

related to a Phase III contract in support of the SBIR Program.

\* \* \* \* \*

(e) \* \* \*

(4) Block E4—CONTINGENCY OPERATION. Enter code Y in Block E4 if the contracting action is in support of a contingency operation, as defined in 213.101, and the action exceeds the simplified acquisition threshold for contingency operations (see 213.000). Otherwise, leave Block E4 blank.

(5) BLOCK E5—BLOCK E8—RESERVED.

\* \* \* \* \*

4. Section 253.204-71 is amended by revising paragraph (a)(3) to read as follows:

**253.204-71 DD Form 1057, Monthly Contracting Summary of Actions \$25,000 or Less.**

(a) \* \* \*

(3) Report actions of \$25,000 or less in support of a contingency operation in accordance with the instructions in paragraphs (c) through (j) of this subsection. Report actions exceeding \$25,000 but not exceeding \$200,000 in support of a contingency operation (see 213.000) on the monthly DD Form 1057 as follows:

(i) Section B; the applicable lines are 5, 5a, 7, and 7a.

(ii) Section C; the applicable lines are 1 and 1c, 2 and 2c, and 3 and 3c.

(iii) Sections D, E, and F, are not applicable.

(iv) Section G; complete fully.

\* \* \* \* \*

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## DEPARTMENT OF DEFENSE

### 48 CFR Parts 211, 242, and 252

[DFARS Case 97-D014]

#### Defense Federal Acquisition Regulation Supplement; Single Process Initiative

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

**ACTION:** Interim rule with request for comments.

**SUMMARY:** The Director of Defense Procurement has issued an interim rule amending the Defense Federal Acquisition Regulation Supplement (DFARS) to facilitate the use of management or manufacturing processes that have been accepted by DoD under the Single Process Initiative (SPI) for use in lieu of military or Federal specifications and standards.

**DATES:** Effective date: August 20, 1997.

**Comment Date:** Comments on the interim rule should be submitted in writing to the address shown below on or before October 20, 1997, to be considered in the formulation of the final rule.

**ADDRESSES:** Interested parties should submit written comments to: Defense Acquisition Regulations Council, *Attn:* Mr. Rick Laysar, PDUSD(A&T)DP(DAR), IMD 3D139, 3062 Defense Pentagon, Washington, DC 20301-3062. *Telefax number:* (703) 602-0350. Please cite DFARS Case 97-D014 in all correspondence related to this issue.

**FOR FURTHER INFORMATION CONTACT:** Mr. Rick Laysar, (703) 602-0131.

#### SUPPLEMENTARY INFORMATION:

##### A. Background

This interim rule adds a new section at DFARS 211.273 and a new contract clause at DFARS 252.211-7005 to encourage offerors to propose the use of SPI processes in lieu of military or Federal specifications and standards cited in DoD solicitations; and establishes that, in procurements of previously developed items, SPI processes shall be considered valid replacements for military or Federal specifications and standards, absent a specific determination to the contrary.

##### B. Determination To Issue an Interim Rule

A determination has been made under the authority of the Secretary of Defense that urgent and compelling reasons exist to publish this interim rule prior to affording the public an opportunity to comment. The interim rule amends the DFARS to implement the policy set forth in a memorandum issued by the Under Secretary of Defense (Acquisition and Technology) on April 30, 1997, with regard to SPI and new contracts. This interim rule is necessary to permit the Government and industry to realize, as soon as possible, the significant cost savings anticipated from allowing contractors to use previously accepted facilitywide management and manufacturing processes in lieu of military or Federal specifications and standards. Comments received in response to the publication of this interim rule will be considered in formulating the final rule.

##### C. Regulatory Flexibility Act

The interim rule is not expected to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., because it is estimated that, of the 180 contractors presently participating in

SPI, less than 5 percent are small businesses. An Initial Regulatory Flexibility Analysis has therefore not been performed. Comments are invited from small businesses and other interested parties. Comments from small entities concerning the affected DFARS subparts also will be considered in accordance with 5 U.S.C. 610. Such comments should be submitted separately and should cite DFARS Case 97-D014 in correspondence.

##### D. Paperwork Reduction Act

The Paperwork Reduction Act (44 U.S.C. 3501, et seq.) applies because the interim rule contains a new information collection requirement. Under the emergency processing provisions of 44 U.S.C. 3507(j) as implemented at 5 CFR 1320.13, the Office of Management and Budget (OMB) has granted emergency approval of the information collection requirement through December 31, 1997, under OMB Control Number 0704-0398. The OMB approval required under 44 U.S.C. 3507(a)(2) will be obtained prior to publication of the final rule.

##### Comments

Comments are invited. In particular, comments are solicited on:

a. Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

b. The accuracy of the agency's estimate of the burden of the collection of information;

c. Ways to enhance the quality, utility, and clarity of the information to be collected; and

d. Ways to minimize the burden of the collection of information on respondents, including use of appropriate automated collection techniques or other forms of information technology.

##### Title, Associated Form, OMB Control Number

DFARS Section 211.273, Substitutions for Military or Federal Specifications and Standards, and related clause at 252.211-7005, Substitutions for Military or Federal Specifications and Standards; OMB Control Number 0704-0398.

##### Needs and Uses

The information collection permits offerors to propose SPI processes in lieu of military or Federal specifications and standards cited in DoD solicitations for previously developed items. The information will be used by the Government to identify and verify Government acceptance of an SPI

process as a valid replacement for a military or Federal specification or standard cited in a solicitation.

*Affected Public:* Businesses or other for-profit and not-for-profit institutions.

*Annual Burden Hours:* 540.

*Number of Respondents:* 180.

*Responses Per Respondent:* 3.

*Annual Responses:* 540.

*Average Burden Per Response:* 1 hour.

*Frequency:* On occasion.

**SUPPLEMENTARY INFORMATION:**

Respondents are offerors responding to DoD solicitations for previously developed items that cite military or Federal specifications or standards, when the offeror has a management or manufacturing process that has been previously accepted by DoD, under SPI, as a valid replacement for a military or Federal specification or standard.

**List of Subjects in 48 CFR Parts 211, 242, and 252**

Government procurement.

**Michele P. Peterson,**

*Executive Editor, Defense Acquisition Regulations Council.*

Therefore, 48 CFR Parts 211, 242, and 252 are amended as follows:

1. The authority citation for 48 CFR Parts 211, 242, and 252 continues to read as follows:

**Authority:** 41 U.S.C. 421 and 48 CFR Chapter 1.

**PART 211—DESCRIBING AGENCY NEEDS**

2. Sections 211.273 through 211.273-4 are added to read as follows:

**211.273 Substitutions for military or Federal specifications and standards.**

**211.273-1 Definition.**

“SPI process,” as used in this section, is defined in the clause at 252.211-7005, Substitutions for Military or Federal Specifications and Standards.

**211.273-2 Policy.**

(a) Under the Single Process Initiative (SPI), DoD accepts SPI processes in lieu of specific military or Federal specifications or standards that specify a management or manufacturing process.

(b) DoD acceptance of an SPI process follows the decision of a Management Council, which includes representatives from the Defense Contract Management Command, the Defense Contract Audit Agency, and the military departments.

(c) In procurements of previously developed items, SPI processes that previously were accepted by the Management Council shall be considered valid replacements for

military or Federal specifications or standards, absent a specific determination to the contrary (see 211.273-3(c)).

**211.273-3 Procedures.**

(a) Solicitations for previously developed items shall encourage offerors to identify SPI processes for use in lieu of military or Federal specifications and standards cited in the solicitation. The solicitation shall require an offeror proposing to use an SPI process to include, in its response to the solicitation, documentation of the Government acceptance of the process.

(b) Contracting officers shall ensure that—

(1) Concurrence of the requiring activity has been or will be obtained for any proposed substitutions prior to contract award; and

(2) Any necessary additional information regarding the SPI process identified in the proposal is obtained from the cognizant administrative contracting officer.

(c) Any determination that an SPI process is not acceptable for a specific procurement shall be made at the head of the contracting activity or program executive officer level. This authority may not be delegated.

**211.273-4 Contract clause.**

Use the clause at 252.211-7005, Substitutions for Military or Federal Specifications and Standards, in solicitations and contracts exceeding the micro-purchase threshold, when procuring previously developed items.

**PART 242—CONTRACT ADMINISTRATION**

3. Section 242.302 is amended by adding paragraph (a) (S-70) to read as follows:

**242.302 Contract administration functions.**

(a) \* \* \*  
(S-70) Serve as the single point of contact for all Single Process Initiative (SPI) Management Council activities. The ACO shall negotiate and execute facilitywide class modifications and agreements for SPI processes, when authorized by the affected components.  
\* \* \* \* \*

**PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES**

4. Section 252.211-7005 is added to read as follows:

**252.211-7005 Substitutions for Military or Federal Specifications and Standards.**

As prescribed in 211.273-4, use the following clause:

**SUBSTITUTIONS FOR MILITARY OR FEDERAL SPECIFICATIONS AND STANDARDS (AUG 1997)**

(a) *Definition.* “SPI process,” as used in this clause, means a management or manufacturing process that has been accepted previously by the Department of Defense under the Single Process Initiative (SPI) for use in lieu of a specific military or Federal specification or standard. Under SPI, these processes are reviewed and accepted by a Management Council, which includes representatives from the Defense Contract Management Command, the Defense Contract Audit Agency, and the military departments.

(b) Offerors are encouraged to propose SPI processes in lieu of military or Federal specifications and standards cited in the solicitation.

(c) An offeror proposing to use an SPI process shall—

(1) Identify the specific military or Federal specification or standard for which the SPI process has been accepted, and the specific paragraph or other location in the solicitation where the military or Federal specification or standard is required;

(2) Provide a copy of the Department of Defense acceptance of the SPI process;

(3) Identify each facility at which the offeror proposes to use the specific SPI process; and

(4) Unless provided in response to paragraph (c)(2) of this clause, provide the name and telephone number of the cognizant Administrative Contracting Officers for each facility where the SPI process is proposed for use.

(d) Absent a determination at the head of the contracting activity or program executive officer level that an SPI process is not acceptable for this procurement, the Contractor shall use the following SPI processes in lieu of military or Federal specifications and standards:

*(Offeror Insert Information for Each SPI Process)*

SPI Process: \_\_\_\_\_  
Facility: \_\_\_\_\_  
Military or Federal Specification or Standard: \_\_\_\_\_

Affected Contract Line Item and Subline Item Number and Requirement Citation: \_\_\_\_\_

Cognizant Administrative Contracting Officer: \_\_\_\_\_

(End of clause)

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**DEPARTMENT OF DEFENSE**

**48 CFR Part 225**

[DFARS Case 96-D023]

**Defense Federal Acquisition Regulation Supplement; Foreign Machine Tools and Powered and Non-Powered Valves**

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