Transmittal of Purchase Case Files, is for use when the office layout or organizational considerations make it desirable to prepare a written record showing the case file numbers and dates when purchase case files were forwarded for action to the activity which types and distributes purchase orders.

§ 5A–1.7406 Delayed purchase actions.

(a) Purchase action should be completed within a reasonable time after the purchase authority or determination of stores stock requirement has been received.

(b) A daily report (negative reports are not necessary) to the chief of each buying branch should be prepared at the control point(s) listing the number of each delinquent case file. GSA Form 109, Record of Delayed Purchase Actions, is designed for use (1) by the control point to report the case file numbers of delinquent cases and (2) by the buying branch to record the reason for the delay.

Subpart 5A–1.76 [Reserved]

NOTE: Instructions concerning labor surplus area preferences, formerly set forth in this subpart, were revised and shifted to 5A–1.8 for consistency with FPR numbering.

Subpart 5A–1.77—Assignment of Commodity Procurement

§ 5A–1.7700 Scope of subpart.

This subpart assigns responsibility for performance of procurement functions in the stores stock replenishment, consolidated direct delivery, and Federal Supply Schedule programs.

§ 5A–1.7701 Responsibility of the National Buying Division.

The National Buying Division shall perform or specifically direct the performance of all contracting functions involving requirements in two or more GSA regional areas. This includes responsibility for:

(a) *Consolidated stock replenishment.* Procurement of, or contracting for, all items included in the consolidated stock replenishment program, with the exception of selected items of fire fighting equipment stocked in GSA Regions 8, 9, and 10 for use by the Forest Service, U.S. Department of Agriculture, and of plywood as set forth in § 5A–72.106–6.

(b) *Consolidated direct delivery.* Procurement of all items included in the consolidated direct delivery program, except for coal which is assigned as follows:

Requirements for—	*Assigned to—*
Regions 1, 2, 3, and 4	Region 3.
Region 5	Region 5.
Regions 6 and 7	Region 6.
Regions 8, 9, and 10	Region 8.

(c) *Federal Supply Schedules.* Execution of all programs relating to the production and maintenance of Federal Supply Schedules serving Federal agency needs in two or more GSA regional areas.

§ 5A–1.7702 Responsibility of regional offices.

(a) Each regional office shall perform (1) contracting functions for requirements in its regional area for items not included in the National Buying Division contracting programs, (2) reorder buying activities for stores stock items, and (3) such other specific purchasing operations as may be assigned by the National Buying Division.

(b) Responsibility for the production and maintenance of Federal Supply Schedule contracts covering regional requirements for the following supplies and services is assigned to each regional office, subject to the approvals required by § 5A–73.101–2:

(1) Abrasives, builder's hardware, casters, fencing, padlocks, steel strapping, etc.

(2) Addressing machine, plate embossing, and photo-lithographic negatives and plate making.

(3) Boxes, wood, plywood (shooks), packing material, and miscellaneous wood products.

(4) Bread and rolls, flour, malted sirup, and yeast.

(5) Construction and building materials.

(6) Dry stores (groceries).

(7) Feed and forage.

(8) Fuel oil, kerosene, and solvents, dry cleaning.

(9) Gases, industrial and medicinal.

(10) Gasoline.

(11) Ice.

(12) Motor vehicle glass and painting.

(13) Recapping and repairing of tires (including the repair of tubes and replacement of valves).

(14) Regraining of offset duplicating plates.

(15) Repair, maintenance, and reconditioning of manual typewriters.

(16) Rubber stamps.

(17) Seed.

(18) Stenographic reporting services.

(19) Water heaters.

(20) Wiping cloth service.

PART 5A–2—PROCUREMENT BY FORMAL ADVERTISING

Subpart 5A–2.2—Solicitation of Bids

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Subpart 5A-2.2—Solicitation of Bids

§ 5A-2.201 Preparation of invitations for bids.

(a) *Content.* The information to be included in invitations for bids shall be in accordance with §§ 1-2.201, 5-2.201, and this section. In addition, when preparing invitations for bids involving Federal Supply Schedules, the instructions set forth in Subpart 5A-73.1 must be observed.

(b) *Arrangement.* The following format guidelines shall be observed to the greatest extent feasible when preparing FSS invitations for bids. The objective is to produce logically arranged and readily understandable invitations for bids. The GPO Style Manual shall be used as a general guide in all editorial phases of manuscript preparation.

Normally, the following sequence of content (including captions and subcaptions, where appropriate) shall be used when composing invitations for bids. Information concerning item (1), and where applicable item (2), shall be entered on page one of each invitation for bids.

(1) *General description.* Describe the general character of the items to be procured including, as appropriate, the FSC number, description of the commodity or service and, for term contracts, the contract period.

(2) *Small business and labor surplus area preferences.* (i) If applicable, enter a statement concerning set-asides for small business concerns (see § 5-1.706-1 for specific language to be used).

(ii) If applicable, enter an appropriate statement concerning partial set-asides for labor surplus areas concerns (see § 5A-1.804-2).

(3) *Supplemental standardized terms and conditions.* Incorporate any additional forms and standardized terms and conditions, other than those already incorporated by reference in the printed portion of SF 33. Also set forth any modifications, revisions, additions, or deletions of the Standard contract provisions that have been incorporated by reference. (See §5A-2.201-70.)

(4) *Scope of contract.* Where applicable, specify maximum and minimum order limitations, guaranteed minimums, standby stocks, priority of orders, permissible variations in the quantities specified, how order will be placed, etc.

(5) *Special bid evaluation factors and method of award.* Special basis for evaluation of bids, e.g., aggregate awards, progressive awards, Government-furnished property, etc.

(6) *Delivery terms.* Time of delivery, delivery zones, etc. (F.o.b. delivery point is entered on face of SF 33.)

(7) *Packing and marking.* Specific requirements concerning domestic packing and marking, export packing and marking, etc.

(8) *Samples and descriptive literature requirements.* Where applicable, requirements for bid samples, preproduction samples, descriptive literature, etc.

(9) *Inspection and acceptance.* Place, method, and conditions of inspection, any requirement for prior testing, and related information and requirements.

(10) *Information to be furnished by bidders.* Where applicable, identification of person to be contacted for contract administration matters, points of production, inspection address, shipping points, notice of shipment, shipping weights, etc.

(11) *Information to be furnished by contractor after award.* Where applicable, catalogs, report of orders received and shipments made, etc.

(12) *Items to be procured.* Detailed listing and description of items to be procured.

§ 5A-2.201-70 Forms to be used.

When soliciting offers for advertised supply and service contracts, the following forms shall be used:

(a) Standard Form 33, Solicitation, Offer, and Award, July 1966 edition.

(b) Standard Form 33A, Solicitation Instructions and Conditions, July 1966 edition.

(c) Standard Form 32, General Provisions (Supply Contract), June 1964 edition.

(d) Standard Form 36, Continuation Sheet, July 1966 edition. However, this form of continuation sheet is not required to be used for Federal Supply Schedule invitations for bids.

(e) Supplemental provisions and special program bidding terms.

(1) GSA Form 1424, Supplemental Provisions (Supply Contract), September 1964 edition: This form shall be incorporated by reference in each invitation for bids by using the following provision:

GSA Form 1424, Supplemental Provisions (Supply Contract), September 1964 edition, receipt of which is acknowledged by the bidder, is hereby incorporated by reference. A copy of GSA Form 1424, if not enclosed, is available upon request.

(2) GSA Form 1246, Special Program Bidding Terms and Contract Provisions, January 1966 edition, shall be incorporated by reference in each invitation for bids involving shipments under the AID buying program by using the following provision:

GSA Form 1246, Special Program Bidding Terms and Contract Provisions, January 1966 edition, receipt of which is acknowledged by the bidder, is hereby incorporated by reference. A copy of GSA Form 1246, if not enclosed, is available upon request.

Since GSA Forms 1246 and 1424 are incorporated by reference in the invitation for bids, it is not necessary to attach copies each time invitations for bids are issued to concerns regularly doing, business with the Federal Supply Service and to whom copies of the current edition have been previously distributed. However, in any case where it is likely that some or all of the firms to be solicited may not have received a copy, arrangements shall be made to include the forms in bidding sets.

(f) GSA Form 1602, Transmittal Sheet for Invitations for Bids and Solicitation for Offers, where necessary to call the attention of prospective bidders to special considerations and requirements that otherwise may be easily overlooked and to significant changes from previous invitations for bids and contract provisions used for the same commodity or service.

(g) Standard Form 30, Amendment of Solicitation/Modification of Contract, July 1966 edition, when it is necessary to amend the solicitation for offers.

§ 5A-2.201-71 Special minimum bid acceptance time requirements.

(a) The standard bid acceptance time provision on the face of Standard Form 33 provides that the Government will

have a period of 60 days from bid opening date to accomplish bid acceptance unless the bidder specifies a different period. As this provision, together with the requirements for requesting bid acceptance time extensions contained in § 5A–2.407–72, is adequate for most invitations for bids issued by FSS contracting activities, it shall be the policy not to use a special minimum bid acceptance time requirement as authorized in § 1–2.201(a)(15), except where advance approval therefor has been obtained from the Director, Procurement Operations Division, or the Regional Director, FSS, as appropriate. Such approval may be given only in those unusual cases where, based on experience with previous procurements of the same or similar items, it is relatively certain that either (1) more than 60 days bid acceptance time will be needed or (2) a bid acceptance time of 60 days or less (e.g., 30 or 45 days) will be adequate, but one or more bidders will specify less than that amount of time for acceptance.

(b) Each request for approval to use a special bid acceptance time requirement shall be signed by the Branch Chief in the Procurement Operations Division, or the Chief, Buying Division, in the regional office, and shall identify the proposed procurement, state the circumstances justifying the request, and indicate the number of days the buying activity proposes to specify as the minimum bid acceptance period (see (d), below).

(c) Approval to use special bid acceptance time requirements may be given only on a case by case basis. However, such a requirement may be approved for repetitive use in subsequent procurements of the same item or class of items, but only to the extent that the approving officer is satisfied that the circumstances described in (1) or (2) of (a), above, will be present in each such procurement.

(d) Where the use of a special bid acceptance time requirement has been approved, the provision in § 1–2.201(a)(15), with the appropriate number of days inserted, shall be included in the invitation for bids. The number of days to be inserted shall be the minimum reasonably necessary for prompt evaluation and award under the circumstances. In addition, an appropriate notation calling attention to the special provision shall be included on the GSA Form 1602 or in the schedule portion on the face of Standard Form 33.

§ 5A–2.201–72 Bidder specified brand names.

Where detailed specifications are shown or referred to in the invitation for bids, the following provision shall be included in such invitation:

BIDDER-SPECIFIED BRAND NAMES

Where detailed specifications are shown or referred to in the invitation for bids, insertion of brand names and numbers by the bidder will, unless otherwise stated by the bidder, be understood to mean that the articles so offered fully comply with the specification requirements.

§ 5A–2.201–73 "All or None" bids.

Pending revision of the September 1964 edition of GSA Form 1424, Supplemental Provisions (Supply Contract), the clause in (a) or (b), below, as applicable, shall be included in the invitation for bids.

(a) The following clause shall be included (1) in invitations for bids for Federal Supply Schedule contracts and (2) in any other invitations under which bids will be evaluated on the basis of estimated quantities, including invitations which provide for the making of aggregate awards based on estimated quantities (see § 5–2.201–54). For example, this clause is to be included in invitations for requirements contracts where bids are evaluated on the basis of the estimated quantities specified in the invitation. However, it is not to be included in invitations for indefinite quantities where bid evaluation is based on "specified basic quantities" (as referred to in § 5A–72.105–5(c)).

"ALL OR NONE" BIDS

Article 27 of GSA-Form 1424 is inapplicable and the following substituted:

A bid submitted on an "all or none" type of bid basis (or any other basis on which award of one item is predicated upon award of another) will not be considered, unless the bid is low on each item to which the "all or none" bid is made applicable. For the purpose of this provision, if this invitation for bids provides that one or more groups of items will be awarded in the aggregate, each such group will be considered an item.

(b) The clause below shall be used in invitations for bids, except where (a), above, requires the use of the clause therein. (However, it is not necessary to include the following clause in invitations for definite quantity, definite delivery contracts since Article 27 of GSA Form 1424 is clearly not applicable in such cases.)

"ALL OR NONE" BIDS

Article 27 of GSA Form 1424 is inapplicable.

§ 5A–2.201–74 Time of delivery not a factor in award.

Unless time of delivery is to be made a factor in determining award one of the clauses set forth in § 5A–1.316–5(a) (2) or (3) or as provided in § 5A–1.316–5(b) shall be included in the invitation for bid.

§ 5A–2.201–75 Time of delivery a factor in award.

Time of delivery may be made a factor in award under conditions set forth in § 5A–1.316–5(a)(4). When time of delivery is to be a factor in determining award the clause prescribed in § 5A–1.316–5(a)(4) or as provided in § 5A–1.316–5(b) shall be included in the invitation for bid. Time of delivery shall not be made a factor in determining awards on indefinite quantity term contracts.

§ 5A–2.201–76 Partial delivery required early.

When a portion of the total requirement is needed at an early date, consideration should be given to requiring delivery of that portion by the earlier date and the balance later, thus permitting wider competition with a possibility of lower prices. The portion required at an early date should be procured by negotiation in accordance with § 1–3.203 if the amount involved does not exceed $2,500. If the amount exceeds $2,500, and the circumstances justify, the requirement may be obtained by negotiation in accordance with § 1–3.202. If the requirement is to be obtained by formal advertising, determination must be made as to whether the portion required early and the balance of the requirement should be included as separate items in the same invitation or whether the portion required early should be covered by a separate invitation. When both requirements are included as separate items on the same invitation, the provision prescribed in § 5A–1.316–5(a)(4) may be modified to the extent necessary to make it applicable only to the portion of the requirement on which time is of the essence.

§ 5A–2.201–77 Discount provision.

(a) The following provision shall be included in invitations for bids which provide for the trade-in of the old articles:

DISCOUNT

Any discount offered will be computed on the price quoted for the new article, without regard to any allowance for trade-in of the old article.

(b) When the invitation for bids provides for payment by means of a letter of credit, the following provision shall be entered in the invitation. In addition, when this provision is used, insert the following in the prompt payment discount block (or as a footnote thereto) on the face of Standard Form 33: "See page _____ for discounts involving letters of credit."

DISCOUNTS UNDER LETTERS OF CREDIT

Bidder shall indicate, in the space provided below, any allowance or trade discount offered when payment is to be made under a letter of credit, as described in this invitation. Such discount will be considered in the evaluation of bids. However, any discount offered for payment within a specified period of time will not be considered in evaluation of bids when payment is to be made under a letter of credit. Discount offered: _____

§ 5A–2.201–78 Inspection at source.

The following provision shall be included in the invitation for bids when it is determined that inspection is to be performed at source.

SOURCE INSPECTION

(a) Supplies to be furnished under this contract will be inspected at source by the Government prior to shipment from the manufacturing plant or other facility designated by the Contractor, unless (1) the Contractor is notified otherwise in writing by the Contracting Officer or his designated representative, or (2) the Contractor or his subcontractor, pursuant to a Quality Assurance Agreement with the General Services Administration, is authorized to issue a quality assurance certificate covering such supplies at the time of shipment.

(b) Bidders are requested to insert below the name and address of each manufacturing plant or other facility where supplies will be available for inspection, indicating the item number(s) to which each applies:

Item No.	*Name of Facility*	*Address*

(c) The name and address of the Government office which will arrange for inspection of the supplies will be furnished to successful bidders at the time award is made. The Contractor shall notify, or arrange for his subcontractor to notify, that office at least 10 days prior to the date when supplies will be ready for inspection.

§ 5A–2.201–79 Request for brand name information—limitation.

Where an item is described in an invitation for bids by a formal specification or a detailed purchase description (other than a brand name or equal purchase description), the invitation shall not require or request that bidders specify the brand names of the products they propose to furnish. However, brand name information may be requested or required in the situations covered in (a) through (c), below.

(a) Items for which descriptive literature is requested in accordance with § 1–2.202–5.

(b) Items for which preproduction samples or tests are required in accordance with § 1–2201(b)(12).

(c) Procurements of qualified products: The above policy also applies in the case of procurements using "restricted advertising" techniques such as described in §§ 1–1.706–5 and 5–6.5004–2.

§ 5A–2.201–80 Fire or casualty hazards, or safety or health requirements.

(a) Specifications covering electrical equipment, building materials, etc., which involve fire or casualty hazards, or safety or health requirements, normally contain a provision requiring conformance to the standards of nationally recognized technical societies, associations, or laboratories, or other GSA-approved testing laboratories, as regards fire and casualty hazards or other requirements such as fire and explosion protection, or safety or health requirements.

(b) In a case where a specification is not available, or the specification to be used does not include a provision such as that described in (a) of this § 5A–2.201–80 and it is believed that such a provision should be included in the current procurement, the Office of Standards and Quality Control shall be consulted for technical advice. If, based on such advice, the contracting officer determines that the matter should be covered, an appropriate provision shall be included in the invitation for bids. Such provision shall cite the nationally recognized standards with which compliance is required and if several such standards are available, all of those which are acceptable shall be cited. Since normally compliance with such standards is objectively determinable under regular acceptance inspection and test procedures, no requirement for bidders to submit proof of compliance with the standard shall be included in the provision.

§ 5A–2.201–81 [Reserved]

§ 5A–2.201–82 Bid and performance bonds.

Invitations for bids shall not provide for the submission of either bid or performance bonds, except as provided in Parts 1–10 and 5–10.

§ 5A–2.201–83 [Reserved]

§ 5A–2.201–84 Other contract clauses and invitation for bid provisions.

Requirements with respect to the use of clauses other than those prescribed in this Subpart 5A–2.2 are contained in Part 5A–7, and parts dealing with specific programs or subject matter, e.g., Part 5A–73, Federal Supply Schedule Program.

§ 5A–2.202 Miscellaneous rules for solicitation of bids.

§ 5A–2.202–1 Bidding time.

(a) A standard bidding time of 20 days for standard commercial articles or services and 40 days for other than standard commercial articles or services shall be used by contracting officers. Factors justifying deviation from the standard bidding times shall not automatically justify use of the minimum or maximum as the case may be. The ranges between the standard and the minimum and the standard and the maximum shall be utilized in selecting bidding times most appropriate for particular invitations where the standard cannot be adhered to. Examples of procurement where exceptions to the standard would be appropriate are as follows:

(1) *Less than standard.* (i) A noncomplex invitation for a relatively small number of standard commercial items or services that will be circulated only within the immediate trading area of the contracting office.

(ii) An invitation covering a customer requirement for standard commercial articles that requires expedited procurement for the purpose of meeting ship sailing dates or other cases where time of delivery is an important factor but negotiation under "public exigency" authority is not justified.

(2) *More than standard.* (i) A complex invitation for a large number of standard commercial articles or services to be covered under a Federal Supply Schedule contract or a term contract for stock replenishment.

(ii) An invitation covering the procurement of technical equipment wherein the standard commercial item must be modified to meet Government specifications and bidders must prepare samples, drawings, illustrations, or other descriptive matter to be subjected to engineering evaluation for determination of compliance with specifications.

(b) Standard bidding time may be used at the discretion of the contracting officer responsible for the preparation of the invitation. If less than standard bidding time or more than standard bidding time is used, administrative approvals as set forth in (1) and (2), below, shall be obtained.

(1) *Less than standard bidding time.* (i) Designation of less than the standard bidding time but not below the minimum bidding time shall be approved by the Chief of the appropriate Procurement Branch in the Procurement Operations Division, or the Chief, Buying Division, in a regional office.

(ii) Designations of less than the minimum bidding time shall be approved by the Director, Procurement Operations Division or his designee or Regional Director, FSS; *Provided*, That in no case shall approval be given for use of a bidding time of less than 7 days in the case of standard commercial articles or less than 20 days in the case of other than standard commercial articles. All requests for approval shall be processed through the Executive Secretary of the appropriate Buying Division Review Committee.

(2) *More than standard bidding time.* (i) Designations of more than the standard bidding time but not above the maximum bidding time shall be approved by the Chief of the appropriate Commodity Section in the Procurement Operations Division, or the Chief of the Inventory Management Branch or Procurement Branch in the regional Buying Division.

(ii) Designations of more than the maximum bidding time shall be approved by the Chief of the appropriate Procurement Branch in the Procurement Operations Division, or the Chief, Buying Division, in the regional offices. All requests for approval shall be processed through the Executive Secretary of the appropriate Buying Division Review Committee.

§ 5A–2.202–3 Place and method of delivery of supplies.

(See § 5–1.351.)

§ 5A–2.202–4 Bid samples.

(a) The following provision shall be inserted in each invitation for bids:

UNSOLICITED SAMPLES

If bid samples are not required by the invitation for bids, but samples are furnished with a bid, they will not be considered as qualifying the bid, and will be disregarded, unless it is clear from the bid or accompanying papers that it was the bidder's intention so to qualify the bid.

(b) For instructions regarding disposition of samples, see § 5A–2.407–88.

§ 5A–2.203 Methods of soliciting bids.

§ 5A–2.203–1 Mailing or delivering to prospective bidders.

(a) Invitations for bids shall be distributed not later than the day indicated as the issuance date to prospective bidders through use of appropriate bidders mailing lists.

(b) One complete bidding set for each Federal Supply Schedule invitation for bids, or other invitation for bids involving establishment of indefinite delivery type contracts for nonstores commodities and services, shall be forwarded to the Program Management Division, Attention: Program Development and Evaluation Branch.

(c) A copy of each invitation for bids for direct delivery purchases shall be forwarded to the requisitioning office concerned.

(d) Buyers shall assure that a concern which was the successful bidder or offeror on the most recent invitation for bids or request for proposals for a given item is sent a new invitation or request for proposals for the same or a similar item. This shall be done by determining whether the name of such a bidder is included on the strip list furnished by the Administrative Services Division. (This action not only will check the effectiveness of the procedure prescribed in § 5A–2.205–1, but it will also guard against the use of incomplete or incorrect mailing lists.) In the case of items covered by Federal Supply Schedules and other term contracts, the strip list can be checked against the current contracts. In the case of definite quantity procurements, the determination can be made by referring to the GSA Form 1388, Reorder Buyer's Record, or to the purchase case file for the previous purchase of the same or similar item. If the name of such a concern is not on the strip list, buyers shall mail the invitation or request for proposals to the concern and appropriately record such action.

§ 5A–2.203–4 Synopses of invitations for bids.

Proposed purchases to be made by formal advertising shall be included in the synopsis of proposed purchases in accordance with § 5–1.5004.

§ 5A–2.203–70 [Reserved]

§ 5A–2.203–71 Soliciting bids by telephone.

Bids shall not be solicited by telephone where the contract is to be made by formal advertising.

§ 5A–2.203–72 [Reserved]

§ 5A–2.205 Bidders mailing lists.

§ 5A–2.205–1 Establishment of lists.

(a) If, in response to an invitation for bids or requests for proposals issued by use of the mechanized bidders mailing list, a bid or proposal is received from a concern which is not on such list, the "new" bidder or offeror shall be listed on the bidders mailing list not only for the item(s) on which the concern submitted a bid or proposal but also for any other items which, in the buyer's opinion, the concern is in a position to supply. Promptly after bids are opened or proposals are received in such cases, the buyer shall prepare the GSA Form 1754, Bidder's Mailing List Code Sheet, for the new bidder or offeror, indicate thereon "New Bidder—Invitation No. _____," and forward it through appropriate channels to the Administrative Services Division.

(b) In addition to providing for the advance listing, the buying activity shall write the new bidder or offeror and transmit the necessary forms for use in filing a mailing list application. The transmitted material shall include two copies of Standard Form 129, Bidder's Mailing List Application, two copies of GSA Form 1754, Bidder's Mailing List Code Sheet, a copy of GSA Form 1382, List of Commodities, and a copy of Business Service Center Counseling Guide No. 5. The latter furnishes detailed guidance for executing the forms and for their return to the Business Service Center serving the geographic area in which the firm is located. The letter transmitting the material to the new bidder or offeror shall tell him that his name has been temporarily added to the local mailing list on the basis of his recent bid or offer and request that he execute the mailing list forms in accordance with the Business Service Center Counseling Guide No. 5. Upon submission of the executed forms, subsequent processing shall be in accordance with § 5–2.205–50(c).

§ 5A–2.205–2 Removal of names from bidders mailing lists.

(a) A record of "no bid" responses shall be made and filed in the purchase case folder. GSA Form 1081, Record of Bid Opening, GSA Form 1378, Record of, and Receipt for, Bids and Responses, GSA Form 289, Abstract of Bids, or the bidders strip list may be used for this purpose.

(b) The record of bids and "no bid" responses prepared for each solicitation shall be checked against the list of suppliers invited to bid. The responsible buyer shall indicate in the purchase case file those nonresponders to be retained on the bidders mailing list and forward the names of the remaining nonresponders to the regional printing and publications activity with request for appropriate removal action. The bidders strip list may be used for this purpose.

(c) Except for causes set forth in § 1–2.205–2, or as may be otherwise directed, the names of persons, firms, and corporations included in the Review List of Bidders should not be removed from the bidders mailing lists.

(d) Bidders mailing lists shall be revised only as provided in (b), above. Buying activities shall not employ other methods, e.g. circularizing concerns, for the purpose of revising bidders mailing lists without the prior approval of the Director, Procurement and Systems Division.

Subpart 5A–2.3—Submission of Bids

§ 5A–2.303 Late bids.

§ 5A–2.303–4 Telegraphic bids.

Decisions by the contracting officer that the bid was filed with the telegraph company in sufficient time to have been delivered by normal transmission procedure so as not to have been late shall be in writing and made part of the case file.

§ 5A–2.303–70 Protests involving late bids.

Protests involving late bids shall be handled in accordance with § 5A–1.372.

§ 5A–2.370 Copies of bids required in submission.

(a) *Definite quantity contracts.* Bidders normally shall be required to submit their bids on definite-quantity contracts in an original only. However, in specific cases where it is determined to be advantageous to the Government, bidders may be required to submit such bids in an original and one signed copy. An example is when invitations involve numerous items and it is determined in advance that reading and recording of the bids at the time of opening will not be feasible.

(b) *Indefinite quantity contracts (term contracts and Federal Supply Schedules).* Bidders normally shall be required to submit their bids on indefinite-quantity contracts in an original and one signed copy. This provides a copy of the final accepted contract for both the contractor and the Government. However, in cases where it is determined that economies will result therefrom, bidders may be required to submit such bids in an original only.

Subpart 5A–2.4—Opening of Bids and Award of Contract

§ 5A–2.403 Recording of bids.

GSA Form 289, Abstract of Bids, and GSA Form 289a, Abstract of Bids, Continuation Sheet, illustrated as 5A–16.950–289 and 289a, respectively, normally shall be used when recording bids. However, in cases where unusual circumstances require a specialized form for abstracting bids, GSA Form 289 need not be used. If special abstract forms are recurrently needed in a class of cases in lieu of GSA Form 289, a copy of each such form shall be forwarded to the Director, Procurement Policy and Programs Division, attention: Contracting Policy Branch.

§ 5A–2.404 Rejection of bids.

§ 5A–2.404–2 Rejection of individual bids.

(a) GSA Form 2112, Proposed Award To Other Than Low Bidder, shall be used by all buying activities to document a proposed award to other than a low bidder or offeror where the bid or offer on the item(s) proposed for rejection exceeds $2,500.

(b) For each proposed award to other than a low bidder or offeror the pertinent information shall be entered on GSA Form 2112. These entries are generally self-explanatory; however, clarifying instructions follow:

(1) When more than one bid or offer on an item is recommended for rejection, it is necessary to make a price comparison for each of the rejected bids or offers.

(2) When aggregate awards are involved in the rejection of low bids or offers, the price comparison shall be based on the aggregate total, i.e., no price comparison need be made with respect to individual items within an aggregate group. In such cases, the aggregate group number should be inserted in the block entitled "Item Number(s)."

(3) The previous award total shall be arrived at by multiplying the figures shown in block entitled "Quantity" by the previous unit prices. When the quantity is estimated, the abbreviation "Est." shall be inserted after the figure. When there has been no known previous award, a note to that effect shall be inserted in the block entitled "Previous Award Comparison"; and when the previous award price is not available, an explanation shall be given in that block.

(4) The basis for rejection for each item shall be preceded by the item number when the GSA Form 2112 involves proposed rejection of more than one item.

§ 5A–2.404–50 Multiple bidding.

If a bidder submits bids on two or more products in response to the same item in an invitation and one of those bids is the lowest received which meets the requirements of the invitation, it may be accepted regardless of whether it is designated by the bidder as an "alternate." Where an invitation specifies two or more alternatives, award may be made to the lowest acceptable bidder on any one of the alternatives even though lower bids were received on the others.

§ 5A–2.406 Mistakes in bids.

§ 5A–2.406–3 Other mistakes disclosed before award.

In cases arising in the Procurement Operations Division (POD) where a mistake is self-evident and properly documented, and there is no doubt by the Buying Branch and assigned counsel, the Branch Chief shall submit the case directly to the Assistant General Counsel, Procurement Division. A copy of the written statement (required by § 1–2.406–3(d)(3)(iv)) pertinent to such a case shall be furnished to the appropriate Assistant Director and the Director, POD. If there is any question as to whether or not a mistake in bid has been made, the statement required by § 1–2.406–3(d)(3)(iv) shall be prepared for the signature of the Director, POD, and the case processed by the contracting officer through channels to the Assistant General Counsel, Procurement Division.

§ 5A–2.407 Award.

§ 5A–2.407–1 General.

(a) Award shall be made with reasonable promptness and within the time specified for bid acceptance. The fact that a successful bidder has specified more time for acceptance than is needed shall not be considered a reason for delaying award. Normally, bid acceptance can and should be accomplished in 30 days or less. However, more than 30 days may be required in certain cases, such as those which involve the evaluation of numerous bids for many items, time-consuming laboratory testing of bid samples, or on-site inspection of bidders' facilities (see §§ 5A–2.201–71 and 5A–2.407–72).

(b) Instructions for the preparation of bid acceptance documents and for notifying successful bidders of contract award are contained in §§ 5A–2.407–82 and 5A–2.407–83. Instructions for the use of advance notices of award are set forth in §§ 5–1.350 and 5A–1.350.

§ 5A–2.407–3 Discounts.

(a) No discount offered for payment within less than 20 days will be considered in evaluating bids for award.

(b) When evaluating bids involving trade-in of old articles, discounts offered shall be computed on the entire purchase price of the new articles, without regard to the trade-in allowance for the old articles.

§ 5A–2.407–7 Statement and certificate of award.

(a) *General.* Letter B–92456 dated May 22, 1963, from the Comptroller General to the Administrator authorized the retention of all original contracts by executing offices of the General Services Administration. Prior to that date, it was required that the original of term contracts (other than Federal Supply Schedule contracts) for use by other Government agencies be filed with the General Accounting Office and consequently covered by the Standard Form 1036, Statement and Certificate of Award.

(b) *Requirements in lieu of Standard Form 1036.* Although the preparation of Standard Form 1036 is not required, the requirement for recording the method of purchase and basis for award is present. Such information shall be retained in the purchase case file and, in addition to the information required by § 1–2.407–7(b), shall include the number of firms circulated. Where contracts are awarded to other than the lowest bidder as to price, the original of each such contract shall contain the symbol "AOLB" in the top margin of the contract form, immediately above the "contract number" block on the form.

§ 5A–2.407–70 Award when only one bid is received.

When only one bid is received in response to an invitation for bids, such bid may be considered and accepted if (a) the specifications used in the invitation were not restrictive, (b) adequate competition was solicited, (c) the price is reasonable, and (d) the bid is otherwise in accordance with the invitation for bids.

§ 5A–2.407–71 [Reserved]

§ 5A–2.407–72 Extension of time for bid acceptance.

(a) (1) Promptly after bids have been tabulated, and except as provided in (2), below, a request for an extension of bid acceptance time shall be sent to each bidder (i) who may be in line for an award and (ii) whose bid specifies a bid acceptance time which is considered by the contracting officer to be insufficient for proper bid evaluation and award. Likewise, if later it becomes apparent to the contracting officer that he may be unable to make award within the specified acceptance time, he promptly shall request such acceptance time extensions as are necessary. If the case in question has been referred to another organizational element for action, that organizational element shall be notified of any extension obtained and requested to complete its action in time to permit the making of awards within the extended time.

(2) Where a special minimum bid acceptance time provision was included in the invitation for bids (see § 5A–2.201–71), no bidder whose bid was nonresponsive because he offered a lesser time for bid acceptance than the minimum specified in the invitation shall be requested, or otherwise given an opportunity, to extend the time.

(b) Requests for extension of bid acceptance time shall specify the additional acceptance time desired by the Government, which time shall be reasonable under the circumstances.

(c) In the event a bidder does not grant the additional bid acceptance time requested, special action shall be taken to accomplish acceptance within the time allowed by the bidder (see § 5A–2.407–1). If it appears that it may become necessary to permit the bid to expire, the contracting officer shall, as soon as this fact becomes apparent to him, and in any event before expiration of the bid, refer the case to the Director, Procurement Operations Division, or the Regional Director, FSS, as appropriate, for decision.

(d) Appropriate legal counsel shall be consulted before an award is made in any case where the acceptance time of an otherwise acceptable bid has expired.

§§ 5A–2.407–73—5A–2.407–75 [Reserved]

§ 5A–2.407–76 Bid samples.

(a) The contracting officer shall submit the samples that accompanied bids that may be in line for an award to the regional Quality Control Division or other inspecting activity specified in the invitation for bids, with a request that they be inspected or tested to determine compliance with the specification. The contracting officer may make this determination when samples are requested to determine suitability of use, balance, general "feel," or appearance as provided in § 1–2.202–4(b). A representative of the Quality Control Division may be requested to assist in this determination.

(b) Samples transmitted to the regional Quality Control Division shall be listed on GSA Form 342, Test Request and Sample Transmittal Record. The Quality Control Division will test progressively, until it finds a sample that meets specification requirements.

(c) After the results are received from the Quality Control Division, the contracting officer shall examine the bid samples that have been found to comply with the specification to determine whether or not they also comply with the characteristics mentioned in the second sentence of the bid sample provision set forth in § 1–2.202–4(e). If notwithstanding the test results and the personal examination, the contracting officer is not satisfied that an award should be made to the lowest responsible bidder meeting the specification, the matter shall be submitted to the Assistant Commissioner, Office of Procurement, for referral to the Standardization Division for technical review. In such cases, disposition of the transaction in question will be made as the circumstances dictate, securing such approvals as may be regarded necessary.

(d) When the invitation for bids did not request samples, any samples submitted will be disregarded in determining award, unless the related bid expressly states the extent to which the bidder's offer is based upon or limited to the sample.

§ 5A–2.407–77 Bid evaluation and award when time of delivery is a factor.

(a) When time of delivery is made a factor in determining awards as provided in section 5A–1.316–5(a)(4) the following shall be observed in evaluating bids:

(1) Awards shall not be made at unreasonably high prices.

(2) Award shall not be made to any bidder who has not specifically offered a promised time of delivery within the time specified by the Government.

(3) The purchase order issued as a result of any invitation containing the "delivery time of the essence" clause shall contain the following statement:

"Time of delivery was a factor in placing this order. Delivery at the point indicated above is required within the time specified or the shipment may be rejected or accepted by the Government with appropriate reduction in price as provided by the contract."

(4) If the price offered by the lowest responsive, responsible bidder is determined to be unreasonably high, all bids shall be rejected and the requirement procured by negotiation in accordance with existing procedures.

(b) It should be borne in mind that the primary purpose of this type of delivery provision is to secure bids meeting specific urgent delivery requirements and to assure that, if the Government makes awards at prices to secure delivery within the time specified, such delivery is forthcoming or the premium element in the price is not paid. The provision in and of itself does not assure timely delivery. The default provisions in SF 32 should be invoked in the event of nondelivery or failure to make progress so as to endanger performance providing there is a continuing urgency of need.

§ 5A–2.407–78 Awarding small quantity items.

(a) In view of the administrative cost involved in issuing separate purchase orders for small quantities, the policies set forth in this § 5A–2.407–78 shall be observed in making awards on invitations which provide for individual item prices. No special clause is required in the invitation since Standard Form 33A, Bidding Instructions, Terms, and Conditions (Supply Contract), permits the Government to accept any item or group of items of any bid unless qualified by specific limitation of the bidder. Where numerous small orders would result from awards to each low bidder on an invitation and it is clear that any of the prospective bidders would be in a position to furnish all of the items required (or related categories of items) and the items are of such a character that suppliers would normally be interested in receiving only a substantial part of those quoted on, the following policies shall be observed:

(1) Awards to low bidders will be determined and then reviewed to identify those of small dollar value which may not be of interest to the supplier who had quoted on other items when such supplier would not receive an award on any other items.

(2) Ascertain the additional cost which would be involved by awarding the small portion to another bidder already in line to receive an award on substantial quantities of other items who has also submitted a bid on the same small portion. If such additional cost is less than $10, the award should then be made to the bidder already in line to receive a substantial award, providing it is determined that the low bidder's interest in the award would be negligible, considering the level of trade of such bidder.

(b) Whenever award is made to other than the lowest acceptable bidder in accordance with this section, the purchase file shall reflect, for each item so awarded, the amount of the additional cost.

§ 5A–2.407–79 Bid guarantees.

See FPR 1–10 and GSPR 5–10.

§ 5A–2.407–80 Availability of funds.

Prior to award, the contracting officer shall make certain that funds are available for the proposed purchase. See §§ 5–1.5306 and 5A–1.5306.

§ 5A–2.407–81 Form for requesting approval of awards.

See § 5A–1.375 regarding the form and related instructions for use in connection with approval of proposed awards.

§ 5A–2.407–82 Preparation of documents for acceptance.

The acceptance of a bidder's offer shall be accomplished and documented as follows:

(a) *Definite-quantity contracts*—(1) *Signal consignee.* GSA Form 300, Purchase Order, prepared and distributed in accordance with § 5A–1.7301, shall be the acceptance document for definite-quantity contracts where only one consignee is involved. In such instances, the contract consists of the supplier's signed bid and the purchase order signed by the contracting officer. For the purpose of Government records, the original contract will consist of the original accepted bid signed by the contractor and the number 5 copy of GSA Form 300, Purchase Order, signed by the contracting officer. When shipping instructions are not available, a statement such as "Shipping instructions will be issued later" shall be entered in the space headed "Ship To" on GSA Form 300. The "Award" portion of Standard Form 33, Solicitation, Offer, and Award, shall not be accomplished when GSA Form 300 is the award document.

(2) *Multiple consignees.* Award on Standard Form 26, Award/Contract, normally is advantageous for contracts involving more than one consignee. Distribution on copies shall be in accordance with § 5A–76.201. To eliminate excess typing, die-cut stencils or reproducible masters of Standard Form 26 may be used incidental to providing the necessary number of copies. However, where numerous items on a single invitation for bids are awarded to one contractor, completion of the Award portion of Standard Form 33 may be more advantageous. Either method of documenting the award is authorized.

(b) *Indefinite quantity contracts.* Awards for indefinite quantity contracts may be documented on either Standard Form 26 or Standard Form 33. "Indefinite" shall be entered in the spaces provided for entering the quantity and dollar amount of such awards.

(c) *Assignment of contract number.* See § 5–1.352 regarding the requirement and system for contract numbering.

§ 5A–2.407–83 Notification of contract award.

(a) *General.* Successful bidders shall be notified of award by delivering to such bidders, within the time specified for bid acceptance (see § 5A–2.407–72), documents prepared in accordance with § 5A–2.407–82. Bids specifying a certain number of days for acceptance may be accepted any time before midnight of the last day.

(b) *Evidence of time of receipt.* Where liquidated damages are provided for in the contract or where time of delivery is a factor and it is of paramount importance to establish by competent evidence the exact date the vendor receives the notice of award or order, the notice of award or order shall be dispatched without delay to the vendor by certified or registered mail with return receipt requested.

(c) *Postaward orientation conferences.* For instructions on this subject see Subparts 1–1.18 and 5A–1.18.

§ 5A–2.407–84 Notification of proposed substantial awards.

(a) *Applicability.* This § 5A–2.407–84 applies to proposed substantial awards (ones which exceed or are estimated to exceed $100,000) with known production points in the United States. It is not applicable to proposed substantial awards which do not involve production points (such as service contracts), or which involve production points which are unknown (as in the case of most gasoline and fuel oil contracts), or which involve foreign production points.

(b) *Notification requirements.* Prior to release of a substantial award, or disclosure of any information pertinent thereto, the following information shall be furnished to the Office of Information:

(1) IFB number, type of contract (definite quantity, Federal Supply Schedule, term contract other than Federal Supply Schedule), and period of contract (for Schedule and other term contracts);

(2) Name and address of contractor, and whether contractor is a small business concern or other than small business;

(3) Commodity name and, where feasible, the quantity;

(4) Point of production;
(5) Labor area classification of production point; and
(6) Actual or estimated value.

(c) *Labor area classification.* It is of major importance that special care be given to the accuracy of the labor area classification (see (b)(5) of this § 5A–2.407–84).

(d) *Notification by Regional Buying Division (RBD).* (1) The executive secretary of each RBD Review Committee shall be responsible for submission of the data pertinent to each proposed substantial regional award which does not require Central Office approval under GSA Delegations of Authority Manual, chap. 7–67 f and g.

(2) The information shall be furnished by teletype, except Region 3 shall furnish the required data by memorandum. The information shall be furnished in the sequence and identified by the numbers set forth in (b) of this § 5A–2.407–84. The following codes shall be used in teletypes:

(i) DQ for definite quantity contract;
(ii) FSS for Federal Supply Schedule contract;
(iii) TC for term contract other than Federal Supply Schedule;
(iv) S for small business concern;
(v) O for other than a small business concern;
(vi) NLS for not labor surplus area;
(vii) SLS for substantial labor surplus area; and
(viii) SPLS for substantial and persistent labor surplus area.

(e) *Notification by Procurement Operations Division (POD).* The executive secretary of the POD Review Committee shall submit, through the Assistant Commissioner for Procurement, the data pertinent to proposed substantial POD awards and such regional awards which have been submitted for Central Office approval. A local form may be used for the purpose. Special arrangements shall be made for transmitting the data to the Office of Information.

(f) *Release of substantial awards.* (1) Unless notified to the contrary, the RBD Review Committees may release substantial awards, or information pertinent thereto, upon the expiration of two full work days after the time of transmission of the teletype or forwarding of the memorandum (in the case of Region 3) furnishing the required data regarding the proposed award. (See (f)(3)), below, with regard to Region 10 substantial awards for plywood.

(2) Since the data from POD is submitted through the Assistant Commissioner for Procurement and since certain proposed awards require his approval or the approval of the Commissioner, FSS, the POD Review Committee may release substantial awards, or information pertinent thereto, in accordance with a time schedule developed with the approval of the Office of Information.

(3) In the case of substantial awards for plywood, the Region 10 RBD Review Committee is authorized to release awards or information pertinent thereto on the Monday following the TWX notification (on the previous Thursday) to the Office of Information.

(g) *Proposed exigency or emergency substantial awards.* In the case of a bona fide exigency or emergency, or if acceptance time is about to expire the information required by (b) of this § 5A–2.407–84 may be telephoned to, and advice on release of awards obtained from, the Office of Information:

(1) In the case of a proposed substantial regional award, the Chief of the regional Buying Division shall determine whether or not there is adequate justification for special processing. If so, the Chief of the regional Buying Division or his designee shall make the call to the Office of Information. See (g)(2), below, with regard to Region 10 awards for plywood which require special processing.

(2) Information regarding Region 10 awards for plywood which is not forwarded by TWX by the close of business the Thursday following the opening of bids or the closing time for receipt of offers shall be telephoned as soon as possible thereafter.

(3) In the case of a proposed substantial POD award, or a regional award which has been submitted to the Central Office for approval, the executive secretary to the POD Review Committee shall be responsible for telephoning the information and the nature of the exigency or emergency to the Office of the Assistant Commissioner for Procurement. The latter will process the information to the Office of Information by special handling if the reason for the special processing is acceptable.

§ 5A–2.407–85 Erroneous award to higher bidder.

(a) *If no deliveries have been made.* If, through error, award is made to other than the lowest responsible bidder and delivery has not been accomplished prior to the time of discovery of the error, the vendor receiving the award should be advised of such error and requested to consent to cancellation of the award. In all cases, the contracting officer shall secure advice from the Office of General Counsel or Regional Counsel, as appropriate, before requesting such cancellation. In the case of a regional award approved by the Central Office, if the vendor refuses to consent to cancellation, complete details of the case shall be submitted to the Director, Procurement Operations Division, for decision or obtaining of decision, and the vendor shall be advised to suspend action pending the receipt of such decision.

(b) *If partial delivery has been made.* If, through error, award is made to other than the lowest responsible bidder and only partial delivery has been made prior to discovery of the error, the vendor shall be immediately advised of such error and instructed to make no further deliveries. In all cases, the contracting officer shall secure advice from the Office of General Counsel or Regional Counsel, as appropriate, before proceeding with such action. All pertinent details of the case shall be submitted in writing to the appropriate Office of Data and Financial Management for necessary action. A copy shall be forwarded to the Director, Procurement Operations Division, for information purposes.

(c) *If delivery has been completed.* If, through error, award is made to other than the lowest responsible bidder and delivery has been completed prior to discovery of the error, all pertinent details of the case shall be submitted in writing to the appropriate Office of Data and Financial Management and to the Office of General Counsel or Regional Counsel, as appropriate, for advice on the necessary action.

Subpart 5A–2.4—Opening of Bids and Award of Contracts

§ 5A–2.407–86 [Reserved]

§ 5A–2.407–87 Protests of award.

(See § 1–2.407–8 and § 5A–1.372.)

§ 5A–2.407–88 Disposition of samples.

(a) *Rejected or untested samples.* Samples that were not destroyed in testing, or which there was no need to test, shall be returned, when requested by bidders, at their expense.

(b) *Accepted samples.* At least one sample, properly identified, will be retained for each contract until performance is completed. The remaining samples that were not destroyed in testing shall be returned, when requested by bidders, at their expense.

(c) *Inspection samples.* When bid samples are accepted in accordance with § 5A–2.407–76, the office that will perform the inspection shall be furnished samples of the accepted item. Contracting officers shall obtain the required number of samples and transmit them to the inspection office(s), together with information regarding the special characteristics required. After performance under a contract is completed, samples shall be returned, when requested by contractors, at their expense, in accordance with § 1–2.202–4(h).

§ 5A–2.408 Information to bidders.

§ 5A–2.408–1 Notification to particular unsuccessful bidders.

In any case where award is not made to the apparent low bidder(s) as originally listed on the bid abstract, the bidder(s) shall be notified and the reason given why his bid was not accepted. This includes cases where a late bid properly for consideration, or a corrected bid originally containing a mistake, displaces an otherwise apparent low bid(s) at time of public opening. In addition, notification shall be given to each unsuccessful bidder who, by reason of his position on the bid abstract and by actions on the part of the contracting office after bid opening, may have assumed, or been led to assume, he may have been in line for award. Examples of such cases include:

(a) Request for extension of bid acceptance time;
(b) Request for verification or clarification of other aspects of bid;
(c) Plant facility inspections; and
(d) Financial responsibility determinations.

§ 5A–2.408–2 Restriction on disclosure of inspection or test data.

(a) No information regarding inspection or test data shall be disclosed to any person except as provided in this subsection. This includes information obtained from inspection or test reports whether prepared by Government inspection personnel or by an outside inspection or testing agency utilized by the Government or furnished by a contractor under a Quality Assurance Agreement.

(b) Prior to award, no information regarding inspection or test data shall be disclosed to any bidder or individual except Government officials or employees required to have access to such information in connection with bid evaluation and determination of award.

(c) After award, the contracting officer shall (1) upon request, or in the notification regarding rejection of a bid (as required by § 5–2.408), inform a bidder concerning the results of tests on the products offered by the bidder and (2) furnish such information to other officials or employees of the Government who have need to know such information.

(d) If an unsuccessful bidder requests information regarding the merits or quality of a competitor's product and the competitor was the successful bidder, information shall be limited solely to the statement, if applicable, that adequate inspection or testing has shown that the successful bidder's product met the requirements of the invitation for bids. If the competitor was also unsuccessful, information shall be limited to a statement that the bid was not accepted; any indication as to the merits or quality of the competitor's product shall be avoided.

§ 5A–2.409 Synopses of contract awards.

Awards of advertised contracts shall be reported to the Department of Commerce in accordance with § 5A–1.1004.

PART 5A–3—PROCUREMENT BY NEGOTIATION

Subpart 5A–3.1—Use of Negotiation

Sec.

5A–3.101 General requirements for negotiation.
5A–3.101–70 Bidders mailing lists.
5A–3.102 Factors to be considered in negotiated contracts.
5A–3.103 Dissemination of procurement information.

Subpart 5A–3.2—Circumstances Permitting Negotiation

5A–3.201 National emergency.
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5A–3.850 Negotiation when authority has not been delegated to Regional Administrators.
5A–3.853 Forms to be used.
5A–3.870 Contracts requiring Central Office approval.

Subpart 5A–3.1—Use of Negotiation

§ 5A–3.101 General requirements for negotiation.

§ 5A–3.101–70 Bidders mailing lists.

Bidders mailing lists for negotiated procurements shall be established, maintained, and utilized in accordance with §§ 1–2.205, 5–2.205, and 5A–2.205.

§ 5A–3.102 Factors to be considered in negotiated contracts.

(a) *Responsibility of prospective contractors.* Prior to awarding negotiated contracts, it is incumbent upon the contracting officer to determine whether the prospective contractor qualifies as responsible with respect to the contract being considered. Such determination shall be made as prescribed in §§ 1–1.310, 5–1.310, and 5A–1.310.

(b) *Offers from firms on debarred lists.* Any offers received from firms or individuals which are listed on the GSA Debarred Bidders List shall be handled in accordance with Subparts 5–1.6 and 5A–1.6.

(c) *Contingent fees.* The provisions of Subparts 1–1.5 and 5A–1.5 concerning contingent fees are applicable.

§ 5A–3.103 Dissemination of procurement information.

(a) A copy of the purchase order shall be forwarded to the Business Service Center for extracting and posting the information on the bulletin board or otherwise making the information available to interested persons, except in cases where the amount is less than $100 or where the negotiations were made under § 1–3.212 and should not be publicly disclosed. This requirement is not applicable when Standard Form 44, Purchase Order-Invoice-Voucher, or Standard Form 147, Order-Invoice-Voucher, is used as the procurement document.

(b) Where a purchase order is not issued in connection with award of a negotiated contract, appropriate local arrangements shall be made for furnishing the required information to the Business Service Center.

(c) Proposed procurements and contract awards shall be reported to the Department of Commerce in accordance with § 5–1.5004 and § 5A–1.1004, respectively.

(d) The provisions of § 5–1.350 and § 5A–1.350 shall apply to the use of advance notices of award in connection with all negotiated contracts.

Subpart 5A–3.2—Circumstances Permitting Negotiation

§ 5A–3.201 National emergency.

Procedures for placing contracts in areas of substantial labor surplus appear in Subpart 5A–1.8 and 1–1.8.

§ 5A–3.202 Public exigency.

(a) Military purchase requests citing an issue priority designator 1 through 6, inclusive, assigned in accordance with the Uniform Materiel Issue Priority System prescribed by DOD Instruction No. 4410.6 dated August 24, 1966, and civilian agency purchase requests citing a priority designator Ø3 or Ø6, prescribed by FEDSTRIP Operating Guide (section 14, chapter 2), shall be considered as identifying a circumstance within the purview of § 5–3.202(b) and as constituting the required statement of justification. Such issue priority designators are to be generated and provided only by the requisitioning activity and cannot be generated by anyone else for the purpose of conforming or upgrading the priority designator to a requested delivery date. This paragraph (a) applies only to requests for the purchase of nonstores items and of stock items for direct delivery.

(b) Special procedure and policy for use of the public exigency authority when contracting for replenishment of stores stock items is contained in § 5A–72.105–31.

§ 5A–3.270 Negotiation after termination for default.

In addition to the circumstances permitting negotiation specified in § 1–3.201 through § 1–3.215, contracting officers are authorized to use negotiation, subject to the limitations prescribed in this § 5A–3.270, where purchase is required as the result of the termination of a previous contract for default of the contractor. Such purchases should not be made by negotiation, however, where the supplies may be obtained readily, within sufficient time, by formal advertising. As in the case of any other purchase, adequate competition should be sought irrespective of whether negotiation or advertising is used. Every contract that is negotiated as the result of the termination of a previous contract for default of the contractor shall be accompanied by a signed statement of the contracting officer justifying the use of negotiation and making appropriate reference to the fact that the purchase was the result of termination of a previous contract for default. For reporting purposes only (see § 5–1.5001), contracts negotiated under this section should be reported under the category "Otherwise authorized by law."

Subpart 5A–3.3—Determinations, Findings, and Authorities

§ 5A–3.301 Determinations and findings required.

The determination required by section 305(c) of the Federal Property and

Administrative Services Act that an advance payment is in the public interest or in the interest of the national defense and is necessary and appropriate in order to procure required supplies or services under the contract must be supported by a written finding.

§ 5A–3.302 Form and requirements of determinations and findings; preservation of data.

(a) *Format.* An outline format for presenting such findings and determinations is shown in § 5A–76.301. The form of determinations and findings required by § 5A–3.301 shall be such as is appropriate and adequate under the circumstances.

(b) *Statement regarding negotiation after default.* Use of negotiation under the authority of § 5A–3.270 requires a signed statement of the contracting officer justifying such use. A copy of the statement shall be filed with the General Accounting Office copy of the contract.

Subpart 5A–3.6—Small Purchases

§ 5A–3.601 Purpose.

The provisions of this subpart are specifically tailored for application to procurements made by the FSS Buying Divisions on behalf of other agencies, including supplies purchased for shipment to overseas destinations. Accordingly, such procurements deserve the discriminate application of professional buying skills to assure customer satisfaction notwithstanding the fact that their value falls within the range classified as small purchases. In this connection it should be borne in mind that the provisions of Subparts 1–3.6 and 5–3.6 are generally directed to activities which are not full-scale buying organizations and are normally purchasing small quantities of incidental non-critical supplies at points of use with local funds. Thus certain of the techniques provided in Subparts 1–3.6 and 5–3.6, such as imprest funds and oral purchases, have only selective application to FSS buying programs, e.g., purchases by self-service store personnel (see FSS 4832.2). For additional instructions applicable to stores stock items, see § 5A–72.105.

§ 5A–3.603 Competition.

§ 5A–3.603–1 Solicitation.

(a) Quotations normally shall be solicited through use of Standard Form 18, Request for Quotations, in accordance with § 5–3.603–1(b), particularly when suppliers are located outside the local trading area, special specifications are involved, or a large number of items are included in a single proposed procurement. However, when it is advantageous to obtain a firm offer which the Government can accept and which will result in a bilateral contract with a supplier, the offer to purchase may be made on GSA Form 2097, Request, Offer, Acceptance, and Receipt. Detailed procedures for use of GSA Form 2097 are contained in § 5A–3.852. Telegraphic solicitation may be used, in accordance with § 5–3.603–1(c), in connection with urgent requirements.

(b) In accordance with § 1–3.603–1(e), individual price quotations need not be requested each time a purchase is contemplated if standing price quotations have been submitted and can be used to assure reasonableness of price. However, no award exceeding $250 for a single item shall be made against a standing price quotation without prior approval of the Chief of the buying activity. In the absence of such approval, current price quotations shall be solicited as otherwise provided herein.

(c) The dollar floors and criteria set forth below are designed to provide reasonable opportunity for all interested suppliers to quote on small purchases and to assure that, wherever possible, at least two clearly competitive quotations are received against which award can be made without further negotiation. Effective application of these dollar floors and criteria require a maximum of judgement and discretion by the assigned buyer. As used in this § 5A–3.603–1(c), "estimated dollar amount of the procurement" means the total value of all items that would normally be grouped for procurement under the same request for quotations.

(1) Where the estimated dollar amount of the procurement exceeds $250, and quotations will be solicited in writing, the requests shall be sent to the five qualified sources of supply (if that number is available) that regularly submit the lowest price quotations for the item or the class of commodities or services involved.

(i) If more than five qualified sources are normally in active competition and expect to be included in price solicitations, the number solicited should be increased to include the additional sources to the extent commensurate with the value of the purchase, the potential for additional price savings, and the additional administrative costs involved.

(ii) Solicitation shall include the successful offerors on previous purchases and prime manufacturing sources, unless previous experience has clearly demonstrated that prime sources will not quote on procurements in the value range involved. Requests for quotations should be sent to qualified sources outside the local trading area if there is reasonable assurance that such sources can meet required delivery dates and otherwise actively compete with local sources.

(iii) If the commodities or services have not been previously purchased and use of an available source list for similar commodities or services would not be appropriate, an initial source list should be developed using the techniques prescribed in § 5A–3.603–2(a).

(iv) If at least two clearly competitive offers are received award shall be made to the low offeror if the price is reasonable. If the initial solicitation does not produce this level of competition, additional effort, including, as appropriate, solicitation of additional sources and resolicitation of sources failing to respond, shall be exerted to obtain competition. Award may be made on the basis of a single quotation only if previous experience has demonstrated that most sources will not regularly quote on procurements of the type and dollar value involved and the price quoted by the single offeror can be determined to be reasonable. Whenever reasonableness of price of a single quotation cannot be established through reference to established catalog prices, previous buying experience, or similar valid guidelines, active negotiation shall be undertaken with the only offeror to establish the relationship of his quoted price to that afforded to other customers and to obtain additional price concessions if warranted. However, cost data shall not be requested.

(2) Where the estimated dollar amount of the procurement exceeds $250, and time does not permit use of written requests for quotations, the number of suppliers to be included in telegraphic or oral solicitations shall be determined in accordance with §§ 1–3.603–1(c) and 5–3.603–1(d): *Provided*, That at least two clearly competitive quotations are obtained. When such is not the case, the provisions of § 5A–3.603–1(c)(1)(iv) shall be observed.

(3) Where the estimated dollar amount of the procurement does not exceed $250, competitive quotations (oral or written) from several suppliers are desirable. However, where time and/or the number of items involved in the procurement makes such solicitation impracticable, the purchase may be accomplished on the basis of a currently verified quotation from a single supplier: *Provided*, That the prices are considered to be reasonable, e.g., in line with previous competitive procurements, and no significant advantage would result from soliciting several suppliers. However, such purchases shall be distributed equitably among qualified suppliers.

§ 5A–3.603–2 Data to support small purchases.

(a) *Small purchase source lists.* (1) Buying activities shall establish small purchase source lists, by commodity or commodity category, for use in soliciting quotations in accordance with § 5A–3.603–1(c). The source lists shall be prepared from formal mailing lists established in accordance with § 5–2.205–50, the buyer's present personal record or knowledge, personal visitation of vendors, trade publications, Thomas Register, etc. Whenever feasible, the initial source list should include at least five names. Source lists shall be purged of nonresponders.

(2) The procedure for maintenance of small purchase source lists shall assure continuity in the development of sources and a readily available record of previous successful offerors. The GSA Form 2009, Small Purchase Source List, illustrated at § 5A–16.950–2009, is available for use on an optional basis.

(3) Where adopted for use, the GSA Form 2009 shall be either prepared in multiple copies or reproduced, depending upon anticipated usage. Copies shall be maintained in a mailing list folder, the tab identifying the commodity or commodity category. Each time a small purchase is to be made, buyer shall

annotate and process GSA Form 2009 in accordance with instructions thereon.

(b) *Documentation of Awards.* (1) Approvals of awards in excess of $250 shall be documented in duplicate. The GSA Form 2010, Tabulation Sheet (Informal Purchases), printed on "no carbon required" paper and illustrated at § 5A-16.950-2010, is available for use on an optional basis. Buying personnel handling small purchase transactions who do not have approval authority should recommend approval and present both copies of the approval document for the approval of an authorized buyer. After approval, one copy shall be filed in the purchase case file and the other retained in the buyer's small purchase record file, arranged in date sequence.

(2) When award not in excess of $250 is made on the basis of a single quotation in accordance with § 5A-3.603-1(c)(3), the small purchase record and purchase case files may merely include notes on bond paper as to the purchase case number, date and amount of award, and a statement to evidence the contracting officer's determination that the price is reasonable, for example, "low offeror (or bidder) previous competitive solicitation."

§ 5A-3.603-70 Review of small purchase awards.

(a) Section chiefs shall review a minimum of one small purchase case file daily. Such cases shall be selected at random from a different buyer's small purchase record file each day (see § 5A-3.603-2(b)(1) and (2), above). The award approval document in the buyer's small purchase record file and the case file shall be annotated or rubber stamped "reviewed," and initialed and dated by the reviewer. Where sections are not authorized in a procurement branch, either the Chief, Procurement Branch, or the Chief, Inventory Management Branch, shall conduct the review.

(b) The Chief of the buying activity shall arrange for either the assigned program analyst or each Branch Chief to review a minimum of one small purchase case file of each buyer in the division once each month. Selected cases shall not normally be any previously reviewed. Reviewing officials shall annotate the appropriate buyer's small purchase record file and the purchase case file in same manner as provided in subpar. (a), above.

(c) At the close of each month reviewing officials shall prepare a written record of the number of case files reviewed and specifically cite purchase case files wherein deficiencies were noted, including names of approving officials.

(d) Deficiencies noted in either review (subpars. (a) and (b), above), shall be discussed with the appropriate buying personnel. The purchase case file shall be annotated to show the date of such discussion and the name of the reviewer involved.

(e) Where records of the same deficiency involve more than one buyer, unit, and/or section, the deficiency noted during the preceding month shall be discussed and related to the appropriate procurement regulations at a meeting of buyers to be conducted by each Branch Chief within 5 workdays of the close of each month. Individual buyers involved with specific deficiencies should not be identified at such meetings. A résumé of points discussed at each such meeting shall be prepared and distributed for information of buying personnel and for management information.

§ 5A-3.605 Order-Invoice-Voucher.

§ 5A-3.605-70 GSA Form 1430.

GSA Form 1430, GSA Stores Direct Delivery Order, shall be used in accordance with § 5A-72.107.

§ 5A-3.606 Blanket purchase arrangements.

§ 5A-3.606-4 Documentation.

Copies of each blanket purchase order shall be distributed in accordance with § 5A-76.201, except that copies 2, 3, and 6 of GSA Form 300 shall be initially forwarded to the requisitioning office.

Subpart 5A-3.8—Price Negotiation Policies and Techniques

§ 5A-3.850 Negotiation when authority has not been delegated to Regional Administrators.

The description of the circumstances and justification for proposed negotiation pursuant to Subpart 1-3.2, as required by § 5-3.850, shall be forwarded to the Director, Procurement Operations Division, prior to taking any action.

§ 5A-3.852 Forms to be used.

(a) When preparing written requests for proposals for contracts involving total procurements in the amount of $2,500 or less, procurement activities may use GSA Form 2097, Request, Offer, Acceptance, and Receipt, in lieu of the forms authorized in § 5-3.852. GSA Form 2097A, Request, Offer, Acceptance, and Receipt—Continuation Sheet, shall be used when additional space is required to list items offered for purchase.

(b) When GSA Form 2097 is used, the Request for Offers part of the form shall be completed by the buyer, and one copy of the form, together with a copy of GSA Form 2098, Information and Instructions to Offerors, shall be mailed to prospective suppliers in accordance with § 5A-3.603-1(c)(1).

(c) Upon receipt of offers, the buyer shall make the award to the offeror whose offer is most advantageous to the Government, price and other factors considered, by executing the Acceptance of Offer part of the form and returning to the offeror one manually signed reproduced copy of the completed form. Additional copies shall be reproduced and distributed as necessary. In case of stock replenishment purchases, copies of the acceptance may be required for distribution only to the paying office and to the warehouse as notice of an impending stock replenishment. However, for nonstores purchases to be shipped direct by supplier to consignee, additional copies shall be reproduced for distribution to the consignee as notice of an impending receipt, to provide documents to support customer billings, and to provide such other additional copies as necessary to satisfy inspection and contract administration requirements.

(d) The original GSA Form 2097 showing acceptance of the supplier's offer shall be signed by the buyer and filed in the procurement case file.

§ 5A-3.870 Contracts requiring Central Office approval.

Proposed negotiated contracts of the following nature shall be submitted to the Director, Procurement Operations Division, for review and granting or obtaining of approval prior to award, accompanied by appropriate recommendations and justifications therefor:

(a) Contracts involving advance payment by the Government;

(b) Contracts which are estimated to exceed $500,000 in value;

(c) All cost, cost-plus-a-fixed-fee, or incentive-type contracts; and

(d) Contracts for services of management experts or consultants, or for services of a consultative or research and development nature.

PART 5A-5—SPECIAL AND DIRECTED SOURCES OF SUPPLY

Subpart 5A-5.9—Use of GSA Supply Sources by Prime Contractors in Performing Cost-Reimbursement Type Contracts

Sec.
5A-5.902 Authorization to prime contractors.
5A-5.970 Legal assistance.

Subpart 5A-5.50—Government Sources of Supply

5A-5.5002 Government Printing Office.
5A-5.5003 Federal Prison Industries.
5A-5.5003-70 Procurement of FPI items for GSA stores stock.
5A-5.5003-71 Procurement of items not stocked by GSA.
5A-5.5004 Schedule of Blind-Made Products.
5A-5.5004-70 Procurement for GSA stores stock.
5A-5.5004-71 Procurement of products not stocked by GSA.
5A-5.5004-72 Clearances.
5A-5.5005 Department of Defense contract bulletins.

Subpart 5A-5.9—Use of GSA Supply Sources by Prime Contractors in Performing Cost-Reimbursement Type Contracts

§ 5A-5.902 Authorization to prime contractors.

Upon receipt of a copy (or notice) of an authorization issued by a Federal agency to a Government contractor to use FSS facilities, or upon receipt of a withdrawal of authorization, notice of completion, or notice of termination of a cost-reimbursement type contract, the Office of Supply Management, FSS, will insure that a copy thereof has been or is furnished to the Regional Director, FSS, of each regional office whose facilities are likely to be utilized by the contractor.

§ 5A-5.970 Legal assistance.

Should there be any doubt as to whether it is legally proper to provide supply service to a cost-type contractor,

the appropriate legal counsel should be consulted.

Subpart 5A–5.50—Government Sources of Supply

§ 5A–5.5002 Government Printing Office.

Procurement of items from commercial sources for use within the District of Columbia which are listed in the GPO Catalog and Price List (Blank Paper and Envelopes, Inks, Glues, Miscellaneous Supplies, and Services), is prohibited unless a waiver is granted by the Public Printer authorizing such purchase. When so authorized, the GPO clearance number shall be shown in the contract and/or purchase order.

§ 5A–5.5003 Federal Prison Industries.

§ 5A–5.5003–70 Procurement of FPI items for GSA stores stock.

(a) Purchase of stock items listed in the FPI Schedule of Products shall be coordinated and controlled on a centralized basis within GSA by the Procurement Operations Division (POD).

(b) To facilitate scheduling of production by the FPI, POD shall periodically estimate the overall requirements for stores stock items which are to be procured from FPI and issue letters of commitment to FPI for such requirements after consulting with FPI and determining whether the requirements can be supplied. Factors to be considered by POD when establishing such estimates include the latest stores issue statistics, orders in process, and other pertinent factors.

(c) FPI will furnish POD with its production schedule for producing the estimated requirements. In case a portion of such requirements is not needed as estimated, FPI will store the balances for a reasonable period of time, provided storage space is available. Upon the expiration of such additional period, if any, POD will arrange, in cooperation with the Supply Depots, to have orders placed for the remaining merchandise.

(d) As appropriate, additional commitments under this program will be negotiated with FPI by POD upon expiration of the period covered, or earlier if the quantities covered by previous commitments have been exhausted.

(e) Purchase orders should be issued by regional purchasing activities promptly upon receipt of POD allocation numbers. The original and one copy shall be sent to FPI to enable it to give quicker service. The applicable allocation number must be entered in the body of each such order. Failure to show such numbers may cause unnecessary delay and correspondence. If, for any reason, it is desired to cancel or revise the quantities of assigned allocations, POD shall be notified immediately, and informed of the reasons therefor.

(f) If clearances to purchase from other sources are furnished by POD, the clearance number(s) must be entered on the contractual documents.

§ 5A–5.5003–71 Procurement of items not stocked by GSA.

(a) Upon receipt of purchase requests for products manufactured by FPI which are not carried in GSA stores stock, each purchasing activity shall procure the requirements from FPI by submitting orders in accordance with the provisions of the FPI schedule. Such orders should cite the delivery requirement as furnished by the ordering office.

(b) In the event of notification from FPI that the delivery requirement cannot be met, purchase from other sources shall be initiated promptly and the clearance number cited in each contract and/or purchase order issued thereunder. Contracting officers should exercise due care to assure that commercial sources meet the delivery requirements of the ordering office as previously requested of Federal Prison Industries.

§ 5A–5.5004 Schedule of Blind-Made Products.

§ 5A–5.5004–70 Procurement for GSA stores stock.

(a) *General.* The normal allocation procedure, whereunder the National Industries for the Blind (NIB), 50 West 44th Street, New York, N.Y. 10036, designates the agency for the blind to which an order is to be sent, has been supplemented by special agreement between NIB and the Federal Supply Service (FSS). That agreement established a plan for scheduling purchases of stores stock from agencies for the blind without going through the step of requesting an allocation for each order. However, NIB may not be able to apply the plan to all items procurable from the agencies for the blind and, in such cases, the normal allocation procedure is to be followed. The normal allocation procedure is also to be followed when a Federal Prison Industries item is allocated by POD to NIB (see (c)(1), below).

(b) *Procurement under the scheduling plan.* (1) The Inventory Management Division (IMD) of the Central Office shall periodically estimate and furnish to NIB a 6-month forecast of requirements for all blind-made items carried in supply depot stocks. When establishing such estimates IMD shall consider the latest stores issue statistics, orders in process, and other pertinent factors.

(2) NIB will determine which workshop will supply each item to each supply depot and will notify IMD.

(3) The information received by IMD from NIB shall be transmitted to the regional buying activities.

(4) The regional buying activities shall proceed as in (i) through (iii), below.

(i) Place orders, showing desired delivery dates, with the designated shop(s) within the first five working days of each month for those items which will reach reorder points in the current 3-month period. For example, place orders during first week of September for items reaching reorder points during September, October, and November for deliveries commencing December 1; place orders in first week of October for items reaching reorder points in October, November, and December; and so on. One half month EOQ items should be scheduled for 6 deliveries (⅙ of quantity for delivery on December 1, December 15, January 2, etc.); one month EOQ items for 3 deliveries (⅓ of quantity for delivery on December 1, January 2, and February 1), etc. A negative report shall be submitted to the designated shop on each item for which there is no requirement. Additional requirements which may develop before the next ordering period shall be held and included in the order(s) prepared the first of the following month.

(ii) Forward a copy of each purchase order to the NIB.

(iii) Continue to place orders directly with the specified shop(s) until such time as other instructions may be received from the Central Office.

(5) The FSS has agreed to order a minimum of 75 percent of the forecast quantity of each item. Accordingly, if at the close of a six-month forecast period, the minimum quantity has not been ordered, NIB will so notify the Central Office, FSS, which will notify the regional offices regarding placement of orders for the remaining quantities. Further, in the event it becomes necessary to terminate the agreement as to any item at the end of a 6-month forecast period, FSS is committed to order 3 additional months requirements (in addition to the requirements covered by the forecast), based on the monthly rate shown in the 6-month forecast. The Central Office will notify the regional offices as to placing orders for the additional quantities.

(c) *Procurement under the allocation procedure.* In order to replenish stocks of any blind-made item not included in the scheduling plan in accordance with (b), above, regional buying activities shall forward a request for allocation to the NIB. The NIB will advise the procuring office requesting the allocation as to which agency (or agencies) for the blind has been selected to fill the requirement. Upon receipt of such advice, purchase orders shall be placed promptly with the specified agency (or agencies) for the blind, and a copy thereof shall be forwarded to NIB.

(1) When an item is produced by both Federal Prison Industries, Inc., and NIB, and is included in a FPI allocation program, the Procurement Operations Division (POD) will reallocate such item to the NIB if the product is not available from FPI but can be obtained from NIB.

(2) Requests for allocation of blind-made items must specify a required delivery date which has been realistically determined. When an agency for the blind requests an extension of such delivery date and an extension is not feasible, the regional buying activity shall so notify the agency for the blind and request NIB to reallocate the requirement or to issue a clearance (purchase exception) for purchase from a commercial source.

(3) In the event total requirements cannot be procured through the allocation of NIB and a clearance to purchase from other sources has been granted by that activity, the requirements shall be purchased from commercial or other sources. Promptly upon receipt of such a clearance, procurement action must be taken bearing in mind that the requirement has been termed required as of a specified delivery date. In any event, purchase action shall be taken within 15 days of receipt of the notice from NIB or as may be further extended by NIB. The clearance number shall be cited in the contract and/or purchase order.

§ 5A–5.5004–71 Procurement of products not stocked by GSA.

(a) Upon receipt of purchase authorities for nonstock items, action shall be taken to forward requests for allocation to the NIB. Such requests must cite the required delivery date furnished by the ordering office.

(b) Upon receipt of an allocation, a purchase order shall be promptly issued to the designated agency for the blind. Such agency for the blind may request an extention of the delivery date which should be granted if feasible. Where an extension of the delivery date is not feasible, the agency for the blind shall be notified and NIB requested to reallocate the requirement or to issue a purchase exception for purchase from a commercial source.

(c) In the event of notification from the NIB that no agency for the blind is in a position to furnish a given requirement, the order shall be handled as a direct-delivery purchase from commercial sources. Purchase action must be taken promptly bearing in mind that the requirement has been termed required as of a specified delivery date. In any event, purchase action must be taken within 15 days of receipt of notice from NIB or as may be further extended by NIB. The clearance number shall be cited in the contract and/or purchase order.

§ 5A–5.5004–72 Clearances.

The clearance procedures prescribed by the Committee on Purchases of Blind-Made Products (41 CFR 51–1.9) are quoted below:

§ 51–1.9 *Purchase exceptions.* An ordering office may purchase from a commercial source commodities listed in the Schedule of Blind-Made Products in any of the following circumstances:

(a) Military necessity requires delivery within 2 weeks and NIB cannot give assurance of positive availability.

(b) When the normal source of supply is DOD or GSA and the regulations of that agency permit commercial purchase.

(c) Commodities which are procured for use outside the continental United States.

(d) When NIB has notified the ordering office that commodities listed in the request for allocation cannot be furnished within the period specified. In such cases purchase action must be taken within 15 days of receipt of notice from NIB or as may be further extended by NIB.

§ 5A–5.5005 Department of Defense contract bulletins.

(a) Copies of the Oil Contract Bulletin, and amendments thereto, if any, are received in bulk from the Defense Fuel Supply Center (DFSC) and distributed within GSA by the Printing and Publications Division, Region 3. Estimated requirements for copies of this bulletin shall be submitted to that office.

(b) Requirements of the types of lubricating oils and transformer oil covered by contracts of DFSC shall be obtained from such contracts, unless:

(1) The maximum single order is less than the minimum quantity obtainable under the DFSC contracts;

(2) Container sizes required are smaller than those available from DFSC contracts; or

(3) Purchase without regard to existing DFSC contracts is otherwise authorized.

(c) Requirements for lubricating oils or transformer oil to which (b) (1), (2), or (3), above, apply, or which are not covered by DFSC contracts are to be purchased without reference to such contracts. Mandatory sources of supply, if any, shall be utilized.

PART 5A–6—FOREIGN PURCHASES

Subpart 5A–6.8—Balance of Payments Program

Sec.
5A–6.801 General.
5A–6.805 Exceptions.
5A–6.806 Procedures.
5A–6.806–1 Restricted solicitation.
5A–6.806–70 Solicitation provision.

Subpart 5A–6.8—Balance of Payments Program

§ 5A–6.801 General.

(a) Where FSS enters into contracts as the procurement agent for AID (including procurements under the Commercial Import Program (CIP)), such procurements (except those involving administrative procurement) are not governed by Subparts 1–6.8 or 5A–6.8, but shall be made in accordance with AID instructions.

(b) Where FSS procures articles or services for use outside the United States directly for another agency, whether the procurement requests involved are initiated outside or inside the United States, it will be assumed that any possible advantageous use of excess or near excess foreign currencies has been considered by the requisitioning agency and that such currencies are not available, unless a specific notation concerning such currencies is made on the purchase request.

§ 5A–6.805 Exceptions.

Where, pursuant to § 1–6.805(a)(6), the contracting office has knowledge that the domestic cost of an end product or service exceeds the foreign cost by more than 50 percent of the foreign cost, the case shall be forwarded to the Assistant Commissioner for Procurement for determining if the domestic product or service should nevertheless be procured. This procedure shall be followed for all Balance of Payments Program procurements over $2,500.

§ 5A–6.806 Procedures.

§ 5A–6.806–1 Restricted solicitation.

(a) Estimates of compartive delivered prices of end products or services of domestic origin versus foreign origin normally will not be made by FSS procuring activities. Such cost estimates will have been made by the requisitioning offices prior to the submission of purchase requests to FSS for procurement action. Specific written evidence from the requisitioning office concerning such estimates is not required. Accordingly, except when buying for AID (including CIP items), procurements to be made directly for other agencies, where the items to be procured are for use outside the United States, shall be made under the Balance of Payments Program (see § 5A–6.806–70).

(b) Prior to procuring any item for GSA use outside the United States, cost estimates, as required by § 1–6.806–1, shall be made before restricting competition to U.S. end products or services.

§ 5A–6.806–70 Solicitation provision.

The certificate and clause, as set forth in §§ 1–6.806.3 and 1–6.806–4, respectively, shall be included in solicitations issued to implement the Balance of Payments Program. In addition, the following introductory language shall be entered immediately above such certificate and clause:

PROCUREMENT UNDER BALANCE OF PAYMENTS PROGRAM

To alleviate the impact of Government expenditures on the U.S. balance of international payments, only United States end products and services may be delivered under this contract. Accordingly, the Representation on page 2 of this solicitation entitled "Buy American Certificate" and the clause in the General Provisions entitled "Buy American Act" are inapplicable to this contract, and the following certificate and clause are substituted therefor:

U.S. Products Certificate (use language in § 1–6.806–3).

U.S. Products and Service Clause (use clause prescribed in § 1–6.806–4).

PART 5A–7—CONTRACT CLAUSES

Sec.
5A–7.000 Scope of part.

Subpart 5A–7.1—Fixed-Price Supply Contracts

5A–7.101 Clauses.
5A–7.101–4 Variation in quantity.
5A–7.101–5 Inspection.
5A–7.101–8 Assignment of claims.
5A–7.101–10 Examination of records.
5A–7.101–11 Default.
5A–7.101–22 Federal, State, and local taxes.
5A–7.101–23 Liquidated damages.
5A–7.101–70 Notice of shipment.
5A–7.101–71 Offer of former Government property.
5A–7.101–72 [Reserved].
5A–7.101–73 Delivery terms.
5A–7.101–74 Patent indemnification.
5A–7.101–75 Marking provisions.
5A–7.101–76 Preservation, packaging, and packing.

Sec.
5A-7.101-77 Price reduction provision.
5A-7.101-78 Rejected supplies.
5A-7.101-79 Packing list.
5A-7.101-80 Advertising of award.
5A-7.101-81 Delivery options and adjustments in transportation costs.
5A-7.101-82 [Reserved].
5A-7.101-83 Gratuities.
5A-7.101-84 Deliveries beyond the contractual period—placing of orders.
5A-7.170 Clauses to be used when applicable.
5A-7.170-1 Special discount terms.
5A-7.170-2 [Reserved].
5A-7.170-3 Price escalation.
5A-7.170-4 [Reserved].
5A-7.170-5 Standard pack items.
5A-7.170-6 Patents, royalty payments, and copyrights.
5A-7.170-7 USDA Certificates of Quality and Condition—subsistence purchases.
5A-7.170-8 USDA inspection of roasted whole bean coffee.
5A-7.170-9 [Reserved].
5A-7.170-10 [Reserved].
5A-7.170-11 Inspection and acceptance documents.
5A-7.170-12 Indefinite delivery type contracts.
5A-7.170-13 Brand names.
5A-7.170-14 Federal Hazardous Substances Labeling Act.

§ 5A-7.000 Scope of part.

(a) Prior to execution, all contracts which contain any addition, deletion, or change in the terms or conditions affecting payments of collections thereunder, other than those which have been approved previously by the Administrator, Comptroller, or Regional Comptroller, shall be routed to the Comptroller or Regional Comptroller, as appropriate, for clearance as to financial terms and conditions. In the event the terms are not approved, the contracting officer will be notified immediately of the reasons therefor.

(b) Contracting officers should, wherever possible, consult with representatives of the Office of the Comptroller prior to the formalizing of contracts which contain additions, deletions, or changes in the prescribed financial terms or conditions.

Subpart 5A-7.1—Fixed-Price Supply Contracts

§ 5A-7.101 Clauses.

(a) Except as otherwise provided, the contract clauses prescribed in this § 5A-7.101 shall be used in all contracts for the procurement of personal property and nonpersonal services, except small purchases as prescribed in Subpart 1-3.6.

(b) The contract clauses contained in Standard Form 32, General Provisions (Supply Contract), shall be used in all contracts not exempted in paragraph (a) of this section. The method for including these clauses in contracts is prescribed in § 5A-2.201-70.

§ 5A-7.101-4 Variation in quantity.

Paragraph (a) of the clause prescribed below covers delivery of stock replenishment merchandise to GSA stores depots. However, if the stock item purchase description card (see § 5A-72.102) bears a notation indicating that no variation or a different percentage variation will be permitted, the paragraph shall be deleted or modified to show the different percentage. In the interest of good contract administration, when receiving reports show consistent overshipments, buyers and contracting officers should make certain that the overshipments were in fact caused by the conditions specified in Article 4, Standard Form 32. When deliberate overshipments are detected, an appropriate warning against future recurrences should be issued to the contractor and, when warranted, it may be advisable to reject the overshipment for return at the contractor's expense.

VARIATION IN QUANTITY

(a) *Deliveries to GSA Supply Depots*—On deliveries of stock replenishment merchandise to GSA supply depots, variation in quantity caused by the conditions set forth in Article 4, Standard Form 32, General Provisions (Supply Contract), will be accepted only to the extent they do not exceed 10 percent of the quantity called for in an order.

(b) *Deliveries under Federal Supply Schedule contracts*—Unless otherwise specified by an ordering activity, any variation in the quantities called for in an order not exceeding 10 percent will be accepted, when caused by the conditions set forth in Article 4, Standard Form 32, General Provisions (Supply Contract).

(c) *Direct Deliveries to Ordering Agencies Under Other than Federal Supply Schedule Contracts*—No variation in quantities will be permitted unless otherwise provided in the contract or orders issued thereunder.

§ 5A-7.101-5 Inspection.

In addition to the clause prescribed in § 1-7.101-5 (set forth in Article 5, Standard Form 32, General Provisions (Supply Contract), June 1964 edition), the following clauses shall be used:

ADDITIONAL COSTS OF INSPECTION AND TESTING

The Contractor will be charged for any additional costs of Government inspection and test when (1) supplies are not ready at the time such inspection and test is requested by the Contractor, or (2) when reinspection or retest is necessitated by prior rejection. See Article 5(c) of Standard Form 32, General Provisions (Supply Contract). When inspection and test is performed by or under the direction of the General Services Administration, the method of charge shall be as in (i) and (ii), below. When inspection is performed by or under the direction of any agency other than the General Services Administration, the method of charge provided in (i), below, may be used or such agency may assess the actual costs of the inspection.

(i) *Inspection Charges.* Charges for any inspection resulting in additional cost to the Government (including time lost as a result of (1), above), will be determined at a rate of $3 per man-hour when such inspection is performed at a GSA supply depot, or at a rate of $6 per man-hour when such inspection is performed at a location other than a GSA supply depot.

(ii) *Testing Charges.* Charges for any testing which results in additional cost to the Government will depend on the type of commodity and the extent of testing required. The Contracting Officer shall, upon request, inform the Contractor of test charges involved when testing will be performed by a Federal Supply Service testing laboratory. When a testing facility other than a Federal Supply Service laboratory performs all or part of the required tests, the Contractor shall be assessed the actual amount of the costs incurred by the Government as a result of testing in such a facility.

CONTRACTOR INSPECTION RESPONSIBILITY

The inspection system required to be maintained by the Contractor under paragraph (e) of Article 5 of the General Provisions may be the Contractor's own facilities or any other inspection facilities or services acceptable to the Government. It shall be utilized to perform all inspection and tests of materials and components prior to incorporation into end articles and for such end articles prior to offering the end articles for delivery under the contract. The right is reserved to the Government to evaluate the acceptability and effectiveness of the Contractor's inspection system prior to award and periodically during the contract period. In no event shall the Government's right to inspect and test completely any and all lots offered for delivery under the contract be waived. Failure of the Contractor to maintain an acceptable inspection system as provided in Article 5(e) and in this clause may result in termination of the contract under Article 11 of the General Provisions.

QUALITY ASSURANCE AGREEMENT

All of the terms and conditions of any existing Quality Assurance Agreement entered into by the Contractor and the Government are hereby incorporated in this contract and made a part hereof.

§ 5A-7.101-8 Assignment of claims.

With the intention of facilitating the financing of defense contracts, especially those of small manufacturers and producers who found difficulty in obtaining necessary financing for the performance of their contracts, Public Law 30, approved May 15, 1951, amended the Assignment of Claims Act of 1940 (54 Stat. 1029) to allow certain agencies to limit the Government's right of set-off under contracts of such agencies. Under this amended act, each of the designated agencies, including the General Services Administration, during the period of any war or national emergency proclaimed by the President (including the national emergency proclaimed December 16, 1950) or by act or joint resolution of the Congress, is authorized to provide that payments made to an assignee of any moneys due or to become due under any contract of such agency shall not be subject to reduction or set-off for any liability of the contractor to the United States which arises independently of such contract, or for certain liabilities of the contractor as specified in the Assignment of Claims Act of 1940.

(a) *Limitations.* The provision limiting the Government's right of set-off shall not be included where inclusion would be in the manifest disinterest of the Government as determined by or upon the approval of the Commissioner, Federal Supply Service. Also, it need not be included in the case of a foreign contractor. In no event may it be included after expiration of the period of any war or national emergency during which the use of these clauses is authorized, as provided by the Act.

(b) *Release of classified information.* With respect to paragraph (b) of the

clause, contracting officers shall follow established procedure in connection with the release of classified information.

(c) *Modified clause for indefinite quantity contracts.* The Assignment of Claims clause prescribed in § 1–30.703 shall be supplemented by the addition of the following clause:

ASSIGNMENT OF CLAIMS

If the contract is for an indefinite quantity, Article 8(a), Standard Form 32, General Provisions (Supply Contract), is inapplicable and the following is substituted therefor:

"In order to prevent confusion and delay in making payment, no claim or claims for all moneys due or to become due under this contract shall be assigned by the Contractor; but it shall be permissible for the Contractor to assign separately to a bank, trust company, or other financing institution, including any Federal lending agency, in accordance with the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S.C. 203, 41 U.S.C. 15), all moneys due or to become due under any particular purchase order amounting to $1,000 or more issued by any Government activity or agency under this contract. Any such assignment shall be effective only if and when the assignee thereof shall file written notice of the assignment together with a true copy of the instrument of assignment with the officer issuing such purchase order, in addition to complying with the filing requirements set forth in clause 4 of the proviso in said Act, as amended. Notwithstanding any other provisions of this contract, payments to an assignee of any moneys due or to become due under any purchase order assigned as provided herein shall not, to the extent provided in said Act, as amended, be subject to reduction or set-off."

(d) *Notice of assignment.* The law requires that the assignee shall file written notice of the assignment together with a true copy of the instrument of assignment with: (1) The contracting officer or the head of his department or agency; (2) the surety or sureties upon the bond or bonds, if any, in connection with the contract; and (3) the disbursing officer, if any, designated in the contract to make payment. The forms for assignment and notice of assignment set forth in § 1–30.704 shall be used to the extent feasible. The contracting officer shall obtain advice from the Regional Counsel or General Counsel, as appropriate, as to the legality of the assignment and, if approved as to legality, shall furnish the appropriate Office of Financial Management two copies of the notice of assignment, the true copy of the instrument of assignment, and evidence of approval of the General Counsel or Regional Counsel.

§ 5A–7.101–10 Examination of records.

In addition to the clause prescribed in § 1–7.101–10 (set forth in Article 10 of General Provisions (Supply Contract), Standard Form 32, June 1964 edition), the following clause shall be applicable:

EXAMINATION OF RECORDS

With respect to Article 10 of the General Provisions (Supply Contract), Standard Form 32, the Contractor agrees that all the rights granted thereunder to the Comptroller General of the United States or his duly authorized representative shall also extend to the Administrator of General Services or his duly authorized representative.

These clauses need not be included in contracts entered into by means of formal advertising and do not apply to: (a) Petty cash purchases, (b) purchases where Standard Form 44 (United States Government Purchase Order-Invoice-Voucher) is used; or (c) purchases made by Government purchase orders, unless such orders are signed by the supplier or are to be otherwise accepted by the supplier in writing.

§ 5A–7.101–11 Default.

In addition to the clause prescribed in § 1–7.101–11 (set forth in Article 11, Standard Form 32, General Provisions (Supply Contract), June 1964 edition), the following clause shall be included in Federal Supply Schedule contracts:

DEFAULT

In addition to Article 11, Standard Form 32, General Provisions (Supply Contract), the following shall apply with respect to Federal Supply Schedule contracts only:

(a) When the Contracting Officer has terminated the right of a Contractor to proceed with all further deliveries, thereafter Government agencies and activities required to use the contract as a primary source of supply, may purchase in accordance with prescribed procedures the articles or services covered by the termination without furnishing the defaulting Contractor orders therefor, and any excess cost over the original contract price shall be charged to the defaulting Contractor and his sureties (if any): *Provided*, That the default resulting in the termination was not excusable under subparagraph (c) of Article 11 of the General Provisions. This subparagraph shall also apply to each order accepted by the Contractor from an activity not required to use the contracts as a primary source of supply but permitted under the contract to place orders subject to acceptance by the Contractor.

(b) Any ordering office may, in respect to any one or more purchase orders placed by it under the contract, exercise the same right of termination, acceptance of inferior articles or services, and assessment of excess cost as might the Contracting Officer, except that when failure to deliver articles or services is alleged by the Contractor to be excusable, the determination of whether the failure is excusable shall be made only by the Contracting Officer of the General Services Administration, to whom such allegation shall be referred by the ordering office and from whose determination appeal may be taken as provided in the clause of this contract entitled "Disputes".

§ 5A–7.101–22 Federal, State, and local taxes.

Insert the clause prescribed in § 1–11.401–1 and the clause prescribed in § 5A–11.401–72.

§ 5A–7.101–23 Liquidated damages.

Use of the liquidated damages clause is subject to limitations set forth in § 5A–1.315–2.

§ 5A–7.101–70 Notice of shipment.

The following clause shall be included in all invitations in order that the purchasing office from which the order is received and/or consignee, or both if so specified, will be advised when shipments are made:

NOTICE OF SHIPMENT

If specified in an order submitted under the contract, the Contractor shall, at the time each shipment is made on such order, furnish a notice of shipment to either the consignee or the ordering office or both, as specified. This requirement may be satisfied by completion and return of appropriate forms furnished by the ordering office or by the furnishing of copies of bills of lading, freight bills, packing lists, invoices, or similar documents in accordance with normal commercial practice if such document clearly identifies the order number, items and quantities shipped, date of shipment, point of origin, method of shipment and routing, and name of initial carrier.

§ 5A–7.101–71 Offer of former Government property.

OFFER OF FORMER GOVERNMENT PROPERTY

There is no law against selling back to the Government former Government surplus property, but the General Services Administration wants to know if it is buying such surplus. Accordingly, in signing the bid, the bidder warrants, to the best of his knowledge, information, and belief, that except as otherwise expressly stated in the bid, none of the items or their components covered by the bid has been or will be acquired either directly or indirectly from any agency of the U.S. Government or from any Government-owned corporation.

§ 5A–7.101–72 [Reserved]

§ 5A–7.101–73 Delivery terms.

Standard contract delivery terms shall be used in accordance with the provisions of FPR 1–19.3.

§ 5A–7.101–74 Patent indemnification.

The patent indemnification clause set forth in § 5–54.103 shall be included in all contracts in excess of $5,000 in amount.

§ 5A–7.101–75 Marking provisions.

MARKING PROVISIONS

(a) *Deliveries to civilian agencies.* Marking of exterior shipping containers shall be in strict accordance with Federal Standard 123 and shall include the purchase order number. Marking for unit and intermediate containers and special markings, if any, shall be as otherwise provided in the contract or as stated in purchase orders issued under the contract, all within the scope of the applicable provisions of Federal Standard 123. GSA Form 1400, Guide for Marking Shipments, illustrates the principal marking requirements of Federal Standard 123. Copies of GSA Form 1400 and Federal Standard 123 may be obtained from the office issuing the invitation or as provided in the provision entitled "Copies of Specifications and Federal Standards."

(b) *Deliveries to military agencies.* Marking of shipments for delivery to military agencies shall be as otherwise specified in the contract or in purchase orders issued under the contract but, if not so specified, the exterior shipping containers shall be marked in accordance with Military Standard 129C.

(c) *Improperly marked material.* (1) *Delivery to GSA supply depots.* In the event any shipment delivered to a GSA supply depot is not marked in accordance with the contract requirements, the Government shall have the right, without prior notice to the Contractor, notwithstanding Article 5 of the Standard Form 32, General Provisions (Supply Contract), to: (i) Reject the shipment; or (ii) perform the required marking by use of Government personnel and charge

the Contractor therefor at a rate of $5 per man-hour, with a minimum charge of $5; or (iii) have the marking performed by an independent Contractor and charge to the Contractor the cost occasioned the Government thereby. In connection with any prompt payment discount offered, time will be computed from the date of completion of such remarking services.

(2) *Delivery to other than GSA supply depots.* Shipments delivered to other than GSA supply depots that are not marked in accordance with the contract requirements shall be subject to rejection and replacement, or correction in accordance with the provisions of Article 5(b) of the General Provisions.

§ 5A–7.101–76 Preservation, packaging, and packing.

PRESERVATION, PACKAGING, AND PACKING

Unless otherwise specified, all articles shall be packaged in accordance with Preservation and Packaging Level C, and delivered in accordance with Packing Level C, both as defined in Federal Standard 102. Where special or unusual packing for domestic or export shipment is specified in an order but not specifically provided for by contract, such packing details must be the subject of an agreement independently arrived at between the ordering agency and the Contractor.

§ 5A–7.101–77 Price reduction provision.

The following provision shall be inserted in all invitations for bid for indefinite quantities, except where special escalation features are authorized.

PRICE REDUCTIONS

(This Price Reductions clause is applicable only to requirements contracts and indefinite quantity contracts.)

(a) If at any time after the date of the bid or offer the Contractor makes a general price reduction in the comparable price of any article or service covered by the contract to customers generally, an equivalent price reduction based on similar quantities and/or considerations shall apply to the contract for the duration of the contract period (or until the price is further reduced). Such price reduction shall be effective at the same time and in the same manner as the reduction in the price to customers generally. For purpose of this provision, a "general price reduction" shall mean any horizontal reduction in the price of an article or service offered (1) to Contractor's customers generally, or (2) in the Contractor's price schedule for the class of customers; i.e., wholesalers, jobbers, retailers, etc., which was used as the basis for bidding on this contract. (For purposes of determining a "general price reduction" under this clause, sales to States, including the District of Columbia, and other political subdivisions by a Contractor, or reductions in price schedules of the Contractor to such agencies, shall have no application.) An occasional sale at a lower price, or sale of distressed merchandise at a lower price, would not be considered a "general price reduction" under this provision. The Contractor shall invoice the ordering offices at such reduced prices indicating on the invoice that the reduction is pursuant to the "Price Reductions" article of the contract provisions. The Contractor, in addition, shall within 10 days of any general price reduction notify the General Services Administration's Contracting Officer of such reduction by letter. Failure to do so may require termination of the contract, as provided in the "Default" clause of the General Provisions. Upon receipt of any such notice of a general price reduction all ordering offices will be duly notified by the Contracting Officer.

(b) The Contractor shall furnish, within ten days after the end of the contract period, a statement certifying either (1) that no general price reduction, as defined in (a) above, was made after the date of the bid or offer, or (2) if any such general price reductions were made, that, as provided in (a) above, (i) they were reported to the Contracting Officer within ten days, and (ii) ordering offices were billed at the reduced prices. Where one or more such general price reductions were made, the statement furnished by the Contractor shall include with respect to each price reduction (1) the date when notice of any such reduction was issued, (2) the effective date of the reduction, and (3) the date when the Contracting Officer was notified of any such reduction.

§ 5A–7.101–78 Rejected supplies.

RESPONSIBILITY FOR SUPPLIES

As provided in Article 6, Standard Form 32, General Provisions (Supply Contract), the Contractor shall bear all risks as to rejected supplies after notice of rejection. The Contractor shall be liable for all costs, including but not limited to storage costs, incurred by the Government in taking such measures as are expedient to save unnecessary loss to the Contractor. Should the Contractor upon due notice fail to remove or provide instructions for the removal of such rejected supplies within the period specified by the Government, the supplies may be sold to the highest bidder on the open market and the proceeds shall be applied against the accumulated storage and other costs, including costs of the sale.

§ 5A–7.101–79 Packing list.

PACKING LIST

A packing list or other suitable shipping document shall accompany each shipment and shall show the (i) name and address of consignor, (ii) name and address of consignee, (iii) Government purchase order number, (iv) Government bill of lading number covering the shipment, if any, and (v) description of the material shipped, including item number, quantity, number of containers, and package number, if any.

§ 5A–7.101–80 Advertising of award.

ADVERTISING OF AWARD

The Contractor agrees not to refer to awards in connection with commercial advertising.

§ 5A–7.101–81 Delivery options and adjustments in transportation costs.

DELIVERY OPTIONS AND ADJUSTMENTS IN TRANSPORTATION COSTS

(Applicable except for Federal Supply Schedule contracts)

Within the scope of Article 2 of Standard Form 32, General Provisions (Supply Contract), the right is reserved by the Government at its option to:

(a) Direct deliveries to destinations or to consignees other than those originally named in the contract for any part or all of the quantities originally stipulated in the contract;

(b) Direct shipments in quantities which will require a differential in rates from those on which the contract prices are based; and

(c) Direct the Contractor to ship by a mode of transportation other than stipulated in the contract.

The rights reserved above may be exercised with respect to individual orders by any office authorized to place orders under the contract. Shipments shall be made at the lowest possible cost commensurate with the type of service required. In such cases, the Contractor shall deduct from his invoice the transportation charges which would have applied under the original contract, and shall add the transportation charges for deliveries actually made. Transportation charges will, in all cases, be based upon the lowest regularly established rates on file with the Interstate Commerce Commission, the U.S. Maritime Commission, any State Regulatory Body, or Legal Contract Carrier Rates provided a certified copy of such Legal Contract Carrier Rates is on file with this Administration or accompanies the Contractor's invoice for payment. In these cases Contractors shall invoice for reimbursement of the transportation charges as a separate item which shall be supported by paid freight bills or express receipts when the amount thereof is in excess of $25.

§ 5A–7.101–82 [Reserved]

§ 5A–7.101–83 Gratuities.

GRATUITIES

(The Gratuities clause is applicable to all orders placed by or for the military departments. In subparagraph (a) and (b), below, the term "contract" shall be deemed to refer to any order placed under this contract by or for a military department. Where the right of the contractor to proceed with an order is terminated in accordance with this Gratuities clause by any military department office, the Government may, in addition to the rights under this Gratuities clause, by written notice to the Contractor, terminate the whole or any part of this contract in the same manner as provided in paragraph (a) (i) of the clause entitled "Default" (Article 11, Standard Form 32, General Provisions (Supply Contract)), in which case the Government shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract.)

(a) The Government may, by written notice to the Contractor, terminate the right of the Contractor to proceed under this contract if it is found, after notice and hearing, by the Secretary or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the Contractor, or any agent or representative of the Contractor, to any officer or employee of the Government with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of such contract: *Provided*, That the existence of the facts upon which the Secretary or his duly authorized representative makes such findings shall be in issue and may be reviewed in any competent court.

(b) In the event this contract is terminated as provided in paragraph (a) hereof, the Government shall be entitled (i) to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor, and (ii) as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Secretary or his duly authorized representative) which shall be not less than three nor more than ten times the cost incurred by the Contractor in providing any such gratuities to any such officer or employee.

(c) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

§ 5A–7.101–84 Deliveries beyond the contractual period—placing of orders.

The clause prescribed below shall be inserted in all invitations covering indefinite quantity term contracts.

DELIVERIES BEYOND THE CONTRACTUAL PERIOD—PLACING OF ORDERS

In accordance with the Scope of Contract clause, this contract covers all requirements that may be ordered, as distinguished from delivered, during the contract term. This is for the purpose of providing continuity of supply by permitting ordering activities to place orders as requirements arise in the normal course of supply operations. Accordingly, any order mailed (or received, if forwarded by other means than through the mail) to the Contractor on or before the expiration date of the contract, and providing for delivery within the number of days specified in the contract, shall constitute a valid order.

§ 5A–7.170 Clauses to be used when applicable.

The clauses set forth in this § 5A–7.170 shall be inserted in all fixed-price supply contracts only when appropriate and in addition to those prescribed in Subpart 1–7.1 and § 5A–7.101.

§ 5A–7.170–1 Special discount terms.

(a) When it is known in advance that final acceptance cannot be accomplished within the normal period of time from the date of delivery due to the time required for laboratory tests and for analyses of deliveries, the following clause shall be used:

SPECIAL DISCOUNT TERMS

(The conditions as stated herein supersede those headed 'Discounts' under the Terms and Conditions of the Invitation for Bids.) Prior to final acceptance, the supplies described in this invitation for bids will be tested or analyzed for conformance with the specifications cited: It is estimated that scheduling and performing such tests and/or analyses will require a maximum of _____ calendar days, and any discount period will begin that same number of calendar days after the date of arrival of the supplies at destination or port of embarkation, or on the date a correct invoice or voucher is received in the office specified by the Government, if the latter date is later than the date of final acceptance.

(b) The number of days to be entered in the blank space in the above clause shall be the maximum number of days needed for testing and/or analysis as determined by the contracting officer in cooperation with the quality control activity. Except in most unusual cases, such period shall not exceed 30 days.

§ 5A–7.170–2 [Reserved]

§ 5A–7.170–3 Price escalation.

It is the policy of the General Services Administration to enter into contracts, whether negotiated or advertised, on a fixed-price basis whenever economical and practicable. It is recognized, however, that instances may arise in which this type of pricing, owing to conditions affecting a particular commodity or industry, may not be practicable or in the best interests of the Government. Illustrative of such an instance would be the use of a contract with extended deliveries covering commodities with respect to which the supplier cannot estimate, with any reasonable accuracy, the cost of manufacture and may, therefore, quote fixed prices at excessive figures to protect himself against cost contingencies. In such cases, it would be to the Government's interest to invite bids and to contract using escalation clauses designed to reduce the price by eliminating the necessity for contingency allowances.

(a) Price escalation clauses, except those authorized for use in Federal Supply Schedule contracts, shall not be included in invitations for bids or requests for proposals without the prior approval of the Assistant Commissioner for Procurement. When, with respect to individual cases, and based on the policy stated above, it is deemed advisable to use a price escalation clause, a request for an appropriate clause together with a statement of the justifying circumstances, shall be submitted to the Assistant Commissioner for Procurement.

(1) In the event a price escalation clause is made a part of an invitation for bids or a request for proposals, careful consideration must be given to the ultimate cost of the proposed purchases and to the availability of sufficient funds, above the quoted price, to allow for subsequent increases.

(2) Invitations for bids or requests for proposals containing price escalation clauses must also state that all bids or quotations will be evaluated on the basis of the price after maximum possible escalation.

(b) Bids based on the supplier's price at time of delivery, or other escalation provisions which do not include a monetary or percentage ceiling on escalation shall be considered as being nonresponsive to any invitation for bids which does not include or authorize a price escalation clause. Bids based on the supplier's price at time of delivery, or other type of escalation, which provide a monetary or percentage ceiling on any increase should be evaluated on the basis of the maximum possible price to the Government. In general, when numerous suppliers include escalation clauses in bids in response to an invitation for bids so that effective competition is not secured, it is an indication that the best interest of the Government may be served by utilizing appropriate escalation clauses.

§ 5A–7.170–4 [Reserved]

§ 5A–7.170–5 Standard pack items.

(a) The following clause shall be included in invitations for bid stores stock items for which standard packs have been established:

STANDARD PACK ITEMS

To facilitate the distribution and handling of certain items of stores stock, the General Services Administration has established standard packs of a specified number of units per issue container. Where standard unit packing has been cited for an item in the Schedule or the referenced specification, such packing is of the essence. Bids offering to furnish an item in other than the pack specified shall be considered nonresponsive with respect to that particular item.

(b) The above clause shall also be used in requests for proposals covering stores stock items for which standard packs have been established except that the last sentence shall be omitted.

§ 5A–7.170–6 Patents, royalty payments, and copyrights.

Instructions for the use of clauses relative to patents, royalty payments, and copyrights are contained in Parts 5–54 and 5A–54.

§ 5A–7.170–7 USDA Certificates of Quality and Condition—subsistence purchases.

The following clause shall be used in the contract when purchasing any of the items subject to the policy stated in § 5A–72.106–4:

USDA CERTIFICATE OF QUALITY AND CONDITION

All items (or indicate item numbers) covered by this contract shall be inspected by the U.S. Department of Agriculture. The cost of such inspection including the issuance of USDA Certificates of Quality and Condition and the stamping of cases or, when required, USDA Certificates of Loading shall be borne by the Contractor.

Each case shall be stamped with the USDA inspection stamp bearing the same date as the impression of the stamp appearing on the Certificate. This requirement need not be complied with, provided a USDA Certificate of Loading accompanies the shipment.

Inspection shall be performed not more than 90 days prior to date of shipment. Samples for inspection purposes shall be furnished by the Contractor without cost to the Government.

USDA Certificates of Quality and Condition and, when required, USDA Certificates of Loading shall be attached to and accompany the original copy of the bill of lading, otherwise the shipment will be refused. The Contractor shall place the following statement on the commercial bill of lading covering shipments made under this contract:

U.S. Department of Agriculture Certificate(s) of Quality and Condition must accompany this shipment.

§ 5A–7.170–8 USDA inspection of roasted whole bean coffee.

The following clause shall be used in the contract when purchasing roasted whole bean coffee subject to the policy stated in § 5A–72.106–5:

USDA INSPECTION

Upon receipt of notice of award the Contractor shall make arrangements with the U.S. Department of Agriculture for "In Plant" inspection. "In Plant" inspection means that an official USDA inspector shall be present to inspect the green beans for both grade and cupping quality and to supervise the blending, roasting, and packing of the product. The cost of such inspection, including the issuance of a USDA Certificate of Quality and Condition, shall be borne by the Contractor.

Each bag shall be sealed or closed with a USDA seal. This requirement need not be complied with if a USDA Certificate of Loading accompanies the shipment.

USDA Certificates of Quality and Condition and, when required, USDA Certificates of Loading shall be attached to and accompany the original copy of the bill of lading, otherwise the shipment will be refused. The

Contractor shall place the following statement on the commercial bill of lading covering shipments made under this contract:

U.S. Department of Agriculture Certificate(s) of Quality and Condition must accompany this shipment.

§ 5A–7.170–9 [Reserved]

§ 5A–7.170–10 [Reserved]

§ 5A–7.170–11 Inspection and acceptance documents.

Procurements that may require the contractor to prepare an inspection and receiving report shall contain the following clause:

ACCEPTANCE/INSPECTION DOCUMENTS

The Government reserves the right to require the Contractor to prepare and distribute acceptance and inspection documents as follows: (i) DD Form 250, Materiel Inspection and Receiving Report, for deliveries to military agencies, or (ii) GSA Form 308, Notice of Inspection, when deliveries to GSA or other civilian agencies are inspected by GSA at origin. When required, the Contractor will be furnished a supply of GSA Form 308 and/or DD Form 250 and complete instructions for their accomplishment and distribution.

§ 5A–7.170–12 Indefinite delivery type contracts.

Each indefinite delivery type contract made in accordance with § 5A–72.105 shall contain one of the following clauses to set forth the scope of the contract.

(a) *Definite quantity contracts.*

SCOPE OF CONTRACT

During the period from ____ to ____, unless completed at an earlier date, the General Services Administration agrees to purchase and the Contractor agrees to deliver in accordance with the terms of this contract the quantity specified for each item, such delivery to be made from time to time as may be ordered by the Government. If, at the expiration date of the contract, the total quantity has not been ordered the Government shall issue orders to cover all such unordered balances within thirty (30) days and the contract shall be considered to be extended for this purpose only for an additional thirty (30) days.

(b) *Requirements contracts.*

SCOPE OF CONTRACT

This contract provides for the normal supply requirements of the General Services Administration supply depots as identified herein during the period from ____ to ____. The General Services Administration is obligated, except in exigencies or as may be otherwise provided herein, to purchase hereunder such quantities as may be needed from time to time to fill any such supply depot requirement determined in accordance with the currently applicable procurement and supply procedures. Except as otherwise provided herein, the Contractor is obligated to deliver hereunder all such quantities as may be so ordered from time to time. The quantities shown represent the estimated requirements for each item during the contract period, are furnished only for the information of bidders, but shall not be construed to represent any amount which the Government shall be obligated to purchase under the contract nor relieve the Contractor of his obligation to fill all orders which may be placed hereunder.

(c) *Indefinite quantity contracts.*

SCOPE OF CONTRACT

This contract provides for the requirements of the General Services Administration supply depots as identified herein during the period from ____ to ____, unless completed at an earlier date. The quantities shown represent the basic quantity of each item which the Government is obligated to purchase during the contract period. However, the General Services Administration shall purchase such additional quantities, except in exigencies or as may otherwise be provided herein, as may be required to fill such supply depot requirements determined in accordance with the currently applicable procurement and supply procedures not to exceed an additional ____ percent* of the basic quantity specified. Except as otherwise herein provided, the Contractor is obligated to deliver hereunder all such basic and additional quantities as may be so ordered during the contract period. If, at the expiration date of the contract, the total basic quantity has not been ordered, the Government shall issue orders to cover all such unordered balances within thirty (30) days and the contract shall be considered to be extended for this purpose only for an additional thirty (30) days.

§ 5A–7.170–13 Brand names.

Insert the clause set forth in § 1–1.307–6(a).

§ 5A–7.170–14 Federal Hazardous Substances Labeling Act.

The following clause shall be included in all contracts that provide for packaged items subject to the Federal Hazardous Substances Labeling Act, and the applicable specifications do not contain a similar provision.

FEDERAL HAZARDOUS SUBSTANCES LABELING ACT

Packaged items to be delivered under this contract which are of a hazardous substance and ordinarily are intended or considered to be for use as a household item, are subject to the Federal Hazardous Substances Labeling Act, as amended, 15 U.S.C. 1261–1273.

PART 5A–8—TERMINATION OF CONTRACTS

Subparts 5A–8.1—5A–8.5 [Reserved]

Subpart 5A–8.1—Termination for Default

Sec.
5A–8.601 General.
5A–8.602 Default termination of fixed-price supply contracts.
5A–8.602–1 The Government's right to terminate for default.
5A–8.602–2 Effect of termination for default.
5A–8.602–3 Procedure in case of default.
5A–8.602–4 Procedure in lieu of termination for default.
5A–8.602–5 Procedure in case of default.
5A–8.602–6 Repurchase against contractor's account.

*NOTE: Shall normally not exceed 25 percent; any provision for additional quantities in excess of 25 percent of the basic quantity shall be approved in advance by the Director, POD for contracts prepared by POD or the Regional Director, FSS, for regional contracts.

Subpart 5A–8.7—Clauses

Sec.
5A–8.700–2 Applicability.

Subparts 5A–8.1—5A–8.5 [Reserved]

Subpart 5A–8.6—Termination for Default

§ 5A–8.601 General.

Proposed termination for default actions which involve an amount in excess of $100,000 shall be submitted for the approval of the Commissioner, FSS.

5A–8.602 Default termination of fixed-price supply contracts.

§ 5A–8.602–1 The Government's right to terminate for default.

(a) Pursuant to the terms of the standard Default clause (§ 1–8.707), a contract may be terminated when the contractor fails to make deliveries or to perform services within the time specified (subparagraph (a)(i)), or he fails to comply with any other provision of the contract or fails to make progress under the contract so as to endanger performance thereof (subparagraph (a)(ii)).

(b) Under the Default clause, contracts may be terminated in whole or in part. Partial terminations may be appropriate in cases in which it is determined that a part of a definite quantity contract (either selected items or a portion of one or more items) or certain orders under an indefinite quantity contract, should be terminated.

(1) In all cases care must be exercised to assure that (i) the termination not be of a greater portion of the contract than is legally justified and that (ii) where a termination in whole is appropriate, it is accomplished under the correct authority.

(2) In cases, for example, of failure to make timely delivery of one or more orders under a term contract, the orders may be terminated under subparagraph (a)(i). But this failure alone does not provide a basis for termination of the contract in whole. In order to justify a complete termination it is necessary to base the decision on the theory of failure to make progress and to terminate pursuant to subparagraph (a)(ii).

(3) Facts which justify a partial termination are usually symptoms of basic difficulties in contract performance. Therefore, as a general rule, a notice of partial termination should be followed by a preliminary notice of termination of the entire contract as required by subparagraph (a)(ii) of the Default clause.

§ 5A–8.602–2 Effect of termination for default.

(a) *Defenses to default termination or assessment of excess costs.* (1) A contractor may defend against a default termination on the grounds that he was not in default or that the default arose out of causes beyond his control and without his fault or negligence.

(2) Illustrations of defenses falling into the first category would be allegations that the contract was terminated under subparagraph (a)(i) of the Default clause (§ 1–8.707) before deliveries were due or that a sufficient opportunity to cure the default (other than a failure to deliver) was not given or that a termination based on failure of the supplies to conform to specifications was erroneous.

(3) Defenses falling into the second category are set forth in general terms in paragraph (c) of the Default clause. It should be noted that where the excuse for default is based upon a subcontractor's or supplier's failure to perform, the failure must be beyond the control and without the fault or negligence of both the contractor and the subcontractor or supplier. In addition, the contractor must show that the supplies or services to be obtained from the subcontractor or supplier were not reasonably available from other sources.

(b) *Excess costs and damages.* (1) Where a contract is properly terminated for default, the contractor is liable for excess costs incurred by the Government as a result of its repurchase, as well as for any other ascertainable damages suffered by the Government.

(2) If, on the other hand, it is found that the contractor was not in default or that the default was excusable, and the contract contains a Termination for Convenience clause (see §1–8.601(b)), the rights of the parties will be the same as if the notice of termination had been issued under the Termination for Convenience clause.

(3) If the contract does not contain a Termination for Convenience clause (see § 1–8.601(c)) and it is found that the contractor was in fact not in default, the contract may be reinstated and continued or may be equitably adjusted to compensate for the termination. In such cases, the Government is not, of course, entitled to recover excess costs or other damages.

(4) If the contract does not contain a Termination for Convenience clause and it is found that while the contractor was in fact in default, the default was excusable, the Government will not be entitled to excess costs but will also not be obligated to make any adjustment in the contract or to compensate the contractor for costs incurred in its performance prior to the termination, except as to deliveries actually completed prior to the termination.

§ 5A–8.602–3 Procedure in case of default.

(a) *Termination pursuant to subparagraph (a)(i) of the Default clause—*(1) *Default known to be inexcusable.* Where the contracting officer has assured himself that the contractor is in fact in default, pursuant to subparagraph (a)(i) of the standard Default clause (see § 1–8.707), and that the default is known to be inexcusable, a Notice of Termination, exhibit 5A–76.104 or 5A–76.105, as appropriate, shall be sent to the contractor, without preliminary notice.

(2) *Default known to be excusable.* Contracting officers have the power to terminate a contract for default even though the default is known to be excusable. Although such a termination cannot be used as a basis for the assessment of excess costs, it may nevertheless be in the Government's best interest, if the items covered by the contract are urgently needed and the delay in performance promises to be of long duration. Terminations under these circumstances may be effected by the use of exhibit 5A–76.106 or 5A–76.107, as appropriate. However, it should be noted that if the contract contains a Termination for Convenience clause the contractor will be entitled to have a default termination converted to one for convenience. Therefore, under the circumstances described in this paragraph it would be preferable if the contractor's agreement to a no-cost termination can be obtained.

(3) *Excusability unknown.* (i) Where supplies are urgently needed and delay may be prolonged:

(*a*) If the contracting officer, after exerting all reasonable efforts, is still unable to definitely ascertain that the default is inexcusable, he may nevertheless terminate without preliminary notice. However, as pointed out in § 5A–8.602–2(b), such action, if later determined improper, can result in the loss of the Government's rights to excess costs and in some cases in the necessity for paying contract claims. Therefore, it would seem advisable to reserve such action for cases in which the supplies covered by the contract are in fact urgently needed and where, in the considered judgment of the contracting officer, the advantage to the Government of terminating immediately will outweigh the possible loss of the Government's right to recover excess costs and the possibility of the Government's being required to pay a contract claim. Where these conditions are met, a Notice of Termination of the type set forth in exhibit 5A–76.108 or 5A–76.109, as appropriate, should be sent to the contractor.

(*b*) The termination of a contract without a specific finding as to excusability, does not relieve the contracting officer from making such a finding (§ 1–8.602–3(g)). Exhibits 5A–76.108 and 5A–76.109 contain language designed to elicit from the contractor any evidence he may have on the issue.

(*c*) The contracting officer should also avail himself of all other facilities, including those of the cognizant Quality Control Representative, which may be of assistance in making the finding. After all of the available evidence has been obtained, a specific finding in the form set forth in exhibit 5A–76.110 or 5A–76.111 must be furnished to the contractor.

(ii) Where time will permit obtaining information on excusability: Generally, it is advisable, if at all possible, to obtain all of the evidence which may be available as to the cause of the default. Normally, there will not be such a pressing need for the supplies that the actual termination cannot be delayed for the few days necessary to obtain evidence from the contractor. Such evidence can be obtained by the use of the Preliminary Notice of Default set forth in exhibits 5A–76.112 and 5A–76.113, as appropriate. The contracting officer should, in addition to sending this notice, utilize whatever other sources may be available to obtain information concerning the cause of the default. If the information obtained does not show any basis for excusing the default or if no information is furnished within the time prescribed by the Preliminary Notice (or such additional time as the contracting officer may wish to allow), a Notice of Termination substantially as set forth in exhibit 5A–76.114 should be sent to the contractor. If the information obtained, while not conclusive, indicates that the default may be excusable but it is nevertheless considered necessary to terminate the contract, then use exhibit 5A–76.108 or 5A–76.109, realizing that in the last analysis excess costs may not in fact be chargeable to the contractor.

(b) *Termination pursuant to subparagraph (a)(ii) of the Default clause.* (1) Termination under subparagraph (a)(ii) of the Default clause (see §§ 1–8.602–3(b) and 1–8.707) may be based upon a failure by the contractor to comply with any provision of the contract (other than delivery or performance time) or upon a contractor's failure to make progress so as to endanger performance of the contract.

(2) In all cases, a preliminary notice, allowing at least ten days to cure the default, must be furnished to the contractor. The introductory paragraphs should identify the contract in question and provide a clear and concise statement of the exact provisions thereof which the contractor has failed to meet or the basis upon which the contracting officer has determined that the contractor is failing to make progress. The extent of detail to be included will vary depending upon the amount of previous correspondence with the supplier. However, where reliance is placed on such previous correspondence it should be specifically referenced in the notice. Succeeding paragraphs of the notice should be substantially as set forth in exhibit 5A–76.115.

(3) If the default is not cured within the prescribed time, a Notice of Termination such as that set forth in exhibit 5A–76.116 should be sent to the contractor. The introductory paragraphs should refer to the preliminary notice and set forth the basis for the termination action.

(4) As in the case of termination under subparagraph (a)(i) of the Default clause, a contract (or orders) may be terminated even though the default arose out of causes beyond the control and without the fault or negligence of the contractor. If such action is determined to be in the best interest of the Government a Notice of Termination such as that set forth in exhibit 5A–76.117 should be furnished to the contractor.

§ 5A–8.602–4 Procedure in lieu of termination for default.

(a) Where it is determined to be in the best interest of the Government to extend a delivery schedule rather than take termination for default action, the following procedure shall be used. However, it must be clearly understood that use of this procedure is a limited alternative course of action, and is not a policy for circumventing termination for default procedures.

(b) The following are circumstances which make it practical and in the best interests of the Government for a contracting officer to extend a delivery date, in lieu of taking termination for default action against a contractor who is in default:

(1) The supplies are not available from alternative sources; or

(2) Termination and repurchase action will unduly delay the receipt of urgently needed supplies.

(c) Delivery schedules may be revised only when an equitable consideration is obtainable. Consideration will be in the form of:

(1) Reduction in the contract price; or

(2) Improvement in the terms of the contract which will provide the Government with an advantage not previously called for by the basic contract.

(d) In determining consideration, the following factors should be evaluated to the extent information is available:

(1) The probable reduction in bid prices if the delivery period as extended had been called for in the IFB;

(2) The probable damages suffered by the Government because of the delay; and

(3) The value of the extension to the contractor in terms of:

(i) Savings in contract performance; and

(ii) Potential damages if default action had been taken.

(e) No precise formula can be developed for determining the consideration which should be obtained in all cases. This is a matter of individual judgment and can only be handled on a case-by-case basis. Delivery schedules shall be extended only when the consideration obtainable is realistic and equitable under the existing circumstances, and is of such significance as to clearly substantiate the fact that it is the policy of the Government to protect the integrity of the competitive bidding system by insisting on timely contract performance.

§ 5A–8.602–6 Repurchase against contractor's account.

(a) After issuance of the notice of termination in accordance with §§ 1–8.602–3, 5–8.602–3 and 5A–8.602–3, contracting officers taking repurchase action against a defaulting contractor shall proceed as follows:

(1) Repurchase action shall be taken as promptly as possible. This is particularly important whenever supply effectiveness has been or will be impaired as a result of the default. Unjustified delays may also jeopardize the Government's rights to recover excess costs. Where delay in taking repurchase action is unavoidable, such delay must be reasonable and be supported by existing circumstances.

(2) Pursuant to paragraph (b) of the Default clause, the Government may repurchase supplies or services similar to those terminated. Normally, repurchase action shall be taken on the basis of the original Invitation to Bid, Terms, and Conditions and identical specifications under which the contractor defaulted. If acceptable offers on this basis cannot be obtained, "similar" items may be procured under specifications which will substantially satisfy the original requirement. Advice of counsel should be obtained before soliciting bids for "similar" supplies and services.

(3) Consumate the repurchase in a manner that will assure meeting the obligation of the Government to act reasonably to minimize damages.

(b) The following instructions are applicable with respect to local regional contracts where only the regional contracting activity places purchase orders under the contract. After issuance of the notice of termination in accordance with §§ 1–8.602–3, 5–8.602–3, and 5A–8.602–3 the contracting officer shall:

(1) Prepare a purchase order to the repurchase contractor under usual procedures and enter the following statement on all but the original copy of the repurchase order:

Purchased against the account of (name of defaulted contractor), Contract No. ____ Purchase Order No. _____.

(2) Prepare notice of repurchase against contractor's account, substantially in the form prescribed in § 5A–76.118, and in the same number of copies as the purchase order. The notice containing the following information shall be forwarded to the defaulted contractor. Distribution of the notice shall be in accordance with § 5A–76.201.

(i) The name and address of the contractor from whom repurchase was made shall be entered on all copies except the original of the notice of repurchase.

(ii) The item description, unit, unit price, total quantity and total cost.

(iii) The contract and/or purchase order number(s) covering the repurchase.

(iv) Total dollar amount of the excess costs to be charged against the defaulted contractor's account.

(c) The following instructions are applicable with respect to requirements under national or zone type contracts, where several regional ordering activities place purchase orders under the contract. After the pertinent termination notice has been issued by the national or zone contracting officer in accordance with §§ 1–8.602–3, 5–8.602–3, and 5A–8.602–3:

(1) The national or zone contracting officer shall:

(i) Except in unusual cases, such as where local purchase must be authorized to meet exigency situations, handle all aspects of the termination and repurchase action (see § 5–8.601) except actual issuance of the delivery orders under the replacement contract (repurchase action under Federal Supply Schedule Contracts is covered by FPMR 101–26.403–5).

(ii) On the basis of available information prepare a Contract Summary (GSA Form 1584), make distribution in accordance with § 5A–76.201 and provide the ordering activity with information pertinent to the repurchase action. The summary shall be prepared in accordance with § 5A–72.105–23 and contain an appropriate statement substantially as shown in (A) or (B), below, depending upon whether individual purchase orders are terminated or a contract is being terminated:

(A) Contract _____ dated _____ replaces Contract _____ dated _____ insofar as Purchase Order No. _____ dated _____ and Purchase Order No. _____ dated _____ is (are) concerned.

Delivery orders placed under this repurchase contract shall include the following statement on all purchase order copies except the original:

Purchased against the account of (name of defaulted contractor), Contract No. _____ Purchase Order No.(s) _____.

(B) Contract _____ dated _____ replaces Contract _____ dated _____ placed with (firm name) and delivery orders placed under this repurchase contract shall include the following statement on all copies except the original:

Purchased against the account of (name of defaulted contractor), Contract No. _____ Purchase Order No.(s) _____.

(iii) Upon being furnished purchase order issuance information by the ordering office (see (2)(ii), below), prepare notice of repurchase against the defaulted contractor's account, substantially in the form prescribed in § 5A–76.118. The repurchase notice containing the following information shall be forwarded to the defaulted contractor. Distribution shall be in accordance with § 5A–76.201.

(*a*) Place the name and address of the contractor from whom repurchase was made on all copies but the original of the notice of repurchase.

(*b*) Provide the item description, unit, unit price, total quantity and total cost.

(*c*) Provide the contract and/or purchase order number(s) covering the repurchase.

(*d*) Show the total dollar amount of the excess costs to be charged against the defaulted contractor's account.

(2) Ordering offices, where national or zone type contracts are involved shall:

(i) Promptly upon receipt of the Contract Summary (GSA Form 1584), prepare a purchase order in accordance with usual procedures. Include the following information, and statement on all but the original copy of the repurchase order, and make distribution in accordance with § 5A–76.201:

Purchased against the account of (Name of defaulted contractor), Contract No. _____ Purchase Order No. _____.

(ii) Upon issue of a purchase order, using the information provided on GSA Form 1584, promptly furnish the national or zone contracting officer with the following:

(a) Copy of the purchase order issued.
(b) The dollar amount of the excess costs to be charged against the defaulted contractor's account.

Subpart 5A–8.7—Clauses

§ 5A–8.700–2 Applicability.

(a) It has been determined as a matter of general policy that appropriate Termination for Convenience Clauses shall be included in all FSS contracts exceeding $2,500 in amount as follows:
(1) For fixed-price contracts expected to exceed $2,500 but not expected to exceed $10,000, the "short-form" clause prescribed in § 1–8.705–1 shall be used.
(2) For fixed-price contracts expected to exceed $10,000, the "long-form" clause prescribed in § 1–8.701 shall be used.
(3) For fixed-price contracts for services, where it is not intended that a termination claim will be made in the event of termination for convenience of the Government, pursuant to § 1–8.700–2(a)(2), the "short-form" clause prescribed in § 1–8.705–1 may be used regardless of the amount of the contract.
(4) For cost-reimbursement type contracts, the clause set forth in § 1–8.702 shall be used.
(5) For research and development contracts with educational and other nonprofit institutions, the clause prescribed in § 1–8.704–1 shall be used.
(b) To reduce administrative costs, the "long-form" Termination for Convenience Clause, which is expected to be used most frequently (i.e., the clause prescribed in § 1–8.701), has been preprinted on a separate form (GSA Form 2313, illustrated at § 5A–16.950–2313) and may be incorporated by reference in the same manner as prescribed in § 5A–2.201–70(e) for GSA Form 1424.

PART 5A–11—FEDERAL, STATE, AND LOCAL TAXES

Subpart 5A–11.2—Exemptions From Federal Excise Taxes

Sec.
5A–11.270 Federal excise taxes.

Subpart 5A–11.4—Contract Clauses

5A–11.401 Fixed-price type contracts.
5A–11.401–70 Federal, State, and local taxes—small purchases.
5A–11.401–71 State and local motor fuel taxes—bulk deliveries.
5A–11.401–72 Federal excise taxes—D.C. Government.

Subpart 5A–11.5—Tax Exemption Forms

5A–11.501–1 Certificate of export to a possession or to Puerto Rico.

Subpart 5A–11.2—Exemptions From Federal Excise Taxes

§ 5A–11.270 Federal excise taxes.

Exemption from Federal excise taxes (see §§ 1–11.201 and 202) shall be claimed, as provided below, when exportation or shipment to a possession of the United States or Puerto Rico is intended to follow in not more than 6 months after title passes to the Government.
(a) Except when a contract is made on behalf of AID and the GSA Form 1246, Special Program Bidding Terms and Contract Provisions, is used as provided in § 5A–2.201–70(f), definite quantity contracts for nonstores items shall provide for the price to be exclusive of any Federal excise tax only if it is estimated that the amount of the tax will exceed $200. When making a definite quantity contract and it is estimated that the amount of the Federal excise tax will exceed $200, the clause set forth in § 1–11.401–3(b) shall be used.
(b) Purchase orders placed against Federal Supply Schedule contracts shall be written exclusive of Federal excise tax only if the amount of the tax exceeds $200.

Subpart 5A–11.4—Contract Clauses

§ 5A–11.401 Fixed-price type contracts.

§ 5A–11.401–70 Federal, State, and local taxes—small purchases.

The following clause for use in consumating small purchases negotiated pursuant to 41 U.S.C. 252(c)(3), is prescribed for printing on the reverse of copies 1 and 5 of GSA Form 300, Purchase Order, and on the reverse of GSA Form 2097, Request, Offer, Acceptance, and Receipt.

FEDERAL, STATE, AND LOCAL TAXES

The contract price includes all applicable Federal, State, and local taxes. No adjustment will be made to cover taxes which may subsequently be imposed on this transaction or changes in the rates of currently applicable taxes. However, the Government will, upon the request of the contractor, furnish evidence appropriate to establish exemption from any tax from which the Government is exempt and which was not included in the contract price.

§ 5A–11.401–71 State and local motor fuel taxes—bulk deliveries.

The following clause shall be inserted in invitations for bid covering the purchase of motor fuel for bulk delivery:

STATE AND LOCAL TAXES

(a) Paragraph (b) of Article 38, Supplemental Provisions (Supply Contract), GSA Form 1424, is amended by adding the words "or any State or local motor fuel tax measured by volume" immediately following the phrase "Federal excise tax or duty", in each place in which it appears.
(b) Article 38 of the Supplemental Provisions requires, among other things, that all applicable State and local motor fuel taxes be included in the contract price. Such taxes should be considered applicable even though partial exemptions, based, for example, on the size of a single delivery, are available. However, where any particular delivery is exempt from the tax, the amount of such tax must be deducted from invoices.
(c) Where exemption certificates or other evidence is required to support exemptions from State or local taxes, invoices must set forth the amount of each tax from which an exemption is to be claimed. A separate tax exemption certificate or other evidence will be furnished with respect to each taxing jurisdiction.
(d) Exemption certificates or other evidence will not be furnished, however, if the total tax due to any taxing jurisdiction on sales covered by the invoice is 1 dollar or less. In such cases, ordering agencies will pay the amount of the tax.

§ 5A–11.401–72 Federal excise taxes—D.C. Government.

The clause prescribed below shall be inserted in all formally advertised and negotiated contracts:

FEDERAL EXCISE TAXES—D.C. GOVERNMENT

The District of Columbia Government is exempt from and will not pay Federal excise taxes. Contractors will bill shipments to the District of Columbia at prices exclusive of such excise tax and show the amount of such tax on the invoice. The Internal Revenue Tax Exemption Certificate Number will be shown on all District of Columbia Government purchase orders.

Subpart 5A–11.5—Tax Exemption Forms

§ 5A–11.501–1 Certificate of export to a possession or to Puerto Rico.

(a) Where purchases are made exclusive of Federal excise taxes, the purchase order shall contain the words "For Export or Shipment to a Possession" typed or stamped on the first page of the order. When requested by the contractor, proof of exportation or shipment to a possession shall be furnished in the form of a certificate similar to that in § 1–11.501–1.
(b) Only authorized persons designated by the Commissioner, Federal Supply Service, shall execute certificates required in (a), above. (See Delegations of Authority Manual, 7–201 (transmitted by FSS P 5450.21) and 7–67k (transmitted by FSS P 5450.20).)

PART 5A–12—LABOR

Subpart 5A–12.2—Convict Labor

Sec.
5A–12.203 Contract clause.

Subpart 5A–12.3—Eight-Hour Law of 1912

5A–12.303–1 Clause for general use.

Subpart 5A–12.6—Walsh-Healey Public Contracts Act

5A–12.604 Contract clause.

Subpart 5A–12.2—Convict Labor

§ 5A–12.203 Contract clause.

The contract clause contained in § 1–12.203 is set forth as article 15 of Standard Form 32, General Provisions.

Subpart 5A–12.3—Eight-Hour Law of 1912

§ 5A–12.303–1 Clause for general use.

The contract clause contained in § 1–12.303–1 is set forth as article 16 of Standard Form 32, General Provisions.

Subpart 5A–12.6—Walsh-Healey Public Contracts Act

§ 5A–12.604 Contract clause.

The contract clause contained in § 1–12.604 is set forth as article 17 of Standard Form 32, General Provisions.

PART 5A–14—INSPECTION AND ACCEPTANCE

Subpart 5A–14.1—[Reserved]

Subpart 5A–14.2—Acceptance

Sec.
5A–14.203 Point of acceptance.
5A–14.206 Acceptance of supplies or services not conforming with contract requirements.

Subpart 5A–14.2—Acceptance

§ 5A–14.203 Point of acceptance.

(a) To implement the requirements of § 1–14.203, each invitation for bids or solicitation for offers on contracts for supplies shall contain the following clause:

POINT OF ACCEPTANCE

Acceptance shall be at the delivery point specified in this contract.

(b) The clause in (a), above, is not appropriate for use in contracts for services. However, each contract for services shall clearly define the manner in which the Government will give final approval to specific services rendered as partial or complete performance of the contract.

§ 5A–14.206 Acceptance of supplies or services not conforming with contract requirements.

(a) Contracting officers shall follow the guidelines prescribed in FPR 1–14.2 in those cases where they must determine the advisability of accepting supplies or services which do not conform with contract (specification) requirements.

(b) If the contracting officer or his authorized representative determines that acceptance of nonconforming supplies or services is in the Government's best interest, and a significant deviation as defined in FPR 1–14.206 is involved, a request for deviation shall be processed through the Office of Standards and Quality Control. Requests for deviation shall contain (1) a copy of the pertinent specification and Invitation For Bids, (2) the basic reason(s) why the item does not conform to contract requirements, (3) a statement as to whether or not a similar deficiency was the basis for rejection of an otherwise low bid received on the same Invitation For Bid, and (4) the reasons why it is in the best interest of the Government to accept the nonconforming item(s). However, requests in which urgency of acceptance is a factor shall be handled by telephone or other expeditious means. (Regional requests shall be channeled through the appropriate POD Commodity Branch.) If the deviation is concurred in, contracting officers shall conduct final negotiations with the contractor to arrive at a price reduction which is equitable under the circumstances. If the Standardization Division recommends that a deviation not be granted but the Procurement Operations Division believes that granting the deviation is essential to maintain continuity of supply, the matter shall be referred to the Assistant Commissioner for Procurement, who will determine the action to be taken jointly with the Assistant Commissioner for Standards and Quality Control.

(c) Except for very unusual circumstances, contracting officers shall not accept nonconforming supplies or services if the deviation constituting nonconformance is similar to a deviation which was the basis for rejection of an otherwise low bid received on the same Invitation For Bid.

PART 5A–16—PROCUREMENT FORMS

Sec.
5A–16.000 Scope of part.
5A–16.001 Changes in prescribed forms.

Subpart 5A–16.9—Illustrations of Forms

5A–16.901–1094 Standard Form 1094, U.S. Government Tax Exemption Certificate.
5A–16.950–72 GSA Form 72, Contractor's Report of Orders Received.
5A–16.950–102(FL) GSA Form 102(FL), Delinquent Report of Orders Received.
5A–16.950–103(FL) GSA Form 103(FL), Transmittal of Contract Award and GSA Form 72.
5A–16.950–191 GSA Form 191, Acknowledgment—Purchase Authority Control.
5A–16.950–231 GSA Form 231, Extract of Agency Order.
5A–16.950–289 GSA Form 289, Abstract of Bids.
5A–16.950–289a GSA Form 289a, Abstract of Bids (Continued).
5A–16.950–300 GSA Form 300, Purchase Order.
5A–16.950–300a GSA Form 300a, Purchase Order (Continuation Sheet).
5A–16.950–301 GSA Form 301, Direct Delivery Invoice.
5A–16.950–301a GSA Form 301a, Direct Delivery Invoice (Continuation Sheet).
5A–16.950–338 GSA Form 338, Buying Operations Report.
5A–16.950–364 GSA Form 364, Purchase Order.
5A–16.950–457 GSA Form 457, Request for Federal Supply Schedules and Contractors' Catalog (Including Pricelists).
5A–16.950–1056 GSA Form 1056, Notice of Shipment.
5A–16.950–1057 GSA Form 1057, Expedite Request-Reply.
5A–16.950–1075 GSA Form 1075, Transmittal Purchase Case Files.
5A–16.950–1081 GSA Form 1081, Record of Bid Opening.
5A–16.950–1211 GSA Form 1211, Price Economies—Purchase Programs.
5A–16.950–1212 GSA Form 1212, Comparative Price Study—Stock Replenishment Programs.
5A–16.950–1227 GSA Form 1227, Contractor's Report of Orders Received and Shipments Made.
5A–16.950–1246 GSA Form 1246, Special Program Bidding Terms and Contract Provisions.
5A–16.950–1308(FL) GSA Form 1308(FL), Advance Notice of Award re Federal Supply Schedule Catalogs and Pricelists.
5A–16.950–1325(FL) GSA Form 1325(FL), Advice to Federal Supply Schedule Contractors re Catalogs and Pricelists.
5A–16.950–1378 GSA Form 1378, Record of, and Receipt for, Bids and Responses.
5A–16.950–1400 GSA Form 1400, Guide for Marking Shipments.
5A–16.950–1424 GSA Form 1424, Supplemental Provisions (Supply Contract).
5A–16.950–1430 GSA Form 1430, GSA Stores Direct Delivery Order.
5A–16.950–1447 GSA Form 1447, Review Committee—Procurement Case Summary.
5A–16.950–1448 GSA Form 1448, Notice of Labor Surplus Area Set-Aside.
5A–16.950–1504(FM) GSA Form 1504(FM), Review of Invitations and Solicitations.
5A–16.950–1535 GSA Form 1535, Request for Approval of Awards.
5A–16.950–1584 GSA Form 1584, Contract Summary.
5A–16.950–1584A GSA Form 1584A, Contract Summary—Continuation Sheet.
5A–16.950–1602 GSA Form 1602, Transmittal Sheet for Invitations for Bids and Solicitation for Offers.
5A–16.950–1719 GSA Form 1719, Guaranteed Quantity Data.
5A–16.950–1774 GSA Form 1774, Request for Additional Funds and/or Information.
5A–16.950–1797 GSA Form 1797, Basic Cover Sheet for Federal Supply Schedules, Amendments and Cross-Reference Sheets.
5A–16.950–1797 GSA Form 1797, Sample Schedule Cover.
5A–16.950–1797 GSA Form 1797, Sample Cross-Reference Sheet Cover.
5A–16.950–1797 GSA Form 1797, Sample Amendment Cover.
5A–16.950–1955 GSA Form 1955, Cover for Term Contract Ordering Data.
5A–16.950–2009 GSA Form 2009, Small Purchase Source List.
5A–16.950–2010 GSA Form 2010, Tabulation Sheet (Informal Purchases).
5A–16.950–2097 GSA Form 2097, Request, Offer, Acceptance, and Receipt.
5A–16.950–2097A GSA Form 2097A, Request, Offer, Acceptance, and Receipt—Continuation Sheet.
5A–16.950–2098 GSA Form 2098, Information and Instructions to Offerors.
5A–16.950–2112 GSA Form 2112, Proposed Award to Other Than Low Bidder.
5A–16.950–2139 GSA Form 2139, Request for Federal Supply Schedule Issuance Requirements.
5A–16.950–2172 GSA Form 2172, Procurement Source Document.
5A–16.950–2313 GSA Form 2313, Termination for convenience of the Government.

NOTE: The forms identified in this Part 5A–16 are filed with the original document, except GSA Form 1424 (§ 5A–16.1424), which is filed and is published herein. Copies of the forms or the illustrations thereof are available from Federal Supply Service, GSA, 18th and F Streets NW., Washington, D.C. 20405 (Code FPP).

§ 5A–16.000 Scope of part.

This part contains illustrations of selected forms used in FSS procurement and sets forth the conditions which permit changes in prescribed forms.

§ 5A–16.001 Changes in prescribed forms.

(a) No deletion, modification, or other deviation in prescribed forms shall be permitted except as provided in this Chapter 5A in connection with the use of such forms, or without the prior approval of the Director, Program Management Division, who shall secure such higher approvals as may be necessary

(b) Additional terms, conditions, and provisions considered by the buying activity to be essential to its making of advertised or negotiated supply contracts may be used provided they are not inconsistent with those in prescribed forms. However, additional terms and provisions designed merely to clarify the provisions of such prescribed forms should not be used. Where it is found that bidders or contractors regularly misinterpret or have difficulty in understanding particular provisions of such forms, the Director, Program Management Division, shall be advised. There is no objection to brief statements in invitations directing attention of bidders to specific provisions of the prescribed forms which are par-

ticularly applicable to the type of procurement involved. However, this technique should be used sparingly and judiciously.

§ 5A–16.950–1424 GSA Form 1424, Supplemental Provisions (Supply Contracts).

(a) Page 1 of GSA Form 1424.

GSA FORM 1424
SEPTEMBER 1964
GENERAL SERVICES ADMINISTRATION
FEDERAL SUPPLY SERVICE

SUPPLEMENTAL PROVISIONS

(Supply Contract)

USE OF THESE PROVISIONS

The "Supplemental Provisions" set forth in this form include changes, deletions and/or additions to the "General Provisions (Supply Contract)," Standard Form 32, June 1964 edition. Both the "Supplemental Provisions" and the "General Provisions" are incorporated by reference in the "Invitation, Bid, and Award." The "Supplemental Provisions" which follow are those recurrently used in most Federal Supply Service contracts. It should be noted that some of these provisions are self-deleting under certain conditions.

PART I

This part modifies similarly numbered clauses which are included in the June 1964 edition of Standard Form 32.

2. CHANGES

DELIVERY OPTIONS AND ADJUSTMENTS IN TRANSPORTATION COSTS

(Applicable except as to Federal Supply Schedule Contracts.) Within the scope of Article 2 of the General Provisions (Supply Contract), Standard Form 32, the right is reserved by the Government at its option to:

(a) Direct deliveries to destinations or to consignees other than those originally named in the contract for any part or all of the quantities originally stipulated in the contract;

(b) Direct shipments in quantities which will require a differential in rates from those on which the contract prices are based; and

(c) Direct the Contractor to ship by a mode of transportation other than stipulated in the contract.

The rights reserved above may be exercised with respect to individual orders by any office authorized to place orders under the contract. Shipments shall be made at the lowest possible cost commensurate with the type of service required. In such cases, the Contractor shall deduct from his invoice the transportation charges which would have applied under the original contract, and shall add the transportation charges for deliveries actually made. Transportation charges will, in all cases, be based upon the lowest regularly established rates on file with the Interstate Commerce Commission, the U.S. Maritime Commission, any State Regulatory Body, or Legal Contract Carrier Rates provided a certified copy of such Legal Contract Carrier Rates is on file with this Administration or accompanies the Contractor's invoice for payment. In these cases contractors shall invoice for reimbursement of the transportation charges as a separate item which shall be supported by paid freight bills or express receipts when the amount thereof is in excess of $25.

4. VARIATION IN QUANTITY

(a) Deliveries to GSA Supply Depots.—On deliveries of stock replenishment merchandise to GSA supply depots, variation in quantity caused by the conditions set forth in Article 4, General Provisions (Supply Contract), Standard Form 32, will be accepted only to the extent they do not exceed 10 percent of the quantity called for in an order.

(b) Deliveries Under Federal Supply Schedule Contracts.—Unless otherwise specified by an ordering activity, any variation in the quantities called for in an order not exceeding 10 percent, will be accepted, when caused by the conditions set forth in Article 4, General Provisions (Supply Contract), Standard Form 32.

(c) Direct Deliveries to Ordering Agencies Under Other Than Federal Supply Schedule Contracts.—No variation in quantities will be permitted unless otherwise provided in the contract or orders issued thereunder.

5. INSPECTION

(a) Additional Cost Of Inspection And Testing.

The Contractor will be charged for any additional costs of Government inspection and test when (1) supplies are not ready at the time such inspection and test is requested by the Contractor, or (2) when reinspection or retest is necessitated by prior rejection. See Article 5(c) of the General Provisions (Supply Contract), Standard Form 32. When inspection and test is performed by or under the direction of the General Services Administration, the method of charge shall be as in (i) and (ii), below. When inspection is performed by or under the direction of any agency other than the General Services Administration, the method of charge provided in (i) below may be used or such agency may assess the actual costs of the inspection.

(i) *Inspection Charges.*—Charges for any inspection resulting in additional cost to the Government (including time lost as a result of (1), above), will be determined at a rate of $3 per man-hour when such inspection is performed at a GSA supply depot, or at a rate of $6 per man-hour when such inspection is performed at a location other than a GSA supply depot.

(ii) *Testing Charges.*—Charges for any testing which results in additional cost to the Government will depend on the type of commodity and the extent of testing required. The Contracting Officer shall, upon request, inform the Contractor of test charges involved when testing will be performed by a Federal Supply Service testing laboratory. When a testing facility other than a Federal Supply Service laboratory performs all or part of the required tests, the Contractor shall be assessed the actual amount of the costs incurred by the Government as a result of testing in such a facility.

(b) *Contractor Inspection Responsibility.* The inspection system required to be maintained by the Contractor under paragraph (c) of Article 5 of the General Provisions may be the Contractor's own facilities or any other inspection facilities or services acceptable to the Government. It shall be utilized to perform all inspection and tests of materials and components prior to incorporation into end articles and for such end articles prior to offering the end articles for delivery under the contract. The right is reserved to the Government to evaluate the acceptability and effectiveness of the Contractor's inspection system prior to award and periodically during the contract period. In no event shall the Government's right to inspect and test completely any and all lots offered for delivery under the contract be waived.

Failure of the Contractor to maintain an acceptable inspection system as provided in Article 5(c) and in this clause may result in termination of the contract under Article 11 of the General Provisions.

(c) Acceptance/Inspection Documents.

The Government reserves the right to require the Contractor to prepare and distribute Acceptance and Inspection documents as follows: (i) DD Form 250, Material Inspection and Receiving Report, for deliveries to military agencies, or (ii) GSA Form 308, Notice of Inspection, when deliveries to GSA or other civilian agencies are inspected by GSA at origin. When required, the Contractor will be furnished a supply of GSA Form 308 and/or the DD Form 250 and complete instructions for their accomplishment and distribution.

6. RESPONSIBILITY FOR SUPPLIES

As provided in Article 6, General Provisions (Supply Contract), Standard Form 32, the Contractor shall bear all risks as to rejected supplies after notice of rejection. The Contractor shall be liable for all costs, including but not limited to storage costs, incurred by the Government in taking such measures as are expedient to save unnecessary loss to the Contractor. Should the Contractor upon due notice fail to remove or provide instructions for the removal of such rejected supplies within the period specified by the Government, the supplies may be sold to the highest bidder on the open market and the proceeds shall be applied against the accumulated storage and other costs, including costs of the sale.

8. ASSIGNMENT OF CLAIMS

If the contract is for an indefinite quantity, Article 8(a), General Provisions (Supply Contract), Standard Form 32, is inapplicable and the following is substituted therefor:

"In order to prevent confusion and delay in making payment, no claim or claims for all moneys due or to become due under this contract shall be assigned by the Contractor; but it shall be permissible for the Contractor to assign separately to a bank, trust company, or other financing institution, including any Federal lending agency, in accordance with the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S.C. 203, 41 U.S.C. 15), all moneys due or to become due under any particular purchase order amounting to $1,000 or more issued by any Government activity or agency under this contract. Any such assignment shall be effective only if and when the assignee thereof shall file written notice of the assignment together with a true copy of the instrument of assignment with the officer issuing such purchase order, in addition to complying with the filing requirements set forth in clause 4 of the proviso in said Act, as amended. Notwithstanding any other provisions of this contract, payments to an assignee of any moneys due or to become due under any purchase order assigned as provided herein shall not, to the extent provided in said Act, as amended, be subject to reduction or set-off."

10. EXAMINATION OF RECORDS

With respect to Article 10 of the General Provisions (Supply Contract), Standard Form 32, the Contractor agrees that all the rights granted thereunder to the Comptroller General of the United States or his duly authorized representative shall also extend to the Administrator of General Services or his duly authorized representative.

11. DEFAULT

In addition to Article 11, General Provisions (Supply Contract), Standard Form 32, the following shall apply with respect to Federal Supply Schedule contracts only:

(a) When the Contracting Officer has terminated the right of a Contractor to proceed with all further deliveries, thereafter Government agencies and activities required to use the contract as a primary source of supply, may purchase in accordance with prescribed procedures the articles or services covered by the termination without furnishing the defaulting Contractor orders therefor, and any excess cost over the original contract price shall be charged to the defaulting Contractor and his sureties (if any): *Provided*, That the default resulting in the termination was not excusable under subparagraph (c) of Article 11 of the General Provisions. This subparagraph shall also apply to each order accepted by the Contractor from an activity not required to use the contracts as a primary source of supply but permitted under the contract to place orders subject to acceptance by the Contractor.

(b) Any ordering office may, in respect to any one or more purchase orders placed by it under the contract, exercise the same right of termination, acceptance of inferior articles or services, and assessment of excess cost as might the Contracting Officer, except that when failure to deliver articles or services is alleged by the Contractor to be excusable, the determination of whether the failure is excusable shall be made only by the Contracting Officer of the General Services Administration, to whom such allegation shall be referred by the ordering office and from whose determination appeal may be taken as provided in the clauses of this contract entitled "Disputes."

(b) Page 2 of GSA Form 1424.

PART II

This part includes additional provisions beyond the 22 clauses set forth in Standard Form 32

23. COPIES OF GOVERNMENT SPECIFICATIONS AND STANDARDS

The Government specifications or Standards, if any, applicable to each article is stated in the Invitation for Bids in connection with the general description of the article. Copies of referenced Federal or Interim Federal Specifications or Standards are available without charge at the General Services Administration Business Service Centers in Boston; New York; Washington, D. C.; Atlanta; Chicago; Kansas City, Mo.; Dallas; Denver; San Francisco; Los Angeles; and Seattle. Military Specifications, Military Qualified Products Lists and Joint Army-Navy Specifications may be obtained from: Commanding Officer, U. S. Naval Supply Depot, 5801 Tabor Avenue, Philadelphia, Pennsylvania 19120, Attention: Code CDS. If other specifications or standards are applicable, the Invitation for Bids will state where copies of such specifications or standards may be obtained.

24. GOVERNMENT-SPECIFIED BRAND NAMES

(As used in this clause, the term "brand name" includes identification of products by make and model.)

(a) If items called for by the Invitation for Bids have been identified in the schedule by a "brand name or equal" description, such identification is intended to be descriptive, but not restrictive, and is to indicate the quality and characteristics of products that will be satisfactory. Bids offering "equal" products will be considered for award if such products are clearly identified in the bids and are determined by the Government to be equal in all material respects to the brand name products referenced in the Invitation for Bids.

(b) Unless the bidder clearly indicates in his bid that he is offering an "equal" product, his bid shall be considered as offering a brand name product referenced in the Invitation for Bids.

(c) (1) If the bidder proposes to furnish an "equal" product, the brand name, if any, of the product to be furnished shall be inserted in the space provided in the Invitation for Bids, or such product shall be otherwise clearly identified in the bid. The evaluation of bids and the determination as to equality of the product offered shall be the responsibility of the Government and will be based on information furnished by the bidder or identified in his bid as well as other information reasonably available to the purchasing activity. *CAUTION TO BIDDERS.* The purchasing activity is not responsible for locating or securing any information which is not identified in the bid and reasonably available to the purchasing activity. Accordingly, to insure that sufficient information is available, the bidder must furnish as a part of his bid all descriptive material (such as cuts, illustrations, drawings, or other information) necessary for the purchasing activity to (i) determine whether the product offered meets the requirements of the Invitation for Bids and (ii) establish exactly what the bidder proposes to furnish and what the Government would be binding itself to purchase by making an award. The information furnished may include specific references to information previously furnished or to information otherwise available to the purchasing activity.

(2) If the bidder proposes to modify a product so as to make it conform to the requirements of the Invitation for Bids, he shall (i) include in his bid a clear description of such proposed modifications and (ii) clearly mark any descriptive material to show the proposed modifications.

(3) Modifications proposed after bid opening to make a product conform to a brand name product referenced in the Invitation for Bids will not be considered.

25. BIDDER-SPECIFIED BRAND NAMES

Where detailed specifications are shown or referred to in the Invitation for Bids, insertion of brand names and numbers by the bidder will, unless otherwise stated by the bidder, be understood to mean that the articles so offered fully comply with the specification requirements.

26. UNSOLICITED SAMPLES

If bid samples are not required by the Invitation for Bids, but samples are furnished with a bid, they will not be considered as qualifying the bid, and will be disregarded, unless it is clear from the bid or accompanying papers that it was the bidder's intention so to qualify the bid.

27. "ALL OR NONE" BIDS

(Applicable to indefinite quantity invitations only.) Except to the extent that an Invitation for Bids provides for aggregate awards, a bid submitted on an "all or none" type of bid basis (or any other basis on which award of one item is predicated upon award of another) will not be considered, unless the bid is low on each item to which the "all or none" bid is made applicable. For the purpose of this provision, each unit price will be considered an item.

28. DELIVERIES BEYOND THE CONTRACTUAL PERIOD—PLACING OF ORDERS

(Applicable to indefinite quantity contracts only.) In accordance with the Scope of Contract clause, this contract covers all requirements that may be ordered, as distinguished from delivered, during the contract term. This is for the purpose of providing continuity of supply by permitting ordering activities to place orders as requirements arise in the normal course of supply operations. Accordingly, any order mailed (or received, if forwarded by other means than through the mail) to the Contractor on or before the

(c) Page 3 of Form 1424.

expiration date of the contract, and providing for delivery within the number of days specified in the contract, shall constitute a valid order.

29. NOTICE OF SHIPMENT

If specified in an order submitted under the contract, the Contractor shall, at the time each shipment is made on such order, furnish a notice of shipment to either the consignee or the ordering office or both, as specified. This requirement may be satisfied by completion and return of appropriate forms furnished by the ordering office or by the furnishing of copies of bills of lading, freight bills, packing lists, invoices, or similar documents in accordance with normal commercial practice if such document clearly identifies the order number, items and quantities shipped, date of shipment, point of origin, method of shipment and routing, and name of initial carrier.

30. PACKING LIST

A packing list or other suitable shipping document shall accompany each shipment and shall show the (i) name and address of consignor, (ii) name and address of consignee, (iii) Government purchase order number, (iv) Government bill of lading number covering the shipment, if any, and (v) description of the material shipped, including item number, quantity, number of containers, and package number, if any.

31. PRESERVATION, PACKAGING, AND PACKING

Unless otherwise specified, all articles shall be packaged in accordance with Preservation and Packaging Level C, and delivered in accordance with Packing Level C, both as defined in Federal Standard 102. Where special or unusual packing for domestic or export shipment is specified in an order but not specifically provided for by contract, such packing details must be the subject of an agreement independently arrived at between the ordering agency and the Contractor.

32. MARKING PROVISIONS

(a) Deliveries to Civilian Agencies.—Marking of exterior shipping containers shall be in strict accordance with Federal Standard 123, and shall include the Purchase Order number. Marking for unit and intermediate containers and special markings, if any, shall be as otherwise provided in the contract or as stated in purchase orders issued under the contract, all within the scope of the applicable provisions of Federal Standard 123. GSA Form 1450, Guide for Marking Shipments, illustrates the principal marking requirements of Federal Standard 123. Copies of GSA Form 1450 and Federal Standard 123 may be obtained from the office issuing the invitation or as provided in the provision entitled "Copies of Specifications and Federal Standards."

(b) Deliveries to Military Agencies.—Marking of shipments for delivery to military agencies shall be as otherwise specified in the contract or in purchase orders issued under the contract, but if not so specified, the exterior shipping containers shall be marked in accordance with Military Standard 129C.

(c) Improperly Marked Material.—(1) *Delivery to GSA Supply Depots.*—In the event any shipment delivered to a GSA supply depot is not marked in accordance with the contract requirements, the Government shall have the right, without prior notice to the Contractor, notwithstanding Article 5 of the General Provisions (Supply Contract), Standard Form 32, to: (i) reject the shipment; or (ii) perform the required marking by use of Government personnel and charge the Contractor therefor at a rate of $5 per man-hour with a minimum charge of $5, or (iii) have the marking performed by an independent contractor and charge to the Contractor the cost occasioned the Government thereby. In connection with any prompt payment discount offered, time will be computed from the date of completion of such remarking services.

(2) *Delivery to Other Than GSA Supply Depots.*—Shipments delivered to other than GSA supply depots that are not marked in accordance with the contract requirements shall be subject to rejection and replacement, or correction in accordance with the provisions of Article 5(b) of the General Provisions.

33. FEDERAL HAZARDOUS SUBSTANCES LABELING ACT

Packaged items to be delivered under this contract which are of a hazardous substance and ordinarily are intended or considered to be for use as a household item, are subject to the Federal Hazardous Labeling Act, Public Law 86-613, July 12, 1960, and amendments thereto.

34. PRICE REDUCTIONS

(This Price Reductions clause is applicable only to requirements contracts and indefinite quantity contracts.) *(a)* If at any time after the date of the bid or offer the Contractor makes a general price reduction in the comparable price of any article or service covered by the contract to customers generally, an equivalent price reduction based on similar quantities and/or considerations shall apply to the contract for the duration of the contract period (or until the price is further reduced). Such price reduction shall be effective at the same time and in the same manner as the reduction in the price to customers generally. For purpose of this provision, a "general price reduction" shall mean any horizontal reduction in the price of an article or service offered (1) to Contractor's customers generally, or (2) in the Contractor's price schedule for the class of customers (i.e., wholesalers, jobbers, retailers, etc., which was used as the basis for bidding on this contract. (For purposes of determining a "general price reduction" under this clause, sales to States, including the District of Columbia, and other political subdivisions by a Contractor, or reductions in price schedules of the Contractor to such agencies, shall have no application.) An occasional sale at a lower price, or sale of distressed merchandise at a lower price, would not be considered a "general price reduction" under this provision. The Contractor shall invoice the ordering offices at such reduced prices indicating on the invoice that the reduction is pursuant to the "Price Reductions" article of the contract provisions. The contractor, in addition, shall within 10 days of any general price reduction notify the General Services Administration's Contracting Officer of such reduction by letter. Failure to do so may require termination of the contract, as provided in the "Default" clause of the General Provisions. Upon receipt of any such notice of a general price reduction all ordering offices will be duly notified by the Contracting Officer.

(b) The Contractor shall furnish, within ten days after the end of the contract period, a statement certifying either (1) that no general price reduction, as defined in *(a)* above, was made after the date of the bid or offer, or (2) if any such general price reductions were made, that, as provided in (a) above, (i) they were reported to the Contracting Officer within ten days, and (ii) ordering offices were billed at the reduced prices. Where one or more such general price reductions were made, the statement furnished by the Contractor shall include with respect to each price reduction (1) the date when notice of any such reduction was issued, (2) the effective date of the reduction, and (3) the date when the Contracting Officer was notified of any such reduction.

35. OFFER OF FORMER GOVERNMENT PROPERTY

There is no law against selling back to the Government former Government surplus property, but the General Services Administration wants to know if it is buying such surplus. Accordingly, in signing the bid, the bidder warrants, to the best of his knowledge, information, and belief, that except as otherwise expressly stated in the bid, none of the items or their components covered by the bid has been or will be acquired either directly or indirectly from any agency of the U.S. Government or from any Government-owned corporation.

36. ADVERTISING OF AWARD

The Contractor agrees not to refer to awards in connection with commercial advertising.

37. FEDERAL EXCISE TAXES—D.C. GOVERNMENT

The District of Columbia Government is exempt from and will not pay Federal excise taxes. Contractors will bill shipments to the District of Columbia at prices exclusive of such excise tax and show the amount of such tax on the invoice. The Internal Revenue Tax Exemption Certificate Number will be shown on all District of Columbia Government purchase orders.

38. FEDERAL, STATE, AND LOCAL TAXES

(a) Except as may be otherwise provided in this contract, the contract price includes all applicable Federal, State, and local taxes and duties.

(b) Nevertheless, with respect to any Federal excise tax or duty on the transactions or property covered by this contract, if a statute, court decision, written ruling, or regulation takes effect after the contract date, and—

(1) Results in the Contractor being required to pay or bear the burden of any such Federal excise tax or duty or increase in the rate thereof which would not otherwise have been payable on such transactions or property, the contract price shall be increased by the amount of such tax or duty or rate increase: *Provided*, That the Contractor if requested by the contracting officer, warrants in writing that no amount for such newly imposed Federal excise tax or duty or rate increase was included in the contract price as a contingency reserve or otherwise; or

(2) Results in the Contractor not being required to pay or bear the burden of, or in his obtaining a refund or drawback of, any such Federal excise tax or duty which would otherwise have been payable on such transactions or property or which was the basis of an increase in the contract price, the contract price shall be decreased by the amount of the relief, refund, or drawback, or that amount shall be paid to Government, as directed by the Contracting Officer. The contract price shall be similarly decreased if the Contractor, through his fault or negligence or his failure to follow instructions of the Contracting Officer, is required to pay or bear the burden of, or does not obtain a refund or drawback of, any such Federal excise tax or duty.

(c) No adjustment pursuant to paragraph (*b*) above will be made under this contract unless the aggregate amount thereof is or may reasonably be expected to be over $100.

(d) As used in paragraph (*b*) above, the term "contract date" means the date set for the bid opening, or if this is a negotiated contract, the date of this contract. As to additional supplies or services procured by modification to this contract, the term "contract date" means the date of such modification.

(e) Unless there does not exist any reasonable basis to sustain an exemption, the Government, upon request of the Contractor, without further liability, agrees, except as otherwise provided in this contract, to furnish evidence appropriate to establish exemption from any tax which the Contractor warrants in writing was established in the contract price. In addition, the Contracting Officer may furnish evidence to establish exemption from any tax that may, pursuant to this clause, give rise to either an increase or decrease in the contract price. Except as otherwise provided in this contract, evidence appropriate to establish exemption from duties will be furnished only at the direction of the Contracting Officer.

(f) The Contractor shall promptly notify the Contracting Officer of matters which will result in either an increase or decrease in the contract price, and shall take action with respect thereto as directed by the Contracting Officer.

39. GRATUITIES

(The Gratuities clause is applicable to all orders placed by or for the military departments. In subparagraphs (*a*) and (*b*), below, the term "contract" shall be deemed to refer to any order placed under this contract by or for a military department. Where the right of the Contractor to proceed with an order is terminated in accordance with this Gratuities clause by any military department office, the Government may, in addition to the rights under this Gratuities clause by written notice to the Contractor, terminate the whole or any part of this contract in the same manner as provided in paragraph (*a*) (1) of the clause entitled "Default" (Article 11, General Provisions (Supply Contract), Standard Form 32, in which case the Government shall be entitled to pursue the same remedies against the Contractor as it would pursue in the event of a breach of the contract.)

(a) The Government may, by written notice to the Contractor, terminate the right of the Contractor to proceed under this contract if it is found, after notice and hearing, by the Secretary or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the Contractor, or any agent or representative of the Contractor, to any officer or employee of the Government with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of such contract: *Provided*, That the existence of the facts upon which the Secretary or his duly authorized representative makes such findings shall be in issue and may be reviewed in any competent court.

(*b*) In the event this contract is terminated as provided in paragraph (*a*) hereof, the Government shall be entitled (i) to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor, and (ii) as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Secretary or his duly authorized representative) which shall be not less than 3 nor more than 10 times the cost incurred by the Contractor in providing any such gratuities to any such officer or employee.

(*c*) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

40. PATENT INDEMNITY

If the amount of this contract for supplies and services is in excess of $5,000, the Contractor shall indemnify the Government and its officers, agents, and employees against liability, including costs, for infringement of any United States letters patent (except letters patent issued upon an application which is now or may hereafter be kept secret or otherwise withheld from issue by order of the Government) arising out of the performance under this contract, or out of the use or disposal by or for the account of the Government of such supplies. The foregoing indemnity shall not apply unless the Contractor shall have been informed as soon as practicable by the Government of the suit or action alleging such infringement, and shall have been given such opportunity as is afforded by applicable laws, rules, or regulations to participate in the defense thereof; and further, such indemnity shall not apply if: (*a*) the infringement results from compliance with specific written instructions of the Contracting Officer directing a change in the supplies to be delivered or services to be performed, or in the materials or equipment to be used, or directing a manner of performance of the contract not normally used by the Contractor; or (*b*) the infringement results from the addition to, or change in, the supplies furnished, or services performed, which addition or change was made subsequent to delivery or performance by the Contractor; or (*c*) the claimed infringement is settled without the consent of the Contractor, unless required by final decree of a court of competent jurisdiction.

41. RENEGOTIATION

The following renegotiation clause shall apply unless the contract calls for delivery to a GSA supply depot, or a Government agency not included in the Renegotiation Act of 1951.

The contract is subject to the Renegotiation Act of 1951, as amended, and shall be deemed to contain the provisions required by section 104 thereof. The extent of renegotiation will be determined in accordance with regulations under the Act. The Contractor agrees to include this Renegotiation clause (including this sentence) in each subcontract made to perform any part of the work or to furnish any materials required for this contract.

(d) Page 4 of GSA Form 1424.

PART 5A–51—CONTRACT FINANCING

Subpart 5A–51.2—Progress Payments

Sec.
5A–51.203 Policy.
5A–51.206 Progress payment clause for use in contracts.
5A–51.207 Eligibility for progress payments.
5A–51.209 Administration of the progress payment clause.
5A–51.211 Unusual matters.
5A–51.270 Performance bonds.

Subpart 5A–51.3—Advance Payments

54–51.302 Approval.

Subpart 5A–51.2—Progress Payments

§ 5A–51.203 Policy.

For the purposes of this subpart, and unless otherwise indicated, the references in subpart 5–51.2 to "head of the procuring activity" or his designee, shall be deemed to mean the Director, National Buying Division, or Regional Director, FSS, as appropriate.

§ 5A–51.206 Progress payment clause for use in contracts.

A stage of completion clause shall not be used in Federal Supply Service contracts.

§ 5A–51.207 Eligibility for progress payments.

(a) In making the determination required by § 5–51.207, assistance shall be requested from the appropriate Quality Control Division and legal counsel.

(b) In determining eligibility for progress payments with respect to financial ability, impact on working funds, and adequacy of the supplier's accounting system and controls, contracting officers shall be governed by the written opinions received from the Office of Financial Management.

§ 5A–51.209 Administration of the progress payment clause.

Contracting officers shall notify the appropriate Quality Control Division of contracts which include a progress payment clause and request their assistance in the administration thereof by visiting contractors' plants and reporting their findings to the contracting officer.

§ 5A–51.211 Unusual matters.

The Director, National Buying Division, is designated to act in behalf of the Commissioner, FSS, in the resolution of problems or inquiries concerning progress payments that cannot be resolved by the buying activity.

§ 5A–51.270 Performance bonds.

(a) Contracting officers shall require the submission of performance bonds in accordance with § 5–10.5003–3 and § 5A–10.5003–3, if in the event of a termination for default, it would be difficult or impossible:

(1) For a successor contractor to take over and complete the requirement; or

(2) To get the full amount of the unliquidated progress payments from the sale value of the property to which the Government has taken title.

(b) It should be noted that ordinarily the initial requirements for a bond will be based on subpar. (a)(1) or (a)(2), above. However, contracting officers should keep apprised of deliveries under such contracts, as the bond requirement may become unnecessary in late stages of performance, and the contractor may be permitted to reduce or cancel the performance bond so as to receive a refund from the surety.

Subpart 5A–51.3—Advance Payments

§ 5A–51.302 Approval.

The determinations and findings, together with the recommended advance payment clauses, and other pertinent information, shall be submitted to the Director, National Buying Division, for review and approval prior to award.

PART 5A–53—CONTRACT ADMINISTRATION

Subpart 5A–53.4—Contract Performance

Sec.

5A–53.401 General.
5A–53.402 Contractor performance under supply or service contracts.
5A–53.402–70 Expediting deliveries.
5A–53.402–71 Notice of shipment.
5A–53.402–72 Expediting procedures.
5A–53.402–73 Expediting files.
5A–53.405 Requests for earlier or deferred contract performance.
5A–53.470 Acceptance and rejection.
5A–53.470–1 Rejected deliveries of items purchased for stores stock.
5A–53.470–2 Variations in quantity delivered under definite quantity contracts.
5A–53.470–3 Change from origin to destination inspection.
5A–53.471 Peformance review and reports.
5A–53.471–1 Review of performance.
5A–53.471–2 Performance reports.
5A–53.471–3 Procurement Operations Division action.

§ 5A–53.401 General.

(a) Coordination between the regional buying activities, the Quality Control Divisions, and the National Buying Division in the matters of contract performance is essential in order to maintain the proper relations with suppliers. Independent actions must be avoided which might prejudice the overall coordinated effort to establish sound and workable relationships with responsible suppliers who are sincerely endeavoring to furnish specification merchandise and meet the demands of fluctuating programs. Coordinated efforts with respect to the contractor's total performance will produce far more dividends than arbitrary action with respect to isolated instances of unsatisfactory performance.

(b) The importance of the expediting function in purchasing cannot be overemphasized, since obtaining timely deliveries is one of the most difficult problems encountered in the procurement field. In order to obtain deliveries in accordance with established contract delivery terms, vigorous followup action, consistent with sound business practice and based on the circumstances in each case, shall be effected as prescribed in this subpart. When executing contracts, realistic delivery dates must be established by the contracting officer and entered on the procurement documents since these dates are the only guides available to expediting personnel in scheduling followup action.

(c) The buying activity which issues a purchase order shall maintain a follow-up system, as prescribed in § 5A–53.402.72, for obtaining deliveries of the items included thereon. The performance of this function includes coordination with the transportation and quality control activities, the paying office, and the receiving agencies. Such coordination includes obtaining expediting assistance from the quality control activity in accordance with their prescribed procedures on contract administration through personal contacts at the manufacturer's plant.

(d) Expediting personnel should be authorized to take all intermediate action to expedite deliveries through personal contact, telephone, or correspondence. Expediting personnel may and should make recommendations regarding the completion of deliveries under contracts and purchase orders and prepare correspondence with regard thereto for signature by contracting officers or persons signing orders issued against such contracts, as appropriate.

§ 5–53.402 Contractor performance under supply or service contracts.

§ 5A–53.402–70 Expediting deliveries.

Expediting as it pertains to National Buying Division term contracts, or zone contracts executed by one region for use of one or more other regions, for stores stock replenishment normally should consist only of prompt and consistent followups with the contractor to secure information as to date of shipment of the regionally placed order. This does not preclude the ordering region from requesting the assistance of the contracting officer, as well as the quality control activity, in expediting urgent and delinquent orders. However, in appropriate cases the regional office may request earlier or deferred shipment as an accommodation by the contractor.

§ 5A–53.402–71 Notice of shipment.

(a) Obtaining timely information regarding shipment is essential to effective expediting. Because of the time lag between the date of actual delivery and the date information thereof is normally available to the buying activity, GSA Form 1056, Notice of Shipment, shall be furnished to the vendor with each purchase order to provide a means of obtaining timely shipping information. Use of this post card reply form enables suppliers to provide essential shipping information to the buying office at the time shipment is made, with a minimum of effort. However, note that the clause prescribed by § 5A–7.101–70 permits other acceptable evidence of shipment.

(b) Instructions to the supplier regarding the use of the form are contained on the part of the form which is detached prior to mailing. Sufficient copies must be provided with the purchase order to permit the vendor to furnish notices of shipment for all known or scheduled deliveries, and additional copies shall be furnished suppliers upon request.

(c) To facilitate use of GSA Form 1056, requisitions to the Central Office for supplying this form normally should include a request for having the local buying activity address preprinted on the face of the post card portion.

§ 5A–53.402–72 Expediting procedures.

(a) *Expediting contracts.* Expediting of contract performance is a phase of contract administration.

(b) *Responsibility.* The contracting officer has overall responsibility for contract administration. However, the Quality Control Division is responsible for initiation or requesting necessary action to ensure full compliance with all terms of the contract and for keeping the contracting officer advised of the status of the contract at all times, on the following categories of contracts specifying origin inspection:

(1) National Buying Division term contracts.

(2) Substantial definite quantity contracts. (Substantial shall be deemed to refer to contracts in excess of $50,000 or those requiring repetitive deliveries extending beyond a 3-month period.)

(c) *Contract assignment.* When a Quality Control representative is assigned a contract meeting the criteria in (b), above, he will assume responsibility for technical compliance and contract administration assistance during the life of the contract.

(d) *Special requests for contract administration services.* When regional Quality Control Divisions receive special requests for contract administration services on contracts other than those specified in paragraph (b), above, such requests shall be complied with when it is determined practicable to render the required services. In these instances contract administration shall be limited to the special services requested.

(e) *Data required by Quality Control Divisions.* Copies of correspondence with contractors relating to acceleration of, or delay in, shipments should be furnished the Quality Control Division of the inspecting region by the Regional Buying Division to assist the former in its expediting functions as well as a copy of each purchase order issued under contracts issued under paragraph (b), above.

(f) *Expediting other contracts.* Expediting action for contracts other than the types specified in paragraph (b), above, will be the primary responsibility of the buying activity.

(g) *Establishment of followup dates.* The first followup date shall be determined by the buying activity upon receipt of the purchase documents.

(1) The first followup action shall be scheduled for the date GSA Form 1056, the notice of shipment card, normally should be received from the vendor to indicate that delivery will be accomplished within the contract period. The distance between the shipping point and destination and the method of shipment are determining factors in establishing this date. For example, if an order provides for delivery via rail shipment within 20 days from the date of the order and normal rail shipping time from the point of shipment to the consignee is 10 days, the notice of shipment card should be received not later than five days prior to the anticipated receipt of material if mailed at time of shipment. Accordingly, in this case the first followup date should be established five days prior to the delivery due date.

(2) If the contract provides for origin inspection, sufficient time for completion of such inspection should be allowed. The time required will vary with the type of inspection. Ordinary inspections may take only a day or two. Inspection time will be lengthened if laboratory tests are required. As a guideline, however, an average of seven days should be allowed for completion of origin inspection.

(3) The time required for inspection can be reduced if continued coordination is maintained between the buying and quality control activities involved. To plan properly its operation on origin inspections, the Quality Control Division of the inspecting region shall be advised when changes are requested in delivery dates indicated on purchase orders.

(4) Regional Buying Divisions shall forward copies of correspondence with vendors to the Quality Control Division of the inspecting region in the following cases:

(i) Any request to ship merchandise in advance of scheduled date.

(ii) Any request to withhold the shipment of merchandise beyond the scheduled date.

(iii) Any followup action to speed up the shipment of overdue merchandise.

(5) Regional Buying Divisions should advise the Quality Control Divisions in any other cases where coordinated action will effect the desired results.

(6) Subsequent followup dates shall be established as circumstances dictate and as prescribed in this § 5A–53.402–72.

(h) *Normal expediting pattern.* The expediting activity shall determine the first followup dates in accordance with § 5A–53.402–72(g) upon receipt of the purchase file folders.

(1) The order number shall be recorded in a log date book (or equivalent daily record) indicating the date expediting action is to be taken. The followup date should also be recorded on the copy of the purchase order to serve as a ready means of locating and deleting the purchase order number in the log record book (or equivalent record) when GSA Form 1056, Notice of Shipment, is received before any followup action is necessary.

(2) If, on the date established for first followup action, notice of shipment has not been received, the expediting activity shall remove the purchase orders due for followup action from the pending file and determine or recommend, as the case may be, the action to be taken:

(i) *Routine action.* (a) Where the contract specifies destination inspection, and there is no evidence in the file to indicate that urgency of delivery is a factor, the buying activity shall forward GSA Form 1057, Expedite, Request-Reply to the vendor. GSA Form 1057 should normally originate and be signed within the expediting activity. The time allowed for a reply should normally be 3 working days plus the estimated time for delivery and return of the correspondence. The second date on which followup action should be taken is then established (this is normally the same date as the one entered in GSA Form 1057), and the order number is again recorded on the appropriate page of the log record book (or equivalent) and a record made in the purchase file, showing the expediting action taken and the new followup date.

(b) Where contract administration assistance has been assigned to the Quality Control Division, GSA Form 1057 shall not be used since expediting action will be taken by the quality control activity in accordance with Quality Control Handbook, chapter 9 (FSS P 4400.1), and GSA Form 1678 or GSA Form 1679, as appropriate, will be used to serve this purpose.

(ii) *Immediate action.* If there is an urgent need for the materials, the expediting activity shall first check with the Office of Regional Data and Financial Management to determine if a receiving report has been received from the consignee and, if a receiving report has not been received, shall thereafter check with the consignee to determine if delivery has been made or if other evidence of shipment (such as freight arrival notices) has been received. If delivery or shipment has not been made, the expediting activity shall either: (a) Where the contract specifies destination inspection immediately contact the vendor by telephone, telegraph, or other expeditious means to determine the delivery status of the order; or (b) where contract administration assistance has been assigned to the Quality Control Division, and the necessary information as to the status of inspection or shipment is not available, contact the appropriate Quality Control Division by telephone, telegraph, or other expeditious means to determine the delivery status of the order. When it is apparent that the contractor cannot or will not deliver in accordance with the delivery dates specified, the case shall be referred with appropriate recommendations to the contracting officer for action in accordance with subparts 5–8.6 and 5A–8.6.

(3) If, on the date established for second followup action, a reply to the first followup has not been received, the expediting activity shall establish the current delivery status by checking with the Office of Regional Data and Financial Management, and if necessary, with the consignee unless it is already definitely known that delivery has not been made. If delivery has not been made, the expediting activity shall either: Where the contract specifies destination inspection, immediately contact the vendor by telephone, telegraph, or other expeditious means to determine the delivery status of the order; or, where contract administration assistance has been assigned to the Quality Control Division, and the necessary information as to the status of inspection or shipment is not available, contact the appropriate Quality Control Division by telephone, telegraph, or other expeditious means to determine the delivery status of the order. In those cases where a reply to the request for shipping information has been received and the delivery date speci-

fied therein by the vendor is unacceptable, it is not necessary to contact the vendor again before proceeding as specified in (i) or (ii), below. After fully determining the facts, the expediting activity shall:

(i) Where there is urgent need for the materials and it is apparent that the contractor cannot or will not deliver in accordance with the delivery dates specified, refer the case with appropriate recommendations to the contracting officer for action in accordance with subparts 5–8.6 and 5A–8.6.

(ii) Where there is a likelihood that the contractor will deliver in the near future, recommend to the contracting officer that the delivery due date be extended, if the circumstances warrant such action, and prepare a letter substantially as set forth in §§ 5A–76.112 or 5A–76.113, as appropriate, except that in the case of National Term Contracts, the contracting officer will determine the action to be taken including, for example, the preparation of the letters in §§ 5A–76.112 or 5A–76.113, or the preparation of the appropriate termination letter, see § 5A–8.602–3, if the contract is to be terminated. Use of the letters in §§ 5A–76.112 or 5A–76.113 will notify the contractor that failure to deliver or furnish evidence of shipment by the date specified may result in termination of his right to proceed with delivery and that the purchase may be made elsewhere. The third followup date is then established for the extended due date and the information again recorded for expediting purposes as in subparagraph (h)(2)(i) of this § 5A–53.402–72.

(4) If, on the date established for third followup action, the material has not been received, the case shall be forwarded to the contracting officer for action as appropriate under subparts 5–8.6 and 5A–8.6.

(5) The Standard Form 14, Telegraphic Message, shall not be used as a "speedletter" device in the expediting contacts mentioned in (2)(ii) and (3) of this § 5A–53.402–72(h).

(i) *Information to consignee.* The expediting activity shall inform the consignee of the current status regarding delinquent orders (e.g., orders where the delivery due date has arrived but the material has not been delivered) immediately upon receipt of such information. The consignee shall also be informed of any extension of the delivery time specified in the contract.

(j) *Rejection, damage, or shortage.* Upon receipt of rejection, damage, or shortage notices, the related purchase file folders shall be forwarded to the contracting officers for appropriate action in accordance with § 5A–53.470.

(k) *Basis for closing file.*—(1) Stock replenishment purchase orders shall be closed out upon receipt by the expediting activity of a copy of the accepted receiving report and not upon receipt of the notice of shipment.

(2) Instructions on the No. 2 copy of GSA Form 300, Purchase Order, provide that the receiving report copy of the order shall be sent by the consignee directly to the paying office. Since direct delivery receiving reports are not routed to the expediting activity, such purchase orders shall be considered complete for expediting purposes upon receipt of the vendor's notice of shipment or, where feasible, upon evidence of actual delivery made available by the Office of Regional Data and Financial Management. In cases of rejected, damaged, or short deliveries, the Office of Regional Data and Financial Management will forward the receiving report involved or an explanatory memorandum to the purchase activity and the case shall be reactivated and forwarded to the purchasing officer for appropriate action. The Office of Regional Data and Financial Management will take action as necessary to obtain receiving reports from the consignee.

(l) *Special expediting technique.* (1) In addition to the use of prescribed procedures, forms, and routine telephone contacts, expediting personnel should use other means of expediting deliveries, such as collect telegrams, personal contacts by quality control activity personnel, and personal contacts with salesmen or with representatives at the supplier's plant. However, Standard Form 14, Telegraphic Message, shall not be used as a "speedletter" device to expedite deliveries.

(2) When the delivery time expires and the contractor has failed to make delivery or furnish notice of shipment, the use of collect telegrams is suggested as an excellent means of impressing upon the contractor the realization he has failed to fulfill his contractual obligation and frequently brings immediate results.

(3) Utilization of local quality control activity personnel for contacting vendors for the purpose of obtaining confirmation of the vendor's intent to deliver on schedule and to expedite deliveries of overdue shipments frequently will be more productive of results than routine form letters.

(4) Personal contacts with vendors' salesmen will often prove successful in expediting delinquent deliveries. The expediting activity should keep the contracting officer informed regarding delinquent suppliers and contracting officers should arrange whenever practicable to refer representatives of such concerns to the expediting activity to discuss delivery problems. To the salesman, the fulfillment of contractual obligations and the maintenance of good business relationships are of paramount importance. Frequently this contact will bring favorable results where other methods fail.

(5) All special expediting contacts shall be recorded in the purchase file folder to provide a complete record to support any default action which subsequently may become necessary.

§ 5A–53.402–73 Expediting files.

(a) The expediting activity shall be responsible for maintaining the pending files of purchase file folders. Appropriate data as to all expediting action taken, including telephone and personal contact, shall be recorded in the purchase file. (Also see § 1–1.310–10 and § 5–1.310–10.)

(b) "Out" cards shall be inserted in the files in each instance where it is necessary to remove purchase file folders for referral to contracting officers or for other reasons. Normally the file should be returned to the expediting activity by the contracting officer as soon as possible so that all pending files are readily available to expediting personnel.

(c) Notices of shipment and other correspondence received in the regional office concerning the delivery status of purchase orders shall be forwarded to the expediting activity for review and appropriate notation in the files. This is a continuing operation which results in the files being current at all times.

(d) Purchase files closed out in accordance with § 5A–53.402–72(k) shall be marked complete and forwarded to the control point for completion of the progress record and for filing.

§ 5A–53.405 Requests for earlier or deferred contract performance.

(a) Requests for earlier or deferred shipment normally should be held to a minimum when orders under the contract are being handled by an allocation procedure and the contracting office should be kept currently informed of such requests.

(b) Whenever earlier or deferred shipment is requested, the order must, nevertheless, cite in the space provided therefor the actual delivery terms of the contract.

§ 5A–53.470 Acceptance and rejection.

§ 5A–53.470–1 Rejected deliveries of items purchased for stores stock.

(a) *Local stock replenishment.* Where a local stock replenishment item has been rejected upon inspection and the stores activity has forwarded its recommendation with the rejected receiving report to the local buying activity, the local buying activity shall review the case and proceed as prescribed in (1) or (2), below, as appropriate.

(1) If the local stores and buying activities concur in the rejection, notification of such action, in writing, shall be sent to the contractor requesting immediate replacement as well as disposal instructions for the rejected item. A copy of the notification shall be furnished the Regional Comptroller and the stores activity.

(2) If agreement among the local stores, quality control, and buying activities cannot be reached, the case, with all facts and proper documentation, shall be forwarded to the Regional Director, Federal Supply Service, for final decision. The local buying activity shall notify the local stores and inspection activities in writing of the final decision.

(b) *Consolidated stock replenishment.* When a quality control activity has rejected an item purchased under the consolidated stock replenishment program and notification of such rejection has been received by the buying activity having procurement responsibility for the

item, the contracting officer shall review the case and, based upon recommendations of the regional buying and stores activities concerned, shall either (1) concur in the rejection and request immediate replacement and disposal instructions from the contractor, or (2) accept the item at an appropriate reduction in price. The buying activity having responsibility for procuring the item shall notify each consignee regional office involved, as to the final action taken, giving any necessary additional information or instructions.

§ 5A–53.470–2 Variations in quantity delivered under definite quantity contracts.

Variations in the quantity delivered under definite quantity contracts shall be permitted only to the extent provided for in § 5A–7.101–4.

§ 5A–53.470–3 Change from origin to destination inspection.

Where the contract specified origin inspection and such inspection cannot be accomplished, the Chief, Quality Control Division, of the region scheduled to perform the origin inspection will request the contracting officer, by TWX, to notify the contractor that inspection will be at destination. The Chief, Quality Control Division, will forward a copy of the purchase order, stamped "Not Inspected," to the Chief, Quality Control Division, of the consignee regional office. The notification to the contractor shall be in writing and signed by the contracting officer. A copy of the notification shall be forwarded to the Chief, Quality Control Division, of the region originally scheduled to perform origin inspection.

§ 5A–53.471 Performance review and reports.

§ 5A–53.471–1 Review of performance.

(a) Each buying activity shall maintain a constant review of the performance of all vendors with whom contracts and purchase orders for supplies or services are placed.

(b) Evaluation of contractor performance under Procurement Operations Division (POD) term contracts is the responsibility of the POD contracting officer. In making such evaluations, however, the contracting officer should give due consideration to the reports and recommendations of the regional offices using the contracts and of the Quality Control Divisions.

(1) Data with regard to supplier performance under POD term contracts should be included in the regional supplier performance files. However, such data should be compiled and evaluated separately from data assembled with respect to regional contracts with the same supplier. Letters to contractors summarizing the evaluation of their past performance and requesting corrective action should not include data with respect to performance under the POD contracts unless the matter has been coordinated with POD.

(2) Regional Buying activities should keep POD contracting officers currently advised on delinquent contractors by forwarding copies of followup correspondence to the respective sections of POD for their performance files. Contract numbers should be cited when forwarding such correspondence in order for POD contracting officers to properly identify the case involved and take any further action deemed necessary.

§ 5A–53.471–2 Performance reports.

The names of vendors whose performance is characterized by repeated failures to meet delivery schedules, repeated cases of nonconformance with purchase specifications, or consistent disregard of other contractual obligations, shall be reported to the Director, POD.

(a) A separate narrative report (Reports Control Symbol FS–58) shall be made for each vendor and shall include complete details as to the types and instances of nonperformance and nonconformance involved. Each such report shall also include data as to all contracts and purchase orders satisfactorily completed by the vendor during the period(s) in which the instances of nonperformance and nonconformance occurred in order that the vendor's overall performance can be evaluated properly.

(b) Compliance with paragraph (a) above, shall not be interpreted as relieving the buying activity concerned from the responsibility for:

(1) Normal administration of contracts in accordance with regular procedures, particularly as to the handling of default and dispute cases; or

(2) Direct and immediate referral to the Compliance representative of any apparent or suspected irregularities relating to any operation of the General Services Administration.

§ 5A–53.471–3 Procurement Operations Division action.

(a) POD shall review each report submitted in accordance with § 5A–53.471–2(a) and prepare recommendations as to the corrective action to be taken. In cases involving repeated nonconformance with purchase specifications, POD shall obtain such assistance from the Quality Control Division and the Standardization Division as may be necessary to develop the necessary recommendation.

(b) If warranted by the circumstances reported, the name of the vendor shall be submitted by POD to the Compliance Division with a request that an investigation be conducted to determine whether the name of the vendor should be placed on the Review List of Bidders or the GSA Debarred Bidder's List. Such requests for investigation shall include a statement of the pertinent circumstances and the names of employees who have immediate knowledge of the circumstances.

(c) If the circumstances reported do not appear to warrant request for investigation by the Office of Compliance, or if the Office of Compliance does not concur that an investigation should be conducted, the report shall be filed in POD in such a manner than any subsequent information received concerning the same vendor may be readily associated therewith. In either case POD shall promptly advise the regional office concerned as to the action taken.

PART 5A–54—PATENTS AND COPYRIGHTS

Subpart 5A–54.1—Patents

Sec.

5A–54.170 Protection of patent rights under research or development contracts.
5A–54.170–1 General.
5A–54.170–2 Patent rights clause.
5A–54.170–3 Other patent matters.

§ 5A–54.170 Protection of patent rights under research or development contracts.

§ 5A–54.170–1 General.

(a) Under any research or development contract, the Government should receive at least a royalty-free license to practice or have practiced any invention conceived or first actually reduced to practice in the course of performing any prior experimental, developmental, or research work done upon the understanding that a contract would be awarded. However, a greater interest in the patent rights may be retained where such action is deemed to be appropriate. Determination to retain more than a royalty-free license shall be made on an individual contract basis.

(b) In certain circumstances, as where (1) a contractor has spent large sums of money in developing an invention to the point that its practicability has been established or has otherwise established its practicability as by engineering design, or (2) the use of a basic material developed entirely outside of any Government contract is involved, it may be proper to negotiate limitations with respect to the Government's rights in such invention or material.

§ 5A–54.170–2 Patent rights clause.

No clauses are provided for general use in connection with research or development contracts. Whenever an occasion arises which requires the use of such clauses, the case shall be referred to the General or Regional Counsel for the drafting of an appropriate clause. Complete information shall accompany the request and shall include, particularly, information on the contractor's prior contribution and efforts in the development of the subject matter, and recommendations as to what would constitute a fair distribution of rights to be stipulated in invitations for bids or solicitations for offers which might result from performance of the contract.

§ 5A–54.170–3 Other patent matters.

Any other matters which arise in connection with patents involved in research or development contracts shall be referred to the Genera' or Regional Counsel for advice. Complete information shall accompany such referrals.

PART 5A–60—CONTRACT APPEALS

Subpart 5A–60.1—General Policy

Sec.

5A–60.103 Receipt and reference of appeals.
5A–60.103–70 Forwarding of notices of appeal.
5A–60.170 Appeal files.
5A–60.170–1 General.
5A–60.170–2 Time for submission.
5A–60.170–3 Control of requests.
5A–60.170–4 Preparation of appeal file.
5A–60.170–5 Submission of appeal file to Office of General Counsel.
5A–60.170–6 Action by the Office of General Counsel (OGC).
5A–60.170–7 Action by the contracting officer.
5A–60.171 Settlement of appeals by mutual agreement.

§ 5A–60.103 Receipt and reference of appeals.

§ 5A–60.103–70 Forwarding of notices of appeal.

(a) A notice of appeal received directly by a contracting officer shall be transmitted promptly by memorandum to the Administrator signed by the Chief of the regional Buying Division or by the Director of the Procurement Operations Division (POD), as appropriate.

(b) A notice of appeal received by an official other than the contracting officer, such as the Commissioner, FSS, or the Regional Administrator, may be transmitted to the Administrator by such official or it may be referred to the buying activity involved. In the former case, a activiti involved. In the former case, a copy of the notice and the memorandum to the Administrator shall be furnished to the buying activity involved. In the latter case, a memorandum for transmitting the notice to the Administrator shall be prepared immediately by the buying activity for the signature of the official indicated on the correspondence control slip (or similar routing control) or if no signatory official is designated, for signature as provided in (a), above.

(c) A copy of each notice of appeal and memorandum transmitting it to the Administrator shall be sent to the Assistant Commissioner for Procurement and, in the case of a notice being transmitted by a regional buying activity, a copy of the notice and transmittal memorandum shall be sent to the Regional Director, FSS, and to any other regional official as required by regional procedures.

(d) An appropriate format for a memorandum to transmit a notice of appeal to the Administrator is exhibited in § 5A–76.308.

§ 5A–60.170 Appeal files.

§ 5A–60.170–1 General.

Appeal files requested by the Board of Contract Appeals shall be prepared and submitted in accordance with this § 5A–60.170.

§ 5A–60.170–2 Time for submission.

Appeal files shall be prepared and forwarded to the Office of General Counsel as promptly as possible, but in any event within 25 days after receipt of the Board's request therefor.

§ 5A–60.170–3 Control of requests.

(a) A log and follow-up procedure shall be established in POD and in each regional buying activity to assure the timely preparation and submission of appeal files.

(b) Individual requests shall be posted to the log record on the basis of a copy of the Board's request to the contracting officer. This copy will be sent by the Board to the Director, POD, or the Regional Director, FSS, as applicable, at the same time the original of the request is sent to the contracting officer. The log record shall show, as a minimum, the name of the appellant, the date of the Board's request, the docket number, the date the copy was received, and the name of the contracting officer.

§ 5A–60.170–4 Preparation of appeal file.

(a) Promptly upon receipt of the request from the Board, the contracting officer shall prepare the appeal file in triplicate. Each such file shall be identified by the name of the appellant and the docket number. The requirements concerning the documents to be included in the file are stated in § 5–60.204–2. In a case where a contractor has appealed both from a determination of default and also from an assessment of excess costs, the file for each appeal will contain a number of the same documents, for example, the contract. In order to reduce the cost of preparation of appeal files in such cases, contracting officers are authorized to cross-reference documents which were previously submitted to the Board. The cross-reference in the appeal file to a copy of a contract previously submitted to the Board should, for example, include the statement "See contract number _____, docket number _____." Assigned legal counsel will assist the contracting officer in determining which documents are relevant and which are irrelevant to the actual issue but might be useful to the trial attorney as general background information. Documents in the latter category will be forwarded separately to the trial attorney by the local counsel.

(b) After examining the appeal file, the contracting officer shall prepare a memorandum of position (utilizing the sample memorandum set forth in § 5A–76.309 as a guide) and obtain the written concurrence of local counsel. The memorandum of position shall also be approved by the Chief, regional Buying Division or the POD Branch Chief, as appropriate. The contracting officer's memorandum of position required by this paragraph (b) is not the statement of position relied upon by the Government with regard to the issues presented by the appeal (see § 5–60.204–2(a)(6)). The term "statement of position" has reference to the statement of the Government's legal position which is prepared by the Office of General Counsel trial attorney after receipt of the appeal file from the contracting office.

(c) When the Government's position is doubtful, or if economic considerations so dictate after considering policy and precedent grounds, the appeal file may be forwarded without a contracting officer's memorandum of position, but with notice in the transmittal memorandum (see § 5A–60.170–5) to the Assistant General Counsel, Procurement Division (LP), that settlement is being considered. In such event, the contracting officer, with advice of local counsel, shall enter into negotiations with the appellant toward possible settlement.

(d) The index to be included in the appeal file in accordance with § 5–60.204–2(a) shall be the top document therein. It shall bear the title "Index" and be separate and apart from any other communication or document. In preparing the index, the contracting officer shall list the statement of position which will be prepared later by the trial attorney and substituted by him in the appeal file for the contracting officer's memorandum of position. (See § 5A–60.170–4(b).) The index listing shall therefore read "Statement of position relied upon by the Government." However, the appeal file as prepared by the contracting officer shall include the contracting officer's memorandum of position in the place provided for the statement of position which will be substituted therefor.

§ 5A–60.170–5 Submission of appeal file to Office of General Counsel.

(a) The original and duplicate of the appeal file, together with an extra copy of the index and an extra copy of the contracting officer's memorandum of position, shall be forwarded by memorandum prepared for the signature of the Chief, regional Buying Division or the Director, POD, as appropriate, to the Assistant General Counsel, Procurement Division (LP). The transmitting memorandum shall include a reference to the date of the Board's request for the appeal file, e.g., the opening sentence of the memorandum should real "Pursuant to the Board's request of (date)."

(b) A copy of each memorandum transmitting the appeal file to the Assistant General Counsel (LP), together with a copy of the contracting officer's memorandum of position, shall be sent to the Assistant Commissioner for Procurement and, in the case of an appeal file being transmitted by a regional buying activity, a copy of the transmitting memorandum and the memorandum of position shall be sent to the Regional Director, FSS, and to any other regional official as may be required by regional procedures.

(c) The triplicate copy of the appeal file shall be retained at the office of the contracting officer for use as provided in § 5–60.204–3.

§ 5A–60.170–6 Action by the Office of General Counsel (OGC).

Appeal files submitted to the OGC will be handled in accordance with GSPR Part 5–60 and the procedures contained in Chapter 5, Section 5, of the Office of General Counsel Handbook (CSL P 5000.2). The OGC procedures of particular significance to contracting officers are described below.

(a) After reviewing the appeal file for adequacy and reviewing the contracting officer's memorandum of position, the assigned trial attorney will prepare a statement of the Government's legal position for inclusion in the appeal file. A copy of this statement will be forwarded through channels for inclusion in the contracting officer's copy of the appeal file. The trial attorney will transmit the appeal file to the Board.

(b) In a case where the trial attorney finds that the appeal file is not adequate, he will contact the contracting officer through assigned local counsel.

(c) The assigned trial attorney will reevaluate the advisability of defending the appeal. Even though the contracting officer has not followed the procedure in § 5A–60.170–4(c), in doubtful cases, the trial attorney may forward the appeal file to the Board without a statement of legal position but with notice that the issue is being reviewed for possible settlement. In a case where the trial attorney concludes that the Government is liable, he will immediately advise the contracting officer to initiate settlement negotiations and offer pertinent advice to the contracting officer. A copy of the trial attorney's memorandum to the contracting officer will be forwarded to the Assistant Commissioner for Procurement and to counsel in the regional office or in the LP Procurement Operations Area, as appropriate.

§ 5A–60.170–7 Action by the contracting officer.

(a) Upon receipt of a copy of the statement of the Government's legal position as prepared by the LP trial attorney, the contracting officer shall substitute such statement for the memorandum of position in his copy of the appeal file. The appeal file shall not be made available for review by the appellant until such time as the memorandum of position prepared by the contracting officer has been removed therefrom and it contains the statement of position prepared by the trial attorney.

(b) In a case where the trial attorney has advised the contracting officer to initiate settlement negotiations, but the contracting officer proposes to reject such advice, he shall obtain the concurrence of the Assistant Commissioner for Procurement through appropriate channels. If the Assistant Commissioner for Procurement concurs that the appeal should be defended, the assigned trial attorney shall be so notified. Otherwise, the contracting officer shall be instructed to initiate settlement negotiations.

§ 5A–60.171 Settlement of appeals by mutual agreement.

(a) The contracting officer has authority to effect settlement with the contractor at any stage of an appeal prior to issuance of the Board's decision.

(b) Counsel will be available to the contracting officer to render any desired assistance in the negotiation of a settlement. When mutually acceptable terms have been agreed upon the contracting officer and the contractor, a written modification of the contract shall be prepared setting forth the specifics of the agreement, the consideration, and a requirement of a release by the contractor of all claims arising from the matter disposed of by the settlement agreement. The contractor shall also be required to withdraw the appeal by notice thereof directed to the Board.

PART 5A–72—REGULAR PURCHASE PROGRAMS OTHER THAN FEDERAL SUPPLY SCHEDULE

Sec.
5A–72.000 Scope of part.

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Sec.
5A–72.401 General.
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§ 5A–72.000 Scope of part.

This part establishes special policies and procedures for the performance of procurement functions in connection with replenishment of supply depot stocks, consolidated direct deliveries, local direct deliveries, service contracts, term contracts for commodities other than supply depot stock items, and self-service stores stock replenishment.

Subpart 5A–72.1—Procurement of Stores Stock Items

§ 5A–72.101 General.

(a) Stores stock items, excepting those available from Government sources of supply (see Subpart 5–5.50 and 5A–5.50), shall be procured in accordance with this subpart.

(b) Shipment of all such stores stock items shall be in accordance with the operating policies and procedures governing freight transportation and traffic management.

§ 5A–72.102 Specifications.

To facilitate procurement and inspection, and to maintain uniformity and established quality standards of stock items, only authorized stock item purchase descriptions as contained on stock item purchase description cards issued by the Procurement Operations Division (POD) and by Region 8 for special Forest Service fire control equipment and supplies shall be used in describing the items required, except under the circumstances described in § 5A–72.103.

§ 5A–72.103 Exceptions to use of authorized stock item purchase descriptions.

(a) To assure the procurement of stock items from qualified suppliers when small purchase procedures may be used, the Regional Director, FSS, or his designee may, in lieu of purchase descriptions, and subject to (b), below, provide for use of product makes or models identifying supplier items that have been found acceptable under previous procurements, to facilitate identification of the items required. Advantages of this procedure are that it simplifies supplier preparation of quotations, and also simplifies preparation of requests for quotations (oral or written) and purchase orders, since lengthy descriptions are not necessary. Also inspection requirements are reduced.

(b) Until such time as three or more qualified suppliers offering acceptable products are established through tests and inspections performed by the Quality Control Division purchases of requirements for stock replenishment not exceeding $2,500 shall be made by competitive negotiation using the authorized stock item purchase description. Solicitation should cover interested sources of supply to the extent warranted by the value of the individual procurements with appropriate rotation to solicit new suppliers in lieu of those previously solicited who failed to quote competitive prices. When considered necessary to develop adequate competition, requirements may be initially and periodically advertised using the full bidders list in order to develop firm data as to suppliers furnishing acceptable products who will actively participate in competitive negotiations using the technique in (a), above.

(c) Purchase orders documenting "brand name" purchases shall state only the brand name of the item offered in the accepted quotation regardless of the number of brand names used in soliciting the offers.

(d) Procurements made under the technique prescribed in this § 5A–72.103 shall be reviewed periodically to assure that reasonable prices and adequate competition is being obtained.

§ 5A–72.104 Uniform firm stores stock price policy requirements.

Firm issue prices are established for stores stock items by POD on the basis of the average cost prices at all GSA offices procuring the items and are published in the GSA Stock Catalog. The following procurement price factors and procedure are to be observed by all Federal Supply Service purchasing officers:

(a) Where current prices shown in the current edition of the GSA Stock Catalog are substantially lower than prices being paid locally, purchasing officers shall request information from POD as to the names of other suppliers, in an effort to locate more satisfactory sources of supply.

(b) Purchasing officers should continously review the trade levels of previous successful bidders with a view to determining whether it would be possible to encourage bidding by suppliers at a trade level nearer the prime source in those cases where it is impossible to buy from the prime sources.

(c) New and improved sources of supply discovered by regional offices should be made known immediately to other regional offices which purchase the item involved.

(d) Purchasing officers are cautioned that acceptance of bids offering merchandise in other than prescribed standard stores issue units will have an adverse effect upon the firm price program. In those cases where market conditions make it impossible to purchase in such standard units, or merchandise in nonstandard units is offered at substantially lower price, the stores activity shall be consulted before an award is made.

(e) In certain cases, when the quantity of a stock item on an agency requisition is large, the control branches of the Supply Distribution/Distribution Requirements Division will extract the item for direct delivery purchase in accordance with § 5A–72.107.

§ 5A–72.105 Instructions for contracting for stores stock items.

§ 5A–72.105–1 General.

(a) Fast and efficient service to customer agencies at prices generally lower than they can obtain for themselves is essential to the success of the GSA stores stock program. In order to provide such service it is imperative that merchandise meeting specification requirements, at reasonable prices, be available when needed. Contracting officers shall be governed by the policies and instructions prescribed in this § 5A–72.105 in carrying out their responsibilities.

(b) Contracting officers should make it a practice in their day-to-day contacts with suppliers to explain the stores stock program, its purpose, and how it works. This will permit suppliers to understand better why reliable sources of supply are necessary, and the interest thus created should be an incentive for them to participate.

§ 5A–72.105–2 Types of contracts.

(a) Indefinite delivery type (forward type) contracts are term contracts for definite quantity, requirements, or indefinite quantity as defined in § 1–3.409. Their common feature is a provision for calling forward materials as needed during the contract term, thus providing a continuing and readily available source of supply.

(1) It will generally be advantageous to make indefinite delivery type contracts for those stores stock items ordered frequently for replenishment and/or direct delivery.

(2) However, contracting officers should be alert to the possible price advantages that may be obtained through use of definite delivery type contracts and shall on high volume items periodically test the market by scheduling definite quantity, definite delivery purchases. When this action is to be taken by POD or by regional offices contracting for requirements for regions other than their own, close coordination with and advance notice to the regional Inventory Management Branches will be required so necessary adjustments may be made in stock levels under expiring contracts to conform to the delivery schedule proposed under the definite delivery type contract.

(b) Definite delivery type contracts (where the delivery order(s) is issued for the entire quantity at the time the contract is made, or shortly thereafter) will be used where items are replenished infrequently (twice a year or less) or where sources of supply will not enter into indefinite delivery type contracts at reasonable prices. However, infrequently replenished items should be included with other related more frequently re-

plenished items when indefinite delivery contracts are made for the latter.

§ 5A–72.105–3 Indefinite delivery type contracts.

(a) *General.* Instructions in this § 5A–72.105–3 through § 5A–72.105–22 are intended as a guide for developing indefinite delivery type contracts for stores stock items. Not all the features described can be used in all cases and in some cases it will be necessary to modify them or adopt other features which will assure continuing availability of stores stock items from contract sources at reasonable prices.

(b) *Governing factors.* In developing indefinite delivery type contracts consideration must be given to many factors, such as industry pricing; sales and distribution practices; market conditions; firmness of estimated requirements; seasonal production; seasonal demand; transportation costs; labor surplus areas; and small business participation. Consistent with established procedures, representatives of industry should be consulted to the extent necessary and feasible.

(c) *Requirements contract.* (1) As a general rule, indefinite delivery type contracts for stores stock items will be made upon a requirements basis as set forth in § 1–3.409(b). Under a requirements contract, the Government agrees to purchase all of its requirements, within certain minimum and maximum order limitations and except for exigencies, from the successful bidder. This consideration is generally sufficient to induce suppliers to quote favorable prices (comparable to those accorded their most favored customers) provided suppliers are made fully aware of the potential sales through the stores program (see § 5A–72.105–1(b), above).

(2) The fluctuating demands of our customer agencies make this type of contract preferable since actual requirements even within a reasonable percentage cannot generally be determined in advance. This type of contract will preclude the necessity for the Federal Supply Service to actually purchase material not required which may later have to be transferred to other depot locations or declared excess with subsequent loss to the General Supply Fund. However, this type of contract should not be used if it is found that reasonable prices from responsible sources of supply cannot be obtained.

(3) When deemed necessary to shorten the delivery time required for initial orders under a new contract by inducing the successful contractor to produce supplies in advance of the receipt of actual purchase orders, the following provision may be included in the invitation:

LETTER OF COMMITMENT

If requested by successful bidder, the Contracting Officer will issue a firm letter of commitment to buy the total of an economical production run of the item or items awarded not to exceed a maximum of 25 percent of the estimated quantities specified herein. Such letter of commitment will not constitute shipping instructions. All orders received will be deducted from this commitment until it is liquidated.

(d) *Indefinite quantity contract.* This type of contract is the next preferable method of making indefinite delivery type contracts. It should be considered for use whenever reasonable prices from responsible sources of supply cannot be obtained under a requirements type contract or when it can be clearly demonstrated that its use will produce price savings over requirements type contracts and such savings are sufficient to offset the loss of flexibility, possibility of over or under commitment, and other disadvantages involved in using indefinite quantity contracts. Description and applicability of this type of contract is contained in § 1–3.409(c). It should be noted that under this type of contract a minimum quantity must be specified which the Government contracts to purchase during the contract period and a maximum quantity which may be purchased under the contract also must be stated.

(e) *Definite quantity contracts.* This type of indefinite delivery contract as described in § 1–3.409(a) shall be used when neither the requirements nor indefinite quantity type contracts can be awarded at reasonable prices to responsible sources of supply. It should be noted that this type of contract covers a specific quantity, the only indefinite element being the delivery schedule.

§ 5A–72.105–4 Scope of indefinite delivery type contracts.

Each indefinite delivery type contract shall contain a clause setting forth the scope of the contract as provided in § 5A–7.10–12.

§ 5A–72.105–5 Contract quantities.

(a) *General.* Contracting officers shall determine the quantities to be used in invitations for bid for indefinite delivery type contracts on the basis of past demand and estimated future requirements. Contracting officers contracting for requirements of more than one region shall obtain information for this purpose from the records to be maintained in accordance with 5A–72.105–27 supplemented by such additional information as is obtained from the regions to be covered by the contract. The Chiefs of Regional Buying Divisions shall notify contracting officers making contracts for their region of any anticipated major increases or decreases of issues of any commodity.

(b) *Requirements contract.* An estimate of the total requirements for the contract period shall be stated in the invitation for bids for the information of prospective contractors. Separate estimates for each item to be awarded separately shall be shown. Under this type of contract no guarantee is made as to the purchase of any minimum or maximum quantities. However, maximum and minimum order quantities shall be stated in accordance with § 1–3.409(b)(1), § 5A–72.105–20, and § 5A–72.105–21.

(c) *Indefinite quantity contract.* (1) Under this type of contract a specified basic quantity must be shown which the Government guarantees to purchase during the period of the contract. Provision shall also be made for the purchasing of additional quantities not to exceed a stipulated percentage of the basic quantity. Generally, the additional quantity should not exceed 25 percent of the basic quantity. (See § 5A–7.170–12(c).)

(2) Contracting officers shall exercise careful judgment in determining basic quantities. The relative risks and potential effects of under-commitments and over-commitments as well as the influence of quantity on bid prices must be considered. Over-commitments can cause serious problems in inventory and financial management and perhaps a direct loss when over-commitment can be liquidated only by disposal as Government surplus. Under-commitments interrupt continuity of supply which must be remedied by spot purchases at additional administrative expense and perhaps higher procurement costs. Risks and potential effects of under- or over-commitments may not be too serious in the case of local term contracts for relatively low value items but assume substantial proportions in the case of national term contracts serving all or several regional offices, particularly when contract quantities are exhausted much earlier than the date scheduled replacement contracts are to be available.

(3) The stipulated basic quantities to be contracted for shall be based on estimated total replenishment requirements during the period of the contract. The estimate shall be arrived at by a mathematical projection of previous sales experience, if available, and careful consideration of other factors that are expected to affect demand. The factors on which the estimate is based shall be recorded in the contract file. Contracts shall not be made for quantities exceeding the estimate. Even when demand is stable and reasonably predictable, the basic quantity preferably should be somewhat less than the estimate with the additional quantity provision covering the difference. Thus, if 80 percent of the estimated requirements for the contract period as developed from information accumulated in accordance with § 5A–72.105–27 is used as the basic quantity, the use of the 25 percent additional quantity provision would in essence result in a contract for the total estimated requirements. If 90 percent of the estimated total requirements is used as the basic quantity the 25 percent additional quantity provision would result in a contract covering 112½ percent of the total estimated requirements.

(4) When demand is not stable and predictable but it is nevertheless considered advantageous to use an indefinite quantity contract, the stipulated basic quantity may be fixed at not less than 50 percent of the estimate arrived at in accordance with (3), above, subject to approvals specified in § 5A–7.170–12(c).

(5) Each indefinite quantity contract must be closely monitored to assure that

the deliveries are called forward to the best advantage of the Government, that the contract quantities are not inadvertently exceeded, and that prompt action for additional purchase action is initiated when the contract quantity will be prematurely exhausted.

(d) *Definite quantity contracts.* The same basic considerations set forth in (c), above, apply in determining quantities to be stipulated in definite quantity contracts. However, no provision for additional quantities shall be included in such contracts.

§ 5A–72.105–6 Delivery conditions and shipping point.

(a) Determination as to the delivery conditions to be used and the basis on which prices are to be obtained will depend on various factors, including industry distribution practices, type of commodity, size of requirement, number and location of points where supplies are expected to be delivered, and Government-wide administrative costs.

(b) Representatives of the Transportation and Communications Service shall be consulted in determining the proper terms and conditions pertaining to transportation which are to be used in invitations for bids, and in evaluating bids, to assure utilization of the most economical and satisfactory transportation services.

(c) Invitations for bids shall require bidders to state their shipping point or points.

(d) When prices are to be requested on more than one basis, the invitation should state clearly the basis on which awards will be made.

§ 5A–72.105–7 Prices for deliveries within certain areas.

In some cases it may be desirable, due to industry practices or for other reasons, to request destination prices covering deliveries within certain areas. This will be the case where it is industry practice to include delivery costs in the selling price. The following contract clause is an example providing for prices covering deliveries within certain areas:

DELIVERY—DESTINATION PRICES

Prices cover delivery to destinations within the General Services Administration regional area(s) specified in this contract, as provided below:

(a) Delivery to the door of the specified Government activity by freight or express common carriers on articles for which store door delivery is provided pursuant to regularly published tariffs or schedules duly filed with the Federal and/or State regulatory bodies governing such carriers; or, at the option of the Contractor, by parcel post on mailable articles; by contract carrier; or by Contractor's vehicle.

(b) Delivery to siding at destination when specified by the ordering office, if not covered under paragraph (a), above.

(c) Delivery to the freight station nearest destination when delivery is not covered under paragraph (a) or (b), above.

§ 5A–72.105–8 Prices f.o.b. point of origin.

(a) When prices are requested f.o.b. point of origin, the invitation for bids shall provide that shipments will be made on Government bills of lading. Where circumstances warrant, and the approval of the Assistant Commissioner for Procurement has been obtained, the invitation may also provide that the Government reserves the right to require the contractor to ship on commercial bills of lading, prepay the transportation costs, and add the costs to the invoices. In the event of the latter, the invitation shall also provide that the Government reserves the right to specify the mode of transportation and the routing. Bids must be evaluated by adding to the bid prices the transportation costs from bidders' shipping point to the GSA supply depot(s). Invitations for bids shall also provide that where a bidder specifies more than one shipping point, the shipping point which results in the lowest delivered cost of the item to the GSA supply depot(s) shall be used in determining awards and in computing transportation charges on shipments made under resulting contracts. An example of a suitable contract clause is as follows:

DELIVERY—POINT OF ORIGIN PRICES

(a) Prices are f.o.b. point of origin, and such prices cover delivery to any points within the metropolitan area of the shipping point.

(b) When delivery is to be made to points not included under paragraph (a), above, and ordering offices have not specified otherwise in delivery instructions, the Contractor will ship on Government bills of lading.

(c) When the ordering office specifies in delivery instructions that shipment is to be made on commercial bills of lading, the Contractor will be required to prepay all transportation costs covering delivery as follows:

(1) Delivery to the door of the specified Government activity by freight or express common carriers on articles for which store door delivery is provided, free or subject to a charge pursuant to published tariffs or schedules duly filed with the Federal and/or State regulatory bodies governing such carriers; or, at the option of the Contractor, by parcel post on mailable articles.

(2) Delivery to siding at destination if not covered under subparagraph (1), above.

(3) Delivery to the freight station nearest destination when delivery is not covered under subparagraph (1) and (2), above.

(d) When shipped prepaid under (c) above, the actual cost of such transportation charges will be added to the Contractor's invoice as a separate item, and will in all cases be based on the lowest published rate on file with the Interstate Commerce Commission, Federal Maritime Board (if shipped by water), or any State regulatory body, or published by the Post Office Department, and must be supported by paid freight or express receipt or by a statement of the parcel post charges, including weight of shipment. In the event two or more shipping points are named by the Contractor, without qualification as to destination areas to be served by each, transportation charges to destinations designated by the ordering offices to be added to invoices will be computed from the shipping point involving the lowest transportation charges.

(e) The Government reserves the right to specify the mode of transportation and routing to be employed.

(b) Bidders shall also be required to state their guaranteed shipping weights for each item (see § 1–2.201(a)(20) and § 1–2.202–3(b)(3)) and, when appropriate, the quantities they consider to be carload and truckload lots.

§ 5A–72.105–9 Inspection.

(a) *General policy.* The general policy is to provide for inspection at origin except where such inspection is not feasible or economical. This is particularly important in invitations covering requirements of more than one region, and in contracts for commodities regularly ordered for direct delivery to agencies. Representatives of the Quality Control Division should be consulted in determining where inspection should be performed. The provision to be inserted in each invitation for bids where it is determined that there will be origin inspection is contained in § 5A–2.201–78. Contracts which require the contractor to have specified quantities ready for shipment on specific dates must also provide that the applicable regional Quality Control Division be given adequate notification to perform inspection.

(b) *Contract documents for Quality Control Division.* Distribution of contractual documents is covered in § 5A–72.105–23 and § 5A–76.201. With respect to inspection copies of contractual documents, experience has shown that they are received more promptly if the purchase activity forwards them directly to the Quality Control Division in the regional office which will perform inspection. Therefore, unless it is considered advantageous to route documents through the local Quality Control Division, distribution shall be made by the purchase activity directly to the inspection activity concerned. The Procurement Operations Division and each regional Buying Division shall take positive steps to assure that necessary copies of contractual documents and purchase orders are distributed to the appropriate regional Quality Control Division simultaneously with their release to suppliers. Where origin inspection is specified, it is essential that copies of documents furnished to quality control activities show the contractor's plant location. Where additional copies of purchase orders are required, GSA Form 364 should be used.

§ 5A–72.105–10 Time of delivery or shipment.

(a) The preferred policy on time of delivery or shipment shall be to state in invitations both a desired and maximum time for delivery to the points specified, and to provide that bids offering delivery in excess of the maximum time stated will not be considered. The provisions prescribed in § 5A–1.316–5 shall be used in making both definite and indefinite delivery type contracts.

(b) The number of days to be stated as the desired and maximum delivery times will depend on the circumstances. Where the invitation provides that contractors shall maintain stocks on hand ready for shipment upon receipt of orders, the delivery time to be specified by the Government should be considerably less than where the contractor would be

expected to commence production on receipt of delivery orders.

(c) Where f.o.b. destination prices are requested, invitations should provide for bidders to state the number of days they will require after receipt of delivery orders to place shipments in transit.

(d) It is common industry practice for manufacturers to close their plants, or operate on a reduced production schedule, for definite periods of time to allow employees to take vacations and/or perform major maintenance work. Ordering offices should be furnished advanced information concerning such plant shutdowns since they could adversely affect the availability of stores stock items.

(1) Bidders will not be requested to furnish plant shutdown schedules in the invitation for bids. Contracting officers will obtain this information from the successful bidder and, to the extent practicable, publish the schedule in GSA Form 1584, Term Contract Summary.

(2) The fact that a contractor has furnished a plant shutdown schedule subsequent to award of contracts will not relieve him of his contract obligations during such periods. However, ordering offices should exercise good judgment in their dealings with the contractor, and wherever possible, place delivery orders which will allow sufficient delivery time so as not to conflict unnecessarily with the scheduled plant shutdown.

§ 5A–72.105–11 Billing and payment.

Contracts shall provide that payment will be made by the GSA regional offices which issue the delivery orders. Where inspection, acceptance, and receipt are accomplished at point of origin and shipments are made on Government bills of lading, contracts should provide that payment will be made upon receipt of invoices accompanied by a copy of each bill of lading evidencing delivery to the carrier of the items covered by the invoices, and upon receipt of evidence of inspection and acceptance of such items by the Government. In such cases, evidence of inspection and acceptance must be furnished to the paying office by the regional Quality Control Division which performs the inspection.

§ 5A–72.105–12 Contractor reports.

(a) Ordinarily, national and zone indefinite delivery type contracts for stores stock items shall include a contract provision requiring contractors to submit periodic reports to the contracting officer of orders received and shipments made under such contracts. GSA Form 1227, Contractor's Report of Orders Received and Shipments Made (see § 5A–16.950–1227), shall be used for this purpose.

(b) The frequency of such reporting by contractors shall be held to the minimum necessary for effective contract administration. Generally, semimonthly reports should suffice where orders will be placed frequently (e.g., 10 or more orders per week), although weekly reports may be required where determined necessary. Under contracts where orders will be placed less frequently, monthly reports will usually suffice.

(c) When contractor's reports of orders received and shipments made are to be required, the following provision shall be included in the invitations for bids or requests for proposals:

REPORTS OF ORDERS RECEIVED AND SHIPMENTS MADE

Each Contractor shall furnish (enter weekly, semimonthly, or monthly, as appropriate) reports of orders received and shipments made under contracts awarded as a result of this Invitation. Such reports shall be made on GSA Form 1227, "Contractor's Report of Orders Received and Shipments Made," and be forwarded within (enter "three" for weekly reports, "five" for semimonthly reports, and "ten" for monthly reports) working days after the close of each reporting period to: Contracting Officer, General Services Administration, Federal Supply Service (contracting officer shall insert proper mailing address). A reporting period (other than weekly) shall be terminated by the end of each calendar month whether or not such contract was in force for the full month. Reports shall continue until all deliveries under purchase orders issued under the contract are shipped. If no orders are received as of the close of any reporting period, a negative report shall be submitted. The Contractor shall also forward a copy of each GSA Form 1227 prepared to the office designated to perform inspections under the contract. The Contracting Officer, or his representative, shall also have the right to inspect, without further notice, such records of the Contractor as pertain to orders received and shipments made under any contract resulting from this Invitation. Willful failure or refusal, or continued failure or refusal, to furnish the required reports, or falsification thereof, or denial of said right to inspect the Contractor's records, shall constitute sufficient cause for applying the provisions of Article 11 of the General Provisions (Standard Form 32) entitled "Default."

(d) The primary reason for obtaining GSA Form 1227 reports is to provide the contracting officer with a simple and continuing source of information concerning the status of orders received and shipments made by contractors, for the purpose of noting and evaluating contract performance. Each GSA Form 1227 received shall be promptly reviewed to determine whether the contractor is proceeding in accordance with the terms of his contract. Such review shall also take into account information available from other sources; for example, a check should be made against copies of purchase orders received from regional offices to determine whether all such orders have been reflected in the contractor's reports.

(e) If, based on a review of the information reported on GSA Form 1227, and other available information, it is found that the contractor is failing to ship orders, or to schedule shipments in accordance with the contract terms, aggressive action shall be taken to secure compliance with contract requirements. The contracting officer shall promptly notify regional offices in all cases where delays or other performance failures by the contractor will extend the time otherwise required for delivery under the contract.

(f) Prior to the issuance of blank copies of GSA Form 1227 to contractors, offices are cautioned to make sure that the proper GSA return address has been inserted on all copies.

§ 5A–72.105–13 Priority to be given orders by contractors.

(a) Indefinite delivery type contracts shall provide that contractors shall fill delivery orders in the same sequence in which they are received, except:

(1) Purchase orders carrying a "DO" rating certified in accordance with DMS Reg. 1 must be given precedence over unrated orders whenever necessary to meet required delivery date specified in the rated order.

(2) As may otherwise be directed by the contracting officer.

(b) The urgency of particular orders may justify the contracting officer directing the filling of such orders on a priority basis but no such action may displace a "DO" rated order with an unrated order if such action will result in delay in delivery of the rated order beyond the delivery date specified in such rated order.

§ 5A–72.105–14 F.o.b. destination deliveries of less-than-carload quantities to GSA Supply Depots.

(a) It is common industry practice for shippers to take advantage of lower freight rates by consolidating less-than-carload shipments into a carload with stopoff privileges en route for partial unloading. Where a supply contract provides for delivery f.o.b. destination, any economies resulting from such consolidation accrues to the contractor; therefore, any costs associated with the use of the stopoff privilege should be borne by him. However, since the carriers' tariff regulations provide with respect to such shipments that each intermediate consignee must restow, block, and brace the remaining shipments in the car prior to releasing the car back to the carrier, the Government stands the restoration costs unless it recovers them from the contractor. Accordingly, invitations for bids for stores stock items which provide for delivery f.o.b. destination, shall contain the following clause:

LESS-THAN-CARLOAD SHIPMENTS WITH STOPOFF PRIVILEGES

(a) When the contract provides for delivery f.o.b. destination and the Contractor elects to deliver a less-than-carload quantity via stopoff privileges for partial unloading, the Government's shipment must be loaded by the Contractor in a manner which will not require the Government to restow, block, and brace any freight remaining in the conveyance.

(b) In the event the Contractor fails to comply with the above requirement, the Government shall have the right, without prejudice to any other available remedies under the contract, to (1) reject the shipment or (2) perform the required restowing, blocking, and bracing by use of Government personnel and charge the Contractor therefor at a rate of $5 per man-hour with a minimum charge of $5, and deduct such charges from the Contractor's invoice for the material.

(b) Deductions from contractor's invoices pursuant to the clause in (a),

above, will be made by the Office of Regional Data and Financial Management making payment for the supplies and will be based on a statement furnished by the receiving supply depot indicating the amount to be deducted and the basis therefor.

§ 5A–72.105–15 Progressive awards.

(a) When it is probable that the total requirements may exceed the quantity which any one supplier is willing to allocate monthly toward such total requirements, the invitation for bid shall provide for the making of progressive awards. A sufficient number of awards should be made to assure availability of supplies. No bid offering a price which is considered unreasonably high shall be accepted. See also § 5A–72.105–16.

(b) When progressive awards are made it will be necessary for the contracting officer to establish controls to assure that orders in excess of the maximum monthly quantity allocation are not issued to each progressively higher contractor. See § 5A–72.105–24.

(c) Successful bidders shall be notified as to whether progressive awards have been made with the notice of award.

(d) When the low responsive bidder offers a monthly quantity allocation equal to or greater than the Government's estimated peak monthly requirements and no progressive award is consequently made, any actual monthly requirement may be placed with the contractor when the total of such requirements do not exceed the contractor's stated monthly quantity allocation by more than 10 percent and such additional quantities are acceptable to the contractor.

§ 5A–72.105–16 Maximum monthly quantity allocations.

(a) When procurement is to be effected by indefinite delivery type contracts and it is anticipated that progressive awards will be necessary to satisfy the needs of the Government, bidders must be permitted to limit the quantities of items per month for which orders can be accepted.

(b) Where it is known that certain groups of items covered by an invitation involve the use of the same production facilities, bidders should be requested to provide one monthly allocation for the whole group of items, which may be applied to any line or combination of line items. Where knowledge of production techniques is not sufficient to permit such grouping by the Government, bidders should be requested to group the items covered by the invitation and offer monthly allocations for each group.

(c) Wherever monthly quantity allocations are requested it is essential that bidders be advised that, if progressive awards are in fact made, orders in excess of those allocations may not be accepted.

(d) In view of the diversity in the type of items being procured and the procurement methods applicable to each, it is not expected that completely uniform clauses will be developed to cover all situations. For the guidance of procurement personnel, however, there is set forth below, a clause entitled "Progressive Awards and Monthly Quantity Allocations" which is illustrative of the procedure which should be employed.

PROGRESSIVE AWARDS AND MONTHLY QUANTITY ALLOCATIONS

(a) *Monthly Quantity Allocation.* (1) Set forth below are the Government's estimated annual requirements and estimated peak monthly requirements for each stock item covered by this invitation. In order to preclude the placement of orders upon any Contractor in excess of his production capacity, bidders are requested to indicate in the spaces provided the total quantity per month which they are willing to furnish of any item, or group of items involving the use of the same production facilities. Since the number of items on which any bidder may be eligible for award cannot be determined in advance of bid opening, bidders are urged, in making monthly allocations, to group, for allocation purposes, as many items as possible. Such grouping will make it possible for the Government to make fullest use of the production capabilities of each bidder. (2) Bidders need not limit their monthly quantity allocations to the Government's estimated peak monthly requirements, since additional unanticipated needs may occur during the period of the contract. If a bidder does not insert monthly allocation quantities, he will be deemed to offer to furnish all of the Government's requirements, even though they may exceed the stated estimated requirements.

Federal Stock No.	*Estimated annual requirements*	*Estimated peak monthly requirements*

BIDDERS MONTHLY QUANTITY ALLOCATIONS

Items or groups of items	*Monthly allocation quantity*

(b) *Progressive Awards.* If the low responsive bidder offers a monthly quantity allocation of less than the Government's estimated peak requirements, the Government may make progressive awards to the extent necessary to meet estimated requirements. In such cases, awards will be made to the low responsive bidder, covering Government requirements up to that bidder's stated monthly quantity allocations, and then progressively to other bidders to the extent necessary to cover all Government requirements.

(c) *Ordering Procedure.* If progressive awards are made, orders will be placed first with the Contractor offering the lowest price on each item normally up to that Contractor's maximum quantity allocation and then, in the same manner, successively to other Contractors. However, to avoid the placement of unduly small orders or the splitting of a single requirement between two Contractors, the Government reserves the right to place orders with back-up Contractors whenever the orders placed with lower priced Contractors equal or exceed 95% of their monthly quantity allocation for the item or group of items being ordered. In no case will orders be placed with any Contractor in excess of his monthly quantity allocation.

§ 5A–72.105–17 Quantity discounts.

When it is advantageous to do so, provision shall be made for bidders to quote progressive quantity discounts on orders for relatively large quantities. This feature should be given serious consideration when the industry involved normally uses quantity discounts in the pricing structure and there is a relatively wide spread between the minimum and maximum order limitations.

§ 5A–72.105–18 Packing requirements.

(a) *Standard pack items.* (1) As standard pack requirements are developed for stores stock items, the Procurement Operations Division shall amend the GSA Form 419, Stock Item Purchase Description, to conform to the standard pack, coordinating such information with the Inventory Management Division. In such a case, the following notation will be included on the face of the Stock Item Purchase Description card for the information of buyers, but not for inclusion in invitations for bids or requests for proposals:

Standard Pack Item—Include standard pack clause in purchases for store stock.

(2) The clause prescribed in § 5A–7.170–5 shall be included in invitations for bid and requests for proposals as provided therein.

(b) *Nonstandard pack items.* (1) Invitation for bids and requests for proposals covering stores stock items for which a standard pack has not been established shall include the following clause:

NONSTANDARD PACK ITEMS

(a) Except for those items for which packaging and packing requirements are cited in the Schedule or included in a referenced specification, items covered by this invitation for bid may be shipped in commercial containers, Provided: (1) Each shipping container of each item in a shipment is of uniform size and content, except for residual quantities, (2) the gross weight of each shipping container does not exceed 80 pounds except when the weight of a single item within the shipping container is of a higher weight, and (3) shipping containers comply with requirements of the Uniform Freight Classification or the National Motor Freight Classification (issue in effect at time of shipment).

(b) Shipments delivered to a GSA supply depot which do not conform to the contract requirements set forth above shall be subject to rejection and replacement, or correction in accordance with the provisions of Article 5(b) of the General Provisions.

(2) In exceptional circumstances, the weight limitation specified in (a)(2) of the clause in (b)(1) of this § 5A–72.105–18, may be increased to 100 pounds. However, when such is the case, the increase shall be fully justified and the case file documented accordingly.

(c) *Export packing.* On items for which an appreciable amount of export demand may be expected, bidders may also be requested to quote prices delivered to specified ports, including packing. Invitations must indicate consideration to be given this item in the evaluation of bids.

§ 5A–72.105–19 Aggregate awards.

Provision shall be made for making aggregate awards where such action is deemed advantageous. The requirements for making aggregate awards are contained in § 5–2.201–53 and § 5–2.201–54.

§ 5A–72.105–20 Maximum order limitations—requirements and indefinite quantity contracts.

(a) Except as provided in (b) of this § 5A–72.105–20, a maximum order limitation clause, similar to those prescribed in § 5A–73.112(f), (g), and (h), shall be included in all requirements and indefinite quantity contracts. (See also § 1–3.409 (b)(1) and (c)(1).) The criteria set forth in § 5A–73.112(b) shall be followed in setting the amount of the limitation.

(b) This clause may be omitted from the contract if a significant advantage to the Government will result from its omission. Such advantage must be significant enough to outweigh possible loss of competition through failure to bid on the part of suppliers who do not wish to risk the acceptance of unusually large orders during the contract term and to outweigh possible advantage to the Government of separately advertising for abnormally large requirements. If the clause is omitted the contract file shall be documented to show factors considered and the basis for decision.

(c) Requirements in excess of the maximum order limitations of a contract shall be submitted to the contracting officer who made the contract for procurement action.

§ 5A–72.105–21 Minimum orders.

Where it is known that bidders are reluctant to accept small orders and will increase prices to cover additional costs for handling such orders, a minimum order provision shall be included in invitations for bids. Where the contract will cover the requirements of more than one region, the ordering pattern at the regions involved shall be considered in setting the minimum so as to limit the extent of open-market purchases of small requirements.

§ 5A–72.105–22 [Reserved]

§ 5A–72.105–23 Preparation and distribution of contractual information.

(a) *Term contracts.* (1) In order to simplify the administrative work involved when issuing orders under national or zone indefinite delivery type contracts, contracting officers shall summarize all pertinent contract information for each contract on GSA Form 1584, Contract Summary (see § 5A–76.306).

(2) GSA Form 1584 shall be prepared in accordance with the instructions contained in this § 5A–72.105–23(a). GSA Form 1584A, Contract Summary—Continuation Sheet, is for use when a continuation sheet is required.

(i) *Contract number.* Enter the contract number exactly as it appears on the contracting document.

(ii) *Period of contract.* Show the inclusive dates for which the contract is in effect.

(iii) *FSC.* Enter the Federal Supply Classification for the commodities involved; e.g., 7220.

(iv) *Commodity.* Briefly describe the type of items covered by the summary.

(v) *Maximum order.* Enter the maximum order limitation for any one order expressed in the terms of the contract.

(vi) *Minimum order.* Enter the value of the minimum order required to be accepted by the contractor.

(vii) *Issue order to.* Enter name and address of the contractor to which delivery orders are to be sent.

(viii) *Contractor's representative.* Enter name of person and telephone number to contact for assistance in obtaining deliveries against orders placed with the contractor, or other information pertinent to contract administration.

(ix) *Inspection point.* Indicate inspection point by placing "x" in the appropriate block. If source block checked, identify the region and plant address of contractor where items are available for inspection.

(x) *Method of award.* Insert "x" in appropriate block to indicate method used by the contracting office to make an award.

(xi) *Business type.* Insert "x" in appropriate block to indicate whether the contractor is a small business concern.

(xii) *F.o.b. point.* Enter the f.o.b. point(s) for which contract prices have been established.

(xiii) *Time for delivery.* Enter delivery time to destination if so specified in the contract. Otherwise, state the number of days contractor is required, after receipt of delivery orders, to place shipment in transit, e.g., "Shipment 20 days ARO."

(xiv) *Discount terms.* Enter prompt payment discount terms as expressed in contract. Also refer to quantity discounts here. If different for each item, enter "quantity discount" and show them by relating to each item in the body of the summary. If same for all items but space in block is insufficient, show in the space provided for special contract conditions. (See (xxiv) below.)

(xv) *Stock number.* Enter Federal stock number for each item and arrange items in numerical sequence.

(xvi) *Purchase order description.* Identify items by the "item name" as provided for in Part II of General Stores Stock Catalog. Descriptive adjectives should be used as necessary to distinguish between items on summary; i.e., color, size, weight, etc.

(xvii) *Pricing information.* Established contract prices for supply depot locations will be related to the applicable warehouse location code and listed in tabular form immediately below each item. To conserve space, the table may extend the entire width of the summary form. Where a destination price is applicable to several locations, it may be shown as: 1, 2, 3—$1.93; 9, 9A, 10—$2.02, etc.

(xviii) *Unit.* Enter unit of issue for each item as identified by the Federal stock number; i.e., each, lb., pkg., can, etc.

(xix) *Units per shipping container.* Identify the number of units (see (xviii) above) assembled in containers by the contractor for shipping.

(xx) *Weight per shipping container.* Show weight for each shipping container as furnished by the contractor.

(xxi) *Invitation number.* Identify the invitation for bid that resulted in the award for which the summary is prepared.

(xxii) *Contracting office.* Identify the FSS contracting office that made the award.

(xxiii) *Contracting officer.* Identify the person who signed the award on behalf of the U.S. Government.

(xxiv) Any special contract conditions, may be shown in the body of the summary immediately following the last item listed. This space may be used to highlight unusual circumstances.

(3) To provide advance information, one copy of each invitation for bids involved shall be forwarded to each regional buying activity at the time such invitations are distributed to prospective bidders.

(4) After award of national or zone indefinite delivery type contracts, GSA Form 1584 shall be distributed in accordance with § 5A–76.201.

(5) It is intended that the contract summaries be filed in contract number sequence in three-ring binders. The contract number should be noted on the related GSA Form 1388, Reorder Buyer's Record, so that as replenishment actions are initiated the contract against which the order will be prepared is readily available.

(6) GSA Form 1584 shall be distributed to using offices at least 20 days in advance of the commencement date of the contract period. When a contract summary will not be mailed at least 20 days in advance of the beginning of the effective period, contracting officers shall notify using offices of such a delay. This notification shall (1) indicate whether the entire term contract or a portion thereof is being delayed, (2) state the approximate date the summary may be expected, and (3) furnish advice as to action to be taken with respect to interim requirements arising prior to the award and availability of the new contract. If it appears that no contract will be executed the notice to using offices shall so state and shall stipulate what method using offices will utilize to replenish their stores stock.

(7) Wherever feasible, regional buying activities may summarize their local term contracts on GSA Form 1584.

(b) *Definite quantity buys by national or zone purchasing activities.*—(1) *General.* Under normal situations involving definite quantity buys by national or zone purchasing activities, the contracting office will complete the purchase transaction up to but not including the preparation and distribution of the delivery or-

ders. In such cases, the contracting office will furnish the region a copy of the contract with instructions to prepare the delivery order or if this is not feasible, as in the case of multiple destinations or small purchase transactions under $2,500, the contracting office may summarize (informally) the necessary ordering data on GSA Form 2172, Procurement Source Document, for the requiring region to place the order with the contractor.

(2) *Action required by the contracting office.* When GSA Form 2172 is used, it shall be prepared upon completion of the initial purchase action by the contracting office in an original and two copies for each region for which purchase is made. The originals shall be mailed daily, marked for the attention of the Chief, Inventory Management Division/Branch of the applicable region(s). In those cases where a contract is involved, two copies of the invitation for bids or solicitation for offers shall be attached to the originals of GSA Form 2172. One copy of GSA Form 2172 shall be placed in the purchase case file and the second copy furnished to the applicable clerical staff for the purpose of recording line item count. Copies of purchase orders received from the regions (see (3) below) shall be filed in the purchase case file of the contracting office as evidence of completed purchase transactions.

(3) *Action required by the regional office.* The Chief, Inventory Management Division/Branch, shall assign a "high-priority" to the typing and placing of the purchase order with the supplier indicated on the Procurement Source Document. The purchase order shall cite "Sec. 302(c)(3) 41 U.S.C. 252(c)(3)" or the contract number as the authority for purchase and shall reference the purchase case file number of the contracting office as shown in the upper right hand corner of the Procurement Source Document. The purchase order shall be signed by the responsible regional buyer and distributed in the normal manner, except that a copy shall be forwarded without delay to the contracting office marked for the attention of the buyer named on the Procurement Source Document. If copies of invitations or solicitations have been furnished as provided in (2), above, one copy each of such invitation or solicitation shall be furnished to the paying office and the Quality Control Division as attachments to the fifth and eighth copies of the purchase order. The original of the Procurement Source Document shall be filed with the fourth copy of the purchase order.

§ 5A–72.105–24 Control of quantity ordering—involving indefinite quantity commitment contracts.

(a) When contracts are made for definite quantities or indefinite quantities with a guaranteed minimum quantity or on a progressive award basis, the contracting office must exercise control over the quantities ordered.

(b) The following method shall be used in controlling quantities ordered under contracts covering definite quantity or indefinite quantity with a guaranteed minimum for use by more than one region:

(1) Contracting officers shall furnish necessary quantity allocations to the regional offices prior to the effective date of each contract.

(2) When and if any regional office has requirements which will exceed its allocations, it shall advise the contracting officer immediately.

(3) When any regional office determines it will not use all of its allocations, it shall notify the contracting officer immediately.

(c) For items covered by contracts involving progressive awards the following method shall be used to control quantities ordered:

(1) *Allocation procedure*—(i) *Requests for allocation.* GSA regional offices shall request allocations on certain items as directed by the Procurement Operations Division. The following information shall be furnished with each allocation request:

(*a*) Purchase order number(s) to be used when ordering the requirement from the contractor.

(*b*) Stock item number(s).

(*c*) Name of article.

(*d*) Quantity.

(*e*) Desired shipping date from contractor's plant (allowing for production and in-transit time).

(*f*) Consignee point(s).

(ii) *Action by Procurement Operations Division.* Upon receipt of allocation request, the Procurement Operations Division shall select the contractor from whom the requirement is to be purchased. Notice of allocation shall be furnished to the region within 3 working days. When allocations are issued late in the contract period, the Procurement Operations Division shall not make allocations for deliveries which extend beyond the contract expiration date plus contract delivery time.

(2) *Issuing purchase orders.* Upon receipt of allocation, purchase order(s) and Government bill(s) of lading, if required, shall be issued within 5 working days by the GSA region.

(3) *Contract expirations.* The commitment document to the contractor is the purchase order issued by the region; therefore no commitment by the region shall be made to the contractor after the expiration date of the contract. To expedite the commitments to contractors, all items on an expiring contract shall be given a special review not later than 15 working days prior to the contract expiration date. Request for allocation shall be made immediately for any requirements that would normally be for delivery within the remaining period of the contract delivery time. Subsequent to such special review and request for allocations, if additional requirements develop for which delivery is required within the remaining period of the contract plus contract delivery time, the request for and the allocation shall be made by telephone. In such cases both the request and the allocation shall be confirmed. Regions must place (mail) purchase orders prior to expiration of the contract or, if time does not permit, make telegraphic commitment to the contractor giving purchase order number, item number, quantity, dollar value, contract number, etc., and confirm by formal purchase order and Government bills of lading, if applicable.

(d) Contracting officers shall make such adjustments as are necessary to utilize contracts to the maximum advantage of the Government.

(e) Regional offices shall not issue orders for any quantities in excess of their allocations.

(f) Whenever a contracting officer exercises the Government's option to increase quantities on an indefinite quantity contract, he shall immediately advise the regional offices affected of any changes in previous allocations.

§ 5A–72.105–25 Expediting deliveries.

(a) Regional offices shall expedite the delivery of materials ordered by them. However, when a regional office is not obtaining the service contemplated by a contract, it shall notify the contracting officer and forward a copy of such notification to the cognizant Quality Control Division.

(b) Contracting officers shall closely review the performance of contractors, and, where it is indicated that contractors are not complying with contract requirements, shall take aggressive action to secure compliance. Action to declare a contractor in default and to buy against the account of a contractor is the full responsibility of the contracting officer.

§ 5A–72.105–26 Issuance of delivery orders.

(a) Regional offices shall place delivery orders against indefinite delivery type contracts. GSA Form 300, Purchase Order, shall be used for this purpose unless the delivery is made direct to the requisitioning activity. In such cases, GSA Form 1430, GSA Stores Direct Delivery Order, shall be used.

(b) When GSA Form 1584 reflects a zone delivered price as well as the f.o.b. shipping point price, the regions shall determine which is the more economical; the delivered price, or the f.o.b. shipping point price plus cost of transportation. Purchase orders shall be placed on the basis of the lowest cost to the Government. If the f.o.b. shipping point price plus cost of transportation is the more economical, Government bills of lading shall be issued.

(c) To the extent provided in applicable contracts, ordering activities may, by including appropriate statements in delivery orders, exercise certain options, such as requiring export packing, specifying delivery f.o.b. destination or f.o.b. shipping point, utilizing Government bills of lading, and specifying the mode of transportation and routing to be used. When the Government exercises its option to specify delivery to a destination or consignee not named in a delivered price contract, the delivery order shall bear the following notice:

NOTICE TO CONTRACTOR: The Government is exercising its option to divert delivery. When submitting your invoice for payment, make adjustments thereon for the difference in transportation charges in accordance with the clause entitled "Changes—Delivery Op-

tions and Adjustments in Transportation Costs" of GSA Form 1424, Supplemental Provisions (Supply Contract).

(d) Regions shall not issue purchase orders which call for deliveries extending beyond the contract expiration date plus contract delivery time. (See § 5A-7.101-84, Deliveries beyond the contractual period—placing of orders.)

§ 5A-72.105-27 Purchase records.

Contracting officers shall obtain and maintain such records as are necessary to accumulate usage data required for determining quantities to be contracted for, and to administer such contracts properly. It is especially important that complete information be obtained and maintained on definite quantity purchases made because the quantity was in excess of the maximum order limitation of the indefinite delivery type contract. The number of such purchases, prices paid, and problems encountered should be considered for possible changes in future contracts to improve operations.

§ 5A-72.105-28 Warehouse addresses and consignment instructions.

(a) The Federal Supply Service in each regional office shall notify each other regional office and the Office of Procurement of any anticipated change in its warehouse address or consignment instructions, together with the effective date of the change. Prior to forwarding such notification, the regional transportation activity shall be consulted.

(b) Each buying activity shall utilize GSA Form 1126, Stores Depots and Consignment Instructions, as an attachment to invitations for bids covering supplies for delivery to supply depots of two or more regions.

(c) Regional offices submitting consolidated stock replenishment requests containing special consignment instructions or a delivery address different from the regular warehouse address shall indicate to the procuring office, either on the replenishment request or as an attachment thereto, that special handling is required.

§ 5A-72.105-29 Interim stock replenishments.

(a) *Indefinite delivery type contracts.* Where indefinite delivery type contracts have been established, interim stock replenishment purchases shall not be made except with the specific approval of the contracting office since the rights of the contractors holding such contracts may be involved. This would be true of either regional, zone, or national contracts. Action to be taken with respect to interim requirements arising prior to award or availability of contract shall be in accordance with instructions contained in the notice of delayed action furnished by the contracting officer. See § 5A-72.105-23(f).

(b) *Consolidated single purchase contracts.* Should replenishment of an item under the single purchase consolidated stock replenishment program become necessary during the period between scheduled submission dates, the requirement for the interim period, if in excess of $2,500, shall be submitted to the regular procuring activity for purchase action or granting of specific authority for regional purchase. If the value of a replenishment request is less than $2,500, the regional buying activity may procure its own requirements or may submit the requirement to the regular procuring activity. This authority for local purchase is to be exercised judiciously with due regard to price, quality, local availability, and other pertinent factors.

§ 5A-72.105-30 Public exigency requirements for term contract or consolidated purchase items.

When stocks on hand and due in are insufficent to meet an agency exigency demand (see §§ 1-3.202, 5-3.202, and 5A-3.202) purchase of stock items normally supplied through indefinite delivery type contracts or the consolidated stock replenishment programs may be made by the regional offices in accordance with the following:

(a) *Indefinite delivery type contracts.* The contractor shall be contacted with a request for shipment under the contract within the time required to meet exigency requirement. If contractor states shipment can be so made order should be issued accordingly. If contractor indicates shipment can be so made if order can be given priority over other orders the question shall be referred to the contracting officer for decision. If contractor cannot meet delivery requirements of agency under any circumstances or if decision of contracting officer is not to give priority to such order over earlier orders in hands of contractor, the region shall negotiate purchase of such requirements.

(b) *Consolidated stock replenishment program.* The regional buying activity concerned shall procure such requirement through negotiation, in accordance with §§ 1-3.202, 5-3.202, and 5A-3.202.

§ 5A-72.105-31 Public exigency purchases for stock replenishment.

(a) The public exigency authority provided by subsection 302(c)(2) of the Federal Property and Administrative Services Act of 1949, as amended, may be used for negotiating a stock replenishment purchase if all of the following factors are present and a written determination and finding to that effect is signed by the contracting officer and approved by the Chief of the appropriate Procurement Branch in POD or the Chief of the Regional Buying Division (Inventory Management Division in Region 9):

(1) The requirement cannot be obtained from a current term contract or other established sources;

(2) The item is one for which normally there is a steady requirement; and

(3) Exceptionally heavy and sudden demands have depleted stocks to the extent that a substantial volume of back orders will result unless replenishment merchandise is procured within less time than even the minimum required for formal advertising.

(b) Stock replenishment purchases under the public exigency negotiation authority should be limited to quantities necessary to meet anticipated requirements until additional quantities can be made available by other means, giving due consideration to the delivery time that can be expected through expedited procurement under formal advertising procedures.

§ 5A-72.106 Special instructions regarding selected commodities.

§ 5A-72.106-1 Policies and procedures governing the procurement of stock items of office furniture.

(a) *Types of contracts.* The Procurement Operations Division is responsible for contracting for stores stock items of office furniture. Such contracting shall be performed in accordance with § 5A-72.105 and the supplemental and special instruction contained in this § 5A-72.106-1. Generally, such contracts shall cover 12-month periods and shall provide for the following, if practical and economical:

(1) Monthly allocation of production by the supplier.

(2) Inspection at origin.

(3) Quantity discounts.

(4) Minimum order quantities (carload or truckload, if practicable).

(b) *Basis of awards.* (1) When zone (regional) delivered prices are requested, bid evaluation shall be based on the cost to the Government delivered to each zone by item, or subitem if specified. F.o.b. shipping point prices shall be requested for subsequent inclusion in GSA Form 1584, Contract Summary, if such prices are reasonable.

(2) When f.o.b. shipping point prices only are requested, bids shall be evaluated based on the total cost to the Government:

(i) By item, or subitem if specified;

(ii) Carload and/or less than carload, predicated on minimum and maximum order quantities; and,

(iii) Bid price plus cost of transportation, and other applicable costs, if any, from shipping point to each delivery point as specified in the invitation for bids.

(c) *Allocations.* See § 5A-72.105-24(c) for procedures when progressive awards have been made. GSA Form 1589, Request for Allocation (Office Furniture), shall be used to request allocations of office furniture.

§ 5A-72.106-2 Procurement of Forest Service items.

(a) *General.* Unless otherwise directed by the Office of Procurement, GSA Region 8 (Denver) shall be responsible for the procurement of all Forest Service items listed in the Special Supplement to the GSA Stock Catalog as issued by Federal Supply Service, Denver. Other GSA regional offices may purchase such items only upon prior clearance by the Regional Director, Federal Supply Service, Region 8.

(b) *Specifications.* All Forest Service, U.S. Department of Agriculture, fire control material, equipment, supplies, etc., must meet the requirements of specifica-

tions furnished by the Chief, Forest Service. For regular procurement purposes, deviations from such specifications will be permitted only when authorized by the Chief, Forest Service. Questions arising in other GSA regions pertaining to the technical aspect of Forest Service Specifications will be referred to GSA Region 8 and they will ordinarily be resolved between GSA Region 8 and the Forest Service, Division of Fire Control, Washington Office. The Division of Fire Control will also be responsible for developing Forest Service Specifications for new items which will be used exclusively by that service. They will also be responsible for the revision of existing inadequate Forest Service Specifications as required. Federal and Interim Federal Specifications shall be used to the maximum extent possible to avoid the necessity of developing new Forest Service Specifications. The mandatory use, authorization of deviations for Federal Specifications, optional use of Interim Federal Specifications, and the use of departmental (Forest Service) specifications shall be in accordance with § 1–1.305. (See § 5A–1.305–70(b)(3).) GSA Region 8 will cooperate with the Division of Fire Control in developing or revising Forest Service Specifications to the maximum extent possible.

(c) Federal stock numbers for items listed in the Special Supplement to the GSA Stock Catalog as issued by Federal Supply Service, Denver, as well as those purchased by other FSS regions upon receiving clearance from Denver, shall be obtained in accordance with § 5A–73.101–3.

§ 5A–72.106–3 Consolidated purchase of canned fruits, vegetables, and juices for stores stock.

(a) *General.* The program for the consolidated purchase of canned fruits, vegetables, and juices contemplates the centralized procurement of such items for which there are requirements for supplies in sufficient quantity that they may be advantageously provided on a centralized basis. The centralized procurement of GSA requirements has been assigned to the Veterans Administration under the terms of the Non-Perishable Subsistence Assignment Principles agreed to by the Administrator of General Services and the Administrator of Veterans Affairs. (See exhibit in 5A–76.305.)

(b) *Policy.* The Director, Supply Service, Veterans Administration, will maintain control of operations under this program, including consolidation of requirements, development of suitable contracts, and arrangements for shipments with requiring GSA regions. However, the Office of Procurement, FSS, shall continue its overall management of the program.

(c) *Procedure.*—(1) *Notice of annual time schedule.* About February 1 each year the Marketing Division for Subsistence, VA Marketing Center, Post Office Box 76, Hines, Ill. 60141, will notify all GSA regions of the time schedule for submission of requirements under the program. The schedule will also include a list of commodities (peaches, tomatoes, asparagus, etc.), and the tentative bid opening date for each commodity.

(2) *Submission of requirements.* Requirements for each item, regardless of the quantity, identified by Federal stock number and noun name shall be sent in sufficient time to be received not later than the due date shown on the time schedule to:

Chief, Marketing Division for Subsistence, VA Marketing Center, Post Office Box 76, Hines, Ill. 60141.

The VA shall arrange for deliveries to GSA depots or such other points as GSA may designate within 3 months from the tentative bid opening date. In those exceptional cases when it is necessary that the delivery schedule extend beyond the 3 months period or when a delivery is required by a specific date within the 3 months period to assure stock of an item, the Marketing Division shall be so notified at the time of submission. Also, all interim requirements for the commodities listed shall be submitted to the Marketing Division for procurement action, except that emergency requirements may be procured by local purchase, by the GSA regional office having the requirement, under public exigency authority in the circumstances described in § 5A–72.105–30.

(3) *Consolidation of requirements.* The Marketing Division for Subsistence will consolidate the requirements from GSA regions and VA facilities in such a manner as to obtain best prices and lowest delivered costs commensurate with delivery requirements.

(4) *Payments of vendors by VA.* VA will effect payment to the vendor regardless of whether ultimate delivery is to a VA or GSA depot, or other point designated by GSA, and will effect payment to carriers for delivery to such destination. VA will furnish the FSS regional buying activity five copies of the purchase order, VA Form 3–2133, for each delivery consigned to depots in the region. The Inventory Management Branch (Division in the case of Region 9) shall forward one copy of the VA purchase order to the regional Supply Distribution Division and one copy to the appropriate Office of Regional Data and Financial Management and shall establish due-in records in accordance with regular procedure. Two copies of the VA purchase order will be held in suspense. Upon receipt of the receiving report indicating acceptable delivery at the depot, the Inventory Management Branch/Division will accomplish the certification of receipt thereon and forward both suspense copies of the VA purchase order to the Marketing Division for Subsistence. Shipments from VA stock will be covered by VA Form 10–2096. VA will provide Government bills of lading when essential. GSA will prepare VA Form 2002, Over, Short, or Damage Report, when appropriate. (NOTE: If GSA Form 1052, Over, Short, and/or Damage Report, is used it must contain all data required by the VA form and must be transmitted as an attachment to the VA Form 2002 for identifying purposes.)

(5) *Establishing prices to customer agencies.* VA will establish, and keep GSA depots currently informed of a uniform national selling price for items to be distributed through VA/GSA depots which will apply to all sales from VA or GSA depots to all civilian agency subsistence users. In establishing the price, consideration will be given to the type, class, specie, grade, size of the container, and other considerations set forth in the Assignment Principles (see 5A–76.305).

(6) *Prices to GSA.* VA will invoice all acceptable deliveries to GSA, regardless of source, at the uniform selling price and GSA will reimburse VA for the invoiced amount, adjusted downward to exclude the estimated cost of outbound transportation. VA will process invoices to GSA monthly using Standard Form 1081.

(7) *Contacts with VA contractors.* Deliveries not received by the date scheduled on the order will be reported promptly to the Marketing Division. Any questions, discrepancies, or difficulties will be reported immediately to the Marketing Division. GSA regions shall not contact contractors on VA contracts unless requested to do so by the VA.

(d) *Items excluded.* All items procured by either VA or GSA for exclusive distribution by the procuring agency are excluded from the requirements of this section and will be purchased and priced according to that agency's practices.

§ 5A–72.106–4 USDA Certificates of Quality and Condition—subsistence purchases.

(a) *General.* The Agricultural Marketing Service, U.S. Department of Agriculture, is authorized by law to inspect, identify, and certify the class, quality, and condition of agricultural products and processed foods made therefrom. Evidence of such action is issuance of USDA Certificates of Quality and Condition. Such Certificates are legal documents and are admissible in all courts of the United States as prima facie evidence of the truth of the statements therein. Contractors shall be required to furnish a USDA Certificate of Quality and Condition on all contracts for the commodity items listed below in the quantities specified (irrespective of whether the total quantity of such commodity item is delivered in one or more deliveries). Such certificates shall be available at the destination point(s) designated in the purchase order at the time of delivery, otherwise the shipment shall be refused.

(1) 50 cases or more of any one commodity item of canned fruits and vegetables, and canned products thereof, including juices.

(2) 1,500 pounds or more of any one commodity item of dried fruits.

(b) *Applicability.* This § 5A–72.106–4 shall apply regardless of whether the shipment is for stores stock replenishment or for direct shipment to another Government agency.

(c) *Procedure.* (1) The contract clause as prescribed in § 5A–7.170–7 shall be

contained in the invitation and contract when purchasing any of the items subject to the policy stated in paragraph (b), above.

(2) Purchase orders against contracts requiring a USDA Certificate with delivery shall contain a statement substantially as follows:

NOTE TO CONSIGNEE: This contract provides for inspection by the United States Department of Agriculture and the issuance of a USDA Certificate of Quality and Condition. If such Certificate is not received with the delivery, the shipment shall be refused and the GSA office issuing the order notified.

Consignee shall verify that (1) the can or container codes of a representative number of cases are as described in the Certificate of Quality and Condition, (2) the Certificate contains proper reference to grade and other requirements of the applicable specifications, and (3) each case in the shipment bears the same USDA stamp mark as appears on the Certificate of Quality and Condition, or that the shipment is covered by a Certificate of Loading.

(3) The following statement shall be placed on Government bills of lading covering shipments on which a USDA Certificate is required:

U.S. Department of Agriculture Certificate(s) of Quality and Condition must accompany this shipment.

§ 5A–72.106–5 USDA inspection of roasted whole bean coffee.

(a) *General.* Contractors shall be required to furnish, at their expense, a USDA Certificate of Quality and Condition for each procurement of 10,000 pounds or more of roasted whole bean coffee (see § 5A–72.106–4(a)).

(b) *Required clause.* See § 5A–7.170–8 for the clause to be inserted in any invitation for the procurement of coffee where a quantity of at least 10,000 pounds of coffee is involved.

(c) *Purchase order provision.* The following language shall be inserted in any purchase order where procurement of at least 10,000 pounds of coffee is involved:

NOTE TO CONSIGNEE: This contract provides for inspection by the United States Department of Agriculture and the issuance of a USDA Certificate of Quality and Condition. If such Certificate is not received with the delivery, the shipment shall be refused and the GSA office issuing the order notified.

Consignee shall verify that (1) the bags are as described in the Certificate of Quality and Condition (2) the Certificate contains proper reference to grade and other requirements of the applicable specifications, and (3) each bag is sealed or closed with a USDA seal or that the shipment is covered by a Certificate of Loading.

(d) *Government bills of lading provision.* The following language shall be inserted in Government bills of lading issued under contracts where procurement of at least 10,000 pounds of coffee is involved:

U.S. Department of Agriculture Certificate(s) of Quality and Condition must accompany this shipment.

§ 5A–72.106–6 Consolidated contracting for plywood.

(a) *Assignment of contracting responsibility.* Responsibility for consolidated contracting for those items shown in the Stores Stock Catalog under FSC Class 5530, Plywood, is assigned to the Buying Division, FSS, Region 10, subject to the direction and control of the Regional Director, FSS. This includes contracting for requirements for direct delivery of such stores stock items to using agencies. The Buying Division, FSS, Region 10, shall recommend to the Procurement Operations Division the method of contracting (i.e., consolidated definite quantity purchase or indefinite delivery type contract) for each item in FSC Class 5530 which is listed in the GSA Stock Catalog. Approved recommendations will be announced by POD issuance of revised stock item purchase description cards, appropriately coded. Region 10 shall establish schedules and guides for the submission of requirements by direct communication with the other regional buying divisions. Copies of all such communications shall be forwarded at the same time to the Procurement Operations Division.

(b) *Responsibility of other regional buying divisions.* Other regional buying divisions shall conform to the schedules and guides provided by Region 10 for submission of consolidated requirements. Interim replenishments shall be in accordance with § 5A–72.105–29.

(c) *Responsibility of the Procurement Operations Division.* Nothing in this section changes the responsibility of the Procurement Operations Division for commodity management, including approval of new items for stock and issuance of stock item purchase description cards.

§ 5A–72.107 Direct delivery of GSA stores stock items from suppliers to ordering agency.

§ 5A–72.107–1 Scope of section.

This § 5A–72.107 prescribes policy and procedures on direct delivery of stores stock items from suppliers to ordering agency consignee points. In addition it provides methods of handling direct deliveries of stock items under the Consolidated Stock Replenishment Program.

§ 5A–72.107–2 Applicability.

The procedures contained in this § 5A–72.107 are applicable to all direct deliveries of stores stock items, except that the modifications provided in § 5A–74.408 shall be observed in connection with overseas shipments.

§ 5A–72.107–3 Policy.

(a) Direct delivery should be utilized for a large requirement of any stock item whenever the transaction is practical and economical and will satisfy agency requirements as to time of delivery. Such method is not suitable in unusual circumstances, such as emergencies or when excessive stores inventories exist. When using this method, consideration must be given to agencies' ability to accept direct deliveries, especially where rail shipment, drayage, and uncrating are involved.

(b) Direct deliveries of stock items shall be billed to the agencies at the stores firm selling price less 4 percent when FSS incurs no unloading or local drayage expense at destination. In some instances agencies may not have the ability to accept direct deliveries but FSS finds direct delivery to be feasible if unloading and drayage at destination is arranged by FSS. In such instances unloading and drayage expenses at destination will be paid from the General Supply Fund and the agencies will not be allowed the 4 percent reduction in price. Government Bills of Lading shall be charged to the General Supply Fund on f.o.b. shipping point transactions. On f.o.b. destination transactions, adjustments for any differences in transportation charges computed on the vendor's invoice will be charged to the General Supply Fund.

§ 5A–72.107–4 Direct delivery of stock items under term contract.

(a) *Inventory Management Branch processing—(1) Preparation of GSA Form 1430.* Items selected for direct delivery handling will be extracted to the Inventory Management Branch of the regional Buying Division by Supply Distribution/Distribution Requirements Division. Upon receipt of the extract, the Inventory Management Division shall prepare GSA Form 1430, GSA Stores Direct Delivery Order. Special instructions for preparing GSA Form 1430 are as follows:

(i) The agency requisition number shall be cited in the "Agency Requisition No." block of the form. However, if the direct shipment covers multiple MILSTRIP or FEDSTRIP requisitions, the words "See below" shall be entered in that block, and the requisition (document) numbers shall be entered and so identified immediately above the stock numbers and the descriptions for the items.

(ii) In the absence of agency appropriation data, as in the case of MILSTRIP or FEDSTRIP requisitions, insert the fund code as it appears in columns 52–53 of the requisition format in the block titled "Name of Office and Appropriation Symbol to Reimburse GSA."

(iii) Stores direct delivery orders issued against contracts which provide for prices delivered, FSS warehouses, shall bear the following notice:

NOTICE TO CONTRACTOR: The Government is exercising its option to divert delivery. When submitting your invoice for payment, make adjustments thereon for the difference in transportation charges in accordance with the clause entitled "Changes—Delivery Options and Adjustments in Transportation Costs" of GSA Form 1424, Supplemental Provisions (Supply Contract).

(2) *Continuation Sheet.* Because of the anticipated small need for a continuation sheet of GSA Form 1430, none has been printed. If a continuation sheet is required, a second set of GSA Form 1430 shall be used, numbering the pages 1 of 2, 2 of 2, etc. Only the page number, direct delivery order number, and date of order need be repeated on any such continuation sheets.

(3) *Distribution of copies.* See § 5A–76.201(d).

(4) *Case files and followup.* The purchase order case files covering stores

direct delivery transactions should be segregated from files covering warehouse deliveries. GSA Form 1056, Notice of Shipment, shall be utilized and followup should be conducted on all cases. If it develops that deliveries will be unduly delayed beyond the delivery date indicated on the order, additional advice on expected delivery should always be sent to the customer.

(b) *Quantities exceeding maximum order limitation.* Occasions will arise when it has been determined that direct delivery should be utilized for a requirement in excess of the maximum order limitation on an existing contract. When the contract was made by POD or a contracting office in a different region, the procurement of the abnormal requirement shall be made by the office having contract responsibility for the item. In such cases, its action shall be confined to contracting for the item, and the GSA Stores Direct Delivery Order shall always be prepared by the region which initiated the action. In such a case, the region receiving the requisition, shall appropriately identify such as a "stock for direct delivery" transaction, and forward the requirement to the contracting office which shall forward acknowledgment of receipt of purchase authority to the regional office from which requisition was received. The contracting office shall include a provision in the contract that the delivery order will be placed by the region which forwarded the requirement. After award has been made, the original and one copy of the contract shall be forwarded to such region, by memorandum, which shall then prepare GSA Form 1430, furnishing the original contract to the Office of Regional Data and Financial Management.

§ 5A–72.107–5 Direct delivery of stock items under consolidated stock replenishment program.

(a) On items under the consolidated stock replenishment program the region shall forward the agency requisition, or extract thereof, appropriately identified as a stock item requirement for direct delivery to the purchasing activity having the consolidated assignment. Such purchasing activity shall forward acknowledgment of receipt of purchase authority to the GSA regional office originally receiving the order, and include a provision in the resultant contract that the delivery order will be placed by that region. The original and one copy of the contract shall be transmitted, by memorandum, to the region for preparation of GSA Form 1430. This procedure is identical to that followed for quantities exceeding maximum order limitations of existing term contracts as set forth in § 5A–72.107–4(b).

(b) When a region is authorized to make a local direct delivery purchase of a requirement for an item under the consolidated stock replenishment program, the transaction shall be documented as prescribed in § 5A–72.107–6 (a) and (b), below.

§ 5A–72.107–6 Direct delivery of stock items not under term contract or the consolidated stock replenishment program.

Generally, it is more difficult to arrange for direct delivery of an item when established sources are not available, due to possible delay in obtaining delivery for the customer. However, if the customer agency is agreeable, direct delivery of large quantities of items not covered by established sources should be made when practical and economical.

(a) In cases where such purchases are negotiated under section 302(c)(3) of the Federal Property and Administrative Services Act of 1949, GSA Form 1430 shall be used both as the purchase order (contract) and the delivery order. In such cases, it will be necessary to incorporate the terms and conditions contained on the reverse of the current edition of GSA Form 300, Purchase Order. A locally reproduced form containing those clauses shall be attached only to the original of the order sent to the vendor. Also a statement substantially as follows shall be inserted in the body of the order:

This order is issued pursuant to your quotation (insert appropriate reference), and is subject to the terms and conditions of the attached Form ------, dated ------.

(b) Purchases other than under section 302(c)(3) of the Federal Property and Administrative Services Act of 1949 shall be documented as formal contracts and GSA Form 1430 issued pursuant thereto as delivery orders.

§ 5A–72.107–7 Payment for deliveries—f.o.b. shipping point.

On direct deliveries f.o.b. shipping point, payment shall be made upon receipt of the contractor's original invoice accompanied by a copy of the Government Bill of Lading bearing evidence of delivery of shipment to the carrier and upon receipt of evidence of inspection and acceptance by the Government. Evidence of inspection and acceptance shall be any of the following:

(a) A manually signed copy of GSA Form 308, Notice of Inspection;

(b) A manually signed copy of DD Form 250, Department of Defense Materiel Inspection and Receiving Report; or

(c) When a contractor has been authorized under a quality assurance inspection procedure, a certificate of inspection manually signed by the duly authorized official of the contractor.

The manually signed copy of the GSA Form 308 or DD Form 250, will be sent by the inspector to the paying office indicated on the order. In the case of quality assurance inspection, the certificate of inspection (manually signed) will accompany the contractor's original invoice.

§ 5A–72.107–8 Payment for deliveries—f.o.b. destination.

On direct deliveries, f.o.b. destination, payment will be made upon receipt of Copy 2, Receiving Report Copy of GSA Form 1430, and contractor's invoice.

§ 5A–72.107–9 Inspection.

Stores direct delivery orders against existing contracts will normally involve source inspection in accordance with the terms of such contracts. However, there will be occasions when stock items not under term contracts will be ordered for direct delivery. In such cases, source inspection shall be required in any case where the value of the order is $1,000 or more. Where the value is less than $1,000 the following statement shall be typed in the body of the order:

Inspection shall be made at destination by the receiving agency.

Subpart 5A–72.2—Direct Delivery Purchasing of Other Than Stores Stock Items

§ 5A–72.201 General.

The Federal Supply Service conducts two types of direct delivery purchasing programs known as consolidated and local. Procurement assignments under the consolidated direct delivery programs are prescribed in Subpart 5A–1.77. Information relative to assignments under this program will be furnished to Federal agencies by issuance of appropriate notices.

§ 5A–72.202 Utilization of excess personal property.

Prior to initiating purchase action, buying activities shall arrange for screening, against lists of available excess personal property, all direct delivery purchase requests submitted by executive agencies including elements of the General Services Administration.

§ 5A–72.203 [Reserved]

§ 5A–72.204 Equipment guarantee and servicing.

Where guarantee, servicing, or maintenance requirements are contained in a specification for the purchase of items of operating equipment, the provision set forth in § 5A–1.305–71 may be inserted in the invitation for bids when considered desirable.

§ 5A–72.205 Department of Defense Materiel Inspection and Receiving Report, DD Form 250.

(a) *Scope of use.* The DD Form 250 is authorized for use in connection with procurements for direct delivery to military installations when prior arrangements for its use in certain types of cases have been made with the military requisitioning activities involved or use of the form is specified in individual military purchase requests.

(b) *Contract clause.* Invitations for bids and requests for proposals covering procurements that may require the use of the DD Form 250 shall contain the clause as provided in § 5A–7.170–11.

§ 5A–72.206 Direct delivery of Federal Supply Schedule items.

Purchase of schedule items for agencies in quantities less than the maximum order limitations under the

schedule should not be undertaken except in special cases as follows:

(a) Where customer agencies lack the necessary procurement personnel or facilities or do not have authority to issue purchase orders.

(b) When agency requisitions combine schedule items and stores stock items or other program items in such a manner that, (1) the extracting and returning of the schedule items to the ordering agency for purchase could not be justified on the basis of the additional time and expense involved, or (2) to do so would cause delay resulting in a serious supply failure.

(c) When the schedule items are being procured for shipment overseas and the customer agency desires to utilize the specialized facilities of GSA with respect to transportation, export packing, consolidation for shipment or special methods of packing such as "Conex" or "Sea-Van," etc.

(d) When special purchasing programs authorize placing of schedule orders for the agencies.

Subpart 5A–72.3—Service Contracts

§ 5A–72.301 General.

Service contracts shall be made in each regional office where it can be demonstrated that such contracts are beneficial from the standpoint of effecting an overall savings to the Government. In developing information as to the actual requirements for services, contracts with other agencies should be made at the highest level of authority within the region. Additional instructions regarding service contracts are contained in § 5A–73.102.

§ 5A–72.302 Geographical area of coverage.

The geographical area of coverage of each service contract will depend upon the requirements of the agency activities included and the industry practices in regard to the particular types of service involved. Contracts may cover areas of any size within the regional area.

§ 5A–72.303 Authority to establish contracts.

(a) This § 5A–72.303 does not apply to contracting for motor equipment repair and services (see § 5A–72.306), other personal property repair, maintenance, and rehabilitation services (see § 5A–72.307), or car and truck rental service (see § 5A–72.308).

(b) The Procurement Program and Systems Division (PPSD) shall furnish to each regional Buying Division (Procurement Division in Region 9) the current Nonstores Term Contracts and Schedules Index (issued semiannually and supplemented as the need arises) so that regional Buying Divisions will be aware of all service contracts currently approved for use and in effect in regional offices. (PPSD shall also furnish a copy of each Nonstores Term Contracts and Schedules Index, including supplements thereto, to the Standardization Division, Attention: Data Management Branch, FMSD.) A regional Buying Division proposing the development of a regional service contract shall review the latest issue of the Nonstores Contracts and Schedules Index (and any supplemental information received thereto) to determine whether any other region has similar contracts in being.

(c) Where it is determined that similar contracts had been previously approved for other regions, further approval to establish the proposed contract is not required. In these cases, the Buying Division shall obtain copies of the invitation, resultant contracts, and related data from any region which has similar contracts in effect and use them as a guide in preparing its invitation for bids and contracts.

(1) In order to achieve a measure of uniformity in invitations and resultant contracts among the regions, only those deviations from the terms and conditions necessary to meet local requirements shall be made to the invitation for bids format except where new regulatory material so requires. Advice of the Regional Counsel should be obtained prior to making any substantive changes. If a region proposes to make a change in a specification previously approved, these changes will require the approval of the Assistant Commissioner for Procurement. Requests for such approval shall be by memorandum and shall be accompanied by the data described in (e), below, and shall be submitted not later than 45 days prior to the date scheduled for issuance of the invitation for bids.

(2) When invitations for bids for regional service contracts are issued that do not require approval because of prior authorization, the regional office issuing the invitation shall at the time the invitation is issued advise PPSD of the action taken, and furnish to them a copy of the invitation for bids and the information required by (1), (4), and (5) of paragraph (e) of this § 5A–72.303.

(d) Where a regional Buying Division proposes the development of a regional service contract and similar contracts are not shown in the Nonstores Term Contracts and Schedules Index, approval to establish the contract must be obtained from the Assistant Commissioner for Procurement. In such cases, the regional Buying Division shall furnish the data described in (e), below, to PPSD with a memorandum request for approval. The request shall be submitted not later than 45 days prior to the date scheduled for issuance of the invitation. Upon request, PPSD will provide preliminary technical advice and assistance.

(1) PPSD shall review the proposal for overall feasibility, coordinating with the Procurement Operations Division (POD) and other Central Office activities, as appropriate. PPSD shall consider whether contract coverage should be consolidated on a zonal or national basis. Unless pertinent considerations otherwise dictate, national or zonal assignments will be made to the region which first developed the particular type of contract.

(2) PPSD will prepare replies to the proposals for signature by the Assistant Commissioner for Procurement, and when the proposal is not considered justifiable, will include the reason for the decision.

(e) In submitting proposed changes to a previously approved specification or new proposals to PPSD for consideration, the following data shall be included as a minimum:

(1) Background information.

(2) Information as to prospective users, including identification of agencies agreeable to using the resulting contracts as primary sources of supply.

(3) Detailed information regarding specifications to be utilized.

(4) Dollar volume estimated sales projected on a three year basis, if feasible.

(5) Estimated man-hours involved in production and maintenance of the contract.

(f) If a regional request to establish a new contract is approved, immediately upon issuance of the invitation for bids, a copy must be furnished to PPSD.

(g) Established regional service contracts shall not be discontinued, nor shall the scope of such contracts be expanded or decreased as to areas or services covered without prior approval of the Assistant Commissioner for procurement.

§ 5A–72.304 Period covered by term contracts for services.

§ 5A–72.304–1 General policy.

Generally, contracts for services shall not be entered into for periods exceeding one year; nor shall renewal options be included in such contracts.

§ 5A–72.304–2 Exceptions to 1-year limit.

(a) Exceptions to the general policy of limiting the contract period to one year will be approved by the Assistant Commissioner for Procurement on a case by case basis when justified by a full explanation of the circumstances (see § 5A–72.304–3). However, in no case shall the contract period be longer than 2 years. Approval of a contract period in excess of one year shall be given only if a contract for such a period is expected to result in lower contract prices through increasing competition or by enabling potential contractors to amortize additional capital investment (such as for machinery) and startup costs (such as for special tooling and plant rearrangement) over more than a 1-year period.

(b) In connection with the question of whether the term of a contract should be for more than 1 year, the following policies are prescribed:

(1) Bids which are submitted under an invitation limiting the contract to one year and which are determined to be unreasonable as to price because of that limitation shall be rejected and the facts developed in reaching that conclusion shall be clearly set forth to support the request for approval of a contract term longer than one year. If the longer period is approved, the procurement shall be readvertised if time and other circumstances permit or, if time and other factors make it impracticable to readvertise, the procurement shall be negotiated under authority of 302(c)(14) of the Act

(see § 1–3.214). In such negotiation, opportunity to submit proposals shall be afforded all concerns originally solicited.

(2) When facts developed prior to the issuance of invitations for bids are convincing to the contracting officer that prices in a contract on a 1-year basis will not be acceptable to the Government, such facts shall be used to support the request for approval of a contract term longer than 1 year. Unless the reply to the request for such approval contains approval to negotiate, the contract shall be made by formal advertising.

(3) When facts developed prior to the issuance of invitations for bids indicate, but are not entirely convincing to the contracting officer, that prices in contracts on a 1-year basis will not be acceptable to the Government, such facts shall be included to support a request for approval of a term longer than one year, if need be, in a contract to be subsequently advertised on both a 1-year basis and a more-than-1-year basis, with bidders informed that award will be for one year unless a lower price is obtainable under a contract for the longer period.

(c) The validity of statements made by prospective contractors as to the amount of expenditures needed for additional capital investment (such as for machinery) and start-up costs (such as for special tooling and plant rearrangement) shall be judged in the light of the amount of similar service previously performed by each prospective contractor and in the light of whether his non-Government work would require such outlays regardless of whether or not the Government contract is obtained.

(d) Where one bidder on a new 1-year contract is the only bidder who has had additional capital investment and start-up costs included in a previous contract, he may bid on the new contract at a price much higher than his anticipated costs but below that which his competitors could profitably bid. If such a bid is received, all bids could be rejected and the contract negotiated under 302(c)(14) of the Act; and, if the bidder in the preferred position will not negotiate a fair and reasonable price for a 1-year contract, the facts developed under such a situation could be the basis for requesting approval to enter into a contract for a longer period if such longer period would make the contract attractive to more sources of the service and thereby increase competition. (See (b)(1) of this § 5A–72.304–2.) If it is anticipated before the invitations for bids are issued that the bidder in the preferred position will not submit a reasonable price, bids could be invited and the contract awarded as provided in (b)(3) of this § 5A–72.304–2.

§ 5A–72.304–3 Information to support a request for a contract period longer than 1 year.

Requests to the Assistant Commissioner for Procurement for approval to make contracts in accordance with the policies expressed in § 5A–72.304–2(b) shall contain all pertinent background data, including the following:

(a) Service to be contracted for (repair, maintenance, rehabilitation, other).

(b) Product involved.

(c) Geographical location(s) where service is to be performed.

(d) If prices have been solicited (see § 5A–72.304–2(b)(1)):

(1) The number of bids received, by location;

(2) The reason why the low bid (for each location, if pertinent) is considered unreasonable;

(3) The number of bidders for each location who now have or have had contracts with the General Services Administration for similar services; and

(4) The number of additional suppliers for each location who are expected to submit prices if the contract period is extended beyond 1 year.

(e) If prices have not been solicited (see § 5A–72.304–2(b)(2) and (3)):

(1) The number of suppliers who will be solicited for each location;

(2) The number of suppliers for each location who now have or have had contracts with the General Services Administration for similar services;

(3) The number of suppliers for each location who are expected to submit prices because they have facilities presently adequate to meet anticipated demands for the services to be contracted for; and

(4) The number of additional suppliers for each location who are expected to submit prices if the contract period is extended beyond 1 year.

(f) Reason why contracts for a period longer than 1 year would be more attractive to suppliers than contracts limited to a 1-year period, in the case of:

(1) Suppliers who now have or have had similar GSA contracts; and

(2) Suppliers who have never had similar GSA contracts.

(g) The extent to which the data, furnished in accordance with (d)(4) or (e)(3) and (4) and in accordance with (f), of this § 5A–72.304–3, was obtained:

(1) From the Utilization and Disposal Service;

(2) By direct contact with suppliers; and

(3) By other means (specify).

§ 5A–72.304–4 Use of a cancellation clause.

If there are conditions which justify approval (see § 5A–72.304–2(a)) that a contract be made for a period longer than 1 year, it would then appear to be inconsistent to include in the contract a clause which permits cancellation, without reimbursement to the contractor for costs incurred, before the end of that period. In other words, if a contract which extends beyond 1 year must be made in order to attract bidders, then the contract normally should not provide that it may be canceled within a shorter time. Acceptance by the Contractor of such a clause could be construed as evidence that a contract in excess of 1 year is not necessary. Accordingly, such a cancellation clause shall not be used unless approved by the Assistant Commissioner for Procurement upon a request accompanied by a full explanation of the reasons for its special need.

§ 5A–72.304–5 Coordination with agency ordering practices.

While issuance of service contracts on other than a fiscal year basis permits Federal Supply Service (FSS) to spread its workload by staggering the periods covered by term contracts for services, FSS service contract periods should coincide with the fiscal year whenever they are a type that agencies desire to use by covering with a single purchase order for the entire contract period.

§ 5A–72.305 Interagency use of local term contracts.

See §§ 1–3.607 and 5–3.607.

§ 5A–72.306 Contracting for motor equipment repairs and services.

§ 5A–72.306–1 Scope of section.

This § 5A–72.306 provides for establishing uniformity in the preparation of FSS invitations for bids to be issued in connection with obtaining automotive repairs and services from commercial establishments. The requirements of this § 5A–72.306 shall apply to all interagency motor pool systems requiring maintenance from commercial repair and service facilities.

§ 5A–72.306–2 General.

(a) Motor equipment repair and service requirement contracts can be classified into two distinct types, as follows: (1) Motor vehicle preventive maintenance and minor repair and service contracts, and (2) major maintenance, repair, and overhaul contracts. A contract for the first of these two categories is normally made with a commercial service station in the immediate vicinity of the motor pool with facilities to conduct preventive maintenance inspections, minor repairs under $50, washing, etc. A contract for the second category is made with commercial establishments with facilities to perform major repairs in excess of $50 and the overhaul of assemblies and subassemblies. Since it is expected that a major repair will keep a motor vehicle out of service for a longer period of time than required for a minor repair or service, the contractor's facilities provided by a contract in the second category do not necessarily have to be in close proximity to the motor pool location.

(b) Regional Motor Equipment Divisions will request regional Buying Divisions to issue invitations for bids and enter into the necessary contracts. In that connection, regional Motor Equipment Divisions will:

(1) Determine the cities and the areas therein where commercial maintenance contracts are necessary and, for contracts of the type mentioned in (a)(1), above, prepare and furnish the regional Buying Divisions a map diagram showing the boundaries of the area(s) within which service facilities must be located;

(2) Develop the estimated number of vehicles requiring services.

(3) Estimate the maximum number of minor repair and service operations per day which the contractor will be re-

quired, and must be properly equipped, to perform.

(4) Visit potential bidders, to the extent considered necessary, and explain the invitations for bid in order to assure understanding and thus to effect maximum competition.

(5) Determine that bidders have adequate equipment and personnel to perform under a contract, and otherwise participate in the preaward inspection provided for by the bid invitation.

§ 5A–72.306–3 Procedures.

(a) Upon receipt of requests from regional Motor Equipment Divisions, the regional Buying Divisions shall develop and issue invitations for bids.

(b) The contents of invitations shall conform substantially to those included in the samples shown in §§ 5A–76.302 and 5A–76.307. Deviation from terms and conditions set forth therein shall be held to a minimum consistent with local requirements and must have prior approval of both the Regional Director, Federal Supply Service, and the Regional Counsel. Notification of such deviation shall be forwarded to the Director, Procurement Programs and Systems Division, with a copy to the Director, Motor Equipment Operations Division.

(c) Where experience has shown that a more favorable price can be obtained by establishing a separate contract for vehicle washing, item 4 of the Schedule of Supplies and Services contained in the sample invitation set forth in § 5A–76.307 may be omitted at the request of the regional Motor Equipment Division. When such is the case, item number references in the text of the invitation shall be changed accordingly. Such omission and changes shall not be considered a deviation as covered in (b) of this § 5A–72.306–3.

§ 5A–72.307 Contracting for personal property repair, maintenance, and rehabilitation services.

§ 5A–72.307–1 General.

(a) This § 5A–72.307 prescribes policies and techniques covering the contracting for personal property repair, maintenance, and rehabilitation services, except as provided in § 5A–72.306, above, by regional buying divisions and provides for the delegation of contract administration authority to representatives of the Property Management and Disposal Service (PMDS), Property Rehabilitation Branch, to the extent consistent with efficient operations and the program objectives of PMDS.

(b) For the purpose of this section the following definitions shall apply:

(1) "Maintenance" means the scheduled cleaning, servicing, and adjustment as is necessary to maintain an article in a serviceable or satisfactory operating condition, ordinary wear and tear excepted.

(2) "Rehabilitation" means to restore or renew an otherwise serviceable or operable article to a near new condition. "Rehabilitation" also includes repairs to otherwise unserviceable or inoperable articles when the overall objective is to restore or renew article to a near new condition.

(3) "Repair" means to restore an article to a serviceable or operable condition from an unserviceable or inoperable condition resulting from excessive wear, breakage, injury, dilapidation, decay, or partial destruction.

(c) Any requests received by FSS from agencies for the establishment of new contracts or expanded coverage under existing contracts or recommendations therefor developed through agency contacts by FSS representatives shall be referred to appropriate regional PMDS representatives. PMDS will develop and provide FSS with the data required by § 5A–72.307–2 unless PMDS and FSS agree that the request should be denied as unfeasible or not worthwhile. In the latter case PMDS will so advise the requesting agency indicating concurrence of FSS.

§ 5A–72.307–2 Information to be furnished by the Property Management and Disposal Service.

(a) For proposed new contract coverage, the regional PMDS will furnish to the regional FSS buying divisions data as to expected requirements, which should include the following information, as appropriate:

(1) Geographic area of coverage.

(2) Agency coverage (with recommendations as to mandatory use or optional features).

(3) Types of items (e.g., office furniture, household and quarters furniture, office machines, etc.).

(4) Anticipated volume by category and geographic service area.

(5) Specifications and other technical requirements consistent with prescribed standards.

(6) List of firms expected to submit bids or proposals.

(7) Suggested grouping of items for award of contracts.

(8) Recommendations as to special contract features to meet with particular situations in individual cases. These may include the following requirements:

(i) Storage at contractor's facilities of items following rehabilitation. The anticipated average periods of such storage and whether bidders are expected to quote extra charges for such services should be shown.

(ii) Authorization for cannibalization of items determined as not economically reparable, with the approval of the owning agency. This would require the contractor to maintain accountability records of parts used and those remaining in inventory. Also, disposition of parts remaining in inventory at the end of the contract period must be established.

(iii) Provision for processing of agency requisitions (scheduling, review, and general contract administration functions). However, all contracts shall provide that agencies may place orders directly with, and make payments to, contractors.

(b) PMDS representatives are responsible for the continuous review of all current contract coverage for repair, maintenance, and rehabilitation of personal property and, where deemed necessary or desirable, submission of requests for changes to FSS. Such requests for changes shall include such data outlined in § 5A–72.307–2(a), above, as is pertinent to the request.

§ 5A–72.307–3 Contracting procedures.

(a) *General.* The contents of invitations for bids shall conform substantially to those included in the sample shown in § 5A–76.310, except for those repair and maintenance services for which standard formats have been prescribed, e.g., for automotive repair and maintenance services, see §§ 5A–76.302 and 5A–76.307. Deviations from terms and conditions set forth in § 5A–76.310, as applicable, shall be held to a minimum consistent with local requirements. Additional provisions and clauses may be used where necessary to promote the policy objective to obtain quality services at prices that will provide economical utilization of personal property. The contract period provisions specified in § 5A–72.304 shall be carefully observed.

(b) *Statement of scope.* The "Scope of Contract" clause shall reflect the mandatory use provisions with respect to rehabilitation facilities as prescribed in FPMR § 101–42.201 and the recommendations of the Property Management and Disposal Service (PMDS) with respect to geographic area of coverage and agency coverage submitted pursuant to § 5A–72.307–2(a).

(c) *Small business set-asides.* To the extent that the criteria in Subpart 1–1.7 are met, contracts entered into in accordance with this § 5A–72.307 shall be considered as eligible for total set-aside for small business concerns.

(d) *Evaluation of bids and proposals.* During the evaluation of bids and proposals, representatives of PMDS shall be asked to assist the contracting officer in the following actions:

(1) Determination of compliance with technical requirements;

(2) Evaluation of plant facilities inspection reports, credit and finance reports, reports of Office of Investigative Services representatives, etc.;

(3) Determination that prices for the services will not exceed the standards established for the replacement of personal property; and

(4) Preparation of submissions to the Small Business Administration in accordance with §§ 1–1.310–8 and 1–1.708 whenever it is proposed to reject a bid or proposal of a small business concern because of lack of capacity or credit.

§ 5A–72.307–4 Contract administration.

(a) As requested by PMDS, the contracting officer shall, by a separate written designation, delegate responsibility and authority to the individual (by title) designated by the Regional Director, PMDS, for that portion of contract administration concerned with:

(1) Processing agency orders, including the placement of orders with the contractor, except as provided in § 5A–72.307–2(a)(8)(iii), above;

(2) Expediting;

(3) Contractor reports (See (d) of this § 5A–72.307–4);

(4) Resolution of issues that may arise between contractors and ordering agencies in connection with such matters as priority of orders, delivery schedules, acceptability of workmanship, and other technical requirements, all within the scope of applicable contract provisions as interpreted by the contracting officer; and

(5) Evaluating on an overall basis the acceptability of workmanship and contractor compliance with technical requirements of the contract and initiating appropriate action with the contracting officer. Authority to initiate and take final action with regard to contract termination, whether partial or total, and to make findings in the case of disputes cannot be delegated by the contracting officer. A suggested format for delegation of contract administration authority to PMDS personnel is set forth in § 5A–76.102. A copy of the designation shall be provided to the contractor and each activity receiving a copy of the contract.

(b) If requested by PMDS, delegation of contract administration responsibilities may be made a part of the contract itself. To accomplish this the following clause shall be used in the Invitation for Bids:

The (insert title of designee), Property Management and Disposal Service, GSA, shall act for and on behalf of the Contracting Officer in the administration of this contract with respect to: (1) Expediting; (2) resolution of issues that may arise between Contractors and ordering agencies in connection with such matters as priority orders, delivery schedules, acceptability of workmanship, and other technical requirements; and (3) evaluation on an overall basis of the acceptability of workmanship and Contractor compliance with technical requirements of the contract. This delegation does not authorize the modification of any of the contract terms or specifications. All authorities not herein delegated are reserved to the Contracting Officer.

(c) PMDS has agreed that copies of all written communications received from or sent to the contractor by any PMDS representative will be furnished to the contracting officer.

(d) PMDS Property Rehabilitation Branch personnel are responsible for insuring that the GSA Form 72, Contractor's Report of Orders Received, is received from each contractor every month, and that statistical data required by FSS, as well as PMDS, is reflected therein. The Property Rehabilitation Branch will abstract the statistical data required by PMDS from the reports as they are received and will immediately thereafter forward the GSA Form 72 to the Regional FSS Buying Division (Procurement Division in Region 9). The regional buying activity shall retain and maintain the files of reports received.

§ 5A–72.307–5 Distribution of contractual information.

(a) *Federal Supply Schedules.* No repair, maintenance, or rehabilitation services shall be included in Federal Supply Schedules, except with respect to those commodities authorized as of November 1, 1963, without the prior approval of the Director, Procurement Programs and Systems Division, who shall obtain concurrence of PMDS, Central Office. Authorized Federal Supply Schedules for personal property repair, maintenance, and rehabilitation service contracts shall be issued in the format prescribed in § 5A–73.124, and distributed as provided in Subpart 5A–73.2. Full cooperation shall be extended to PMDS representatives in their program to publicize and encourage use of such Schedules.

(b) *Other Contracts.* Contracts covering personal property repair, maintenance, and/or rehabilitation entered into upon the request of PMDS, or in which PMDS has expressed an interest, shall be distributed in a format conforming substantially to the sample shown in § 5A–76.311 and under a cover sheet prescribed in PMDS procedures.

§ 5A–72.308 Contracting for car and truck rental service.

§ 5A–72.308–1 Scope of section.

This § 5A–72.308 provides for establishing uniformity in the preparation of FSS invitations for bids for obtaining car and truck rental service (without driver) for use in conducting official business.

§ 5A–72.308–2 General.

Regional Motor Equipment Divisions will request regional Buying Divisions to issue invitations for bids and enter into necessary contracts. In that connection, regional Motor Equipment Divisions will:

(a) Furnish regional Buying Divisions the geographic areas in which car and truck rental service contracts are necessary.

(b) Develop the estimated maximum number of vehicles that may be needed at any one time in each service area.

(c) Assist the regional Buying Divisions in developing weight factors.

(d) Specify the body style of trucks that may be needed based on past experience.

§ 5A–72.308–3 Procedures.

(a) Upon receipt of requests from regional Motor Equipment Divisions, the regional Buying Divisions shall develop and issue invitations for bids.

(b) The contents of the invitations shall conform substantially to the standard format contained in § 5A–76.312 except as follows:

(1) If a determination is made that the procurement is to be set-aside for small business, appropriate clauses are to be added in accordance with the instructions contained in the standard format.

(2) The months in which chains will be required in vehicles may be specified if it is considered necessary.

(c) Any further deviations from the standard format, must be submitted to the Director, Procurement Programs and Systems Division for review.

§ 5A–72.309 Information to be furnished to the Standardization Division.

Regional buying activities shall furnish a copy of each summary of term contracts for services to the Standardization Division, Attention: Data Management Branch, FMSD.

Subpart 5A–72.4—Term Contracts for Commodities Other Than Stores Stock Items

§ 5A–72.401 General.

(a) Term contracts for commodities other than stores stock items may be made when it is believed such contracts will result in benefits to the Government sufficient to justify cost of making and administering such contracts, and may be for regional, interregional, or national use dependent upon the geographical demand for the item(s) involved. The instructions in § 5A–73 regarding contract provisions and techniques shall be observed in establishing term contracts for nonstock items except when inconsistent with the particular type of contract involved or special instructions are received from the Procurement Programs and Systems Division (PPSD) pursuant to § 5A–72.402 below.

(b) Where industry practice permits and adequate competition will be obtained, destination prices should be requested for deliveries within the areas authorized pursuant to § 5A–72.303(d)(1). Otherwise, bids should be requested on the basis of delivery to prime use points with an appropriate diversion of delivery clause to cover other destinations. If prime use points cannot be determined, f.o.b. origin prices should be obtained with basing points specified for bid evaluation purposes only (see § 1–2.202–3(c)).

(c) Established regional term contracts for nonstores commodities shall not be discontinued nor shall the scope of such contracts be expanded or decreased as to areas or commodities covered without prior approval of the Assistant Commissioner for Procurement.

§ 5A–72.402 Authority to establish contracts.

(a) The procedure set forth in § 5A–72.303 shall be followed in establishing term contracts for nonstores commodities except that the data to be submitted to PPSD shall be as follows:

(1) Appropriate background information.

(2) A statement as to whether the proposed contract has a potential to cover areas outside of the issuing region.

(3) Information as to prospective users, including identification of agencies agreeable to using the resulting contracts as primary sources of supply.

(4) If it is proposed that the contract provide for centralized order placement by the regional office, a statement of the reasons why customer agencies should not be authorized to place orders directly with the contractor.

(5) Detailed information regarding specifications to be used.

(6) Estimated dollar volume of sales, projected on a 3-year basis, if feasible.

(7) Estimated manhours involved in production and maintenance of the contract.

(b) When invitations for bids for regional term contracts for nonstores commodities are issued that do not require approval because of prior authorization, the regional office issuing the invitation shall at the time the invitation is issued advise PPSD of the action taken and furnish to them a copy of the invitation for bids and the information required by (1), (2), (3), (6), and (7) of paragraph (a) of this § 5A–72.402.

§ 5A–72.403 Distribution of information and placing of orders under zone and national contracts.

(a) Contracts providing for orders only by Federal Supply Service. Such contracts shall provide that orders may be placed by all FSS regions covered in the scope of the contract. The contracts shall be summarized on GSA Form 1584 and the summary distributed with copies of the Invitation for Bids to each region included in the contract scope. (See § 5A–76.201.) Appropriate notifications of items covered, prices, and ordering information shall be issued by each region to customer agencies in their area.

(b) Contracts providing for direct ordering by customer agencies. Such term contracts shall be summarized in appropriate format to provide ordering offices with necessary information. Cover sheets will be prepared on the format prescribed in § 5A–16.950–1955 and shall contain: (a) FSC group or group and industry number in the case of service contracts (see § 5–16.950–1783); (b) complete title of the contract(s); (c) address of the issuing office; and (d) effective period of the contract. A national, zone, or regional map, as appropriate, will be printed in the lower left hand corner of the cover sheet to depict the area of geographic coverage. Each region within the contract scope shall be furnished sufficient copies for distribution to interested agencies within their regions.

(c) Information for the Standardization Division. Regional buying activities shall assure that the Standardization Division, Data Management Branch, FMSD, is on the distribution list to receive one copy of each summarization of term contracts for commodities prepared in accordance with § 5A–72.403 (a) and (b), above.

Subpart 5A–72.5—Procurement of Items for Self-Service Stores

§ 5A–72.501 General.

The principles, polices, and procedures set forth in this subpart § 5A–72.5 are designed to provide for buying support to the self-service stores and technical guidance of stores' personnel in the application of small purchase procedures.

§ 5A–72.502 Replenishment of standard stock catalog items.

Self-service store stocks of standard Stores Stock Catalog items normally shall be replenished by placing orders on depot stocks by the store manager in accordance with standard procedures. Whenever a store item is canceled due to nonavailability of depot stocks, the regional Chief, Order Branch, shall notify the regional Chief, Inventory Management Branch. The regional Chief, Inventory Management Branch shall determine whether emergency local purchase action is necessary to meet store requirements and shall take such action, or authorize purchase by the self-service store under small purchase procedures, furnishing appropriate source information and other procurement instructions to the store. In no event shall the store be authorized to procure more than $100 in value for a single line item of standard depot stock.

§ 5A–72.503 Replenishment of other self-service store items.

(a) Self-service store managers may be authorized to purchase up to $500 in value of stocks required for replenishment of an item not carried in regular depot stocks. Such procurement shall be in accordance with the source information and procurement instructions furnished by the regional Buying Division. Determination as to whether store managers shall procure such items under small purchase procedures or whether the procurement shall be performed by the regional Buying Division shall be made on an item by item basis.

(b) Except as provided under (c) of this § 5A–72.503 and under § 5A-72.505, below, all orders issued against Federal Supply Schedule contracts or other established sources of supply shall be prepared by the regional Buying Division unless blanket purchase arrangements can be made with such sources whereunder store managers are authorized to place delivery orders.

(c) For items not available from established sources, the regional Buying Division shall establish local term contracts or blanket purchase arrangements, if feasible, under which store managers shall be authorized to place delivery orders. When this is not feasible but adequate local commercial sources of supply are available in the proximity of the store, the regional Buying Division shall furnish appropriate source information and purchase descriptions for use by the store manager in satisfying replenishment requirements by small purchase procedures, such as imprest funds, Standard Form 44, etc.

§ 5A–72.504 Items not stocked by the self-service stores.

When a customer agency requests the purchase of an item not stocked by the self-service store or by the GSA supply depot, requirements not exceeding $50 in value may be procured by the store manager under small purchase procedures. If the requirement exceeds $50 and the agency advises that it has no local purchasing facilities to procure the item itself, the requirement shall be forwarded to the regional Buying Division or instructions secured from that Division for handling the requirement. Where the agency indicates a continuing need for a nonstock item, consideration shall be given to adding the item to self-service store stock.

§ 5A–72.505 Buyers assigned to self-service stores.

(a) When the volume of purchasing of items not available from supply depot stocks for self-service store stock (see § 5A–72.503) and direct purchases of items not stocked for customer agencies (see § 5A–72.504) warrants, a full time buyer should be assigned to the self-service store. This applies particularly to stores located in cities other than the regional headquarters cities. Buyers thus assigned shall be authorized to place orders directly on Federal Supply Schedule contracts and other established sources of supply within the limits provided in such contracts, and to handle open-market purchases up to $2,500 in value.

(b) Buyers permanently assigned to a self-service store shall be under the administrative supervision of the store manager but shall receive technical guidance directly from the Buying Division.

PART 5A–73—FEDERAL SUPPLY SCHEDULE PROGRAM

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5A-73.206 Requisition for printing and publications activity services.

§ 5A-73.000 Scope of part.

This part prescribes policies and procedures relative to the production, maintenance, and distribution of Federal Supply Schedules.

Subpart 5A-73.1—Production and Maintenance

§ 5A-73.100 Scope of subpart.

This section prescribes policies and procedures having special application to Federal Supply Schedule contracting and contract administration. Other policies and procedures relating to contracts in general shall also be observed as set forth in Chapter 1, Chapter 5, and elsewhere in this Chapter 5A.

§ 5A-73.101 Establishment and discontinuance of Schedules—addition and removal of items.

§ 5A-73.101-1 General.

Federal Supply Schedules shall be established only when such action will be in consonance with the criteria for determining methods of supply set forth in Subpart 5A-1.71 and when there is an established need sufficient to warrant the expense of preparing and publishing the Schedule.

§ 5A-73.101-2 Approval required.

The approval of the Director, Procurement Operations Division (POD) shall be secured prior to (a) establishing new Schedules, (b) discontinuing existing Schedules, (c) adding new categories of items to existing Schedules, or (d) adding items to, removing items from, or making other modifications in existing Schedules covering national or zone requirements. Such approval shall be obtained by submitting an appropriate recommendation and justification to the Director, POD.

§ 5A-73.101-3 Assignment of Federal stock numbers.

Prior to the addition of any item to a Schedule, an approved item number and description shall be assigned. Requests for the assignment of Federal stock numbers, withdrawal of assigned Federal stock numbers (see § 5A-73.101-8), or changes in item descriptions, shall be made by use of GSA Form 1303, Request for Federal Cataloging Action. Separate requests shall be prepared for each type of action and for each Federal Supply Classification Group, the original and one copy being forwarded through channels to the Data Management Branch, Standardization Division. Regional offices shall channel their requests through POD, providing a copy for that office.

§ 5A-73.101-4 No award because of removal of item.

(a) Subject to the requirements of § 5A-73.101-2(d), whenever it is expected, based on past experiences and any other information, that purchases of an item will be less than $1,000 per year, the item shall not be included in future invitations and Schedules. This policy shall not apply (1) to parts or accessories incidental to the basic item, (2) to components of unit assemblies, (3) where there is a demonstrated need for a range of colors, sizes, or other characteristics, or (4) to service contracts.

(b) In addition to the removal of items from a Schedule because of insufficient demand, items may be removed for other reasons, such as (1) discontinuance of the manufacture of the item, (2) obsolecence, (3) transfer of the item to another Schedule, (4) addition of an item to GSA stores stock, and (5) availability of the item from GSA stores stock.

§ 5A-73.101-5 No award because of reasons other than removal of item.

There are circumstances where no immediate award is to be made on an item in a Schedule for reasons other than removal of the item pursuant to § 5A-73.101-4. Such circumstances are (1) where the award is to be made later in the contract period; and (2) where there is to be no award during the current contract period, but for administrative reasons it is desirable to retain the item on the Schedule for award in future years.

§ 5A-73.101-6 Notations in Schedules concerning removed and non-awarded items.

Whenever no award is made on an item covered in the Schedule for the previous contract period, whether it be for reasons contained in § 5A-73.101-4 or in § 5A-73.101-5, the item shall be shown in the first subsequent issue of the Schedule with an appropriate remark as to the present and future status of the unawarded item. The appropriate remark shall be made opposite the item in question in the space normally used for the name of the contractor or, where such space does not permit, in a separate footnote properly identifiable with the unawarded item. The exact wording in each instance shall be determined by the circumstances to be explained. Examples of notations are:

(a) Deleted because of insufficient demand.

(b) Award to be made later in contract period (with approximate date of award being given, if known).

(c) No award to be made during this contract period (with reason for no award given, if feasible).

(d) Deleted from Schedule; use item number _____.

(e) Reclassified; transferred to Federal Supply Schedule _____.

(f) Deleted from Schedule; to be added to GSA stores stock.

(g) No award; carried in GSA stores stock.

§ 5A-73.101-7 Correction of contractors' catalogs.

It is not necessary to require contractors to remove items from their catalogs for which no awards were made, or former Schedule items that have been discontinued, when it would require additional expense to contractors. However, see § 5A-73.120(c).

§ 5A–73.101–8 Action required upon removal of item.

Whenever an item is deleted from a Schedule in accordance with § 5A–73.101–4(a) or § 5A–73.101–4(b) (except (3) thereof), the contracting activity shall request withdrawal of the assigned Federal stock number by preparing GSA Form 1303, Request for Federal Cataloging Action. The form shall be prepared and distributed in accordance with § 5A–73.101–3.

§ 5A–73.102 Local service contracts.

While local service contracts are considered a part of the Federal Supply Schedule system the character of such contracts and the small number of ordering offices served by each may make it impractical and uneconomical to issue formal Federal Supply Schedules. In order to avoid confusion on the part of ordering offices, local service contracts or schedules thereof shall not be titled "Federal Supply Schedules" until their establishment is approved pursuant to § 5A–73.101–2 and the prescribed schedule forms and provisions are used. Other requirements with respect to service contracts are contained in Subpart 5A–72.3.

§ 5A–73.103 Production time schedule.

(a) Federal Supply Schedules shall be issued in sufficient time to be received by all GSA regional offices not less than 2 weeks in advance of the expiration dates of the current Schedules in order to allow time for redistribution to agency ordering offices. The production of each Schedule shall be kept under continuous review to assure that this distribution deadline is met. Forty-five (45) days prior to the expiration date of the current Schedule a special review shall be made. If at this or any other time it is apparent that the distribution deadline cannot be met, a Federal Supply Schedule Notice advising agency ordering offices of the delay shall be prepared and distributed immediately. If such notice cannot be issued in sufficient time to be received by GSA regional offices at least 2 weeks in advance of the expiration date of the current Schedule, the Chief, Buying Division, FSS at each regional office shall be notified of the delay and the approximate date the notice will be received for redistribution. In any event, two copies of the notice shall be forwarded to the Chief, Buying Division, FSS, at each regional office together with such supplemental information as may be appropriate for use in regional handling of agency inquiries. Each notice shall be dated, identified, and coded in the same manner as Federal Supply Schedule amendments (see § 5A–73.125), except that numbering is not required. As a minimum, the notice shall contain the following information:

(1) That the issuance of the new Schedule will be delayed;

(2) The approximate date the new Schedule may be expected; and

(3) The action that agencies should take in regard to satisfying requirements until the new Schedule is received.

(b) In order to assure the timely issuance of Federal Supply Schedules and to accomplish all phases of production in an orderly and economical manner, a time schedule establishing target completion dates for each step in the production process shall be maintained at a central point. An effective method of accomplishing such control is by the use of Form GSA 1659, December 1960, Production Plan—Federal Supply Schedule Program. A target date for each phase of the production process shall be determined and entered in the target date columns. These dates should be adhered to as closely as possible and every effort made to complete each step on or before the target date.

(c) In establishing these dates, consideration shall be given to the particular circumstances connected with the Schedule to be produced in order to arrive at realistic target dates and avoid fixing a time schedule that is clearly impossible to meet. Target dates should be adjusted only when it is clearly impossible to attain completion on or before the established date.

(d) Every effort shall be made to provide for the shortest time possible between the opening of bids and the effective date of the Schedule so that bidders may compute prices and submit bids a minimum time in advance of the contract period.

(e) In determining the time to be allowed between the issuance of an invitation and the bid-opening date, care should be exerted to make sure that all bidders have ample time to receive invitations, and prepare and submit bids. (See § 5A–2.202–1.) Such factors as the number and types of items in the invitation, geographical location of prospective bidders, delivery provisions, and basis for award are factors to be considered.

§ 5A–73.104 General instructions for the preparation of invitations for bids and solicitations for offers.

Forms to be used in Federal Supply Schedule contracting are prescribed in § 5A–2.201–70. General guidelines for the preparation of Federal Supply Schedule invitations for bids and requests for proposals are prescribed in §§ 5A–2.201, 5–3.802, and this subpart. In this regard, it is recognized that each procurement requires individual treatment, depending upon the particular circumstances involved, and that the referenced guidelines may not be fully adequate in every case. It is the responsibility of the contracting officer to assure that Federal Supply Schedule invitations for bids and requests for proposals are complete, comprehensive, and appropriately organized.

§ 5A–73.105 Forms to be used.

In addition to the forms listed in § 5A–2.201–70, GSA Form 1797 is prescribed as the basic format to be used as covers for resultant Federal Supply Schedules, amendments thereto, and cross reference sheets. The design was adopted to provide maximum uniformity which affords easy identification by users of the Schedules. The form and examples of completed covers are illustrated in § 5A–16.950–1797. GSA Form 1797 is not intended for use in issuing special or temporary notices, such as a notice advising ordering offices when distribution of a Schedule will be delayed. (See § 5A–73.103(a).)

§ 5A–73.106 Contract period for Federal Supply Schedule contracts.

Federal Supply Schedule contracts shall not be entered into for periods exceeding 1 year; nor shall a renewal provision for continuation of contractual relationships be included in such contracts except as provided in § 5A–73.107.

§ 5A–73.107 Contracts with renewal provisions.

§ 5A–73.107–1 Contracts to which applicable.

The Renewal of Contracts clause, as set forth in § 5A–73.107–6, may be included in negotiated, multiple award contracts covered by the following Federal Supply Schedules:

Schedule	*Title*
FSC Group 36, Part II	Printing, Duplicating, and Bookbinding Equipment.
FSC Group 52	Measuring Tapes.
FSC Group 58, Part II	Teletype and Facsimile Equipment.
FSC Group 58, Part III, Class 5835	Communication Equipment: Recorder-Reproducer Sets, and Sound Reproducers.
FSC Group 61, Part II	Batteries, Heavy Duty, Electric Storage.
FSC Groups 62 and 67	Lamps, Electric and Photographic.
FSC Group 65, Part II	Medical, Dental, and Veterinary Equipment and Supplies.
FSC Group 66, Part I, Sec. B	Instruments and Laboratory Equipment.
FSC Group 66, Part II	Instruments and Laboratory Equipment.
FSC Group 66, Part III	Instruments and Laboratory Equipment.
FSC Group 67, Part II, Sec. B	Photographic Sensitized and Chemical Supplies.
FSC Group 67, Part III, Sec. B	Photographic Equipment.
FSC Group 67, Part IV	Photographic Equipment.
FSC Group 74, Part I, Class 7430	Office Machines: Office-type Composing Machines and Typewriters.
FSC Group 74, Parts II and III	Office Machines Other Than Typewriters.
FSC Group 74, Part IV	Office Machines: Visible Record Equipment.
FSC Group 78, Part I	Recreation and Athletic Equipment.
FSC Group 84, Part I	Athletic Footwear and Clothing.
FSC Group 91, Part III	Gasoline, Lubricants, Fuel Oil (Diesel), Kerosene, and Related Services, Service Station Deliveries.

§ 5A–73.107–2 Nature of a contract with a renewal clause.

Even though a negotiated, multiple-award contract has a renewal clause, it is (in keeping with the policy stated in § 5A–73.106) a contract whose term does not exceed 1 year. Since authority to negotiate exists in these cases, under paragraph (a) of the renewal clause set forth in § 5A–73.107–6, renewal may be accomplished by mutual agreement of the parties and is, in effect, a reaward or continuation of the contractual relationship. If the Government or the contractor does not desire to renew the contract, it expires at the end of the then existing contract period. Prior to renewal, the contract will be subject to review (see § 5A–73.107–4) and possibly to the negotiation of modifications proposed either by the Government or the contractor.

§ 5A–73.107–3 Limitation on number of renewals.

No contract shall be subject to renewals so as to extend it for a total period exceeding 3 years after the beginning of the established Federal Supply Schedule period.

§ 5A–73.107–4 Required action before renewal.

(a) Before issuance of the written notice of the Government's intent to renew the contract, as required by the renewal clause set forth in § 5A–73.107–6, the contracting officer shall decide (1) whether it is in the best interest of the Government to renew the contract or to issue a request for proposals for a new contract, and, if in the best interest to renew, (2) whether and to what extent the contract provisions and the prices covered by the contract should be modified.

(b) In reaching such decision, the contracting officer shall:

(1) Take into account price reductions that have been made by the contractor and others in the industry during the current contract period.

(2) Consider market trends as reported in trade journals.

(3) Consider each of the provisions of the contract in the light of its effectiveness and appropriateness.

(4) Determine whether any additional clauses should be incorporated, such as clauses required by law or regulation since the existing contract was entered into or as determined to be desirable during the administration of the existing contract:

(5) Determine whether it appears that prices generally should be reduced for reasons such as—

(i) Savings to the contractor resulting from his not having to print and distribute new catalogs and pricelists and by not having to prepare entirely new and complete offers at the time of contract renewal.

(ii) Reduction in taxes which are included in the contractor's selling prices.

(iii) Increases in profits, as published in financial or trade papers. (In this connection, however, the contracting officer must recognize that making a profit is generally the motivating factor in private enterprise and that a reasonable profit should be allowed the contractor.)

(6) Review all pertinent factors which would assist in determining which prices should be reduced and which prices the contractor might propose to be increased. In making such a review, the contracting officer shall consider factors such as—

(i) Prices paid recently for similar items.

(ii) Prices paid during the current contract period for definite quantity purchases of the same items.

(iii) Changes during the current contract period:

(*a*) In prices of raw materials or components going into the items under the contract.

(*b*) In the minimum wage rates established by the Secretary of Labor and, to the extent known, in wage rates otherwise changed pursuant to agreement between the contractor and his employees.

(*c*) In the contractor's distribution pattern.

(iv) Value of purchases made by the Government during the current contract period compared with the value estimated when the current contract was made.

(v) Volume of sales (particularly of new items) which have been made to the public during the current contract period compared with the anticipated volume when the contract was entered into.

(vi) Licenses granted by the contractor to other producers, and the contractor's patent rights which have expired.

(c) Developing information of the type covered in (b) of this § 5A–73.107–4 will enable the contracting officer not only to make sound proposals for modification of the existing contract but also to be in a strong position during subsequent negotiations of those proposals and of any proposals made by the contractor.

(d) The facts developed in support of the decision required by (a) of this § 5A–73.107–4 shall be recorded in an orderly fashion and retained in the contract file.

§ 5A–73.107–5 Notice of intent to renew the contract.

The written notice of intent to renew the contract shall contain any revisions of or additions to the contract provisions and may contain any changes in contract prices which the contracting officer wants to propose. It shall also contain instructions on the extent to which new catalogs or pricelists are to be furnished, subject to possible change as a result of any subsequent negotiations with the contractor.

§ 5A–73.107–6 Renewal of Contracts clause.

(a) Subject to (b) of this § 5A73.107–6, the following clause shall be used in contracts covered by the Federal Supply Schedules listed in § 5A–73.107–1 when it may be advantageous to the Government to renew the contract:

RENEWAL OF CONTRACTS

(a) This contract may be renewed at the expiration of its term or any extension thereof by mutual agreement of the parties. Such renewals may be for a term of 1 year or less but in no event shall this contract, as modified or amended, be extended beyond ----------, 19---. Notice of its intent to renew will be given in writing by the Government to the Contractor normally ------ days before the then existing contracting expires.

(b) In connection with the renewal of this contract, any proposal by the Contractor to change prices or terms and conditions should be submitted to the Contracting Officer within ------ days after the date of the Government's notice of intent to renew. Any proposal to increase prices (1) shall be in triplicate, using the format contained in the provision of this solicitation entitled (contracting officer to insert appropriate title), and (2) shall contain a detailed justification for any proposed increases, including a statement as to whether or not they are general increases to all customers. If the price increases are accepted by the Government, they will be effective on the first day of the renewal period or on the acceptance date, whichever is later. If an agreement cannot be reached between the Government and the Contractor on any proposed price increase, the item or items involved will not be included in the contract for the renewal period.

(c) The catalog and amendments issued for the initial contract period may be used during any subsequent renewal period except that a notice will be issued by the Contractor to change the cover page to show the period covered by the renewal contract.

(b) The contracting officer shall insert the appropriate entries in the blank spaces of the clause in (a) of this § 5A–73.107–6. The date entered in the first space shall be subject to the limitation contained in § 5A–73.107–3. In determining the entries for the second and third spaces, consideration shall be given to the amount of time that will probably be required for any subsequent negotiations with the contractor and the time required by the contractor to develop his proposal after receipt of the Government's written notice of its intent to renew the contract.

§ 5A–73.107–7 Use of GSA Form 1535 in renewal of contracts.

In requesting approval of award of a renewed contract, GSA Form 1535, Request for Approval of Awards, shall be used in the same manner as in the case of a new contract. (See § 5A–1.375.) Completion of the Price Analysis portion of that form shall be given particular attention.

§ 5A–73.107–8 Notifying agencies of renewals.

Agencies shall be notified of the renewal period and any other modifications of the contracts by issuance of Federal Supply Schedule amendments (see § 5A–73.125). GSA Form 1797 shall be used as provided in § 5A–73.105. Quantities of each such amendment needed for distribution to agencies shall be determined in accordance with § 5A–73.203–2.

§ 5A–73.108 Use of price escalation clauses.

The use of price escalation or price adjustment provisions in Federal Supply Schedule contracts shall be in accordance with the policy and procedures prescribed in § 5A–7.170–3. Price escalation clauses may be authorized for use in Federal Supply Schedule contracts when it is not reasonably possible for bidders to quote firm prices for long periods and it is desired to avoid successive reissuance of Schedules at short intervals. Where it is considered advantageous to use a price escalation clause in a Schedule a request for an appropriate clause, together with justification therefor, shall be submitted to the Director, Procurement Operations Division. Such request shall be submitted in connection with each reissuance.

§ 5A–73.109 Use features.

§ 5A–73.109–1 Statement of scope.

Each invitation for bids shall contain the "Scope of Contract" clause set forth below. The first sentence shall be completed by inserting the appropriate "agency use" and "geographic coverage" statements prescribed in § 5A–73.109–3, –4, or –5.

SCOPE OF CONTRACT

(a) This invitation provides for the normal supply requirements of (complete in accordance with § 5A–73.109–3, –4, or –5) and resultant contracts will be used as primary sources for the articles or services listed herein. Articles or services will be ordered from time to time in such quantities as may be needed. As it is impossible to determine the precise quantities of different kinds of articles and services described in the invitation that will be needed during the contract term, each Contractor whose bid is accepted will be obligated to deliver all articles and services of the kinds contracted for that may be ordered during the contract term, except:

(1) Small Requirements:

(Complete in accordance with § 5A–73.114–2 or –3.)

(2) Maximum Order Limitation:

(Complete in accordance with § 5A–73.112.)

(3) Exigencies: In cases of exigency. (Subject to audit by the General Accounting Office.)

(4) Urgent Requirements: To the extent that a Contractor is unable to meet the bona fide delivery requirements of ordering activities Stipulating Deliveries Shorter Than the Contract Delivery Time. Delivery requirements are defined as actual needs of the ordering office which require that articles or services must be delivered in the total quantity required by the date required. When the contract delivery time does not meet delivery requirements and the ordering activity determines that time permits, the Contractor shall be requested by letter, telegram, or telephone (confirmed in writing) to state the best delivery time of which he is then capable. The Contractor shall reply to such inquiries in kind not more than 3 working days after receipt. Orders placed on the basis of a shorter delivery time agreed to shall be delivered within this shorter delivery time and in accordance with all other terms and conditions of the contract.

(b) Activities, Other Than Those Named Above, for which General Services Administration is authorized by law to procure, May place orders under the contracts and Contractors May honor such orders within the exceptions (1) thru (4) in (a), above. In the event the Contractor is unwilling to accept such an order, the Contractor will return it by mailing or delivering it to the ordering office within 3 working days after receipt. Failure to so return an order will constitute acceptance whereupon all provisions of the contract shall apply with respect to such order.

§ 5A–73.109–2 Determination of agency and geographic coverage.

(a) The extent of agency and geographic coverage shall be determined in collaboration with using agencies in connection with development of new Schedules or major revisions of existing Schedules. Special instructions will be furnished to the Procurement Operations Division branch or regional buying division responsible for production of the Schedule involved in such cases. Existing instructions for coordination with agencies through the Supply Management Services Division shall be observed.

(b) The agency or geographic coverage of a Schedule shall not be extended or reduced without the prior approval of the Director, Procurement Policy and Programs Division, in the case of national Schedules or the Regional Director, FSS, in the case of regional Schedules.

§ 5A–73.109–3 Nationwide use statement.

The following basic statement, appropriately filled in, shall be used to complete the first sentence of the clause prescribed in § 5A–73.109–1 when the Schedule is for use on a nationwide basis:

All departments and independent establishments, including wholly owned Government corporations, in the executive branch of the Federal Government (state exceptions, if any, and specify additional agencies in the legislative or judicial branches, and the Government of the District of Columbia, when appropriate). (Follow with geographic coverage by inserting phrase in paragraph a, b, c, or d, below, as appropriate.)

(a) When Alaska and Hawaii are to be included . . . for delivery within the 50 States and Washington, D.C.

(b) When Alaska only is to be excluded . . . for delivery with the 49 States (excludes Alaska) and Washington, D.C.

(c) When Hawaii only is to be excluded . . . for delivery with the 49 States (excludes Hawaii) and Washington, D.C.

(d) When both Alaska and Hawaii are to be excluded . . . within the 48 contiguous States and Washington, D.C.

§ 5A–73.109–4 Regional or otherwise limited use statement.

The following basic statement, appropriately filled in, shall be used to complete the first sentence of the clause prescribed in § 5A–73.109–1 when the Schedule is for use on a regional or otherwise limited use basis:

All departments and independent establishments, including wholly owned Government corporations, in the executive branch of the Federal Government (state exceptions, if any, and specify additional agencies in the legislative or judicial branches, and the Government of the District of Columbia, when appropriate). (Follow with area coverage by inserting the following statement appropriately completed.) . . . for delivery within the States (list States, including exceptions, if any, to geographic areas within particular States)

§ 5A–73.109–5 Special use statement.

When special circumstances exist which are not adequately covered by the statements prescribed in § 5A–73.109–3 and § 5A–73.109–4, appropriate modifications should be made therein so as to state clearly the agency and geographic coverage.

§ 5A–73.109–6 Optional use.

The last paragraph of the clause prescribed in § 5A–73.109–1 states in general terms the ordering activities which may use the Schedule on an optional basis. Questions with respect to whether GSA is authorized by law to procure for a particular activity shall be referred to assigned counsel.

§ 5A–73.110 Special requirements.

§ 5A–73.110–1 Special requirements clause.

The following special requirements clause shall be included in each invitation for bids (or request for proposals) and resulting Schedule:

SPECIAL REQUIREMENTS

Where an agency included under (a) of the Scope of Contract provision finds that the specific articles or services listed herein will not meet a special requirement, articles or services having the same general characteristics needed to meet the special requirement may be procured: *Provided*, That a prior written waiver of the requirement for using this Schedule is obtained from the General Services Administration. Requests for such waivers shall be submitted to the contracting office at the address shown on the face of the Federal Supply Schedule. Such requests shall (a) describe the pertinent differences between the articles or services listed herein and those required, (b) specify the quantities required, and (c) state the reasons why the articles or services listed herein will not meet the requirement.

§ 5A–73.110–2 Requests for waivers.

Promptly upon receipt of an agency request for a waiver under the Special Requirements clause, the contracting activity responsible for the Schedule involved shall recommend either granting or denying the request, as appropriate, by forwarding a memorandum to the Director, Standardization Division, in accordance with § 5A–1.305–70(c)(3).

§ 5A–73.111 Quantity discounts.

Although Federal Supply Schedules are designed to provide a contractual source of supply for day-to-day requirements of Governmental agencies, single orders for relatively large quantities, within the maximum order limitations, may be issued. In recognition of this fact, provision shall be made in the invitation for bids, whenever feasible, for the bidder to quote progressive quantity discounts.

§ 5A–73.112 Maximum order limitations.

(a) A maximum order limitation is a dollar amount established for an entire Schedule or a category of items therein, above which orders may not be placed under the Schedule contract. The purpose of such limitation is to enable the

Government to explore the possibilities of securing lower prices for larger quantities exceeding the limitation. Maximum order limitations shall be included in those Federal Supply Schedule contracts where it is determined, in accordance with this section, that the use of such limitations will be advantageous to the Government.

(b) The amount of the maximum order limitation shall represent the best possible estimate of the quantity or volume above which suppliers will likely quote lower prices per unit due to the large quantity purchased. In fixing such amounts, appropriate categories shall first be determined and then the following factors should be considered:

(1) Pricing methods in the industry, including quantity discount practices.

(2) Approximate volume which represents a "production run" in the industry, giving consideration to both small and large business concerns.

(3) Number of sources from which the items are available.

(4) Whether the items involved are normally manufactured and sold commercially or manufactured to meet Government specifications.

(5) Extent to which the use of industry distribution facilities is contemplated as contrasted with shipment direct from factory.

(6) Relationship of total Government requirements to total production of the industry.

(c) Maximum order limitations in current Schedules shall be reexamined prior to each subsequent Schedule contract period to determine, based on experience under the current Schedule, whether such limitations should be changed or eliminated for the next contract period.

(d) When it appears advantageous to alter or eliminate existing limitations, or to establish new limitations, an appropriate recommendation and statement of justification therefor shall be forwarded to the Director, Procurement Operations Division, for prior approval.

(e) Whenever a maximum order limitation is used, the applicable clause prescribed in paragraph (f), (g), or (h), below, with the appropriate monetary limitations inserted, shall be included in the invitation for bids and resulting Schedules.

(f) Where the maximum order limitations, both as to total value of orders, and single items, will apply uniformly to all items in the Schedule, the following provisions shall be used:

MAXIMUM ORDER LIMITATION

The total dollar value of any order placed under this contract shall not exceed $_____: *Provided*, That the dollar value for any single item ordered, whether ordered separately or in combination with other items, shall not exceed $_____. The Contractor agrees not to accept or fulfill any orders in violation of this provision. Violation may result in termination of the contract pursuant to the clause of the General Provisions entitled Default.

(g) Where maximum dollar limitations are not established for single items, the provision in (f), above, shall be used without the proviso in the first sentence.

(h) Where varying single item limitations are established for different items, the provision in (f), above, shall be used with the last phrase of the first sentence changed to read "shall not exceed the dollar amounts set forth below for the items indicated:" and then listing the limitations for the individual item; for example:

Item No. FSN 7820-000-123	$2,000
Any item in Class 7835	2,500
Any other single item	5,000

(i) Other situations require approval as in (d), above.

§ 5A–73.113 Requirements in excess of maximum order limitations.

(a) When a maximum order limitation provision is contained in an invitation, the resulting Schedule shall include the following provision in addition to the maximum order limitation:

Agencies included under (a) of the "Scope of Contract" clause, including the Department of Defense where the requirement falls within DOD–GSA Interagency Purchase Assignments, shall forward purchase requests for items included herein which exceed the applicable maximum order limitation to (insert address of office issuing the Schedule), for purchase action. Agencies included under (b) of the "Scope of Contract" clause, may, at their option, forward such purchase requests to the Federal Supply Service for purchase action.

(b) With the exception of DOD requirements not covered by the DOD–GSA Interagency Purchase Assignments, each requirement for items in a Schedule which exceeds the applicable maximum order limitation shall be procured by the office issuing the Schedule by means of formal advertising or by negotiation, whichever method is appropriate under the circumstance. Schedule contractors for the items involved shall be given an opportunity to submit prices irrespective of whether the requirement is advertised or negotiated. Whenever bid prices received as a result of formal advertising are higher than the prices in the Schedule and are determined to be unreasonable, all bids may be rejected and the requirement procured by negotiation, under authority set forth in § 1–3.214.

§ 5A–73.114 Small requirements.

§ 5A–73.114–1 Small requirements exemption.

(a) Except for those Schedules listed in paragraph (b), below, each invitation for bids and resulting Schedule shall also include a Small Requirements clause.

(b) The Small Requirements clause shall not be used in the following Schedules, each of which is identified by its Federal Supply Classification (FSC) Group or its Industrial Group (IG) and Class:

Group	*Title of schedule*
FSC 91, Part III	Service Station Deliveries (Gasoline and Fuel Oil).
IG 489, Class 4898	Teletype News Ticker Service.
IG 721, Class 7213	Wiping Cloth Service.
IG 733, Class 7331	Stenographic Reporting Service.
IG 739, Class 7399	Correct-Time Service.
IG 769, Class 7699	Manual Typewriter Repair and Maintenance.

§ 5A–73.114–2 Small Requirements clause.

(a) (1) For all Schedules in which a small requirements clause is required, except those listed in § 5A–73.114–3, the following clause shall be used in pertinent invitations for bids:

SMALL REQUIREMENTS

No ordering office will be obligated to order and no Contractor will be obligated to make any delivery amounting to $50 or less, but such deliveries may be ordered by the Government subject to acceptance by the Contractor. Failure on the part of the Contractor to return the order by mailing or otherwise furnishing it to the ordering office within 3 days after receipt shall constitute acceptance, whereupon all other provisions of the contract shall apply to such order.

(Without prejudice to the rights of either party under the above clause, bidder is requested to indicate whether it is his general practice to accept orders amounting to $50 or less ☐Yes. ☐No.* This information will be published in resultant Schedules for guidance of ordering offices.)

* If considered appropriate, insert the following additional sentence:

If answered "Yes," state minimum dollar value of orders generally accepted $_____.

(2) In resultant Schedules the following parenthetical statement shall be substituted for the parenthetical statement in (1), above, and shall be inserted in the "Scope of Contract" clause immediately following the "Small Requirements" provision:

(Without prejudicing the rights of either party under the above clause, bidders were requested to indicate whether it is their general practice to accept orders amounting to $50 or less. Information obtained is shown in connection with the listing of Contractors included in this Schedule.)

(b) The clause and parenthetical statements in (a), above, when used for the Schedules listed in § 5A–73.114–3, shall be modified to show the small requirements exemptions prescribed in that section.

(c) Prior approval of the Assistant Commissioner for Procurement must be obtained for the use of a small requirements exemption different from that prescribed in this section. Requests for such approval shall state the reasons why a different exemption is recommended.

§ 5A–73.114–3 Schedules requiring modified small requirements clause.

The following Schedules, each of which is identified by its Federal Supply Classification (FSC) Group or its Industrial Group (IG) and Class, require a modification of the clause prescribed in § 5A–73.114–2 to cover the indicated exemption:

Group	Title of schedule	Small requirements exemption
FSC 13	Dynamite, Electric Blasting Caps (Explosives and Explosive Devices).	$100.
FSC 26, Part II	Tires and Tubes, Pneumatic, except Aircraft.	$50 or one automobile or bus-truck tubeless tire or tire and tube.
FSC 59	Electron Tubes and Semiconductors for Military and Commercial Communication Equipment.	$100.
FSC 61, Part I	Automotive Storage Batteries (Electric Wire, and Power and Distribution Equipment).	Not less than 5 batteries.
FSC 72, Part I	Household Furnishings	$100 for floor tile items; $50 for all other items.
FSC 75, Part IV	Rubber Stamps	$25.
FSC 75, Part V	Envelopes, Printed and Plain	Sizes 4½"×10⅜" or smaller, 5,000 envelopes; all other sizes, 1,000 envelopes.
FSC 75, Part VII	U.S. Government National Credit Cards	Embossed—not less than 50 cards; unembossed—not less than 1,000 cards.
FSC 79	Cleaning Equipment and Supplies	1 vacuum cleaner, polisher, or scrubbing machine when ordered by a civilian executive agency; $50 for other items.
FSC 87, Part II	Seed (Agricultural Supplies)	$25.
FSC 87, Part III	Fertilizers (Agricultural Supplies)	$50.
FSC 89, Part II	Ice	Not less than 50 pounds.
FSC 91, Part I	Fuel Oil, Kerosene, and Solvents	Minimum 200 gallons.
FSC 91, Part II	Gasoline	Minimum 200 gallons.
IG 753, Class 7534	Tire and Tube Rebuilding	$50 or involving one tire.

§ 5A–73.115 Place of delivery—prices.

(a) A section headed "Delivery Prices" shall be included in each invitation for bids. This section shall state clearly the delivery conditions and basis on which prices are desired; i.e., whether prices are desired f.o.b. shipping point; delivered to destinations in any particular city, such as Washington, D.C. (and contiguous area, if applicable); delivered to destinations within specific areas; or delivered to any point in the continental United States.

(b) Examples of clauses to be used under certain conditions are set forth in this § 5A–73.115 for the guidance of contracting officers. They do not cover all possible circumstances with respect to prices and delivery. However, in the interest of uniformity, when developing clauses to meet individual circumstances, such clauses should adhere as closely as possible to the examples set forth.

(c) When delivery is desired under the conditions set forth in § 5A–73.115–1, § 5A–73.115–4, or § 5A–73.115–5, the invitation for bids shall require each bidder to state the shipping point location for each item or group of items in his bid. The applicable clauses shall be reviewed and concurred in by the regional traffic management activity prior to their inclusion in invitations for bids.

§ 5A–73.115–1 Prices f.o.b. specified delivery point.

When delivered prices are desired to a specific area representing a large portion of potential requirements and it is also desired to make the items available outside such area, with appropriate adjustment in transportation costs, the clause below, modified as appropriate, shall be used (Washington, D.C., is used as an example only):

DELIVERY PRICES

Prices bid must cover delivery to destinations in Washington, D.C., and contiguous area as provided below:

(a) Deliveries in the District of Columbia must be made, at the expense of the Contractor, within the doors of the storeroom ("storeroom" is understood to mean that room on the entrance floor of the building in which supplies can be deposited) designated in the order. Deliveries in Prince Georges and Montgomery Counties in Maryland, and the cities of Alexandria and Falls Church, and Arlington and Fairfax Counties in Virginia, shall be made at the expense of the Contractor as follows:

(1) Delivery to the door of the specified Government activity by freight or express common carriers on articles for which store-door delivery is provided, free or subject to a charge, pursuant to regularly published tariffs duly filed with the Federal and/or State regulatory bodies governing such carrier; or, at the option of the Contractor, by parcel post on mailable articles, or by the Contractor's vehicle. Where store-door delivery is subject to a charge the Contractor shall (i) place the notation "Delivery Service Requested" on bills of lading covering such shipments and (ii) pay such charge and add the actual cost thereof as a separate item to his invoice.

(2) Delivery to siding at destination when specified by the ordering office, if delivery is not covered under subparagraph (a)(1), above.

(3) Delivery to the freight station nearest destination when delivery is not covered under subparagraph (a) (1) or (2), above.

(b) When deliveries are made to destination outside Washington, D.C., and contiguous area, the following conditions will apply:

(1) On shipments weighing less than 100 pounds where transportation charges are not greater than to Washington, D.C., the Contractor shall pay transportation charges. No freight adjustments are required.

(2) On all shipments other than specified in subparagraph (b)(1), above, the Contractor shall deduct from his invoice the transportation charges from his shipping point to Washington, D.C., and add the actual cost of transportation to destinations designated by ordering offices. Transportation charges will, in all cases, be based upon the lowest regularly established rates on file with the Interstate Commerce Commission, the U.S. Maritime Commission (if shipped by water), or any State regulatory body, or published by the Post Office Department, and must be supported by paid freight or express receipt or by a statement of parcel post charges, including weight of the shipment.

(3) Subparagraphs (b) (1) and (2), above, will not apply when Contractor stipulates that his Washington delivered price is also the delivered price to any point within the continental limits of the United States.

(4) The Contractor's shipping point for the purpose of computing transportation charges will be the shipping point named in his bid. In the event two or more shipping points are named by the Contractor without qualification as to destination areas to be served by each, freight charges to Washington, D.C., to be deducted from invoices and freight charges to destinations designated by ordering offices to be added to invoices will be computed from the shipping points involving the lowest transportation charges to Washington, D.C., and to designated destinations, respectively.

(5) The right is reserved to the ordering office to specify the type of transportation and routing to be employed.

Where more than one specified delivery point is used, either within a region or zone or within the continental United States, it will also be necessary to define specifically the limits of the surrounding area in which deliveries are authorized through application of the transportation cost adjustment clause. This is necessary to avoid having two Schedule contracts which could be used for delivery of the same item to the same point.

§ 5A–73.115–2 Prices covering delivery throughout the United States.

When it is desired to request prices covering delivery throughout the continental United States, the following clause shall be used:

DELIVERY PRICES

Prices bid must cover delivery to destinations within the forty-eight contiguous States and the District of Columbia as provided below:

(a) Delivery to the door of the specified Government activity by freight or express common carriers on articles for which store-door delivery is provided, free or subject to a charge, pursuant to regularly published tariffs duly filed with the Federal and/or State regulatory bodies governing such carrier; or, at the option of the Contractor, by parcel post on mailable articles, or by the Contractor's vehicle. Where store-door delivery is subject to a charge the Contractor shall (1) place the notation "Delivery Service Requested" on bills of lading covering such shipments, and (2) pay such charge and add the actual cost thereof as a separate item on his invoice.

(b) Delivery to siding at destination when specified by the ordering office, if delivery is not covered under paragraph (a), above.

(c) Delivery to the freight station nearest destination when delivery is not covered under paragraphs (a) or (b), above.

(See § 5A–73.109–3 for additional phrases concerning the exclusion or inclusion of Alaska and Hawaii.)

§ 5A–73.115–3 Prices covering delivery within certain areas of the United States.

When it is desired to request prices covering delivery within certain areas of the continental United States, the clause in § 5A–73.115–2 shall be used with the specific areas inserted in lieu of the words "the 48 contiguous States and the District of Columbia."

§ 5A–73.115–4 Prices f.o.b. shipping point—contractor to prepay transportation costs.

When it is desired to request prices f.o.b. shipping point and require the con-

tractor to prepay and invoice transportation costs to destinations within the continental United States, the following clause shall be used:

DELIVERY PRICES

(a) Prices are requested f.o.b. shipping point, and such prices shall cover free delivery to any points with the commercial area of the shipping point.

(b) Successful bidders will be required to prepay all transportation cost covering delivery as follows:

(1) Delivery to the door of the specified Government activity by less than carload, less than truckload, truckload, or express, on articles for which free store-door delivery is provided by regularly published tariffs on file with the Interstate Commerce Commission or State regulatory body; or, at the discretion of the Contractor, by parcel post on mailable articles.

(2) Delivery to siding at destination when specified by the ordering office, if delivery is not covered under subparagraph (b)(1), above.

(3) Delivery to the freight station nearest destination when delivery is not covered under subparagraphs (b) (1) or (2), above.

The actual cost of such transportation charges shall be added to the Contractor's invoice as a separate item and will, in all cases, be based on the lowest regularly established rates on file with the Interstate Commerce Commission, U.S. Maritime Commission (if shipped by water), or any State regulatory body, or published by the Post Office Department, and must be supported by paid freight or express receipt or by a statement of parcel post charges, including weight of shipment. In the event two or more shipping points are named by the Contractor without qualification as to destination areas to be served by each, transportation charges to destinations designated by ordering offices to be added to invoices will be computed from the shipping point involving the lowest transportation charges.

The right is reserved to the ordering office to specify the type of transportation and routing to be employed.

§ 5A–73.115–5 Prices f.o.b. shipping point—contractor not to prepay transportation costs.

When it is desired to request prices f.o.b. shipping point, but not to require the contractor to prepay transportation costs, the following clause shall be used:

DELIVERY PRICES

Prices are requested f.o.b. shipping point and such prices shall cover free delivery to any points within the commercial area of the shipping point.

§ 5A–73.115–6 Prices f.o.b. shipping point—insertion of shipping point and guaranteed shipping weight.

Invitations that request prices f.o.b. shipping point shall also provide space for a bidder to insert his shipping point or points and guaranteed shipping weight of each item on which he bids. In addition, include in this area of the invitation the following statement:

Where more than one shipipng point is designated for an item, ordering activities will have the option of specifying the shipping point unless the bidder otherwize qualifies its bid.

§ 5A–73.115–7 Basing point for bid evaluation.

(a) Whenever prices are solicited on an f.o.b. shipping point basis, as provided in § 1–2.202–3, § 5A–73.115–4, and § 5A–73.115–5, it will be necessary to state a basing point or points which will be used in evaluating bids. Such basing point(s) should be in the general area(s) where it is believed the larger portion of the potential requirement will be delivered.

(b) Generally, only a single basing point should be used for each area or zone in which a separate contract is contemplated. However, circumstances may indicate the need in some instances for specifying two or more basing points within a specific area or zone because of multiple heavy use points within the area or zone. When two or more such basing points will be used in evaluating bids for a single contract, the relative weight to be accorded prices for each basing point must be stated in the invitation.

§ 5A–73.116 Time of delivery.

(a) Each invitation for bids, whether the delivery terms are f.o.b. shipping point, f.o.b. destination, or both, shall include the appropriate time of delivery provision prescribed in § 5A–1.316.5.

(b) When it is necessary to provide for a different delivery for different items or groups of items included in the invitation, the time of delivery provision referenced in (a), above, shall be suitably modified. In these cases the invitation for bids shall provide space for the bidder to indicate for each item or related group of items the number of days required after receipt of the purchase order to make delivery to destination or to place shipment in transit.

(c)–(d) [Reserved]

(e) When a "price basing area" delivery clause is used (see § 5A–73.115–1, § 5A–73.115–4, and § 5A–73.115–6) it is not possible for the bidder to state his delivery time except to the price basing area. Optional use of the schedule for delivery in other areas will require different lengths of time for making delivery. Accordingly, when a "price basing area" delivery clause is used, the following clause also shall be included in both the invitation and Schedule:

TIME OF DELIVERY—PRICE BASING AREA

The Contractor's time of delivery shown opposite each item herein represents the time required to effect delivery to departments and establishments located in_____. On shipments involving shipping distances the same as or less than from the Contractor's shipping point to _____, delivery must be made to destination within the delivery time shown herein. On shipments to agencies located in other than _____, where the distance involved exceeds the distance from the Contractor's shipping point to _____, shipments must be placed in transit within the same number of days after receipt of order as would normally be done for similar shipments consigned to _____.

§ 5A–73.117 Value of previous purchases.

Whenever available, each invitation for bids shall include in the first column on the left side of the page opposite each item, the dollar value of orders received as reported by contractors for the latest comparable preceding period. When new items are added or when the coverage of primary users of the Schedule is extended, these figures shall be augmented by the best possible estimates, based upon anticipated volume. To explain to prospective bidders the meaning of these figures, the following statement shall be placed immediately above the first page listing of items in the invitation:

Estimated Requirements. The figures in the first column show (1) previous purchases in dollars for the period (state period) as reported by the previous Contractors, or (2) estimates of the anticipated volume where the item is new or its coverage of primary users has been extended. *No guarantee is given that any quantities will be purchased.* The absence of such a figure indicates that neither reports of previous purchases nor estimates of requirements are available.

§ 5A–73.118 Contractor's report of orders received.

Except in those Schedules where such reports are determined not necessary, the following clause shall be included in the invitation for bids to provide for submission by contractors of a monthly report of agency orders placed against a Schedule contract. (This clause shall not be shown in resulting Federal Supply Schedules.)

REPORT OF ORDERS RECEIVED

Successful bidders shall furnish on or before the 10th day of each month a report of orders received during the preceding month, by dollar value, on each item or sub-item upon which an award is received. The report shall be made on GSA Form 72 and forwarded to the General Services Administration, Federal Supply Service, Attention: (insert name and address of office making award as shown on the face of schedule). The right is specifically reserved to the Government to inspect without further notice such records of the contractor as pertain to sales under any contract resulting from this invitation. Wilful failure or refusal to furnish the required reports, or falsification thereof, shall constitute sufficient cause for applying the provisions of Article 11 of Standard Form 32, General Provisions (Supply Contract).

(a) It is expected that, in some instances, this reporting requirement will be a hardship upon contractors, and may result in higher prices or refusal to bid, particularly when a large number of distribution points for numerous items are involved. Such cases shall be brought to the attention of the Director, National Buying Division, for determination as to alternate method of ascertaining sales volume.

(b) Complete records shall be maintained by the purchase activity of all sales reported under Federal Supply Schedule contracts entered into by the contracting office. These sales figures are valuable in two ways. Firstly, they can be useful to contracting officers in determining the type of contracting most suitable, based upon use of the Schedule by ordering offices; secondly, it is an indication to bidders of the anticipated sales which may be expected from any resulting contract. These figures are important in that the prices quoted by bidders are normally

based upon anticipated sales volume from the resulting contract. If these reports from contractors (upon which the estimated sales figures in the invitation for bids are based) do not represent the total of all agency orders received, higher bid prices will likely result. Therefore, aggressive followup action shall be conducted when reports are not received regularly, or there is evidence of inaccuracies in the reports rendered. GSA Form 102, shall be used for this purpose. Whenever any extension of mandatory coverage is undertaken the best possible estimates of the increased volume of sales shall be shown in the invitation in addition to the sales volume reported by contractors for the previous Schedule period.

(c) Adequate stocks of GSA Form 72, Contractors Report of Orders Received, shall be maintained at all times so that an adequate supply of the form can be furnished each Schedule contractor.

(d) Contractors shall be reminded of this reporting requirement at the time the contract is forwarded by use of the transmittal letter, GSA Form 103.

§ 5A–73.119 Basis of award.

§ 5A–73.119–1 Progressive awards.

(a) When it is known that no single supplier can or will undertake to furnish the entire requirement of any item or group of items, the invitation shall provide for bidders to state the limit of their facilities in terms of dollars or quantities, as may be appropriate, and the right reserved in the invitation to make as many awards as are deemed necessary to meet the requirements of the using agencies. Awards will then be made first to the acceptable low bidder in the quantities he is able to furnish and then progressively to the next higher bidders until the entire requirement has been awarded. When contractors' reports of sales indicate that orders received under the Schedule have reached the limitation stipulated in their contracts, an amendment to the Schedule shall be issued advising using agencies that no further orders should be placed with such contractors as their contracts have been completed.

(b) Since it is important that continuing supply sources be available for Schedule items, if it is known that the facilities of all contractors will have been saturated before the end of a contract period, new contracts shall be entered into as rapidly as possible and the using agencies advised of the new sources.

(c) Progressive awards must not be confused with multiple awards. The latter may be used only in connection with certain national Schedules, for which the Commissioner or his designee has approved use of negotiation under an appropriate exception in § 1–3.2.

§ 5A–73.119–2 Aggregate awards.

Provision may be made for aggregate awards in those instances where the character of the item or service makes such an arrangement desirable. Whenever this is necessary, the invitation for bids shall clearly set forth the basis on which the low bidder will be determined. This shall be accomplished as prescribed in § 5–2.201–54.

§ 5A–73.120 Catalogs and pricelists.

(a) The following provision shall be included in all invitations for bids, or be appropriately modified and included in solicitations for offers, which contemplate (1) awards based on contractors' catalogs and pricelists and (2) direct distribution thereof by successful bidders to ordering agencies:

CATALOGS AND PRICELISTS

(a) *Submission with bids.* When a bid is based on the prices contained in a catalog or pricelist, three copies thereof must be forwarded with the bid, and each must be clearly marked to indicate for each item bid upon, the item number and page of this invitation. Reference to a catalog or pricelist submitted with a previous year's bid will not be accepted. If terms of sale appearing in any catalog or pricelist on which a bid is based are in conflict with the terms of this invitation, the latter shall govern.

(b) *Approval by Contracting Officer.* Each successful bidder shall furnish two copies of final proof of printed catalog or pricelist to the Contracting Officer within 15 days after receipt of notice of award. The Contracting Officer will indicate approval of the printed proof in writing and simultaneously furnish specific instructions as to the number of copies to be forwarded to specific ordering agencies. It is understood and agreed that if the Contractor fails to furnish the proofs and/or make distribution of the catalogs or pricelists within the period(s) specified, the same may be printed and distributed by the Government at the Contractor's expense.

(c) *Distribution to ordering agencies.*

(1) Each successful bidder whose bid is based on catalogs or pricelists will be required to (i) provide copies thereof in the quantities indicated below and (ii) distribute same to ordering offices within 15 days after receipt of Contracting Officer's notice of approval thereof.

Description of Catalog or Pricelist	*Approximate Quantity Required*

These copies shall be identical with the accepted catalog or pricelist (copy of which, together with a notification of award, will be sent to the successful bidder as soon as possible after approval of award) except that the following information, which will be furnished with the notification of award, shall be printed or stamped on the cover page of each approved catalog or pricelist:

Authorized Federal Supply Schedule Catalog (or Pricelist, whichever is applicable).
FSC Group.
Contractor.
Contract No.
Period.
General Services Administration.
Federal Supply Service.
GSA Distribution Code.

(2) Catalogs or pricelists shall not be distributed to ordering agencies until final approval thereof has been received in writing from the Contracting Officer.

(3) Successful bidders shall notify the Contracting Officer when distribution of the catalogs or pricelists to ordering offices has been completed.

(4) Successful bidders who are furnished mailing lists for the distribution of approved catalogs or pricelists under the Schedule are not authorized to use such lists for any other purpose.

(b) Quantities to be inserted in the above provision shall be based on the information submitted by regional offices in accordance with § 5A–73.203.

(c) In certain cases it may be advisable to provide that contractors furnish copies of approved catalogs and pricelists to regional offices for redistribution to ordering agencies. In such a case, the provision under (a) of this § 5A–73.120 shall be modified as follows:

(1) Change terms "specific ordering agencies" in paragraph (b) and "ordering agencies" in (c)(1) through (c)(3) to "GSA regional offices."

(2) Omit paragraph (c)(4).

(d) When contractors are to make direct distribution of catalogs and pricelists, the contracting office shall forward one copy of GSA Form 2139, Request for Federal Supply Schedule Issuances, to the Chief of each regional Buying Division, indicating thereon the catalog codes for which a strip list is required. Upon receipt of such a request, each regional office shall prepare in accordance with § 5A–73.203–1(b), a single listing showing the agency ordering offices and addresses and the quantity of the particular catalogs or pricelists requested by each such office. Such listings shall not be reproduced in quantity for the contracting office, but are to be submitted in a clear and legible master, of uniform density of print, so as to assure clear, legible, and high quality reproductions without retyping or editing by the office issuing the Schedule. (Lists which do not meet this criteria will be returned to the regional buying activity for resubmission of a master list which is suitable for good reproduction.) The buying activity shall review each listing to assure that it includes, as well as the name of each ordering office, the complete street address, and the city, State and Zip Code number. The buying activity shall also assure that each listing includes the names of organizational elements in the address and does not include the names of individuals or position titles. Listings shall be forwarded to the contracting office not later than 15 days after receipt of the request from the contracting office.

(e) In some cases a contractor, who is awarded items in two or more categories of items each of which has a separate GSA catalog distribution code number, may wish to combine the items in a single catalog or pricelist. Contractors should be permitted to combine related categories of items covered by the same Schedule for the same contract period in a single catalog or pricelist. This will reduce distribution and handling costs to the Government and avoid additional expense to the contractor which may result in future higher prices. Under such an arrangement contractors shall be required to print the GSA distribution code applicable to each category on the cover of the catalog. The quantity of such catalogs to be furnished by the contractor shall be determined by selecting from the quantities specified in the invitation for bids the highest quantity shown for any of the categories of items included in the catalog and adding approximately 10 percent.

(f) It is important that every effort be made to eliminate from contractors' catalogs and pricelists objectionable or extraneous material not needed by the ordering office on placing purchase orders. Material of an advertising or promotional nature (except where such material is incidental to date relating to characteristics, use, or care of the merchandise covered by the contract) and reference to articles not covered by the contracts shall be considered to be in this category. The necessity for printing special catalogs for use in connection with Schedule contracts is an item of considerable expense to contractors; therefore, whenever reasonably within the criteria set forth above, the contractors' own catalogs printed for commercial use should be accepted if possible, after elimination of pages containing unnecessary or objectionable advertising or promotional material.

(g) A copy of each accepted catalog or pricelist, together with any necessary instructions, shall be forwarded to the contractor with a signed copy of the contract except where advance notice of award in accordance with (h), below, is necessary, in which case the accepted copy and instructions shall be furnished with the advance notice. Copies of the accepted catalogs and/or pricelists shall show the information required by the invitation for bids clause set forth in § 5A–73.120(a).

(h) An advance notice of award may be issued in accordance with § 5–1.350 and § 5A–1.350 when the time required for preparation and release of the contract would not allow sufficient time to permit the contractor to reproduce and distribute catalogs and pricelists so as to be received by ordering agencies on or before the effective date of the Schedule or, in the case of GSA distribution thereof, so as to arrive in the regional offices 2 weeks prior to the effective date of the Schedule. GSA Form 1308(FL) shall be used for this purpose when the contractor is to distribute the catalogs or pricelists direct to ordering agencies. It may be appropriately modified in a case where the contractor is to distribute the catalogs or pricelists to GSA regional offices for redistribution to ordering offices by GSA.

(i) Contractors shall be advised when catalogs or pricelists have been approved for printing and, when the catalogs or pricelists are to be distributed direct to agency ordering offices by such contractors, shall be furnished distribution instructions by use of GSA Form 1325(FL). A detailed listing of the agency ordering offices and addresses, together with the number of copies to be sent to each such office, shall be forwarded to the contractor with that letter.

(j) Letters sent to contractors in accordance with (h) and (i), above, shall be signed by the contracting officer.

(k) The buying activity issuing a Schedule shall establish a time schedule for preparation, approval, and mailing of contractors' catalogs and pricelists and shall maintain a followup system to assure or expedite the timely receipt thereof Due dates shall be established for:

(1) *Receipt of final proofs.* The date established for followup for proofs should allow 15 days after the date the contractor should normally have received the contracting officer's notice of award.

(2) *Approval by contracting officer.* Within 5 work days after receipt of proofs, the contracting officer shall approve or disapprove same and issue written notice thereof to the contractor.

(3) *Mailing.* The date established for followup action should be 15 days plus the number of days normally required for the contractor's notice of completion of distribution to reach the contracting officer.

(4) *Followup action.* Contracting officers shall take followup action on the due dates established in accordance with (k) (1) and (3), above, and thereafter as necessary to assure receipt of catalogs and pricelists by ordering offices on or before the effective dates of the Schedules. If the contractor fails to furnish proofs or to make distribution of catalogs or pricelists within the time specified in the contract, default action under the provisions thereof should be considered.

§ 5A–73.121 [Reserved]

§ 5A–73.122 Export packing.

In those cases where it is known that substantial use of the Schedule will be made for overseas shipments by a particular activity or activities, export packing provisions suitable to meet the needs of these users shall be included in the invitation or solicitation.

(a) When such additional export packing provisions are necessary, bidders shall be requested to quote a separate price for charges for export packing of the type or types required which price shall be in addition to the price quoted for domestic shipments. Bidders shall not be requested to quote unit prices including export packing, nor shall the cost of export packing be included as a consideration in determining award, except as provided in paragraph (c), below. When the successful bidder for the basic item has been determined, award shall also be made to that bidder for export packing of the item involved unless the price quoted for export packing is excessive, in which event an effort shall be made to secure an appropriate reduction. If this is not possible, award on export packing shall not be made.

(b) When export packing provisions are included in invitations for bids, detailed specifications with respect to the type of export packing required shall be made a part of the invitation and resulting Schedule. In addition, the invitation and Schedule shall clearly state that no ordering agency will be obligated to utilize the contractor's export packing services. The purpose of such an arrangement is to afford using agencies an export packing service under the Schedule to the extent required, and at the same time provide freedom for making other arrangements where operating conditions or price factors might require such action.

(c) If instances arise where it is determined to be in the best interests of the Government to include the cost of export packing as a consideration in making award, prior to such action an appropriate recommendation and statement of justification shall be forwarded to the Director, Procurement Operations Division, for approval.

§ 5A–73.123 Other special additional provisions.

(a) Each invitation for bids or solicitation for offers and Schedule will usually require certain provisions, applicable only to the particular commodity or service covered. Although the form and content of such provisions in existing Schedules has been developed over a period of years, it is necessary that each provision be reviewed carefully each time a new invitation or solicitation for offers is issued, and that necessary changes be made as dictated by experience or as a result of a special study of the particular Schedule.

(b) Primary responsibility for keeping special provisions current shall be that of the office issuing the Schedule involved. However, in order to assure uniformity when two or more regional Schedules cover the same commodities or services, all proposed changes in such provisions shall be submitted to the Director, Procurement Programs and Systems Division, for approval and coordination.

(c) All special provisions necessary for the information of ordering offices shall be included in resulting Schedules, appropriately reworded as necessary.

§ 5A–73.123–1 Price reductions.

Except for Federal Supply Schedule contracts covering fuel oils, kerosene, solvents, bulk gasoline, and other contracts in which special escalation features may be required, and contracts covering anthracite and bituminous coal (in which special provisions permit price escalation under certain conditions), the clause set forth in § 5A–7.101–77 shall be inserted in each invitation for bids or solicitation for offers and resulting Schedule.

§ 5A–73.123–2 Price reductions clause—multiple awards.

(a) Each request for proposals, contract, and resulting Schedule involving multiple awards shall contain the following provision in addition to the clause prescribed in § 5A–73.123–1:

PRICE REDUCTIONS TO A FEDERAL AGENCY

(In addition to the clause entitled "Price Reductions" (set forth in GSA Form 1424, Supplemental Provisions (Supply Contract)), the following clause shall apply.)

(a) If, during the life of this Federal Supply Schedule contract, any Federal agency cites this contract as the contract under which its order is placed and the Contractor sells to that agency at reduced price any article or service covered by the contract and the quantity involved falls within the applicable maximum order limitation set forth in the contract, equivalent price reductions based on similar quantities and/or considerations shall apply to his Federal Supply Schedule contract. Such price reductions shall be effective at the same time the sale at reduced price is made to any Federal agency. The Contractor shall

thereafter for the duration of the contract period invoice all ordering offices at such reduced price, indicating on the invoice that the reduction is pursuant to this clause in his Federal Supply Schedule contract. In addition, the Contractor shall within ten days notify the General Services Administration's Contracting Officer of such reduction, by letter in triplicate, and request that his contract be amended accordingly. Failure to do so may require termination of the contract as provided in the Default clause (Article 11) Standard Form 32, General Provisions (Supply Contract).

(b) The Contractor shall furnish, within 10 days after the end of the contract period, a statement certifying either (1) that he made no sale of the type covered in (a) above, or (2) if any such sale was made, that, as provided in (a) above, (i) it was reported to the Contracting Officer within 10 days, and (ii) ordering offices were billed at the reduced price. Where one or more such sales were made, the statement furnished by the Contractor shall include with respect to each sale (1) the date when any such sale at the reduced price was initially made, and (2) the date when the Contracting Officer was notified of any such sale.

(b) The following statement shall also be inserted in each Schedule which contains the clause required by (a) of this § 5A–73.123–2:

As required by the Federal Property Management Regulations (41 CFR 101–26.408–5), each Federal agency which, during the life of a contract included in this Schedule, cites that contract as the contract under which its order is placed and obtains a reduced price from the Contractor (other than a reduced price granted to the Contractor's customers generally) for any article or service covered by the contract and the quantity involved falls within the applicable maximum order limitation of the contract shall, within 10 days, notify the Contracting Officer of such purchase.

§ 5A–73.123–3 Nationally recognized industry standards and specifications.

The clause regarding existing standards of nationally recognized laboratories, where fire and casualty hazards or safety and health requirements are involved, shall be used as prescribed in § 5A–7.170–2.

§ 5A–73.123–4 Contractor's payment address.

The clause set forth below shall be included in each schedule invitation for bids or request for proposals:

Contractor's Payment Address. The bidder shall indicate below the address to which Government checks in payment of invoices submitted under any resultant contract should be mailed.

§ 5A–73.124 Composition of Schedules.

Each Federal Supply Schedule shall consist of the elements shown in this § 5A–73.124 and such other components as may be required for specific Schedules.

§ 5A–73.124–1 Schedule cover page.

The cover or title page shall contain: (a) The heading; (b) FSC group or class number, and part number (if any); (c) complete title of the Schedule; (d) the contract period; (e) complete address of the issuing office, including the title of commodity section or regional buying division and telephone number; and (f) listing of agencies designed as "Primary Users" and the geographic coverage as stated in the "Scope of Contract."

§ 5A–73.124–2 Heading information and numbering of pages.

Each inside page of the Schedule shall show the class number, part number (if any), title, and issuing office, across the top of the sheet. Pages shall be numbered at the top center of each sheet beginning with number 2 on the reverse of the cover page.

§ 5A–73.124–3 Reference to general and supplemental provisions.

The inside of the cover page shall contain the following statement:

The Contractors listed herein are subject to Standard Form 32, General Provisions (Supply Contract) (enter date) edition and GSA Form 1424, Supplemental Provisions (Supply Contract) (enter date) edition. Any exceptions to these provisions will be shown immediately following under the title "Exceptions."

§ 5A–73.124–4 Use provisions.

The "Scope of Contract," as prescribed in § 5A–73.109 shall be inserted immediately following the statement referencing the provisions, followed by the clearance provisions prescribed in § 5A–73.110.

§ 5A–73.124–5 Special provisions.

Immediately following the statement in § 5A–73.124–4, a section titled Special Provisions shall be included in the Schedule to contain all other applicable provisions prescribed in this subpart.

§ 5A–73.124–6 Information for ordering offices.

Immediately following the Special Provisions, the following shall be inserted in the Schedule:

INFORMATION FOR ORDERING OFFICES

(1) *Placing orders.* Purchase orders for items/or services listed herein should be addressed and forwarded direct to the Contractor indicated. The item description, the name and address of the Contractor, the contract number, and any special contract terms are shown in the Schedule. An agency ordering office shall not issue a series of smaller orders in quick succession aggregating an amount in excess of the applicable limitation specified in the Maximum Order Limitation provision.

(2) *Inspection.* Deliveries should be inspected and every unsatisfactory delivery reported to the Federal Supply Service which will, upon request, advise in such inspection. The cooperation of ordering activities is necessary to maintain established standards and require compliance with terms and conditions, specifications, and samples, and to obviate Contractor delinquencies.

(3) *Delinquent deliveries.* Where the Contractor fails to deliver within the time set forth in the purchase order, ordering offices should follow instructions contained in GSA Regulation 1–II–303.03.

(4) *Information.* Additional information desired concerning this Schedule may be obtained by writing or telephoning the General Services Administration office which issued the Schedule.

§ 5A–73.124–7 Listing of articles or services.

(a) The listing of articles or services shall follow the information for ordering offices. In the preparation of the listing of articles or services, essential information shall be shown so as to be clear, concise, and readily understandable. The contents should be arranged so as to utilize space to the best advantage. Unnecessary or repetitious wording and subject matter shall be eliminated.

(b) While the format of each listing must conform to the requirements of the particular commodity and delivery features of the contracts, in the interest of uniformity the following rules shall be observed:

(1) Item numbers shall be inserted in the left column, followed in the next succeeding columns to the right by the item description, unit, unit price, time of delivery, and name of the contractor.

(2) Particular attention should be given to the proper indentation of paragraphs so as to properly identify the item and any optional characteristics thereunder, such as color or type of material.

(3) Unless the number of columns or amount of descriptive matter precludes such arrangement, type should read from left to right across the width of the page. Single spacing should be used with double spaces between each paragraph to afford easy reading and clear understanding.

§ 5A–73.124–8 List of contractors.

A list showing the names, addresses, and telephone numbers of contractors, together with the contract number applicable to each, and any discounts offered, shall be inserted immediately following the listing of articles or services. If different from the address to which orders are to be forwarded, the contractors' payment address shall also be shown. In addition, the contract number shall be coded in the following manner:

(a) If the contractor represents that he is not small business, the symbol "o" shall be placed immediately preceding the applicable contract number. If the contractor represents that he is small business, the symbol "s" shall be placed immediately preceding the applicable contract number. These symbols shall be appropriately identified by the use of footnotes placed immediately below the list of contractors.

(b) If the contract was advertised, the symbol "(adv)" shall be placed immediately following the contract number and appropriately footnoted to indicate that the contract was made as a result of advertising. If the contract was negotiated, the symbol "(neg)" shall be placed immediately following the contract number and appropriately footnoted to show the authority under which the contract was negotiated (for example, contract negotiated pursuant to section 302(c)(7) of the Federal Property and Administrative Services Act of 1949).

§ 5A–73.125 Federal Supply Schedule amendments.

(a) Federal Supply Schedule amendments shall be issued in connection with any Federal Supply Schedule when it becomes necessary to delete, add to, or

otherwise change information in the basic Schedule.

(b) Each amendment shall show the date of issuance and the complete title, class number, and part number (if any) so as to identify it adequately with the proper Schedule.

(c) Amendments shall be serially numbered, starting with number one at the beginning of each Schedule period. A separate series shall be assigned to each Schedule.

(d) Any number of changes applicable to the same Schedule may be issued under a single amendment. However, where delay in transmitting the information might adversely affect ordering offices, it is essential that the amendment be issued promptly. The effective date of each change shall be shown.

(e) Each amendment shall be set forth in a clear and concise manner and include all information needed by ordering offices to properly use the Schedule.

(f) The applicable GSA distribution code shall be shown in the lower right corner of the amendment. That method of reproduction shall be used which is most practicable and economical in the particular circumstances.

§ 5A–73.126 Performance and default.

FPMR § 101–26.403 sets forth the responsibilities of agency ordering offices and Federal Supply Service contracting officers in connection with performance and default under Federal Supply Schedule contracts. FPMR § 101–26.403–7 of the above cited regulation prescribes reports and procedure with respect to failure to collect excess costs accrued against defaulting contractors. Purchase activities shall take all steps necessary to carry out these responsibilities in connection with Schedule contracts entered into by them.

Subpart 5A–73.2—Distribution of Federal Supply Schedules, Catalogs, and Pricelists

§ 5A–73.201 General.

Regional buying activities shall establish mailing lists for the distribution of Federal Supply Schedules and related contractors' catalogs and pricelists in accordance with the procedures prescribed in this subpart. Federal Supply Schedules are distributed by the printing and publications activities to all agency offices within each GSA region regardless of where such Schedules may be issued. In the case of catalogs or pricelists pertinent to Schedules of national scope, it is to the advantage of both the Government and the contractor to provide in the Schedule contract for direct distribution to ordering agencies by the contractor.

§ 5A–73.202 Distribution lists.

(a) Based on GSA Form 457, Request for Federal Supply Schedules and Contractors' Catalogs (Including Pricelists), submitted by agency offices in accordance with FPMR § 101–26.402–3(a), each regional buying activity shall establish and maintain, in cooperation with the printing and publications activity, distribution lists for Federal Supply Schedules and for contractors' catalogs. Such lists shall include only the requirements of agency offices located within the respective region. Only offices of Federal agencies (including GSA), wholly-owned and mixed ownership Government corporations, the Government of the District of Columbia, and contractors who have been authorized to purchase for the account of the Government, are eligible for inclusion on these lists.

(b) The use of such distribution lists for the mailing of contractors' sales promotional literature (other than approved catalogs and pricelists required by the contract) shall not be authorized. General distribution of such material is primarily for the benefit of the contractors and the expenditure of Government funds for furnishing such lists or mailing such material would not be proper.

§ 5A–73.202–1 Review and processing of GSA Form 457.

(a) Upon receipt of a GSA Form 457 from an agency office, the regional Buying Division shall review the application to determine compliance with instructions for preparation and submission of the form. Agency offices shall be placed on distribution lists only for those Schedules and catalogs for which specific quantities are shown on the application.

(b) In the interest of efficiency and economy, the instructions on the GSA Form 457 encourage agencies to hold quantities requested to the minimum necessary for the proper performance of their procurement or fiscal operations. Request for quantities considered excessive should be verified with the agency office. If there are indications that an agency office is ordering for redistribution to other locations, inquiry should be made and, if such is the case, the agency office should be requested to have each office submit its own request to the appropriate GSA regional office. Applications received from agency offices located in other GSA regions shall be forwarded to the appropriate regional office and the agency office advised of the referral.

(c) Upon completion of review, the application shall be approved and forwarded to the printing and publications activity for preparation of address stencil plates and return to the regional Buying Division for filing.

§ 5A–73.202–2 Changes in distribution lists.

(a) Each regional Buying Division shall review requests for changes in previously filed applications and, if approved, advise the printing and publications activity of the changes to be made. Agency offices should use GSA Form 457 to report any changes rather than requesting changes by letter.

(b) It is essential that distribution lists be kept reasonably current so as to eliminate unnecessary and improper mailings, and thereby reduce printing, mailing, and related administrative costs. Accordingly, each regional Buying Division shall review distribution lists at least once each year to assure that lists are kept reasonably current. Agency offices shall be requested annually to verify, amend, or resubmit their requirements for Schedules and catalogs by submission of the GSA Form 457.

(1) The GSA Form 457 shall be overprinted to show the organization title and the address of the GSA regional office to which the completed form is to be returned.

(2) Two copies of the overprinted form shall be mailed to each agency office on the Schedule and catalog distribution lists with a notice to read substantially as exhibited in § 5A–76.103.

(3) The Printing and Publications Branches (Division in Region 3) shall be requested to revise distribution lists as indicated on the forms which have been returned. The names of agency offices that do not return the GSA Form 457 by the date indicated in the regional notice shall be deleted from appropriate distribution lists.

§ 5A–73.203 Regional requirements for redistribution.

The offices issuing the Federal Supply Schedules shall use GSA Form 2139, Request for Federal Supply Schedule Issuance Requirements, to obtain regional requirements for Schedules and catalogs and pricelists. The GSA Form 2139, prepared in accordance with §§ 5A–73.203–1 and 5A–73.203–2, below, shall be forwarded in duplicate to the Chief of each regional Buying Division.

§ 5A–73.203–1 Catalogs and pricelists.

(a) At least 5 months prior to the expiration date of each Schedule which requires the use of contractors' catalogs and pricelists, the issuing office shall list the FSC number (and part number, where applicable) of each Schedule and the catalog mailing code number(s) pertinent to each under appropriate columns of the GSA Form 2139 titled "Contractors' Catalogs/Pricelists." Upon receipt of the GSA Form 2139, each regional Buying Division shall request the printing and publications activity to furnish a tape list showing the quantities of each catalog needed for distribution in its region. On receipt of this list, the regional Buying Division shall total the quantities shown thereon, increase the total to provide for a reasonable reserve for special requests and other purposes, enter the total quantity required on the GSA Form 2139, and forward one copy to the issuing office. Upon receipt of the completed GSA Forms 2139, the issuing office shall insert in the clause prescribed in § 5A–73.120(a), the consolidated total quantity of each catalog or pricelist to be furnished by the contractors.

(b) When catalogs are distributed by the contractor, the office issuing the Schedule, cooperatively with the printing and publications activity, shall determine the most economical method of obtaining and furnishing agency address lists to the contractors. Additional instructions with respect to catalogs and pricelists to be distributed by contractors directly to agency offices are contained in § 5A–73.120.

§ 5A–73.203–2 Federal Supply Schedules.

At least 2 months prior to the expiration of each Federal Supply Schedule, the issuing office shall list the FSC number (and part number, where applicable) of each Schedule and the pertinent mailing code numbers on GSA Form 2139. Upon receipt of the GSA Form 2139, each regional Buying Division shall request the printing and publications activity to furnish a tape list showing the quantities of each Schedule needed for distribution in its region. Based on this list, the regional Buying Division shall determine and enter the quantities of the expiring Schedules needed for distribution in its region on the GSA Form 2139 and return one copy to the issuing office.

§ 5A–73.203–3 Schedule of Blind-made Products.

The Inventory Management Division shall arrange to obtain from and furnish to the regions their requirements for the Schedule of Blind-made Products for redistribution to agency offices. Requirements for redistribution shall be determined on the basis of applications submitted on GSA Form 457.

§ 5A–73.203–4 Arrangements for mailing.

Arrangements will be made with the printing and publications activity for the addressing of envelopes and mailing the Schedules and catalogs received in regional offices for distribution to agency offices.

§ 5A–73.204 Use of mailing code numbers.

(a) The applicable Schedule mailing code number (as shown in section 3 of the Customer's Guide to Sources of Supply and Service) shall be printed in the lower right corner of the cover sheet of each Schedule to facilitate identification and distribution.

(b) Mailing codes are to be assigned to new Schedules at the time of issuance of the invitation for bids. Initial distribution lists shall be compiled by whichever of the following methods is determined by the contracting officer to be the most suitable:

(1) Circularization of agency offices by the regional offices.

(2) Use of a distribution list for an existing Schedule covering similar items. Particularly in the case of a new Schedule of national scope, it would be less costly and time consuming to use such a distribution list, if available, or to use the method under (3), below, than to have the regional offices circularize agency offices as in (1), above.

(3) Use of the Mailing Code 160 distribution list.

(c) When using an existing mailing list in accordance with (b) (2) and (3) of this § 5A–73.204, two copies of GSA Form 457 shall be attached to the new Schedule for agencies' use in requesting future issues. The cover or title page of the Schedule (1) shall show in the lower right corner the permanent mailing code assigned to the new Schedule and in parentheses immediately thereunder shall show the temporary mailing code used for the initial distribution, and (2) shall include a paragraph reading substantially as follows:

New Schedule: What to do to continue *receiving future copies*—If your office wishes to continue receiving this Schedule, please send one completed copy of GSA Form 457, Request for Federal Supply Schedules and Contractors' Catalogs (Including Pricelists), to the GSA Regional Office serving your area. Two copies of GSA Form 457 are attached to this Schedule for your convenience. To order copies of this Schedule, use Mailing Code S ------- Future copies of this Schedule will not be sent to you unless we receive the GSA Form 457 giving your requirements.

(d) The new Schedule and catalogs and their mailing codes will be listed in the next issue of the Customer's Guide.

(e) All amendments and notices (see § 5A–73.103(a) and § 5A–73.125) shall show the applicable GSA mailing code in the lower right corner and shall be distributed accordingly.

(f) Where contractors' catalogs or pricelists cover two or more categories of items as evidenced by two or more GSA mailing codes printed on the cover, the printing and publications activity shall be requested to select agency ordering office addresses by using all of those code numbers simultaneously, but eliminate duplicate agency ordering office address stencils by hand selection, the ones showing the highest number of copies to be the only one used.

§ 5A–73.205 Receipt of Schedules and catalogs.

(a) *Advance copy of Schedule.* In order to provide contract information in advance of the regular bulk distribution, one copy of each Schedule shall be sent immediately upon issuance (via air mail, if advantageous) to each other purchase activity.

(b) *Receipt for bulk distribution.* All Schedules and contractors' catalogs sent to regional offices for regular bulk distribution will be received and distributed by the printing and publications activity. Accordingly, the office issuing the Schedule shall arrange to have all such material addressed to the printing and publications activity in the receiving regional office. Advice as to the quantity of each Schedule received by the printing and publications activity will be furnished the regional purchase activity. In the event of shortages, or in case Schedules or catalogs have not been received within a reasonable time prior to the effective date of the Schedule, the regional Buying Division shall notify the issuing purchase activity in order that necessary corrective action may be taken. Copies of Schedules and catalogs remaining after initial distribution will be forwarded by the regional Printing and Publication Branches (other than in Region 3), to the Buying Division or other organization designated by the Buying Division. In Region 3, the Printing and Publications Division will stock the copies of Schedules remaining after initial distribution for issue upon the written request of the buying activity or the Business Service Center.

(c) *Monitoring receipt and redistribution.* (1) In order to assure timely receipt by customer agencies of Schedules and contractors' catalogs received by the region for redistribution, the Buying Division in the receiving regional office shall be responsible for monitoring the receipt and redistribution of bulk shipments by the receiving printing and publications activity.

(2) Using as a control the advance copy of each Schedule mentioned in (a) of this § 5A–73.205, the Buying Division shall, on the basis of the date of receipt of the advance copy of the Schedule and from information contained therein, establish records which are deemed necessary to perform such monitoring. Records should include information such as (i) the appropriate Schedule number, (ii) effective date of the Schedule, and (iii) number of copies required for bulk redistribution. From this information, target dates may be projected for both the receipt and redistribution of the bulk mailings, and from these projected dates such followup action as believed necessary may be taken. Additional information covering actual dates of receipt and redistribution may be noted for completeness of records.

(3) To the extent determined to be advantageous, receipt of the advance copy of the Schedule may be used as a basis for alerting the printing and publications activity of the pending receipt of the material to be redistributed.

(d) *Time schedule for preparation, approval, and mailing of contractors' catalogs and pricelists.* The buying activity issuing a Schedule shall maintain a followup system in accordance with § 5A–73.120(k) to assure the timely receipt of contractors' catalogs and pricelists.

§ 5A–73.206 Requisition for printing and publications activity services.

All printing, mailing, distribution, and related services performed by the printing and publications activity shall be requested on GSA Form 50, Requisition for Printing Services. Requisitions shall specify the applicable Schedule or catalog code number. When feasible, a blanket requisition may be used to cover monthly requirements for such services.

PART 5A–74—SPECIAL PURCHASE PROGRAMS

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§ 5A-74.000 Scope of part.

This part prescribes special instructions to be followed when contracting or purchasing for agencies under special agreements with those agencies. Deviations from standard procurement instructions in connection with such contracting or purchasing are authorized only to the extent provided in this part or as may be otherwise specifically authorized.

§ 5A-74.001 Contacts and liaison with the Department of Defense.

(a) *Designations.* The Assistant Secretary of Defense (Supply and Logistics) has assigned to the Department of the Army, working through a designated representative for such purpose, responsibility for coordinating Army, Navy, Air Force, and GSA views on all matters relating to procurement assignments and supply support matters affecting the General Services Administration (GSA) and more than one military department. The Administrator has designated the Director, Technical Assistance Division, Federal Supply Service, to represent the GSA in dealings with the Department of the Army representative on similar matters.

(b) *Procedures.* (1) All problems and projects within the scope of the GSA-DOD interagency purchase assignments and the several supply support programs affecting the GSA and more than one military department shall be referred to the Director, Technical Assistance Division, with appropriate supporting data, for handling with the Department of the Army.

(2) The Director, Technical Assistance Division shall then, either by exchange of correspondence, personal contact, or appropriate interagency conference, take whatever steps are necessary to effect proper coordination and achieve resolution of the problems, including necessary supporting documentation.

(3) Where GSA views cannot be reconciled with a Department of Defense position, the Assistant Secretary of the Army (Logistics) will seek resolution with the Commissioner, Federal Supply Service.

(4) Day-to-day operational problems or projects requiring action of GSA and a single military department shall be handled directly by the responsible Federal Supply Service Central Office Division dealing with appropriate personnel in the department.

Subpart 5A-74.1—GSA-DOD Interagency Purchase Assignment—Office Furniture

§ 5A-74.100 Scope of subpart.

This subpart defines responsibility and prescribes instructions to be followed within the Federal Supply Service for carrying out GSA's procurement responsibilities set forth in Exhibit 13, Appendix C, GSA Regulations, Title 1 (hereinafter referred to as Exhibit 13), with respect to the GSA-DOD interagency purchase assignment of office furniture.

§ 5A-74.101 Action by national and regional buying activities.

§ 5A-74.101-1 General.

Purchasing and contracting functions which are the responsibility of GSA under the office furniture purchase assignment shall be performed in accordance with this § 5A-74.101.

§ 5A-74.101-2 Procurement responsibility.

All purchasing and contracting functions of an operational nature shall be performed by the National Buying Division (Washington office) or by the regional offices as indicated below:

(a) *National Buying Division (Washington office).* The National Buying Division (NBD) shall perform all purchasing and contracting functions except as provided in paragraph (b), below. The functions assigned to NBD include—

(1) Procurement planning based on estimated national requirements furnished by the military departments.

(2) Contracting for all office furniture requirements except where it is determined by NBD that the regions should perform such contracting.

(3) Procurement of requirements which exceed the maximum order limitations of Federal Supply Schedule contracts.

(4) Procurement of requirements for Federal Supply Schedule items when the applicable schedule contract has expired and until such time as the succeeding schedule is effective.

(5) Procurement of requirements for items not included in the GSA Stores Stock Catalog or in Federal Supply Schedules.

(6) Making of allocations to the regional offices under established contracts covering GSA stores stock items.

(7) Administration of contracts established by NBD.

(b) *Regional offices.* All regional offices shall perform the following functions—

(1) On the basis of allocations made by NBD, or as otherwise directed, place orders against established contracts for GSA stores stock items for replenishment of their GSA Stores Depots and for direct delivery to consignees located in their respective regions.

(2) Upon authorization from NBD, contract and place orders for furniture required for delivery within their respective regions.

(3) Expedite and follow up on actions taken under (1) and (2), above, in consonance with prescribed Quality Control Division contract administration procedures.

§ 5A-74.101-3 Procurement planning.

Information as to estimated national requirements furnished by each of the military departments, as provided in subsection 3b, Exhibit 13, shall be utilized by NBD in planning its procurement programs.

§ 5A–74.101–4 Purchase requests.

(a) *Compliance with GSA regulations.* No purchase action shall be taken by a buying activity on a purchase request unless the request evidences compliance with GSA Regulation 1–II–310.04 a and c. Purchase requests which do not evidence such compliance shall be forwarded to the appropriate regional personal property utilization and/or stores activity for necessary action.

(b) *Lead time.* Subsection 4c, Exhibit 13, provides that military activities, when submitting purchase requests, should allow a lead time of approximately 120 days between receipt of the request by GSA and delivery of the items to the carrier for shipment to the first destination.

(c) *Special phasing.* In those cases where the purchase request may exceed capacity of the industry to produce within the 120-day lead time, and special phasing is necessary, each military department shall be consulted by the purchase activity in order to meet the needs of that department.

(d) *Acknowledgment of purchase requests.* Immediately upon receipt and acceptance by a buying activity of a proper purchase request covering any items other than GSA stores stock items, a notification shall be sent to the ordering military activity advising that the purchase request is accepted and the items to be purchased will be procured by contract. The acknowledgment copy of GSA Form 191, Acknowledgment of Receipt of Purchase Authority, may be used for this purpose.

(e) *Expiration of funds.* Expiration of funds in connection with end-of-year receipt of purchase requests shall be considered in accordance with GSA Regulation 1–II–301.05.

(f) *Notification of procurement action.* Copies of contracts and purchase orders shall be forwarded to the ordering military activity in accordance with the instructions contained on the purchase request. The forwarding of these copies will constitute notification of procurement action.

§ 5A–74.101–5 Sufficiency of funds.

In the event sufficient funds are not authorized by the purchase request, the buying activity shall contact the ordering military activity for authorization of such additional funds as may be required before consummating the purchase. Upon consummating the purchase of all items on a purchase request, the buying activity shall consider the amount authorized on the purchase request as being reduced to the amount of the purchases made and thereafter shall not take any action that may increase the latter amount without receiving a new authorization from the ordering military activity.

§ 5A–74.101–6 Procurement of specific commercial-type items.

(a) Purchase requests for the procurement of specific commercial-type items available from only one source shall be accepted if either of the following conditions is met:

(1) The request is signed personally by the Chief of the Technical Service, Bureau, or Command, his Deputy, or Executive Officer, and a statement of justification is attached or included.

(2) A statement reading substantially as follows appears on the request regarding the items to be purchased from a specific supplier:

> The procurement of this particular item from a sole source of supply is necessary in the interest of standardization or is otherwise deemed necessary for procurement as a proprietary item. Complete justification (a copy of which is attached hereto) is available in the office of ----------
> (Official Title)
> ---------- and the head of
> (Address)
> this procuring activity or his designated representative has personal knowledge of the procurement of this item.

(b) If the information furnished with respect to sole source of supply or standardization does not appear sufficient for findings under Title III of the Federal Property and Administrative Services Act of 1949, requisite information must be obtained prior to consummating the desired purchase.

§ 5A–74.101–7 Specifications.

Subsection 4e, Exhibit 13, requires that unless previously furnished to the GSA office concerned, all purchase requests submitted shall be accompanied by four copies of the applicable specification, purchase description, and/or drawing. The requirement does not apply to the use of Federal, Interim Federal, or GSA Specifications.

§ 5A–74.101–8 Marking and identification of shipments.

Buying activities shall provide in contracts for marking shipments and accompanying documents in accordance with instructions contained in purchase requests.

§ 5A–74.101–9 Provision for origin inspection.

(a) All contracts, other than Federal Supply Schedule contracts, for items to be procured under this office furniture purchase assignment, shall provide that the Government reserves the right to perform inspection at origin. The provisions of paragraph 5(a) Standard Form 32, General Provisions (Supply Contract), are sufficient to accomplish this.

(b) All orders placed against such contracts shall specify that inspection will be performed at origin and that shipments shall not be made without authorized release by the Government inspector.

(c) Caution shall be exercised to assure that copies of contracts and purchase orders required for inspection purposes are forwarded to the cognizant regional quality control office.

§ 5A–74.101–10 Inspection and shipping documents.

All contracts shall provide that the contractor is required to prepare and distribute such inspection and shipping documents as may be specified on orders placed against the contract.

§ 5A–74.101–11 Deviations or modifications.

Buying activities shall obtain prior approval of the ordering activity before authorizing deviation from or modification of specifications or other provisions of purchase request.

Subpart 5A–74.2—GSA-DOD Interagency Purchase Assignment—Office Machines

§ 5A–74.200 Scope of subpart.

This subpart defines responsibility and prescribes instructions to be followed within the Federal Supply Service for carrying out GSA's procurement responsibilities set forth in Exhibit 19, Appendix C, GSA Regulations, Title 1 (hereinafter referred to as Exhibit 19), with respect to the GSA-DOD interagency purchase assignment of office machines.

§ 5A–74.201 Staff responsibilities of the National Buying Division.

(a) The National Buying Division (NBD) shall be responsible for representing the General Services Administration (GSA) in the annual review of Federal Supply Schedules, arranged by the Technical Assistance Division, as required by paragraph 4.a.(4)(a) of Exhibit 19. Such review shall be completed in time to permit the timely issuance of the invitations for bids.

(b) NBD shall also be responsible for the issuance of any necessary revision of the list of items shown in Exhibit 19. The list shall be revised, if necessary, when the Federal Supply Schedules are reviewed.

§ 5A–74.202 Operational responsibilities of National Buying Division.

§ 5A–74.202–1 General.

Purchasing and contracting functions of an operational nature which are the responsibility of GSA under the office machines purchase assignment shall be performed by the National Buying Division (Washington).

§ 5A–74.202–2 Procurement planning.

Information as to estimated national requirements furnished by each of the military departments, as provided in subsection 3b, Exhibit 19, shall be utilized by NBD in planning its procurement programs.

§ 5A–74.202–3 Purchase requests.

(a) *Lead time.* Subsection 4b, Exhibit 19, provides that military activities, when submitting purchase requests, should allow a lead time of approximately 120 days between receipt of the request by GSA and delivery of the items to the carrier for shipment to first destination.

(b) *Special phasing.* In those cases where the purchase request may exceed capacity of the industry to produce within the 120-day lead time, and special phasing is necessary, each military department shall be consulted by NBD in order to meet the needs of that department.

(c) *Acknowledgment of purchase requests.* Within 5 days after receipt and acceptance by NBD of a proper purchase request, a notification shall be sent to the ordering military activity advising the purchase request is accepted and the items to be purchased will be procured by contract. The acknowledgment copy of GSA Form 191, Acknowledgment of Receipt of Purchase Authority, may be used for this purpose. If, for some reason, a purchase request is not acceptable, it shall be returned to the ordering military activity with an appropriate explanation.

(d) *Expiration of funds.* Expiration of funds in connection with end-of-year receipt of purchase requests shall be considered in accordance with GSA Regulations 1–II–301.05.

(e) *Notification of procurement action.* Copies of contracts and purchase ing military activity in accordance with the instructions contained on the purchase request. The forwarding of these copies will constitute notification of procurement action.

§ 5A–74.202–4 Sufficiency of funds.

In the event sufficient funds are not authorized by the purchase request, NBD shall contact the ordering military activity for authorization of such additional funds as may be required before consummating the purchase. Upon consummating the purchase of all items on a purchase request, NBD shall consider the amount authorized on the purchase request as being reduced to the amount of the purchases made and thereafter shall not take any action that may increase the latter amount without receiving a new authorization from the ordering military activity.

§ 5A–74.202–5 Requirements in excess of maximum order limitations.

Paragraph 4.a.(2), Exhibit 19, Provides, that when the requirements exceed the maximum order limitation of the schedule, the military services shall submit their purchase requests to GSA for purchase action. The military services may also submit purchase requests for requirements in excess of the maximum order limitation for those items which are on schedule but which are not covered by the assignment. If otherwise proper, purchase requests for requirements in excess of the maximum order limitation shall be accepted for purchase action, regardless of whether the items involved are covered by this assignment.

§ 5A–74.202–6 Procurement of specific commercial-type items.

(a) Purchase requests for the procurement of specific commercial-type items available from only one source shall be accepted if either of the following conditions is met:

(1) The request is signed personally by the Chief of the Technical Service, Bureau or Command, his Deputy, or Executive Officer, and a statement of justification is attached or included.

(2) A statement reading substantially as follows appears on the request regarding the items to be purchased from a specific supplier:

> The procurement of this particular item from a sole source of supply is necessary in the interest of standardization or is otherwise deemed necessary for procurement as a proprietary item. Complete justification (a copy of which is attached hereto) is available in the office of (Official Title) (Address) and the head of this procuring activity or his designated representative has personal knowledge of the procurement of this item.

(b) If the information furnished with respect to sole source of supply or standardization does not appear sufficient for findings under Title III of the Federal Property and Administrative Services Act of 1949, requisite information must be obtained prior to consummating the desired purchase.

§ 5A–74.202–7 Specifications.

(a) Subsection 4d, Exhibit 19, requires that unless previously furnished, all purchase requests submitted shall be accompanied by 4 copies of the applicable specification, purchase description or drawing. The requirement does not apply to the use of Federal, Interim Federal, or GSA Specifications.

(b) Purchase requests for Federal Supply Schedule items will show the make, model, and brand of machine or machines acceptable. In the event any machine listed under the applicable item number in the Federal Supply Schedule is not acceptable, the military department submitting the request must list the machine separately and give reasons why such machine will not meet the requirements. If a specific machine is the only one acceptable, the request will be accepted if either of the conditions stated in § 5A–74.202–6 is met.

§ 5A–74.202–8 Marking and identification of shipments.

All contracts shall provide for marking shipments and accompanying documents in accordance with instructions contained in purchase requests.

§ 5A–74.202–9 Provision for origin inspection.

(a) All contracts, other than Federal Supply Schedule contracts, for items to be procured under this office machines assignment, shall provide that the Government reserves the right to perform inspection at origin. The provisions of paragraph 5(a), Standard Form 32, General Provisions (Supply Contract), are sufficient to accomplish this.

(b) All purchase or delivery orders placed against such contracts shall specify that inspection will be performed at origin and that shipments shall not be made without authorized release by the Government inspector.

§ 5A–74.202–10 Inspection and shipping documents.

All contracts shall provide that the contractor is required to prepare and distribute such inspection documents as may be specified on orders placed against the contract.

§ 5A–74.202–11 Deviations or modifications.

Prior approval of the ordering activity shall be obtained before authorizing deviation from or modification of specifications or other provisions of purchase requests.

§ 5A–74.202–12 Direct payment by military services to contractors.

A military department may include in its purchase request a provision for direct payment by the department to the contractor, as provided in subsection 9b of Exhibit 19. In such cases, the contract or purchase order shall contain sufficient information and instructions to permit the vendor to properly invoice the military department. Purchase case files may be closed upon receipt of notice of shipment.

Subpart 5A–74.3—GSA–DOD Interagency Purchase Assignment—Office Supplies

§ 5A–74.300 Scope of subpart.

This subpart defines responsibility and prescribes instructions to be followed within the Federal Supply Service for carrying out GSA's procurement responsibilities set forth in Exhibit 22, Appendix C, GSA Regulations, Title 1 (hereinafter referred to as Exhibit 22), with respect to the GSA–DOD interagency purchase assignment of office supplies.

§ 5A–74.301 Staff responsibilities of the National Buying Division.

The National Buying Division shall be responsible for:

(a) Representing GSA in the annual review of Federal Supply Schedules, arranged by the Technical Assistance Division, as required by paragraph 4.a.(1) of Exhibit 22. Such review shall be completed in time to permit the timely issuance of invitations for bids.

(b) Obtaining concurrence of the Office of the Secretary of Defense, in accordance with § 5A–74.001, prior to approving the addition to or removal from a Federal Supply Schedule of any item included in this office supplies purchase assignment if the mandatory use provisions of the schedule are applicable to the procurement of such item by the Department of Defense.

(c) Issuance of any necessary revision of the list of items in Exhibit 22.

§ 5A–74.302 Operational responsibilities of National Buying Division and Regional Buying Divisions.

§ 5A–74.302–1 General.

Purchasing and contracting functions of an operational nature which are the responsibility of GSA under this office supplies purchase assignment shall be performed in accordance with this § 5A–74.302.

§ 5A–74.302–2 Procurement responsibility.

The purchasing and contracting functions of an operational nature are assigned as follows:

(a) National Buying Division (New York)—

(1) Procurement planning based on estimated national requirements furnished by the military departments in accordance with section 3, Exhibit 22.

(2) Production and maintenance of Federal Supply Schedules applicable to this office supplies assignment.

(3) Procurement of requirements which exceed the maximum order limitations of contracts made by NBD.

(4) Contracting for stock items included in this office supplies purchase assignment and in the consolidated stock replenishment program.

(5) Procurement of GSA stores stock items for direct delivery when such items are authorized for local purchase by the military service concerned.

(6) Procurement of requirements for direct delivery of items not included in the GSA Stores Stock Catalog or in Federal Supply Schedules.

(b) Regional buying divisions.

(1) Contracting for stock items not included in the NBD consolidated stock replenishment program.

(2) Except as provided in subparagraph (a)(3), above, place orders against established contracts for GSA stores stock items for replenishment of stores stock and for direct delivery.

§ 5A–74.302–3 Purchase requests.

(a) *Leadtime.* Subsection 4.c., Exhibit 22, provides that military activities, when submitting purchase requests, should allow a leadtime of approximately 90 days between receipt of the purchase requests by GSA and delivery of the items to the carrier for shipment to the first destination. Military activities should be notified of any scheduled submission dates where specific purchase programs have been established.

(b) *Special phasing.* In those cases where the purchase document may exceed the capacity of industry to produce within the 90-day leadtime, and special phasing is necessary, each military service shall be consulted in order to meet the needs of that department.

(c) *Acknowledgment of purchase requests.* Within 5 days after receipt and acceptance by NBD of a proper purchase request, a notification shall be sent to the ordering military activity advising that the purchase request is accepted, and the items to be purchased will be procured by contract. GSA Form 191, Acknowledgment of Receipt of Purchase Authority, may be used for this purpose. If a purchase request is not acceptable, it shall be returned to the ordering military activity with an explanation therefor.

(d) *Expiration of funds.* Expiration of funds in connection with end-of-year receipt of purchase request shall be considered in accordance with GSA Reg. 1–II–301.05.

(e) *Notification of procurement action.* Copies of contracts and purchase orders shall be forwarder to the ordering activity and consignees in accordance with the instructions on the purchase request. The forwarding of these copies shall constitute notification of procurement action.

§ 5A–74.302–4 Sufficiency of funds.

In the event sufficient funds are not authorized by the purchase request, the purchase activity shall contact the ordering military activity for authorization of such additional funds as may be required before consummating the purchase. Upon consummating the purchase of all items on a purchase request, the purchase activity shall consider the amount authorized on the purchase request as being reduced to the amount of the purchase made and thereafter shall not take any action that may increase the latter amount without receiving a new authorization from the ordering military activity.

§ 5A–74.302–5 Procurement of specific commercial-type items.

(a) Purchase requests for the procurement of specific commercial-type items shall be accepted only if either of the following conditions is met:

(1) The document is signed personally by the Chief of the Technical Service or Bureau, or by the Director of Procurement and Production, Air Materiel Command, or their Deputies, or their Executive Officers, and a statement of justification is attached or included.

(2) A statement reading substantially as follows appears on the document regarding the item being purchased from a specific supplier:

> The procurement of this particular item is necessary in the interest of standardization or is otherwise deemed necessary for procurement as a proprietary item. Complete justification (a copy of which is attached hereto) is available in the office of _____ (Official _____, _____ Title) (Address) and the head of this procuring activity or his designated representative has personal knowledge of the procurement of this item.

(b) If the information furnished in the above justification does not appear sufficient for findings under Title III of the Federal Property and Administrative Services Act of 1949, requisite information must be obtained prior to consummating such purchases.

§ 5A–74.302–6 Specifications.

(a) Subsection 4.e., Exhibit 22, requires that, unless previously furnished to the GSA office concerned, all purchase requests submitted shall be accompanied by four copies of the applicable specification, purchase description, and/or drawing. The requirement does not apply to the use of Federal, Interim Federal, or GSA Specifications.

(b) No specification involved shall be modified without consultation and coordination with the Department of Defense. No interim specification shall be used in soliciting bids for the Federal Supply Schedule without prior consultation and coordination with the Department of Defense.

§ 5A–74.302–7 Marking and identification of shipments.

All contracts for items to be procured under this office supplies purchase assignment shall provide for marking shipments and accompanying documents in accordance with instructions contained in purchase requests.

§ 5A–74.302–8 Provision for origin inspection.

(a) All contracts for items to be procured under this office supplies assignment shall provide that the Government reserves the right to perform inspection at origin.

(b) All orders, except for local stock replenishment, placed against such contracts shall state that inspection will be performed at origin and that shipments shall not be made without an authorized release by the Government inspector.

§ 5A–74.302–9 Inspection and shipping documents.

All contracts shall provide that the contractor is required to prepare and distribute such inspection and shipping documents as may be specified on orders placed against the contract.

§ 5A–74.302–10 Deviations or modifications.

Purchase activities shall obtain prior approval of the ordering activity before authorizing deviation from or modification of specifications or other provisions of purchase requests.

§ 5A–74.302–11 Direct payment by military services to contractors.

A military department may include in its purchase request a provision for direct payment by the department to the contractor, as provided in subsection 9.b of Exhibit 22. In such cases, the contract and/or purchase order shall contain sufficent information and instructions to enable the vendor to invoice the military department properly. Purchase case files, may, under such circumstances, be closed upon receipt of notice of shipment.

Subpart 5A–74.4—Overseas Supply Support Program

§ 5A–74.400 Scope of subpart.

This subpart establishes uniform policies and prescribes instructions to be followed within the Federal Supply Service (FSS) for carrying out its procurement responsibilities in furnishing logistic support to overseas agencies, military and civilian.

§ 5A–74.401 Definition of terms.

The following terms, as used herein, shall have the meanings set forth below:

(a) *Contracting office.* Contracting office means the FSS Procurement Operations Division or the FSS regional buying division accomplishing procurement for direct delivery from commercial sources, or Government sources other than GSA supply depots.

(b) *Overseas support office.* Overseas support office (OSO) means a FSS re-

gional office assigned responsibility for accomplishment of supply support to designated areas overseas. Normally, such offices will receive orders initially even though they may not entirely complete the supply action required.

(c) *Servicing office.* Servicing office means a FSS regional office which is assigned an export mission and from which shipments to an overseas destination will be made or arranged. Servicing offices are established in Regions 2, 3, 7, 9, and 10 in the Export Control Branch, Supply Distribution/Distribution Requirements Division.

§ 5A–74.402 Direct requisitioning on GSA by overseas agencies.

(a) Each overseas agency will forward all requisitions for GSA procurement to a GSA regional office designated by the Assistant Commissioner for Supply Distribution to furnish overseas supply support. Since the Supply Distribution/Distribution Requirements Division will receive, review, and acknowledge all overseas requirements, it shall be responsible for determining that supply support is given strictly in accordance with agency assignments furnished the region by the Central Office.

(b) Overseas activities will submit requisitions in the format prescribed by the head of the agency.

(c) Funds on the requisitions will be sufficient to cover the cost of the material and all other reimbursable costs.

(d) Requisitions received by regions other than 2, 3, 7, 9, and 10 covering material to be shipped to overseas activities will be forwarded to the region designated to furnish overseas supply support.

§ 5A–74.403 Export surcharge.

The cost of export packing, documentation, and transportation from the GSA supply depot or export contract packer's facility to the port will be recovered by the addition of a percentage surcharge to each invoice. The surcharge rate shall be established by the Central Office and each region will be kept informed as to the applicable rate.

§ 5A–74.404 Export packing and transportation charges.

(a) Direct deliveries of nonstores items are invoiced at actual cost. When a nonstores item is consigned to a GSA packing facility (GSA or commercial) for export packing, the export packing charges and subsequent cost of movement to port will be recovered by the addition of the applicable surcharge rate in accordance with § 5A–74.403. Transportation costs on nonstores items, purchased f.o.b. supplier's plant, should be charged to the transportation funds cited on the agency requisition. If transportation funds are not cited (as in the case of MILSTRIP or FEDSTRIP), transportation costs will be charged to the General Supply Fund and reimbursement obtained from the ordering agency through the normal billing procedures.

(b) Stores stock items shipped from the vendor to the port will be invoiced at catalog price plus the applicable surcharge rate. When direct deliveries are export packed by the vendor, the packing charges will be recovered by the addition of the applicable surcharge rate in the same manner as though the material were packed by a GSA controlled facility.

§ 5A–74.405 Procedure.

Detailed procedures and documentation to accomplish the delivery of nonstores requirements and stores requirements and stores items by direct delivery to overseas activities are prescribed in §§ 5A–74.406, 5A–74.407, and 5A–74.408.

§ 5A–74.406 Procurement of nonstores items for export.

§ 5A–74.406–1 General.

(a) For the purpose of clarity and complete coverage, the procedures in this § 5A–74.406 are designed to cover the most complex situation where the contracting office, and the overseas support office, and the servicing office are each located in a different region. The majority of cases will involve situations where (1) all three offices are located in the same region or (2) the overseas support office and the servicing office are located in the same region but the contracting office is located in another region. The variable situations in this respect are shown in the following table:

Situation	Offices located in the same region	Offices located in different regions
A	All	None.
B	Overseas support office and servicing office.	Contracting office.
C	Overseas support office and contracting office.	Servicing office.
D	Contracting office and servicing office.	Overseas support office.
E	None	All.

(b) There also may be cases where shipments under a single contract may originate from shipping points in more than one region, thus requiring action by two or more regional Quality Control Divisions.

§ 5A–74.406–2 Coordination of procurement.

(a) Procurement and delivery will normally be accomplished by the overseas support office initially receiving the requisition. POD will from time to time establish lists of selected commodities, classes of commodities, or monetary limitations on requisitions which are to be handled as exceptions. Notices of such exceptions will be forwarded to the overseas support offices and will require that requisitions subject to the exception be forwarded to POD or other designated contracting office.

(b) The Supply Distribution/Distribution Requirements Division of the overseas support office receiving a requisition for procurement action will acknowledge and register the requisition in accordance with the detailed procedures set forth in HB, Supply Distribution Operations, chapter 3 (FSS P 4800.1). The overseas support office acknowledging receipt will reproduce and retain a copy of the requisition if it is to be forwarded to another designated contracting office for procurement in accordance with Subpart 5A–1.77. In these cases (see § 5A–74.406–1, Situations B, D, and E), the designated contracting office will prepare GSA Form 191 (or authorized substitute) in the normal manner in order to establish necessary controls; however, the acknowledgement copy shall be forwarded to the overseas support office rather than to the ordering activity. The overseas support office shall retain this copy for use in answering inquiries from the requisitioning activity.

§ 5A–74.406–3 Procurement.

(a) *General.* (1) In all situations (see § 5A–74.406–1), a copy of each invitation for bids or solicitation for offers shall be forwarded to the Export Control Branch of the overseas support office.

(2) When contracts are awarded to domestic suppliers f.o.b. contractor's designated point of shipment, or f.o.b. delivered to the U.S. port of exit (f.a.s. vessel or f.o.b. vessel), the documentation procedures in § 5A–74.406–3(e) shall be used.

(b) *Export ocean shipments.* (1) Invitations for bids or solicitations for offers shall contain alternate delivery terms, where it is feasible, which would provide for an f.o.b. origin price and a price delivered (either f.a.s. vessel, or f.o.b. vessel) to the U.S. port of shipment to be designated by the vendor.

(2) Each invitation or solicitation shall name the country of destination and shall name the port of debarkation when known. The port of debarkation as well as the country of destination shall always be named in the case of a landlocked country. When the actual port of debarkation is not known, a port or ports of debarkation shall be named, for bid evaluation purposes, in the invitation. In that instance, the clause as provided in § 1–19.202–7(b)(1)(iv) shall be incorporated in the invitation or solicitation.

(c) *Specifying time for delivery on export purchase orders.* (1) The delivery date to be specified on any order placed under a contract shall be determined on the basis of the delivery time specified in the contract, except that, where earlier delivery is necessary to meet the required delivery date specified by the Export Control Branch, the delivery date to be shown on the order will based on such earlier delivery time as may have been agreed to by the contractor. In the case of small purchases, the date to be shown will be the best delivery date agreed to by the supplier.

(2) When the delivery time is stated in the contract in terms of a specified number of days after receipt of order (or notice of award) the delivery date to specified on the order will be calculated from a predetermined order issuance date (the earliest date by which the order is certain to be issued and mailed), using the number of days for delivery specified in the contract (or such lesser number of days as may have been agreed to by the contractor) and allowing time for purchase order transmission to the supplier. For example, if (i) the predetermined order issuance date is June 1,

(ii) the delivery time specified in the contract is 20 days after receipt of orders, and (iii) 2 days are required for transmission of the order, the date for delivery would be June 23, the 22d day after issuance of the order.

(3) If the best delivery date obtainable, based on offers received or direct contact with the contractor, is later than the required delivery date specified by the Export Control Branch, that Branch shall be consulted prior to issuance of the order. If the promised delivery date is acceptable, it shall be shown on the order as the required delivery date followed by the words "or sooner." The insertion of these words will indicate both to the contractor and the Quality Control Division that delivery is desired earlier than the specified date and that every reasonable effort should be made to accomplish delivery prior to that date.

(4) If, because of fund limitations, storage limitations, ship sailings, etc., delivery is not acceptable before a certain date preceding the date by which delivery is required, both dates shall be shown by inserting on the order a statement such as "By (date), but not earlier than (date)."

(d) *Preparation of purchase orders.* Purchase documents issued pursuant to award of contract shall:

(1) In the "Ship To" block, refer the contractor to instructions in the body of the order which will provide that:

(i) In the case of shipments to civilian agencies, the contractor shall submit GSA Form 489, Application for Shipping Instructions and Notice of Availability (Export), to the Export Control Branch of the servicing region.

(ii) In the case of shipments to military activities, the contractor shall submit GSA Form 1611, Application for Export Traffic Release; Shipping Instructions; and Notice of Availability on Military Shipments, to the Export Control Branch of the servicing region.

(2) State a firm delivery time in terms of a specific calendar date. The delivery time shall be stated in the Time for Delivery block on the order form or, if the space in that block is inadequate, in the body of the order with a reference thereto in the Time for Delivery block. (For information relative to establishing time for delivery, see § 5A–74.406–3(c).)

(3) Provide for quality control inspection and preparation and distribution of GSA Form 308, Notice of Inspection, and when applicable, DD Form 250, Material Inspection and Receiving Report.

(4) Require the contractor to complete and mail GSA Form 1056, Notice of Shipment, to the Export Control Branch of the servicing region.

(5) Cite the regional office, by inserting the phrase "Export Servicing Region _____" in the lower left corner of page 1, which will furnish shipping instructions, and service the contract to completion, including payment to the contractor and billing the requisitioning agency.

(6) Require the contractor to include a copy of packing list or a copy of his invoice, citing the agency requisition number and the GSA purchase order number in each container of the shipment.

(e) *Distribution of purchase documents.* (1) Documentation will include preparation of the GSA Form 300, Purchase Order (8 part); GSA Form 301, Direct Delivery Invoice; and GSA Form 364, Purchase Order (1 part) (in as many parts as deemed necessary to provide sufficient copies of the purchase order for distribution).

(2) The contracting office will forward to the supplier the original GSA Form 300, Purchase Order, and the contractor's copy of any formal contracts required in connection with the procurement. GSA Forms 1056 and 489 or 1611, as appropriate, shall be forwarded to the contractor with these documents.

(3) The contracting office will forward two copies of the invitation for bids, and the No. 8 and two unnumbered copies of the purchase order to the Chief, Quality Control Division, at the region in which the contractor's plant is located.

(4) In all situations (see § 5A–74.406–1) the contracting office will forward the original of the contract, if any, and the No. 5 copy of the purchase order to the Office of Regional Data and Financial Management serving the contracting office.

(5) The contracting office will retain the original of the agency requisition (if MILSTRIP or FEDSTRIP, one copy of the plain language print out), a conformed copy of any awarded contract, the Nos. 4 and 7 copies of the purchase order, the bid tabulation and other supporting papers; and will forward to the Export Control Branch, OSO, the following:

(i) Two copies of the agency's requisition;

(ii) One reproduced copy of any contract;

(iii) The numbers 2, 3, 6, and one unnumbered copy of the GSA Form 300, Purchase Order; and

(iv) The original and two copies of GSA Form 301, Direct Delivery Invoice.

(6) The distribution instructions contained in this § 5A–74.406–3(e) are set forth in tabular form in § 5A–76.202.

(f) *Purchases consigned to a GSA controlled packing facility.* When contracts are awarded for items which will be consigned to a GSA controlled packing facility (GSA or commercial) for export packing, the documentation prescribed in (d) and (e), above, shall be appropriately modified as follows:

(1) Contracts and/or purchase orders for material should provide for delivery in domestic pack (Level C), if deemed economical and practical, to the export packing facility. Inspection of the material may be either at point of origin or point of first delivery in accordance with current policies covering domestic procurements. Only such domestic packing and marking requirements as are necessary to insure safe arrival and identification of the material at the packing facility shall be included in contracts and purchase orders; and

(2) The contracting office will forward document copies to the Chief, Quality Control Division of the appropriate region when inspection is to be made at origin. If this is not the case, these copies and all other documents except those listed for retention in the contracting office in (e)(4), above, will be forwarded to the overseas support office.

§ 5A–74.406–4 Contract administration services.

(a) *General.* In order to provide direct and close coordination with port facilities, the performance of contract administration services will normally be assigned to the servicing office located in the port area. However, since the Export Control Branch is responsible for establishing and maintaining files of all documents concerning export shipments, it will be the single point of contact in GSA for all agencies. Therefore, any action taken by any organizational element of FSS relative to export orders placed with GSA will be channeled through the Export Control Branch which shall be responsible for:

(1) Monitoring the processing of all export orders from date of receipt by GSA through the date the material is shipped by the servicing office. (This is also true when such services as expediting, inspection, and determining transportation requirements are performed by a servicing region other than the overseas support office.)

(2) Receiving and issuing all communications concerning operational matters of interest to the agency, except that routine inquiries concerning specifications, lack of descriptive information, or requesting other data necessary to consummate an invitation for bid may be sent directly by the contracting office with a copy furnished to the Export Control Branch of the overseas support office.

(3) Establishing and maintaining suspense files, taking appropriate follow-up action when necessary, and keeping the ordering office informed when a delay in normal supply action occurs. (Action to expedite shipment of merchandise shall be taken as prescribed in (b), below.)

(b) *Expediting shipment of material.* The Export Control Branch is responsible for maintaining suspense files to determine when follow-up action is required. It shall communicate directly with contractors in expediting deliveries in those cases which specify destination inspection. Where source inspection is specified, follow-up with the vendor will be accomplished by the ECB through the Quality Control Division in the region where the material is located.

(c) *Shipments diverted by military transportation authorities.* There may be cases where the contract has been awarded f.o.b. contractor's plant and the servicing office selected on the basis of the port used for evaluation of transportation costs but, upon request for Military Export Traffic Release, the MTMTS directs shipment via a port located in another region. In these cases, the regional TCS, prior to the issuance of ship-

ping instructions, will obtain approval of the appropriate FSS contracting office. TCS will arrange with the region in whose area that port is located to obtain appropriate dock receipt or equivalent, from that port and forward to the servicing office.

§ 5A–74.407 Specialized procedures for procurement of nonstores items for civilian agencies.

§ 5A–74.407–1 General.

This § 5A–74.407 provides specialized procedures to be used in connection with procurements of nonstores items for export for the Agency for International Development, Department of State Consular Posts, and the Peace Corps.

§ 5A–74.407–2 Agency for International Development (AID).

(a) *Procurement forms.* The forms prescribed for "regular" procurement programs, including primarily Standard Form 32, Standard Form 33, Standard Form 33A, GSA Form 1424, and preprinted clause sheets containing modifications or additions thereto, shall be used for formally advertised and negotiated AID procurements. In addition, GSA Form 1246, Special Program Bidding Terms and Conditions, which has been specifically designed for AID procurements shall be incorporated in all contracts. GSA Form 1246 provides for modification of certain provisions when required to conform to individual AID mission requirements. (See (b), below.)

(b) *Geographic source restriction.* (1) Article 2 of GSA Form 1246 sets forth the basic policy of AID with respect to the geographic source of components which are acquired by a producer and used in the manufacture of an end item procured under AID financing. When appropriate to reflect the general practices of American industry or for other justifiable reasons, exceptions to the basic policy with respect to allowable percentage of imported components are announced by AID to industry in the form of "Source Rulings," and distributed under the 64–4A series of the AID Small Business Memo. When such is the case, Article 2 of GSA Form 1246 shall be revised accordingly. In this connection, "Source Rulings" received by a GSA buying activity which affects a procurement transaction in process, shall be treated as follows:

(i) If the scheduled date for delivery of the material to the consignee will permit an extension of the bid opening date, the invitation for bids or solicitation for offers shall be amended to conform to the "Source Ruling".

(ii) When the delivery schedule does not permit an extension of the bid opening date, the invitation or solicitation shall stand on the provisions as set forth in GSA Form 1246 and the award made on that basis.

(c) *Use of negotiating authority.* It shall be the policy to utilize formal advertising procedures to the maximum extent practicable in meeting the supply requirements of the AID program. However, contracting officers shall use competitive procedures under negotiating authority available under section 302(c)(15) of the Federal Property and Administrative Services Act, as amended, based upon the Mutual Security Act of 1954, as amended, and applicable Executive orders, in cases involving small quantities, inadequate specifications, emergency requirements, and similar justifying circumstances.

(d) *Solicitation on world-wide basis.* Where the requisition authorizes "world-wide" procurement, it is expected that contracting officers will make an adequate solicitation of available sources, taking into consideration the type of item and quantity involved. Normally, where experience has indicated that particular areas are the lowest price sources for a specified commodity, coverage may be limited to such areas. Bids or offers covering a single transaction estimated in the amount of $5,000 or less, shall not be solicited on a world-wide basis unless special considerations indicate that the best interests of the Government require such action.

(e) *Contract requirements for assembling, servicing, and maintenance.* Whenever an AID requisition (PIO/C, PIO/T, PA/PR) specifies the need for assembling, servicing, and maintenance of equipment to be performed by or on behalf of the contractor, one or both of the clauses, as appropriate, set forth below, shall be included in the invitation for bids or request for proposals. These clauses shall be used in lieu of any similar language used in the AID requisitions.

PARTS AND SERVICE

(a) For equipment under items listed in the schedule or services on which bids are submitted, the bidder certifies by submission of a bid that parts and service (including qualified mechanics) are now available from dealers or distributors serving the areas of ultimate overseas destination or that such facilities will be established. The bidder shall state in spaces provided below, the name and address of the nearest servicing facility and the value of spare parts for the equipment carried or to be carried in inventory. If parts and servicing facilities are not located, or to be located, in the city of ultimate destination the bidder shall indicate the distance in miles between point shown and indicated destination.

(b) Each Contractor will be fully responsible for the services to be performed by the named servicing facilities, or by such facilities to be established, and fully guarantees performance of such services if the original service proves unsatisfactory. If a new servicing facility is to be established the Contractor fully guarantees that such facility will be established no later than the date of arrival of the equipment at ultimate destination.

Item No. _____
Name and address of servicing facility:
_____
_____
Check one: New __ Already Established __
Value of Spare Parts Inventory Carried for the Type of Equipment Specified: $_____
Number of Qualified Mechanics _____

SERVICING AT DESTINATION

All equipment delivered shall be ready for immediate operation at destination. If shipping regulations prohibit the delivery of equipment with lubricants, fuel, or other liquids, each piece of equipment shall be properly tagged at each filler point, and the operators seat, with such notification indicating the quantity, and types of such lubricants, fuels, or other liquid to be used before operation. The Contractor shall make available such qualified service personnel as may be needed for servicing the equipment which shall include but not be limited to adding such lubricants, fuels, or other liquids and starting the equipment.

(f) *Availability of funds.* (1) Contracting officers shall observe the fund limitation on each requisition and where, at time of procurement, it appears that the amount cited is not adequate to cover all costs including estimated freight and accessorial charges, shall advise the AID ordering office through the Export Control Branch of the appropriate overseas support office.

(2) It is permissible to exceed the requisition amount by up to $200 on those requisitions having a $1,000 limitation and up to $500 on requisitions which are in excess of $1,000 without waiting for an amended requisition which provides additional funds. However, the ordering office must be notified through appropriate channels prior to initiation of procurement action regardless of whether the authorized tolerance cited above is exceeded. An amendment to the original requisition must be obtained in either case.

(3) Items extracted to POD or other regional offices for procurement action shall be supported by a citation of funds sufficient to cover the procurement and all accessorial charges.

(g) *Procurement of proprietary items.* (1) When a requisition (PIO/C, PIO/T, PA/PR) requests a procurement of a proprietary nature, a statement substantially as follows must appear on or be attached to the requisition:

The procurement of this particular item is necessary in the interest of standardization or is otherwise deemed necessary for procurement as a proprietary item. Complete justification is available in the Office of Material Resources, IRD, AID/Washington. AID, as GSA's principal, is solely responsible for the adequacy of such justification. The head of the cognizant AID procuring activity or his designated representative has personal knowledge of the procurement of this item.

(2) When the above statement is on record with the requisition, no other justification statement or determination is required. If this above statement is not present the contracting officer shall request consideration by AID/Washington and shall not process further unless the statement as set forth above is furnished.

(h) *Procurements for Public Safety Programs.* (1) GSA has agreed to recognize a system of priorities which has been installed by the Office of Public Safety (O/PS), AID/Washington, to obtain equipment and supplies for AID Public Safety Programs on an expedited basis. Although O/PS may designate an appropriate priority for any item required for use in the Public Safety Programs, such designations will usually be made for materials, equipment, and supplies in the following categories:

(i) Weapons and ammunition classified under AID Commodity Codes 390 and 897.

(ii) Communications equipment classified in Code 720.

(iii) Automotive vehicles classified in Codes 820 and 822.

(iv) Standard police items classified in Codes 550 and 898.

(2) In view of the nature of the commodities involved and the need for central coordination of these types of items, GSA has further agreed that AID/Washington will forward the requisitions direct to POD for procurement action. In this connection, POD will establish a central control point to receive and provide status information to O/PS on the requisition during the procurement process. Status information will be provided by forwarding a copy of each document generated in the sequence of procurement actions. Such documents will be transmitted to the O/PS addressee designated on the requisition to receive status information by use of the GSA Form 1907, Requisition Status Report—Document Transmittal.

(3) POD may assign certain procurements to the regions where such action is necessary or desirable. However, in these cases, POD shall keep the O/PS advised of status of the procurement in the same manner as if the procurement were made by POD. Memoranda from POD transmitting AID requisitions for public safety items to regions shall contain explicit instructions to the region concerned for the feed back of status information to the central control point in POD.

(4) Notwithstanding the special arrangements described in (2) and (3), above, it is possible that the overseas support office may receive inquiries from the AID Missions which originate requirements for public safety items processed through O/PS. Accordingly, POD shall make certain that a copy of each requisition received from AID/Washington is forwarded to the appropriate overseas support office. This copy should be forwarded by appropriate transmittal indicating procurement action taken and/or any special handling required.

(5) Priority designators assigned by O/PS are identified as follows:

(i) *Emergency Priority (AA).* The emergency priority is used when a serious crisis is impending and the equipment is needed immediately. Procurement will usually be made by AID/Washington by the most rapid means and coordinated by O/PS by phone. Every effort will be made to ship the items by air in a matter of hours.

(ii) *Immediate Priority (A).* Equipment and/or supplies needed as soon as possible will be procured under this priority. Procurement and air shipment of the required items will be made within thirty (30) days.

(iii) *Rush Priority (B).* Equipment and/or supplies needed quickly to meet predetermined deadlines. Procurement and surface or air shipment as directed by O/PS will be made within ninety (90) days or less.

(iv) *Routine Procurement (C).* Procurement in this category will be made with delivery acceptable within an expedited procurement and shipping schedule.

(6) Contract administration services and shipments shall be handled as provided in § 5A–74.406. However, in connection with shipments bearing "Immediate Priority (A)," POD may request operational assistance directly from the Shipping and Claims Branch, Contract Administration Division, TCS, Central Office, in coordinating arrangements for emergency shipments.

(i) *Export packing.* The following clause shall be included in all invitations for bid or solicitation for offers which involve the procurement of electronics equipment and supplies for the AID Public Safety Program:

EXPORT PACKING

In addition to the provisions of Article 11, GSA Form 1246, Special Program Bidding Terms and Contract Conditions, entitled "Export Packing", the following shall apply with respect to all articles or materials furnished under this contract:

Such articles or materials will be shipped to remote areas of the world and in the process may receive excessive rough handling in transit. Therefore, Contractors shall take every precaution in the assembly of the export pack, such as the removal and separate packing of heavy components which may otherwise become dislodged due to rough handling, to prevent damage and insure safe arrival of articles or materials at the foreign destination. Export packing under this contract shall be subject to inspection by the Government to the extent practicable prior to acceptance.

(j) *Priorities and Allocation Support.* (1) Contracting officers in POD and Region 9 have been delegated authority to apply a priority rating, identified by the Symbol DO D–7, to all contracts and delivery orders to meet procurement requirements of AID in support of Counterinsurgency and Preventive Incipient Insurgency Operations in South East Asia. Such requirements include, but are not limited to:

(i) Vehicle and spare parts.
(ii) Radios and batteries.
(iii) Medicines and medical equipment.
(iv) Small arms and ammunition.
(v) Public safety equipment and supplies.
(vi) Tools.
(vii) Fertilizer.
(viii) Construction equipment.
(ix) Professional equipment.

(2) The use of the delegated authority will be limited to the AID programs in (1), above, in an amount not to exceed that allocated for the fiscal year. Allocations will be furnished by the Office of Procurement prior to the beginning of the year for which the allocation is effective.

(3) POD and Region 9 will maintain records to reflect the number, date, and dollar value of each contract or purchase order for which the rating is applied, and the cumulative balance of the allocation to date. Such records, including applicable contracts and purchase orders, and any reports which may be imposed by the Central Office or the Business and Defense Services Administration (BDSA), shall be preserved for at least 3 years.

(4) The following clause shall be included in all contracts when the DO D–7 rating is applicable:

PRIORITIES, ALLOCATIONS, AND CONTROLLED MATERIALS

This contract is priority rated DO D–7, and is certified for national defense use under DMS Regulation 1. The Contractor shall follow the provisions of DMS Regulation 1 and all other applicable regulations and orders of the Business and Defense Services Administration in obtaining controlled materials and other products needed to fill such orders.

(5) Delivery orders issued against rated contracts and any rateable purchase orders for small purchases, except simplified purchase transactions, shall contain the following certificate and statement:

DO D–7. Certified for national defense use under DMS Reg. 1. The Contractor shall follow the provisions of DMS Reg. 1 and all other applicable regulations and orders of the Business and Defense Services Administration in obtaining controlled materials and other products and materials needed to fill this order.

(6) Contracts and delivery orders for fertilizer procured under the AID Counterinsurgency and Preventive Incipient Insurgency programs shall contain the following statement in addition to the statements and certifications provided in (4) and (5), above: "For Export Only."

§ 5A–74.407–3 Peace Corps.

(a) *Availability of funds.* (1) Peace Corps requisitions will contain an estimated total transaction cost which includes surcharge, transportation, and other accessorial charges. When actual costs exceed the estimated costs, contracting officers are authorized to complete the processing of the procurement transaction provided:

(i) The estimated cost is $1,000 or less and actual total costs do not exceed the estimate by more than $200;

(ii) The estimated cost is over $1,000 but not in excess of $2,500, and the actual total costs do not exceed the estimate by more than $500; and

(iii) The estimated total cost is in excess of $2,500 and actual total costs do not exceed the estimate by more than $1,000.

(2) When documentation to reflect the actual costs of the purchase transaction is not provided within 30 days after purchase action, the contracting office shall, through the overseas support office, furnish advice to the ordering office on those transactions in (1), above, on which it is authorized to proceed.

(3) When the extent of variance exceeds the limitations set forth in (1), above, the contracting office shall advise the ordering office and obtain additional funds prior to initiating procurement action.

(b) *Procurement of proprietary items.* (1) When a requisition requests a procurement of a proprietary nature, a statement substantially as follows must appear on or be attached to the requisition:

The procurement of a particular brand as specified herein is necessary in the interest of standardization or is otherwise deemed necessary for procurement as proprietary items. Complete justification is available in (name of PC Post). Peace Corps as GSA's principal is solely responsible for the adequacy of such justification. The Peace Corps Representative or his designee has personal knowledge of this procurement.

(2) In the event a request of a proprietary nature does not contain the statement as set forth in (1), above, the contracting office shall request consideration by Peace Corps/Washington, and shall take no further action until the statement is furnished.

(3) Requests for foreign-made items properly supported by the statement as set forth in (1), above, shall be processed in the same manner as a request for an American-made item of a proprietary nature.

(c) *Authority to use negotiation.* (1) If the need for certain items to be purchased in the United States are deemed by the overseas Peace Corps Representative to override the desirability of observing the usual procurement lead time, the Representative is authorized to request regular procurement with shipment by air freight or emergency procurement action with shipment by air freight. When the latter is used, the requisition will be clearly identified "Emergency Action Requested" and specify the date the items are required.

(2) When time permits, "emergency" requisitions shall be processed in an expedited manner utilizing formal advertising procedures. However, when it is necessary to meet a required delivery date, contracting officers are authorized to purchase on a public exigency basis any item on a Peace Corps requisition when it contains the statement "Emergency Action Requested." When this statement is of record on the requisition, no other justification statement or determination is required to negotiate the procurement. Authority for negotiation in this instance is Section 302(c)(15) of the Act (41 U.S.C. 252(c)(15)), and 22 U.S.C. 2509.

§ 5A–74.408 Direct delivery of stores stock items.

This section provides special instructions for the processing and documentation of overseas shipments to military and civilian consignees of stores stock items procured from established supply sources for direct delivery from a vendor.

§ 5A–74.408–2 Inventory Management Branch processing.

(a) *Preparation of GSA Form 1430, GSA Stores Direct Delivery Order.* Items selected for direct delivery handling will be extracted to the Inventory Management Branch of the regional Buying Division by the Supply Distribution/Distribution Requirements Division. The GSA Form 1430 shall:

(1) Cite the complete freight consignment address of the domestic port of exit together with overseas shipping address and applicable special markings, as required. If export packing is required and will be performed by a GSA-controlled packing facility, the shipment will be consigned to the packing facility located nearest to the port from which the shipment will ultimately be processed;

(2) Provide for quality inspection;

(3) Cite the regional office which will furnish shipping instructions, and service the direct delivery order to completion, including payment to contractor and billing the agency;

(4) Require the contractor to include a copy of a packing list, citing the agency requisition number and the GSA Direct Delivery Order number, in each container of the shipment; and

(5) When the material is to be export packed by the contractor, require the contractor to:

(i) For shipments to civilian agencies, submit GSA Form 489, Application for Shipping Instructions and Notice of Availability (Export) to the Export Control Branch of the servicing region.

(ii) For shipments to military agencies, submit GSA Form 1611, Application for Export Traffic Release; Shipping Instructions; and Notice of Availability on Military Shipments to the Export Control Branch of the servicing region.

(b) *Distribution of copies of GSA Form 1430.* Copies of GSA Form 1430 shall be distributed in accordance with § 5A–74.201(f).

PART 5A–75—REVIEW COMMITTEES AND TEAMS

Sec.

5A–75.000 Scope of part.

Subpart 5A–75.1—Review Committees and Teams

5A–75.001 Review committees.
5A–75.102 Review teams.

Subpart 5A–75.2—Procurement Operations Division Review Committee

5A–75.201 Review of contractual cases.
5A–75.202 Schedule of meetings.
5A–75.203 Submission of cases.
5A–75.204 Case documentation.
5A–75.205 Review Committee membership.
5A–75.206 Review Committee procedure.

Subpart 5A–75.3—Procurement Operations Division Review Team

5A–75.301 Cases required to be submitted to the Review Team.
5A–75.302 Cases not required to be submitted to the Review Team.
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Subpart 5A–75.4—Regional Buying Division Review Committees

5A–75.401 Review of contractual cases.
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5A–75.404 Notice of approval.
5A–75.405 Proposed awards requiring Central Office approval on an emergency basis.
5A–75.406 Review Committee membership.

Subpart 5A–75.5—Regional Buying Division Review Teams

5A–75.501 Review of invitations for bids and requests for proposals.
5A–75.502 Regional Review Team procedure.
5A–75.503 [Reserved]
5A–75.504 Review Team membership.

§ 5A–75.000 Scope of part.

This part prescribes the procedures to be followed by the review committees and review teams of the Procurement Operations Division and regional Buying Divisions.

Subpart 5A–75.1—Review Committees and Teams

§ 5A–75.101 Review committees.

The objective of review committees is to broaden the base of judgment in connection with major contract awards and policy questions related to contracting operations.

§ 5A–75.102 Review teams.

The objective of review teams is to obtain uniformity and standardization of invitations with recognition of special requirements, improvement in writing invitations, adherence to prescribed clauses, training of contracting officers, and generally to provide guidance on the issuance of professional and technically adequate invitations.

Subpart 5A–75.2—Procurement Operations Division Review Committee

§ 5A–75.201 Review of contractual cases.

The Procurement Operations Division (POD) Review Committee shall review and make determinations:

(a) Of all contractual cases requiring submission to the Director, POD, or higher authority, not otherwise provided for by (b) and (c), below;

(b) When proposed regional awards and termination for default actions are submitted for Central Office approval in accordance with criteria prescribed in § 5A–75.403(c); and

(c) Of all proposed POD actions:

(1) Involving awards exceeding or estimated to exceed $250,000, and amendments to such contracts that would make a material change in the dollar amount or substance of the contract, which are not otherwise required by (a), above, and (c) (2) through (14), below.

(2) Involving proposed award to other than a low bidder or offeror where the bid or offer on the item(s) proposed for rejection involves an amount in excess of $2,500.

(3) Involving the rejection of an otherwise successful low bid, irrespective of dollar amount, on the basis of a finding that the low bidder is not responsible.

(4) Involving controversial matters including, but not limited to, protests and disputes that cannot be resolved by the Branch Chief.

(5) Involving proposed acceptance of a low bid based upon subjective judgment factors such as color, design, general appearance, workmanship, and other characteristics which cannot be precisely stated in the specification(s) where the item(s) proposed for acceptance exceeds $10,000.

(6) Involving proposed acceptance of a brand which differs from the brand name(s) referenced in a "brand name or equal" purchase description when the in-

vitation for bids does not provide for the submission of samples and the proposed acceptance is based on a determination that the offered product is equal.

(7) Involving proposed awards to small business or labor surplus area concerns as a result of partial set-asides for procurement from such concerns.

(8) Involving application of the Buy American Act procedure.

(9) Involving price increases (the percentage of increase to be defined by the Director, POD).

(10) Involving proposed propietary procurement under section 302(c)(10) of the Act, other than proposed multiple awards, where the value of the item(s) exceeds $50,000.

(11) Involving progressive awards.

(12) Involving recommendation for rejection of all bids on all items submitted in response to an invitation for bids, or involving recommendation for rejection of all bids on one or more items and review is requested by the Branch Chief.

(13) Involving the proposed issuance of a notice of termination of a contractor's right to proceed because of default, except that a review is not required when an individual order placed under a definite quantity or term contract is terminated pursuant to Article 11(a)(i) of the Standard Form 32, General Provisions (Supply Contract), and the value of such an order(s) does not exceed $10,000.

(14) Involving other cases or categories of cases are specifically requested by the Director, POD.

§ 5A–75.202 Schedule of meetings.

The POD Review Committee shall meet regularly on Tuesdays and Thursdays and when a contractual case is of sufficient importance to warrant a special meeting as determined by the chairman of the Review Committee. The regularly scheduled meetings shall normally convene at 9:45 a.m.

§ 5A–75.203 Submission of cases.

(a) Cases shall be submitted to the Executive Secretary of the committee as soon as possible. Except in emergencies, one work day shall be allowed for preparation of the case summary required by § 5A–75.204(c). In emergency cases, a reasonable amount of time shall be allowed to permit adequate analysis of the contractual case involved. For a case to be categorized "emergency," the need for priority shall be clearly demonstrated.

(b) If appropriate, every effort shall be made to obtain extensions of time for bid acceptance so as to preclude processing as an emergency case. (See § 5A–2.407–72.) Where a low bidder refuses to extend bid acceptance time, the Executive Secretary shall be notified in sufficient time to permit special handling of the case. In no event, however, shall award be made prior to release of the case by the Executive Secretary unless authorized by the Director, POD, or higher authority.

§ 5A–75.204 Case documentation.

(a) *Request for approval of awards.* Cases involving proposed awards shall be submitted to the Review Committee under cover of GSA Form 1535, Request for Approval of Awards, properly executed in accordance with § 5A–1.375. Any case involving a proposed award to other than the low bidder or offeror shall be accompanied by a GSA Form 2112, Proposed Award To Other Than Low Bidder, completed as provided in § 5A–2.404–2.

(b) *Procurement case summary.* GSA Form 1447, Review Committee—Procurement Case Summary, shall be prepared to record formal comments or recommendations by the Review Committee. The original of the form shall be signed by the members of the Committee and made a part of the purchase case file.

§ 5A–75.205 Review Committee membership.

The Director, POD, shall appoint Review Committees which will normally consist of (1) the Assistant Director, POD, for the functional area involved (Chairman), (2) the Chief, Procurement Review Staff, (3) Chief Counsel, Procurement Operations Area, and (4) the Executive Secretary, Review Committee (reporting). The Director, POD, is authorized to substitute members or appoint additional members.

§ 5A–75.206 Review Committee procedure.

Appropriate Review Committee procedures shall be developed by the Procurement Operations Division.

Subpart 5A–75.3—Procurement Operations Division Review Team

§ 5A–75.301 Cases required to be submitted to the Review Team.

The Procurement Operations Division (POD) Review Team will review all invitations for bids and requests for proposals falling within the following categories:

(a) Where protests have been made on prior similar transactions. Such cases shall be accompanied by information regarding the nature of prior protests.

(b) Federal Supply Schedule invitations.

(c) Where the dollar value is estimated to be over $50,000 and there has been no previous experience with the item.

(d) Invitations not previously approved involving term contracts for stores stock replenishment.

(e) Where changes from previously approved invitations are proposed with respect to evaluation of bids, methods of awards, submission of samples, and standardized clauses.

(f) Invitations specifically requested by the Director, POD.

§ 5A–75.302 Cases not required to be submitted to the Review Team.

Invitations for bids and requests for proposals not subject to § 5A–75.301 will be released upon approval of the commodity section chief. In such cases, the section chief concerned will be responsible for assuring that such invitations or requests for proposals are complete and correct in every detail. This shall be accomplished by personal review and initialling the draft copy prior to issuance.

§ 5A–75.303 Review Team membership and procedure.

(a) Review Team functions have been assigned to the Procurement Review Staff. However, where problem cases are processed by the Review Staff, one or more of the permanent members of the Review Committee shall be consulted before recommending action to be taken and returning the case to the procurement section involved. If workload requires, the Director, POD, may designate qualified contracting officers to serve on a rotating basis with members of the Procurement Review Staff.

(b) Advice of Review Team approval or of further action required shall be entered on GSA Form 1504, Memo—Review of Invitations and Solicitation.

(c) Detailed Review Team procedures will be prescribed by the Director, POD.

Subpart 5A–75.4—Regional Buying Division Review Committees

§ 5A–75.401 Review of contractual cases.

The Buying Division Review Committee in each region shall review and make determination on all contractual cases:

(a) Requiring submission to the Regional Director, Federal Supply Service, or higher authority, not otherwise provided for by (b) through (i), below.

(b) Involving all proposed awards in excess of $75,000 on advertised transactions and $25,000 on negotiated transactions ($75,000 in the case of small business set-aside awards).

(c) Involving proposed award to other than a low bidder or offeror where the bid or offer on the item(s) proposed for rejection involves an amount in excess of $2,500.

(d) Having unusual significance or recognized political implications.

(e) Involving the rejection of an otherwise successful low bid on the basis of a finding that the low bidder is not responsible.

(f) Involving rejection of small business "set-asides" recommended by the Small Business Administration.

(g) Involving questions or problems not covered by existing policy, rules, regulations, or established precedent.

(h) Involving any other unusual or controversial case as recommended by the executive secretary, such as bidder protests, disputes, default actions, nonresponsive bids.

(i) Specifically requested by the Regional Director, FSS.

§ 5A–75.402 Schedule of meetings.

The committee should meet at regularly scheduled times and cases of the type described in § 5A–75.401 should be referred to the committee sufficiently in advance of the regularly scheduled

meetings to allow orderly inclusion in the agenda to be established by the chairman. Special meetings may be called by the chairman or at the direction of the Regional Director, Federal Supply Service, when the circumstances warrant.

§ 5A–75.403 Regional Review Committee procedure.

(a) Prior to each meeting the executive secretary shall analyze each case to be considered and prepare a summary covering the reasons for review, the adequacy of the documentation, and pointing up any questionable or disputable areas which may be involved or anticipated. GSA Form 1447, Review Committee—Procurement Case Summary, shall be used for this purpose.

(b) At committee meetings, the executive secretary shall brief the committee by reading the case summary. The committee shall then thoroughly consider all administrative and legal factors and, after discussion with the contracting officer where necessary, shall vote a recommended action. The action shall be documented on the GSA Form 1447 which shall be signed by the voting members and the assigned counsel. The original of the GSA Form 1447 shall be made a part of the case documentation and a copy retained by the executive secretary for the committee's files.

(c) Regional Buying Division Review Committees shall be responsible for preparation of cases for submission to the Director, Procurement Operations Division (POD), for review and granting or obtaining prior approval of the following types of actions:

(1) A proposed award of a contract estimated to exceed $500,000 or an amendment to a contract that exceeded $500,000 if the amendment will make a material change in the dollar amount or substance of the contract.

(2) A proposed award which involves controversial matters.

(3) A proposed award to other than a low bidder or offeror where the bid or offer proposed for rejection involves an amount in excess of $100,000.

(4) A proposed termination for default of a contract where the amount involved is in excess of $100,000.

(d) Cases submitted in accordance with (c) (1), (2), and (3) of this § 5A.75.403 shall include the following documents:

(1) Bid or offer proposed for approval;

(2) Copy of abstract or tabulation of bids (if not shown on the tabulation, a separate statement shall be included giving the expiration dates for acceptance of bids);

(3) Documents, approved by the Regional Director, Federal Supply Service, as follows:

(i) GSA Form 1535, Request for Approval of Awards, properly executed in accordance with § 5A–1.375;

(ii) Completely executed GSA Form 1447, Review Committee—Procurement Case Summary; and

(iii) In the case of an award proposed to other than a low bidder or offeror, the GSA Form 2112, Proposed Award To Other Than Low Bidder, prepared in accordance with § 5A–2.404–2.

(4) Bids at prices lower than those for which awards are recommended; and

(5) Additional documents, statements, or correspondence considered pertinent to the file.

Original documents need not be forwarded unless considered essential for adequate review.

(e) Proposed termination for default actions (paragraph (c) (4) of this section, above), shall be transmitted with explanation of details which led to the proposed action, as appropriate.

§ 5A–75.404 Notice of approval.

The Director, Procurement Operations Division, shall notify the submitting region as to approval of proposed awards or other required action when cases have been submitted to the Central Office in accordance with § 5A–75.403(c). Such notification shall be by teletype whenever expiration dates for acceptance of bids or other circumstances require such action.

§ 5A–75.405 Proposed awards requiring Central Office approval on an emergency basis.

(a) In the case of a bona fide exigency or emergency, or if acceptance time is about to expire and the bidder has refused to extend the acceptance time or request for such extension is clearly undesirable for other reasons, Central Office approval of awards shall be requested in the manner described in (1), (2), or (3), below, whichever is appropriate.

(1) Transmit case to the Director, Procurement Operations Division (POD), as provided in § 5A–75.403(d) but request that notice of approval be furnished by TWX or telephone by a specific date determined to be essential to the transaction at hand.

(2) If time does not permit use of the method in (1), above, furnish reason for emergency handling and the essential information extracted from the GSA Forms 1535 and 1447 and, if appropriate, the GSA Form 2112, by TWX to the Director, POD. Essential information includes the names of recommending, concurring, and approving officials (including regional counsel) which appear on these documents. Additionally, if appropriate, the information pertinent to notification of proposed substantial awards required by § 5A–2.407–84 shall be included in the TWX.

(3) If time does not permit use of either of the methods in (1) or (2), above, furnish the information required by (a) (2) of this § 5A–75.405 by telephone to the chief of the cognizant POD commodity section. (See OFA P 5440.1, Chap. 6, Pars. 10d through j.) A copy of the documents listed in (a) (2), above, shall be forwarded promptly to that official for review and subsequent retention in the files of the POD Review Committee.

(b) The Director, POD, shall establish appropriate controls to assure the expeditious handling of cases forwarded to POD in accordance with (a) of this § 5A–75.405.

§ 5A–75.406 Review Committee membership.

The Regional Director, FSS, with the approval of the Regional Administrator, shall appoint three officials of the regional FSS Buying Division to serve as voting members of the Review Committee for indefinite terms. Normally, the membership shall consist of the Chief, Buying Division, the Chief, Procurement Branch, and the Chief, Inventory Management Branch. The Chief, Buying Division, shall serve as chairman and shall select a qualified contracting officer in Grade GS–9 or above to serve as Executive Secretary. The chairman shall also arrange with the Regional Counsel for the provision of legal counsel to the committee. If the Regional Counsel so desires, an attorney may be designated as a nonvoting member to attend all meetings of the committee. In any event, the chairman of the committee shall obtain the approval of the Regional Counsel, or the designated attorney, on all decisions of the Review Committee before such decisions become final.

Subpart 5A–75.5—Regional Buying Division Review Teams

§ 5A–75.501 Review of invitations for bids and requests for proposals.

(a) The Buying Division Review Team in each region shall review invitations for bids and requests for proposals, prior to issuance, falling within the following criteria:

(1) All Federal Supply Schedule invitations.

(2) All invitations, regardless of type, where protests of any kind have been made on prior transactions. (Such cases when submitted shall be accompanied by appropriate information regarding prior protests.)

(3) All cases, regardless of type of procurement, where changes from previous invitations are being made other than the usual variables of delivery, quantity, etc.

(4) Dollar value purchases in excess of $25,000 on commodities where there has been no previous experience.

(5) Those invitations specifically designated by the Regional Director, Federal Supply Service, or the Chief, Buying Division (includes Chief, Inventory Management Division, or Chief, Procurement Division, in the case of Region 9).

(b) The chairman of the Review Team shall prepare and forward written recommendations for revision, additions, or deletions to the Chief, Buying Division, for approval and action by the responsible buyer.

§ 5A–75.502 Regional Review Team procedure.

(a) The Review Team should meet weekly at a regular time with additional meetings scheduled by the chairman dependent upon work-load. The chairman shall notify the Review Team if additional meetings are required or if the

regularly scheduled meeting is not required.

(b) Cases falling within the criteria of § 5A–75.501(a) should be referred to the chairman sufficiently in advance of the regularly scheduled meeting to allow time for an organized presentation.

(c) The Review Team should prepare comments on the invitations in draft form and submit them to the chairman for processing as indicated in § 5A–75.501(b). Cases shall be documented on GSA Form 1504, Memo—Review of Invitations and Solicitations. The original of the GSA Form 1504 shall be made a part of the purchase case file and copy retained by the executive secretary for the committee's files. Copies so retained shall be filed in date sequence.

(d) Invitations reviewed by the Review Team, with changes, if any, as subsequently confirmed by the contracting officer, shall become "approved" invitations. Such "approved" invitations need not be resubmitted to the Review Team on subsequent procurements unless changed (see § 5A–75.501(a)(3)).

§ 5A–75.503 [Reserved]

§ 5A–75.504 Review Team membership.

(a) The Regional Review Team shall consist of the Executive Secretary of the Regional Review Committee, who shall serve as chairman, and a rotating membership of two contracting officers in grade 9 or above. The Regional Director, FSS, with the approval of the Regional Administrator, shall designate the names of contracting officers to form a panel from which the rotating membership shall be drawn. Members of the panel shall be paired for weekly terms on the Review Team in accordance with a schedule to be established by the chairman. After all pairs have served their initial terms, new pairs shall be formed and the review cycle repeated.

(b) The above arrangement is designed to provide for the fullest possible interchange of experience and techniques in invitation preparation and should be followed to the extent practicable. However, deviations, such as designation of competent buyers in grades lower than GS–9 or biweekly rather than weekly terms, may be made to meet varying local conditions.

PART 5A–76—EXHIBITS

Sec.

5A–76.000 Scope of part.

Subpart 5A–76.1—Letters and Notices

5A–76.101 Letter form of advance notice of award.
5A–76.102 Letter form of delegation of contract administration authority.
5A–76.103 Format of notice to agencies regarding revision of Federal Supply Schedule mailing lists.
5A–76.104 Format for Notice of Termination in Whole Under Subparagraph (a)(i) of the Default Clause (§ 1–8.707) with Finding of Inexcusability.
5A–76.105 Format for Notice of Partial Termination Under Subparagraph (a)(i) of the Default Clause (§ 1–8.707) with Finding of Inexcusability.
5A–76.106 Format for Notice of Termination in Whole Under Subparagraph (a)(i) of the Default Clause (§ 1–8.707) with Finding of Excusability.
5A–76.107 Format for Notice of Partial Termination Under Subparagraph (a)(i) of the Default Clause (§ 1–8.707) with Finding of Excusability.
5A–76.108 Format for Notice of Termination in Whole Under Subparagraph (a)(i) of the Default Clause (§ 1–8.707) with Request for Information on Excusability.
5A–76.109 Format for Notice of Partial Termination Under Subparagraph (a)(i) of the Default Clause (§ 1–8.707) with Request for Information on Excusability.
5A–76.110 Format for Finding of Excusability.
5A–76.111 Format for Finding of Inexcusability.
5A–76.112 Format for Preliminary Notice of Default Under Subparagraph (a)(i) of the Default Clause (§ 1–8.707) (Termination in Whole).
5A–76.113 Format for Preliminary Notice of Default Under Subparagraph (a)(i) of the Default Clause (§ 1–8.707) (Partial Termination).
5A–76.114 Format for Notice of Termination Under Subparagraph (a)(i) of the Default Clause (§ 1–8.707) (For Use After Issuance of Preliminary Notice of Default).
5A–76.115 Format for Preliminary Notice of Default Under Subparagraph (a)(ii) of the Default Clause (§ 1–8.707).
5A–76.116 Format for Notice of Termination Under Subparagraph (a)(ii) of the Default Clause (§ 1–8.707) (Default Inexcusable).
5A–76.117 Format for Notice of Termination Under Suparagraph (a)(ii) of the Default Clause (§ 1–8.707) (Default Excusable).
5A–76.118 Format for Notice of Repurchase Against Contractor's Account (§ 1–8.602–6).

Subpart 5A–76.2—Distribution of Documents

5A–76.201 Distribution of contractual documents.
5A–76.202 Distribution of documents by contracting office—overseas supply support program.

Subpart 5A–76.3—Miscellaneous Exhibits

5A–76.301 Format of findings and determination under Title III of the Federal Property and Administrative Services Act.
5A–76.302 Sample invitation for motor vehicle repairs and services.
5A–76.303 Raw Materials Exemption List (Renegotiation Act).
5A–76.304 (Reserved)
5A–76.305 Nonperishable subsistence assignment principles.
5A–76.306 Sample—Completed Contract Summary, GSA Form 1584.
5A–76.307 Sample invitation for motor vehicle preventive maintenance inspection, service, and minor repairs.
5A–76.308 Format of memorandum to transmit a notice of appeal to the Administrator.
5A–76.309 Sample memorandum of the position to be relied on by the Government with regard to the issues presented by an appeal.
5A–76.310 Sample invitation for maintenance, repair, and rehabilitation of personal property.
5A–76.311 Sample price schedule for contracts covering the maintenance, repair, and rehabilitation of personal property.
5A–76.312 Standard IFB format for car and truck rental service.

§ 5A–76.000 Scope of part.

This part contains illustrations of notices, letters, document distribution instructions and related material other than forms and form letters. Selected procurement forms (including form letters) are illustrated in Subpart 5A–16.9.

NOTE: The illustrations identified in this Part 5A–76 are filed with the original document. Copies may be obtained from Federal Supply Service, GSA, 18th and F Streets, NW., Washington, D.C. 20405 (Code FPP).

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