

Governments" (59 FR 22951), Executive Order 13175, and 512 DM 2, we have evaluated possible effects on Federally recognized Indian tribes and have determined that there are no effects. The Bureau of Indian Affairs is a participating agency in this rulemaking.

On May 18, 2001, the President issued Executive Order 13211 on regulations that significantly affect energy supply, distribution, or use. This Executive Order requires agencies to prepare Statements of Energy Effects when undertaking certain actions. As these actions are not expected to significantly affect energy supply, distribution, or use, they are not significant energy actions and no Statement of Energy Effects is required.

Drafting Information

Theodore Matuskowitz drafted this document under the guidance of Thomas H. Boyd, of the Office of Subsistence Management, Alaska Regional Office, U.S. Fish and Wildlife Service, Anchorage, Alaska. Dennis Tol, Alaska State Office, Bureau of Land Management; Rod Simmons, Alaska Regional Office, U.S. Fish and Wildlife Service; Bob Gerhard, Alaska Regional Office, National Park Service; Dr. Glenn Chen, Alaska Regional Office, Bureau of Indian Affairs; and Steve Kessler, USDA—Forest Service, provided additional guidance.

Authority: 16 U.S.C. 3, 472, 551, 668dd, 3101–3126; 18 U.S.C. 3551–3586; 43 U.S.C. 1733.

Dated: June 9, 2004.

Thomas H. Boyd,

Acting Chair, Federal Subsistence Board.

Dated: June 9, 2004.

Steve Kessler,

Subsistence Program Leader, USDA—Forest Service.

[FR Doc. 04–14555 Filed 6–25–04; 8:45 am]

BILLING CODE 3410–11–P; 4310–55–P

POSTAL SERVICE

39 CFR Parts 211 and 601

Establishment of the Purchasing Manual To Replace the Procurement Manual; Incorporation by Reference

AGENCY: Postal Service.

ACTION: Final rule.

SUMMARY: The Postal Service has issued completely revised purchasing regulations, replacing the former U.S. Postal Service Procurement Manual with a new Postal Service Purchasing Manual. The Purchasing Manual focuses on using the purchasing process to

further the business and competitive interests of the Postal Service. As such, the new Purchasing Manual reflects a fundamental change to Postal Service purchasing policies and procedures.

EFFECTIVE DATE: This final rule is effective on June 28, 2004. The incorporation by reference of the Purchasing Manual is approved by the Director of the Federal Register as of June 28, 2004.

FOR FURTHER INFORMATION CONTACT: Michael J. Harris (202) 268–5653.

SUPPLEMENTARY INFORMATION: Issue 1 of the Purchasing Manual was issued on January 31, 1997. At that time, purchasing organizations were advised that, pending the updating of contract-writing systems, the purchasing organizations could determine, subject to specific limitations, when and to what extent they may adopt its policies and procedures. The Purchasing Manual then became fully effective on January 27, 2000. Subsequently, updated editions of the Purchasing Manual were issued on January 31, 2002 (Issue 2), and December 25, 2003 (Issue 3). The Purchasing Manual is published and available to all users on the World Wide Web at <http://www.usps.com/business>, and contains the Postal Service's purchasing policy.

It will be noted that on March 24, 2004 (69 FR 13786), the Postal Service published a proposed rule in the **Federal Register** entitled "Purchasing of Property and Services". In this document, the Postal Service proposed to amend its regulations in order to implement the acquisition portions of its *Transformation Plan* (April 2000) and the similar recommendations of the President's Commission on the United States Postal Service (July 2003) as they relate to the acquisition of property and services. That earlier, ongoing rulemaking is proceeding separately and independently, and should not be considered to be a part of this current notice.

The new U.S. Postal Service Purchasing Manual contains a complete revision of the Postal Service's purchasing regulations, replacing the former USPS Publication 41, U.S. Postal Service Procurement Manual. Following is a brief discussion of some of the major policy changes. This is followed by a chapter-by-chapter explanation of the relevant changes, as reflected in the new Purchasing Manual.

To ensure close cooperation between all of the parties involved in the purchasing process, the new Purchasing Manual mandates that contracting officers work with their business partners in groups known as purchasing

teams. These teams determine the business priorities of the particular purchase, and enter into business arrangements which reflect the business objectives of the USPS. Whenever appropriate, purchasing professionals are encouraged to prequalify suppliers who have a proven track record of integrity, quality, and on-time performance. Prequalification, which has been used by the Postal Service since 1988, ensures quality contract performance while enhancing competition and maintaining our historical commitment to providing opportunity to the best suppliers.

In the interests of furthering purchasing uniformity and consistency, the Purchasing Manual establishes a general purchasing process containing elements common to all Postal Service purchases. The Purchasing Manual also adopts and emphasizes the proven commercial buying practices of the Postal Service's private sector counterparts and competitors. These changes will save many hours of administrative effort and improve purchasing lead time.

The Purchasing Manual encourages the use of oral presentations to obtain a clear and succinct understanding of a supplier's technical proposal. Oral presentations can provide a better understanding of suppliers' technical abilities and also significantly reduce the time it takes to complete a purchase. Communications with suppliers during the purchasing process have also been enhanced by allowing discussions during any stage of the process.

The Purchasing Manual also consolidates and makes uniform Postal Service purchases of supplies, services, equipment, facility design, construction, and mail transportation. It emphasizes commonalities among the differing commodities—purchasing best value, prequalifying suppliers, using commercial approaches whenever appropriate—while at the same time recognizing the Postal Service's unique needs and the areas in which they differ.

The Purchasing Manual reflects a complete reorganization of the Procurement Manual. It now has 9 chapters rather than the previous 12, and much material has been moved from one chapter or section to another.

The Purchasing Manual replaces the Postal Service Procurement Manual, which was incorporated by reference in the Code of Federal Regulations (*see* 39 CFR 601.100). A copy of the Purchasing Manual will be provided to the Director, Office of the Federal Register. The Purchasing Manual is available for

examination on the World-Wide Web at <http://www.usps.com/business>.

Explanation of Changes

Chapter 1—Authority, Responsibility and Policy

Significant changes:

- Name of Postal Service purchasing regulations changed from Procurement Manual to Purchasing Manual.
- Introduction of the concept of the purchasing team.
- Changes in training courses required for contracting officer qualification.
- Best value defined and established as a basic purchasing policy.
- Supplier security clearance requirements established.
- Strategic alliances defined.
- Policy established regarding contracts with former executives or officers.

Discussion:

The new name of the Manual adopts the commonly used private sector term “purchasing” instead of the traditional government term “procurement”. The permanent membership of the Purchasing Policy Committee (PPC) has been expanded to represent the diverse group of stakeholders involved in Postal Service purchasing policy and procedure development.

The concept of purchase teams is included throughout the Manual and is fully defined in 1.6.2 and 2.1, where its role in purchase planning is discussed.

With the advent of the new Purchasing Manual, the training curriculum for contracting officers has undergone some changes. Some courses (Simplified Purchasing, Contract Formation, Advanced Contract Administration) have been dropped from the curriculum and several new courses have been introduced (Commercial Purchasing, Advanced Purchasing, and Fundamentals of Purchasing). All remaining courses within the Purchasing and Materials curriculum have been revised and/or redesigned to reflect policy changes. Training requirements to qualify for each CO level are outlined in Chapter 1.

Requirements for security clearances have been added for some service contractors, along with a definition of strategic alliances which differentiates these arrangements from contracts for supplies, services and equipment.

Chapter 2—Purchase Planning

Significant changes:

- Purchase planning defined.
- The role and responsibility of the purchase team are discussed.

• Individual purchase plans are identified as the only planning document required.

• Supplier-selection strategies are defined and discussed. The supplier-selection strategy is developed by the purchase team and lists components that must be addressed in the source selection strategy contained in the individual purchase plan.

• Evaluation teams are defined and team membership, duties, and required reports are discussed.

• Performance evaluation factors are defined and discussed. There are two types: proposal-specific and supplier-specific (past performance and supplier capability). These replace traditional evaluation factors.

• The type of contract is designated an important element in purchase planning. Purchase teams are authorized increased flexibility to determine the contract type to be used in a given business situation.

Discussion:

Purchase planning has been redefined as the “process of establishing objectives and tactics to obtain the best value in a specific purchase.” Purchase teams, composed of the requesting organization, the purchasing organization and other Postal Service representatives and headed by the contracting officer, perform the purchase planning.

Individual purchase plans have replaced annual summary, implementation, and source selection plans. Individual purchase plans are tied to the particular purchase or series of purchases, and are composed of a series of elements such as potential sources, delivery schedules, purchasing method, and contract type. Individual purchase plans require the establishment of project milestones to ensure the success of the purchase.

Supplier-selection strategies are developed by the purchase team as appropriate. These strategies provide guidance regarding performance evaluation factors, determining the best value offered, and other matters, and are incorporated into the individual purchase plan.

Evaluation teams are established by the purchase team to analyze, compare, and rank competing proposals.

Performance evaluation factors provide vital information to both the purchase team and interested suppliers: the first by describing the supplier’s proposed approach and documented ability to perform the work called for in the solicitation; the second by informing interested suppliers of the particular aspects of value sought by the Postal Service. There are two types of

performance evaluation factors: proposal-specific and supplier-specific. Proposal-specific factors address aspects of a particular requirement and purchase; supplier-specific factors address aspects central to the supplier being evaluated. Any number of factors may be proposal-specific, including management plan, key personnel, delivery terms, etc. Past performance and supplier capability comprise the supplier-specific factors. For many purchases supplier-specific factors and price will be sufficient to determine the best value.

Due to the important role they play in determining the success of the purchase, contract types are now addressed in this chapter on purchase planning.

Chapter 3—Supplier Relations

Significant changes:

• Establishes Postal Service policy for a strong, competitive supplier base, and states that the Postal Service is committed to establishing mutually beneficial partnerships with the supplier community.

• Establishes that contracting officers must manage supplier diversity and, in concert with the purchase team, ensure that the Postal Service’s supplier base reflects the diversity of the American business community.

• Describes the responsibilities of both the purchase team and the contracting officer in identifying sources.

• Lists mandatory suppliers which must be considered before purchasing certain commodities, and discusses available government sources.

• Establishes that except for commodities available from mandatory suppliers, it is Postal Service policy to purchase its requirements from commercial suppliers whenever feasible.

• When appropriate, purchase teams should prequalify commercial suppliers regardless of the purchasing method being used, or the commodity being purchased.

• Maintains Postal Service policy and procedures regarding commercial suppliers, and encourages purchase teams to investigate other means of publicizing purchase opportunities.

• Establishes new policy and procedures for noncompetitive purchases and provides for exceptions to justification, reviews, and approval requirements.

• Establishes new policy and procedures regarding protests, adjusting time schedules for consistency with current protest provisions and establishing the contracting officer’s

general responsibility for accountability to prospective suppliers.

Discussion:

Although the Purchasing Manual contains many changes in policy and procedure, several areas have not changed. Among these are the Postal Service's historic commitments to (1) treating all suppliers fairly, openly and equally and; (2) providing opportunities to small, minority and woman-owned businesses to compete for Postal Service contracts. These commitments are reemphasized in this chapter, and contracting officer responsibilities in this area have been more accurately described and delineated, as has policy regarding subcontracting with small, minority and woman-owned businesses.

For legislative or policy reasons, certain commodities may only be obtained from specific sources, including the Workshops for People who are Blind or Severely Retarded, State Licensing Agencies, etc. As a part of purchase training, purchase teams must ensure that these suppliers are considered for relevant purchases.

Purchasing from commercial suppliers whenever possible is the preferred method in the new Purchasing Manual, and purchase teams are encouraged to consider prequalifying suppliers prior to solicitation and award. Prequalification may be used for a single purchase or a series of purchases; when prequalification is used, competition may be limited to only those suppliers who have been prequalified or to selected suppliers on a prequalified list.

In addition to publicizing all purchase opportunities valued at more than \$100,000, purchase teams may now use their market knowledge to determine the extent and means of further publicizing. Publicizing may be accomplished through whatever media is deemed the most promising in terms of adequate competition, enhancing competition, or gaining greater awareness of a particular marketplace or segment.

Noncompetitive purchases have been moved to this chapter, as they are more the result of the state of the marketplace rather than a particular purchasing method.

Protests have also been moved to this chapter. Changes have been made to policy and procedures regarding protests.

Chapter 4—Purchasing

Significant changes:

- Establishes policy that a single purchasing process be used for all Postal Service requirements, and describes the process.

- Defines commercial, design and construction, mail transportation and special purchasing and sets forth policy and procedures for their use.

- Establishes general policy regarding solicitations, release of information, oral presentations, performance evaluations, discussions, best value determinations, contract award, notification, and debriefings.

Discussion:

Since 1993, the Postal Service has promoted increased uniformity and consistency throughout its buying practices. The establishment of a single purchasing process is an important result of this ongoing effort. The process entails three basic phases: solicitation of a sufficient number of qualified suppliers to ensure adequate and effective competition; a two-step evaluation process requiring the review and analysis of proposals in relation to the solicitation's performance evaluation factors and a subsequent comparison of the proposals to each other; and discussions among the most able suppliers in order to determine which is offering the best value to the Postal Service.

The comparison of competing proposals is a significant change to current purchasing processes, as is the new role of discussions during the evaluation and award period. Comparing proposals should allow evaluation teams, and subsequently the contracting officer and purchase team, to attain a clearer grasp of the relative quality and value being offered by competing suppliers; it should also make determinations of relative value easier and more effective. Discussions, a single concept replacing what were previously termed "clarifications," "discussions," or "negotiations", are used to reach understandings and agreement with suppliers over what is being required, what is being offered, and what the final contract terms and conditions will be. Discussions are also used to improve suppliers' proposals so that the Postal Service receives best value. They are held with the suppliers deemed most qualified, and may be opened or reopened at any time before contract award.

Within the general framework of the purchasing process, contracting officers and purchase teams may use a number of purchasing methods. The method used depends on the item being purchased (mail transportation or design and construction) or on the relative complexity of the purchase itself.

Chapter 5—Contract Pricing

Significant changes:

- Inclusion of the purchase team in decision making relative to cost or pricing.

- Contract types coverage has been moved from this chapter.

Discussion:

Contracting officers remain responsible for the ultimate pricing decision. However, new policies make this decision subject to dialogue among the members of the purchase team. With reorganization of the Purchasing Manual, it was deemed more effective to discuss contract types in relation to purchase planning (see 2.4 of the new PM).

Other than these changes, the contents of this chapter remain generally unchanged.

Chapter 6—Contract Administration

Significant changes:

- Identifies post-award roles and responsibilities of the purchase team.
- Establishes Postal Service policy to resolve contractual issues by mutual agreement at the level of the manager and the contracting officer.

- Supports and encourages the use of alternative dispute resolution (ADR) as an effective way to understand, address, and resolve conflicts with suppliers.

- Parties by mutual consent may agree to use an ADR process to assist in resolving a claim. If ADR is not appropriate or acceptable to the parties, the contracting officer must review all pertinent facts, obtain assistance from assigned counsel if necessary, and issue a final decision in writing.

Discussion:

The role of the purchase team does not end with contract award but carries over throughout the life of the contract. The contracting officer remains the head of the purchase team, continuing to act in the capacity as business manager to the team. After contract award, it becomes critical for the purchase team to partner with the supplier to ensure quality contract performance. By developing mutual performance objectives at the beginning of contract performance, all parties have a clear understanding of their respective roles and responsibilities. This continuing dialog not only solidifies and reinforces expectations, but also will resolve misunderstandings or apparent conflicts before they develop into an adversarial situation.

The use of Alternative Disputes Resolution (ADR) procedures has been established. ADR provides a nonlitigious method of handling misunderstandings or conflicts. ADR procedures are established in Clause B-9, Claims and Disputes.

Chapter 7—Bonds, Insurance, and Taxes

Significant changes:

- Requirement for proposal guarantees has been deleted
- Alternate provisions in addition to performance bonds have been provided for construction contracts between \$25,000 and \$100,000, reflecting Miller Act amendments.

Discussion:

The new purchasing policies minimize the likelihood of the supplier not agreeing to contract terms and conditions or not performing. Therefore, the need for performance guarantees is no longer necessary.

Legislation has amended the Miller Act to make provisions for alternate payment protection for construction contracts valued at over \$25,000 and less than \$100,000. Alternate payment protection consists of a performance bond, a irrevocable letter of credit, tripartite agreements or certificates of deposit. Such alternates are specified in individual solicitations.

Chapter 8—Patents and Data Rights

Significant changes:

- Previously, this material was covered in Chapter 9 of the Procurement Manual.

Discussion:

None.

Chapter 9—Labor Policies

Significant changes:

- Previously, this material was covered in Chapter 10 of the Procurement Manual.

Discussion:

None.

Appendix A—Solicitations

The following provisions have been revised or added to Appendix A:

No.	Title
A-2	Submission of Proposals.
A-3	Modification or Withdrawal of Proposals.
A-17	Telegraphic Proposals.
2-2	Time of Delivery.
2-3	Evaluation of Options.
2-4	Evaluation Exclusive of Options.
2-5	Evaluation Exclusive of Unpriced Options.
2-6	Type of Contract.
3-1	Notice of Small, Minority and Women-owned Contracting Requirements.
4-1	Instruction to Offerors—Commercial Items.
4-2	Evaluation—Commercial Items.
4-3	Representations and Certifications—Commercial Items.
4-7	Postal Computing Environment.
4-8	Pre-Proposal Conference.
4-9	Preparation of Proposals (Construction).

No.	Title
7-1	Performance Bond Requirements.
7-2	Payment Bond Requirements.
7-5	Alternative Payment Protections.

Appendix B—Contract Clauses

The following clauses have been revised or added to Appendix B:

No.	Title
B-9	Claims and Disputes.
B-31	Supplier Clearance Requirements.
B-32	Differing Site Conditions.
B-33	Inspection and Acceptance (Construction).
B-34	Notice to Proceed and Commencement, Prosecution and Completion of Work.
B-35	Specifications and Drawings.
B-36	Postal Service Partial Occupancy.
B-37	Changes (Construction).
B-38	Accident Prevention.
B-39	Indemnification.
B-40	Construction Cost Breakdown.
B-41	Conditions Affecting the Work.
B-42	Performance of Work by Supplier.
B-43	Superintendence by Supplier.
B-44	Use of Premises.
B-45	Other Contracts.
B-46	Subcontracts (Construction).
B-47	Permits and Responsibilities.
B-48	Payment (Construction).
B-49	Building Codes, Fees, and Charges.
B-50	Protection of Existing Vegetation, Structures, Utilities, and Improvements.
B-51	Heat.
B-52	Debris and Cleanup.
B-53	Survey Monuments and Bench Marks.
B-54	Measurements.
B-55	Standard References.
B-56	Shop Drawings, Coordination Drawings, and Schedules.
B-57	Record "As Built" Drawings.
B-58	Spare-Parts Data.
B-59	Construction Progress Chart.
B-60	Postal Service Occupancy.
B-61	Warranty (Construction).
B-62	Samples.
B-63	Materials and Workmanship.
B-64	Accountability of the Supplier (Highway).
B-65	Adjustments to Compensation.
B-66	Appeals to the Next Higher Level Contract Authority.
B-67	Changes (Transportation).
B-68	Changes in Corporate Ownership or Corporate Officers.
B-69	Events of Default.
B-70	Release of Supplier.
B-71	Termination for Convenience (Transportation).
B-72	Termination for Convenience—Emergency Contracts.
B-73	Trailer Damage.
B-74	Payment (Highway).

No.	Title
B-75	Accountability of the Supplier (Non-Highway).
B-76	Excusable Delays (Mail Transportation Non-Highway).
B-77	Protection of the Mail.
B-78	Renewal.
B-79	Forfeiture of Compensation.
B-80	Laws and Regulations Applicable.
B-81	Information or Access by Third Parties.
B-82	Access by Officials.
B-83	Payment (Air Taxi).
1-8	Organizational Conflict of Interest.
2-24	Inspection and Acceptance—Non-fixed Price.
2-25	Unpriced Options.
2-26	Payment—Fixed Price.
2-27	Incentive Price Revision.
2-28	Economic Price Adjustment—Labor and Materials.
2-29	Economic Price Adjustment (Index Method).
2-30	Allowable Cost and Payment.
2-31	Limitation of Cost.
2-32	Limitation of Funds.
2-33	Cost Contract—No Fee.
2-34	Cost—Sharing Contract—No Fee.
2-35	Incentive Fee.
2-36	Fixed Fee.
2-37	Award Fee.
2-38	Payment (Time-and-materials and Labor-Hour Contracts).
2-39	Ordering.
2-40	Delivery-Order Limitations.
2-41	Definite Quantity.
2-42	Indefinite Quantity.
2-43	Requirements.
2-44	Contract Definitization.
2-45	Execution and Commencement of Work.
2-46	Limitation of Postal Service Liability.
2-47	Payment of Allowable Costs Before Definitization.
3-1	Participation of Small, Minority and Women-owned Business.
3-2	Small, Minority and Women-owned Business Subcontracting Requirements.
4-2	Contract Terms and Conditions—Commercial Items.
4-3	Contract Terms and Conditions Required to Implement Statutes or Executive Orders—Commercial Items.
4-16	Substitution of Information Technology.
4-17	Technology Enhancement.
6-2	Contracting Officer's Representation.

Appendix C—Forms and Formats

No changes have been made to this Appendix.

Appendix D—Rules of Practice in Proceedings Relative to Debarment And Suspension from Contracting

No changes have been made to this Appendix.

Appendix E—Rules of Practice Before the Postal Service Board of Contract Appeals

This Appendix has been revised to reflect changes required by the Federal Acquisition Streamlining Act's changes to the Contract Disputes Act.

Appendix F—Purchasing Manual Index

This Appendix has been updated as necessary.

List of Subjects

39 CFR Part 211

Administrative practice and procedure.

39 CFR Part 601

Government procurement, Postal Service, Incorporation by reference.

■ In view of the considerations discussed above, the Postal Service hereby adopts the Purchasing Manual in replacement of the Procurement Manual, Publication 41, and therefore amends 39 CFR parts 211 and 601 as follows:

PART 211—APPLICATION OF REGULATIONS

■ 1. The authority citation for part 211 continues to read as follows:

Authority: 39 U.S.C. 201, 202, 401(2), 402, 403, 404, 410, 1001, 1005, 1209; Pub. L. 91-375, Secs. 3-5, 84 Stat. 773-75.

§ 211.2 [Amended]

■ 2. In section 211.2(a)(2), remove "Postal Contracting Manual" and add in its place "Purchasing Manual".

■ 3. Part 601 is revised to read as follows:

PART 601—PURCHASING PROPERTY AND SERVICES

Sec.

601.100 Purchasing Manual; incorporation by reference.

601.101 Effective date.

601.102 Applicability and coverage.

601.103 Content of Purchasing Manual.

601.104 Amendments to the Purchasing Manual.

Authority: 5 U.S.C. 552(a); 39 U.S.C. 401, 404, 410, 411, 2008, 5001-5605.

§ 601.100 Purchasing Manual; incorporation by reference.

Section 552(a) of Title 5, U.S.C., relating to public information requirements of the Administrative Procedure Act, provides in pertinent part that "* * * matter reasonably available to the class of persons affected thereby is deemed published in the **Federal Register** when incorporated by reference therein with the approval of the Director of the Federal Register." In conformity with that provision, with 39 U.S.C. 410(b)(1), and as provided in this

part, the U.S. Postal Service hereby incorporates by reference its Purchasing Manual (PM). The Director of the Federal Register approves this incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. The Purchasing Manual is available for examination on the World-Wide Web at <http://www.usps.com/business>. You may inspect a copy at the U.S. Postal Service Library, 475 L'Enfant Plaza West SW., Washington, DC 20260-1641, or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

§ 601.101 Effective date.

The provisions of the Purchasing Manual, issued January 31, 1997, are applicable, effective January 27, 2000, with respect to all covered purchasing activities of the Postal Service.

§ 601.102 Applicability and coverage.

(a) The Purchasing Manual applies to all Postal Service procurements of property and services (except real estate and related services).

(b) The Purchasing Manual supersedes the Procurement Manual.

§ 601.103 Content of Purchasing Manual.

The Purchasing Manual consists of 9 chapters and 6 appendices, as follows:

(a) Chapter 1—Authority, Responsibility, and Policy—covers general purchasing policies, including the delegation of purchasing authority and responsibility; introduces the concept of the purchasing team; defines and establishes best value as a basic purchasing policy.

(b) Chapter 2—Purchase Planning—establishes requirements and procedures for advance purchase planning, including supplier-selection strategies and performance evaluation factors.

(c) Chapter 3—Supplier Relations—establishes policy for a strong, competitive supplier base; describes the responsibilities of both the purchase team and the contracting officer in identifying sources; discusses sources and their priority; and sets forth policy and procedures regarding commercial suppliers, noncompetitive purchases, and protests.

(d) Chapter 4—Purchasing—establishes a single purchasing process for all requirements; defines commercial, design and construction, mail transportation, and special purchasing and sets policy and procedures for their use; establishes

general policy regarding solicitations, release of information, oral presentations, performance evaluations, discussions, best value determinations, contract award, notification, and debriefings.

(e) Chapter 5—Contract Pricing—establishes policies and procedures for price evaluation, including price analysis, cost analysis, and principles for determining the allowability of costs; includes the purchase team in decision making relative to cost or pricing.

(f) Chapter 6—Contract Administration—identifies post-award roles and responsibilities of the purchase team; establishes policy to resolve contract issues by mutual agreement at the level of the manager and the contracting officer; supports and encourages the use of alternative dispute resolution (ADR) to address conflicts with suppliers.

(g) Chapter 7—Bonds, Insurance, and Taxes—sets forth policies and procedures governing bonds and insurance under contracts, and discusses the applicability of Federal, State, and local taxes.

(h) Chapter 8—Patents and Data Rights—covers the acquisition of patents, copyrights, and other rights in data.

(i) Chapter 9—Labor Policies—contains procedures for contracting with minority-owned businesses, and policies carrying out the requirements of certain statutes, including the Contract Work Hours and Safety Standards Act, the Davis-Bacon Act, and the Service Contract Act. It establishes Postal Service policy and preference regarding purchase of domestic-source products and services.

(j) Appendix A—Solicitations—prescribes the forms, format, and provisions to be used in preparing solicitations, and the establishment and maintenance of solicitation mailing lists. It contains all solicitation provisions prescribed in the Manual.

(k) Appendix B—Contract Clauses—prescribes certain clauses not prescribed elsewhere in the Manual and contains all clauses prescribed in the Manual.

(l) Appendix C—Forms and Formats—states that the forms and computer generated formats necessary to implement and supplement the manual are in the Procurement Handbook, the Facilities Design and Construction Handbook, the Mail Transportation Procurement Handbook, and other publications and directives referenced in the Manual or in these handbooks.

(m) Appendix D—Rules of Practice in Proceedings Relative to Debarment and Suspension from Contracting—contains

a reprint of the rules of practice issued by the Judicial Officer as 39 CFR 957.

(n) Appendix E—Rules of Practice Before the Postal Service Board of Contract Appeals—contains a reprint of the rules of practice issued as 39 CFR 955.

(o) Appendix F—Purchasing Manual Index—is an alphabetical index of important words and terms used in the Manual.

§ 601.104 Amendments to the Purchasing Manual.

New issues of the Purchasing Manual will be incorporated by reference into this part and will be available at <http://www.usps.com/business>. The text of amendments to the Purchasing Manual will be published in the **Federal Register** and will be available at <http://www.usps.com/business>.

Stanley F. Mires,

Chief Counsel, Legislative.

[FR Doc. 04-13747 Filed 6-25-04; 8:45 am]

BILLING CODE 7710-12-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[IL218-2a; FRL-7661-8]

Approval and Promulgation of Air Quality Implementation Plans; Illinois; Definition of Volatile Organic Material or Volatile Organic Compound

AGENCY: Environmental Protection Agency (EPA).

ACTION: Correction to a direct final rule; extension of the public comment period.

SUMMARY: This document contains corrections to the preamble and codification of a final rule which was published on March 23, 2004 (69 FR 13474). The rule being corrected approved revisions to Illinois' definition of volatile organic material (VOM) or volatile organic compound (VOC) contained in the Illinois State Implementation Plan (SIP). Because of the errors in the March 23, 2004, direct final rule which necessitated correction, EPA is extending the public comment period for 30 days from the publication of this correction and delaying the effective date of the direct final rule for 60 days from the date of the publication of this correction. This will provide the public with an opportunity to comment on the corrected rule before it takes effect.

DATES: The removal of § 52.720 (c)(168) is effective June 28, 2004. The addition of a new paragraph (c)(168) is effective

August 27, 2004, unless EPA receives adverse written comments by July 28, 2004. If EPA receives adverse comments, EPA will publish a timely withdrawal of the rule in the **Federal Register** and inform the public that the rule will not take effect.

ADDRESSES: You may inspect copies of the documents relevant to this action during normal business hours at the following location: Criteria Pollutant Section, Air Programs Branch, (AR-18J), U.S. Environmental Protection Agency, Region 5, 77 West Jackson Boulevard, Chicago, Illinois 60604. Please contact Kathleen D'Agostino at (312) 886-1767 before visiting the Region 5 office.

Send written comments to: J. Elmer Bortzer, Chief, Criteria Pollutant Section, Air Programs Branch, (AR-18J), U.S. Environmental Protection Agency, Region 5, 77 West Jackson Boulevard, Chicago, Illinois 60604. bortzer.jay@epa.gov.

Comments may also be submitted electronically or through hand delivery/courier, please follow the detailed instructions described in Part(I)(B)(1)(i) through (iii) of the **SUPPLEMENTARY INFORMATION** section which begins in the third column on page 13474 of the March 23, 2004 (69 FR 13474) direct final rule.

FOR FURTHER INFORMATION CONTACT: Kathleen D'Agostino, Environmental Engineer, Criteria Pollutant Section, Air Programs Branch (AR-18J), U.S. Environmental Protection Agency, Region 5, 77 West Jackson Boulevard, Chicago, Illinois 60604, (312) 886-1767. dagostino.kathleen@epa.gov.

SUPPLEMENTARY INFORMATION: On March 23, 2004 (69 FR 13474), EPA approved revisions to Illinois' definition of VOM and VOC contained in the Illinois State Implementation Plan (SIP).

Need for Correction

As published, the direct final rule contains two errors. First, the rule identified the State definition of VOM or VOC as being codified at 35 Ill. Adm. Code 211.7250. This error was published in the first column on page 13476 under the heading "What has Illinois Submitted?" It also appears in the codification for this action, specifically in the introductory text of 40 CFR 52.720(c)(168) which is presented in the second column on page 13477. The correct State citation for this paragraph is 35 Ill. Adm. Code 211.7150. This citation was correctly presented in the "Incorporation by reference" section of the codification of this rule.

A second error in the March 23, 2004, direct final rule concerns the omission

of methyl acetate from the list of nonreactive compounds being exempted from the State definition of VOM or VOC. This list of nonreactive compounds was presented in the "What has Illinois submitted?" section which was published in the first column on page 13476. It was also omitted from the list of nonreactive compounds being exempted from the State definition of VOM or VOC in the introductory text of 40 CFR 52.720(c)(168) where EPA's approval of these exemptions is codified.

Unless these errors are corrected, persons seeking a copy of the rules incorrectly cited in the codification of the direct final rule will be unable to locate the correct document. Readers of the codification will not know that methyl acetate has been exempted from the Illinois definition of VOM or VOC because it is considered to be negligibly photochemically reactive. EPA regrets any inconvenience that these errors have caused.

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Volatile organic compounds.

Dated: May 4, 2004.

Norman Niedergang,

Acting Regional Administrator, Region 5.

■ Part 52, chapter I, title 40 of the Code of Federal Regulations is amended as follows:

PART 52—[AMENDED]

■ 1. The authority citation for part 52 continues to read as follows:

Authority: 42 U.S.C. 7401 *et seq.*

Subpart O—Illinois

- 2. In § 52.720, paragraph (c)(168), added on March 23, 2004 (69 FR 13474), is removed.
- 3. In § 52.720, new paragraph (c)(168) is added to read as follows:

§ 52.720 Identification of plan.

* * * * *

(c) * * *

(168) On October 31, 2003, the Illinois Environmental Protection Agency submitted revisions to the Illinois State Implementation Plan for ozone. The submittal revises the definition for volatile organic material (VOM) or volatile organic compound (VOC) contained in 35 Ill. Adm. Code 211.7150 to incorporate an exemption for perchloroethylene (tetrachloroethylene); 3,3-dichloro-1,1,1,2,2-pentafluoropropane (HCFC-225ca); 1,3-dichloro-1,1,2,2,3-pentafluoropropane