

**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES  
ADMINISTRATION**

**NATIONAL AERONAUTICS AND  
SPACE ADMINISTRATION**

**48 CFR Chapter 1**

**Federal Acquisition Circular 2005–03;  
Introduction**

**AGENCIES:** Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

**ACTION:** Summary presentation of final and interim rules.

**SUMMARY:** This document summarizes the Federal Acquisition Regulation (FAR) rules agreed to by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council in this Federal Acquisition Circular (FAC) 2005–03. A companion document, the Small Entity Compliance Guide (SECG), follows this FAC. The FAC, including the SECG, is available via the Internet at <http://www.acqnet.gov/far>.

**DATES:** For effective dates and comment dates, see separate documents which follow.

**FOR FURTHER INFORMATION CONTACT:** The FAR Secretariat, at (202) 501–4755, for information pertaining to status or publication schedules. For clarification of content, contact the analyst whose name appears in the table below in relation to each FAR case or subject area. Please cite FAC 2005–03 and specific FAR case numbers. Interested parties may also visit our Web site at <http://www.acqnet.gov/far>.

Item	Subject	FAR case	Analyst
I .....	Purchases From Federal Prison Industries—Requirement for Market Research (Interim) .....	2003–023	Nelson.
II .....	Section 508 Micropurchase Exemption .....	2004–020	Nelson.
III .....	Technical Amendments.		

**SUPPLEMENTARY INFORMATION:**

Summaries for each FAR rule follow. For the actual revisions and/or amendments to these FAR cases, refer to the specific item number and subject set forth in the documents following these item summaries.

FAC 2005–03 amends the FAR as specified below:

**Item I—Purchases From Federal Prison Industries—Requirement for Market Research (FAR Case 2003–023) (Interim)**

This interim rule updates and clarifies procedures for purchase of items from Federal Prison Industries (FPI). The changes include—

- Establishment of a permanent requirement for market research and a comparability determination before purchasing an item of supply listed in the FPI Schedule. For civilian agencies, this requirement previously applied only to purchases made using fiscal year 2004 appropriated funds. Section 637 of Division H of the Consolidated Appropriations Act, 2005, made this requirement permanent for all Federal agencies.

- Clarification that, if a solicitation is available through the Governmentwide point of entry (FedBizOpps), it is not necessary to provide a separate copy of the solicitation to FPI.

- Clarification that, if an agency determines that an FPI item provides the best value to the Government as a result of FPI’s response to a competitive solicitation, the agency must purchase the item from FPI using the ordering procedures at FPI’s website.

**Item II—Section 508 Micropurchase Exemption (FAR Case 2004–020)**

The interim rule published on October 5, 2004, is converted to a final rule without change. This rule extends the Electronic and Information Technology (Section 508) micropurchase exception to April 1, 2005. This rule is of special interest to contracting officers and other individuals designated in accordance with FAR 1.603–3. All micropurchases made on and after April 1, 2005, must comply with the requirements of Section 508. Micropurchases are subject to the same exemption provision as larger dollar buys, as articulated in FAR 39.204.

**Item III—Technical Amendments**

Editorial changes are made at FAR 52.212–5, 52.213–4, 52.219–18, and 52.225–13, in order to update references.

Dated: April 1, 2005.

**Rodney P. Lantier,**

*Director, Contract Policy Division, General Services Administration.*

**Federal Acquisition Circular**

Federal Acquisition Circular (FAC) 2005-03 is issued under the authority of the Secretary of Defense, the Administrator of General Services, and the Administrator for the National Aeronautics and Space Administration.

Unless otherwise specified, all Federal Acquisition Regulation (FAR) and other directive material contained in FAC 2005-03 is effective April 11, 2005.

Dated: March 30, 2005.

**Deidre A. Lee,**

*Director, Defense Procurement and Acquisition Policy.*

Dated: March 25, 2005.

**David A. Drabkin,**

*Senior Procurement Executive, Office of the Chief Acquisition Officer, General Services Administration.*

Dated: March 23, 2005.

**Tom Luedtke,**

*Assistant Administrator for Procurement, National Aeronautics and Space Administration.*

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**48 CFR Parts 8 and 25**

**[FAC 2005–03; FAR Case 2003–023;  
Item I]**

**RIN 9000–AJ91**

**Federal Acquisition Regulation;  
Purchases From Federal Prison  
Industries—Requirement for Market  
Research**

**AGENCIES:** Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

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