



## DoD Purchasing from Federal Prison Industries Fact Sheet

The Defense Federal Acquisition Regulation Supplement (DFARS) outlines procedures for purchasing from Federal Prison Industries (FPI). These procedures describe under what conditions the Department of Defense should purchase products from FPI and how commercial items may be purchased using GSA Schedules.

DFARS 208.602-70 requires that certain acquisition procedures apply based on whether FPI has significant market share of the item being procured. A list of product categories for which FPI has significant market share is published by Defense Procurement and Acquisition Policy (DPAP) on an annual basis. An item for which FPI has significant market share is defined in DFARS 208.602-70 as “an item for which FPI’s market share of the DoD market for the federal supply class including that item is greater than 5 percent.” DPAP posts a list of these items at [http://www.acq.osd.mil/dpap/cpic/cp/specific\\_policy\\_areas.html#federal\\_prison](http://www.acq.osd.mil/dpap/cpic/cp/specific_policy_areas.html#federal_prison).

As of [February 27, 2015](#), Federal Supply Code 7110 for Office Furniture is on the list of items to be competed. Therefore, the instructions titled “*If FPI has Significant Market Share*” below apply to office furniture procurements.

### **If FPI does NOT have Significant Market Share**

If FPI does NOT have significant market share for an item, contracting officers must follow FAR Subpart 8.602.

1. Make a comparability determination based on price, quality and time of delivery
2. Purchase the FPI item if it is comparable to the commercial item in all three areas
3. If not, use competitive procedures, which includes GSA Schedules
4. Evaluate all offers, including FPI, based on evaluation criteria
5. Award based on best value

### **If FPI has Significant Market Share**

DFARS 208.620-70 requires that competitive procedures (e.g. use of GSA Schedules, full and open competition, and set-asides) apply when acquiring items for which FPI has significant market share. In this case, contracting officers must:

1. Use competitive procedures, which includes GSA Schedules
2. Consider timely offers from FPI
3. Evaluate all offers, including FPI, based on evaluation criteria
4. Award based on best value

Additional information about DoD ordering procedures from Federal Prison Industries is available through Defense Procurement and Acquisition Policy at <http://www.acq.osd.mil/dpap/>.