

ESTIMATE

EPA designated item	Total dollar value of EPA designated item	Percentage of recovered material content *
.....
.....
.....

*Where applicable, also include the percentage of postconsumer material content.

(c) The Contractor shall submit this certification and estimate upon completion of the contract to

*To be completed in accordance with agency procedures.

(End of clause)

26. Section 52.223-10 is amended by revising the clause date and paragraph (b) to read as follows:

52.223-10 Waste Reduction Program.

* * * * *

Waste Reduction Program (Oct 1997)

* * * * *

(b) Consistent with the requirements of Section 701 of Executive Order 12873, the Contractor shall establish a program to promote cost-effective waste reduction in all operations and facilities covered by this contract. Any such program shall comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6901, *et seq.*) and implementing regulations.

(End of clause)

[FR Doc. 97-21490 Filed 8-21-97; 8:45 am]

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DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Part 1

[FAC 97-1; FAR Case 96-329; Item VI]

RIN 9000-AH67

Federal Acquisition Regulation; New FAR Certifications

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

ACTION: Final rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council have agreed on a final rule amending the Federal Acquisition Regulation (FAR) to

reflect the provisions of Section 4301(b)(2) of the Clinger-Cohen Act of 1996 (Pub. L. 104-106). Section 4301(b)(2) prohibits the inclusion of a new certification requirement in the FAR for contractors or offerors unless the certification requirement is specifically imposed by statute, or unless written justification for such certification requirement is provided to the Administrator for Federal Procurement Policy by the FAR Council and the Administrator approves in writing the inclusion of the certification. This regulatory action was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993, and is not a major rule under 5 U.S.C. 804.

DATES: Effective October 21, 1997.

FOR FURTHER INFORMATION CONTACT: The FAR Secretariat, Room 4035, GS Building, Washington, DC 20405 (202) 501-4755 for information pertaining to status or publication schedules. For clarification of content, contact Mr. Ralph De Stefano, Procurement Analyst, at (202) 501-1758. Please cite FAC 97-01, FAR case 96-329.

SUPPLEMENTARY INFORMATION:

A. Background

This final rule adds a new section at FAR 1.107 to reflect the provisions of Section 4301(b)(2) of the Clinger-Cohen Act of 1996 (Pub. L. 104-106). Section 4301(b)(2) amends Section 29 of the Office of Federal Procurement Policy Act (41 U.S.C. 425) to prohibit the inclusion of a new certification requirement in the FAR for contractors or offerors unless the certification requirement is specifically imposed by statute, or unless written justification for such certification requirement is provided to the Administrator for Federal Procurement Policy by the FAR Council and the Administrator approves in writing the inclusion of the certification.

B. Regulatory Flexibility Act

The final rule does not constitute a significant FAR revision within the meaning of FAR 1.501 and Public Law 98-577, and publication for public comment is not required. However, comments from small entities concerning the affected FAR subpart will be considered in accordance with 5 U.S.C. 610. Such comments must be submitted separately and cite 5 U.S.C. 601, *et seq.* (FAC 97-1, FAR case 96-329), in correspondence.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the changes to the

FAR do not impose recordkeeping or information collection requirements, or collections of information from offerors, contractors, or members of the public which require the approval of the Office of Management and Budget under 44 U.S.C. 3501, *et seq.*

List of Subjects in 48 CFR Part 1

Government procurement.

Dated: August 7, 1997.

Edward C. Loeb,

Director, Federal Acquisition Policy Division.

Therefore, 48 CFR Part 1 is amended as set forth below:

PART 1—FEDERAL ACQUISITION REGULATIONS SYSTEM

1. The authority citation for 48 CFR Part 1 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

2. Section 1.107 is added to read as follows:

1.107 Certifications.

In accordance with Section 29 of the Office of Federal Procurement Policy Act (41 U.S.C. 425), as amended by Section 4301 of the Clinger-Cohen Act of 1996 (Public Law 104-106), a new requirement for a certification by a contractor or offeror may not be included in this chapter unless—

- (a) The certification requirement is specifically imposed by statute; or
- (b) Written justification for such certification is provided to the Administrator for Federal Procurement Policy by the Federal Acquisition Regulatory Council, and the Administrator approves in writing the inclusion of such certification requirement.

[FR Doc. 97-21491 Filed 8-21-97; 8:45 am]

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DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 7, 16, 37, 42, 46, and 52

[FAC 97-01; FAR Case 95-311; Item VII]

RIN 9000-AH14

Federal Acquisition Regulation; Service Contracting

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

ACTION: Final rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council have agreed on a final rule amending the Federal Acquisition Regulation (FAR) to implement Office of Federal Procurement Policy (OFPP) Policy Letter 91-2, Service Contracting. The OFPP policy letter prescribes policies and procedures for use of performance-based contracting methods. This regulatory action was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993. This action is not a major rule under 5 U.S.C. 804.

EFFECTIVE DATE: October 21, 1997.

FOR FURTHER INFORMATION CONTACT: The FAR Secretariat, Room 4035, GS Building, Washington, DC 20405 (202) 501-4755 for information pertaining to status or publication schedules. For clarification of content, contact Mr. Jack O'Neill, Procurement Analyst, at (202) 501-3856. Please cite FAC 97-01, FAR case 95-311.

SUPPLEMENTARY INFORMATION:

A. Background

This final rule amends FAR Parts 7, 16, 37, 42, 46, and 52 to establish policy for the Government's acquisition of services through the use of performance-based contracting methods.

A proposed rule was published in the **Federal Register** at 61 FR 40284, August 1, 1996. Thirty-three comments were received from nine respondents. All comments were considered in developing the final rule.

B. Regulatory Flexibility Act

A Final Regulatory Flexibility Analysis has been performed. The analysis is summarized as follows:

The rule revises the Federal Acquisition Regulation (FAR) to implement the Office of Federal Procurement Policy (OFPP) Policy Letter 91-2, Service Contracting. It also implements the statutory requirements of Section 834, Public Law 101-510 by adding language concerning uncompensated overtime and a prescription for use of a new solicitation provision, "Identification of Uncompensated Overtime." Offerors are required to identify uncompensated overtime hours and the uncompensated overtime rate per hour, whether at the prime or subcontract level, when submitting a proposal responding to a solicitation estimated at \$100,000 or more, for services being acquired on the basis of the number of hours to be provided rather than on the task to be performed. The final rule applies to all businesses, large and small that submit offers of \$100,000 or more on service contracts that are based on the number of hours to be provided.

The adoption of the DoD provision concerning uncompensated overtime in the FAR conforms with the goals of the OFPP policy letter to avoid problems commonly found with service contracts resulting from: (1) Unnecessarily vague statements of work, which increase costs or make it difficult to control costs; (2) Insufficient use of fixed-price and incentive fee pricing arrangements for repetitive requirements, resulting in increased costs and inadequate incentive to improve performance; and (3) Inadequate contract administration plans, which lead to unauthorized commitments by the Government and delayed contract completion. The primary purpose for obtaining the information and using it during the source selection process is to discourage the use of mandatory uncompensated overtime in proposals from the entire professional and technical services industry. The provision regarding uncompensated overtime applies equally to large and small business entities and provides an additional method to improve the Government's ability to acquire services of the requisite quality and to assess contractor performance and price. Because both large and small business concerns must be dealt with equally in this matter, we believe that the rule does not create a disproportionate burden on small entities.

C. Paperwork Reduction Act

The Paperwork Reduction Act is deemed to apply because the final rule contains information collection requirements. Accordingly, a request for approval of a new information collection requirement concerning service contracting was submitted to the Office of Management and Budget under 44 U.S.C. 3501, *et seq.*, and approved under OMB Control No. 9000-0152. Public comments concerning this request were invited through the **Federal Register** notice published at 61 FR 40288, August 1, 1996.

List of Subjects in 48 CFR Parts 7, 16, 37, 42, 46, and 52

Government procurement.

Dated: August 7, 1997.

Edward C. Loeb,

Director, Federal Acquisition Policy Division.

Therefore, 48 CFR Parts 7, 16, 37, 42, 46, and 52 are amended as set forth below:

1. The authority citation for 48 CFR Parts 7, 16, 37, 42, 46, and 52 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

PART 7—ACQUISITION PLANNING

2. Section 7.103 is amended by adding paragraph (q) to read as follows:

7.103 Agency-head responsibilities.

* * * * *

(q) Ensuring that knowledge gained from prior acquisitions is used to further refine requirements and acquisition strategies. For services, greater use of performance-based contracting methods and, therefore, fixed-price contracts (see 37.602-5) should occur for follow-on acquisitions.

3. Section 7.105 is amended in the introductory text by adding a sentence at the end of the paragraph; by revising paragraphs (a)(1), (a)(4), and (b)(6); by redesignating paragraphs (b)(18) through (b)(20) as (b)(19) through (b)(21) and adding a new (b)(18) to read as follows:

7.105 Contents of written acquisition plans.

* * * Acquisition plans for service contracts shall describe the strategies for implementing performance-based contracting methods or shall provide rationale for not using those methods (see subpart 37.6).

(a) *Acquisition background and objectives—(1) Statement of need.* Introduce the plan by a brief statement of need. Summarize the technical and contractual history of the acquisition. Discuss feasible acquisition alternatives, the impact of prior acquisitions on those alternatives, and any related in-house effort.

* * * * *

(4) *Capability or performance.* Specify the required capabilities or performance characteristics of the supplies or the performance standards of the services being acquired and state how they are related to the need.

* * * * *

(b) * * *

(6) *Product or service descriptions.* Explain the choice of product or service description types (including performance-based contracting descriptions) to be used in the acquisition.

* * * * *

(18) *Contract administration.* Describe how the contract will be administered. In contracts for services, include how inspection and acceptance corresponding to the work statement's performance criteria will be enforced.

* * * * *

PART 16—TYPES OF CONTRACTS

4. Section 16.104 is amended by adding paragraph (k) to read as follows:

16.104 Factors in selecting contract types.

* * * * *

(k) *Acquisition history.* Contractor risk usually decreases as the requirement is repetitively acquired. Also, product descriptions or descriptions of services

to be performed can be defined more clearly.

5. Section 16.402-2 is amended by revising the heading and paragraph (a); by redesignating paragraphs (b) through (g) as (c) through (h) and adding a new paragraph (b); and by revising the newly designated paragraph (e) to read as follows:

16.402-2 Performance incentives.

(a) Performance incentives may be considered in connection with specific product characteristics (e.g., a missile range, an aircraft speed, an engine thrust, or a vehicle maneuverability) or other specific elements of the contractor's performance. These incentives should be designed to relate profit or fee to results achieved by the contractor, compared with specified targets.

(b) To the maximum extent practicable, positive and negative performance incentives shall be considered in connection with service contracts for performance of objectively measurable tasks when quality of performance is critical and incentives are likely to motivate the contractor.

* * * * *

(e) Performance tests and/or assessments of work performance are generally essential in order to determine the degree of attainment of performance targets. Therefore, the contract must be as specific as possible in establishing test criteria (such as testing conditions, instrumentation precision, and data interpretation) and performance standards (such as the quality levels of services to be provided).

* * * * *

6. Section 16.405-1 is amended by revising the introductory text of paragraph (b)(1), and the last sentence of paragraph (b)(2) to read as follows:

16.405-1 Cost-plus-incentive-fee contracts.

* * * * *

(b) *Application.* (1) A cost-plus-incentive-fee contract is appropriate for services or development and test programs when—

* * * * *

(2) * * * This approach also may apply to other acquisitions, if the use of both cost and technical performance incentives is desirable and administratively practical.

* * * * *

PART 37—SERVICE CONTRACTING

7. Section 37.000 is amended by adding the following text as a new third sentence:

37.000 Scope of part.

* * * This part requires the use of performance-based contracting to the maximum extent practicable and prescribes policies and procedures for use of performance-based contracting methods (see subpart 37.6). * * *

8. Section 37.101 is amended by adding, in alphabetical order, the definition "Performance-based contracting" to read as follows:

37.101 Definitions.

* * * * *

Performance-based contracting means structuring all aspects of an acquisition around the purpose of the work to be performed as opposed to either the manner by which the work is to be performed or broad and imprecise statements of work.

* * * * *

9. Section 37.102 is amended by redesignating paragraphs (a) through (g) as (b) through (h) and adding a new paragraph (a) to read as follows:

37.102 Policy.

(a) Agencies shall use performance-based contracting methods (see subpart 37.6), to the maximum extent practicable, for the acquisition of services, including those acquired under supply contracts, except—

- (1) Architect-engineer services acquired in accordance with 40 U.S.C. 541-544, as amended (see part 36);
- (2) Construction (see part 36);
- (3) Utility services (see part 41); or
- (4) Services that are incidental to supply purchases.

* * * * *

10. Section 37.103 is amended by redesignating paragraphs "(c)" and "(d)" as "(d)" and "(e)" respectively, and adding a new paragraph (c) to read as follows:

37.103 Contracting officer responsibility.

* * * * *

(c) Ensure that performance-based contracting methods are used to the maximum extent practicable when acquiring services.

* * * * *

11. Section 37.106 is amended by adding paragraph (c) to read as follows:

37.106 Funding and term of service contracts.

* * * * *

(c) Agencies with statutory multiyear authority shall consider the use of this authority to encourage and promote economical business operations when acquiring services.

12. Sections 37.115 through 37.115-3 are added to read as follows:

37.115 Uncompensated overtime.

37.115-1 Scope.

The policies in this section are based on Section 834 of Public Law 101-510 (10 U.S.C. 2331).

37.115-2 General policy.

(a) Use of uncompensated overtime is not encouraged.

(b) When professional or technical services are acquired on the basis of the number of hours to be provided, rather than on the task to be performed, the solicitation shall require offerors to identify uncompensated overtime hours and the uncompensated overtime rate for direct charge Fair Labor Standards Act—exempt personnel included in their proposals and subcontractor proposals. This includes uncompensated overtime hours that are in indirect cost pools for personnel whose regular hours are normally charged direct.

37.115-3 Solicitation provision.

The contracting officer shall insert the provision at 52.237-10, Identification of Uncompensated Overtime, in all solicitations valued above the simplified acquisition threshold, for professional or technical services to be acquired on the basis of the number of hours to be provided.

13. Subpart 37.6, consisting of sections 37.600 through 37.602-5, is added to read as follows:

Subpart 37.6—Performance-Based Contracting

Sec.

- 37.600 Scope of subpart.
- 37.601 General.
- 37.602 Elements of performance-based contracting.
 - 37.602-1 Statements of work.
 - 37.602-2 Quality assurance.
 - 37.602-3 Selection procedures.
 - 37.602-4 Contract type.
 - 37.602-5 Follow-on and repetitive requirements.

Subpart 37.6—Performance-Based Contracting

37.600 Scope of subpart.

This subpart prescribes policies and procedures for use of performance-based contracting methods. It implements OFPP Policy Letter 91-2, Service Contracting.

37.601 General.

Performance-based contracting methods are intended to ensure that required performance quality levels are achieved and that total payment is related to the degree that services performed meet contract standards. Performance-based contracts—

(a) Describe the requirements in terms of results required rather than the methods of performance of the work;

(b) Use measurable performance standards (i.e., terms of quality, timeliness, quantity, etc.) and quality assurance surveillance plans (see 46.103(a) and 46.401(a));

(c) Specify procedures for reductions of fee or for reductions to the price of a fixed-price contract when services are not performed or do not meet contract requirements (see 46.407); and

(d) Include performance incentives where appropriate.

37.602 Elements of performance-based contracting.

37.602-1 Statements of work.

(a) Generally, statements of work shall define requirements in clear, concise language identifying specific work to be accomplished. Statements of work must be individually tailored to consider the period of performance, deliverable items, if any, and the desired degree of performance flexibility (see 11.105). In the case of task order contracts, the statement of work for the basic contract need only define the scope of the overall contract (see 16.504(a)(4)(iii)). The statement of work for each task issued under a task order contract shall comply with paragraph (b) of this subsection. To achieve the maximum benefits of performance-based contracting, task order contracts should be awarded on a multiple award basis (see 16.504(c) and 16.505(b)).

(b) When preparing statements of work, agencies shall, to the maximum extent practicable—

(1) Describe the work in terms of “what” is to be the required output rather than either “how” the work is to be accomplished or the number of hours to be provided (see 11.002(a)(2) and 11.101);

(2) Enable assessment of work performance against measurable performance standards;

(3) Rely on the use of measurable performance standards and financial incentives in a competitive environment to encourage competitors to develop and institute innovative and cost-effective methods of performing the work; and

(4) Avoid combining requirements into a single acquisition that is too broad for the agency or a prospective contractor to manage effectively.

37.602-2 Quality assurance.

Agencies shall develop quality assurance surveillance plans when acquiring services (see 46.103 and 46.401(a)). These plans shall recognize the responsibility of the contractor (see 46.105) to carry out its quality control

obligations and shall contain measurable inspection and acceptance criteria corresponding to the performance standards contained in the statement of work. The quality assurance surveillance plans shall focus on the level of performance required by the statement of work, rather than the methodology used by the contractor to achieve that level of performance.

37.602-3 Selection procedures.

Agencies shall use competitive negotiations when appropriate to ensure selection of services that offer the best value to the Government, cost and other factors considered (see 15.605).

37.602-4 Contract type.

Contract types most likely to motivate contractors to perform at optimal levels shall be chosen (see subpart 16.1 and, for research and development contracts, see 35.006). To the maximum extent practicable, performance incentives, either positive or negative or both, shall be incorporated into the contract to encourage contractors to increase efficiency and maximize performance (see subpart 16.4). These incentives shall correspond to the specific performance standards in the quality assurance surveillance plan and shall be capable of being measured objectively. Fixed-price contracts are generally appropriate for services that can be defined objectively and for which the risk of performance is manageable (see subpart 16.1).

37.602-5 Follow-on and repetitive requirements.

When acquiring services that previously have been provided by contract, agencies shall rely on the experience gained from the prior contract to incorporate performance-based contracting methods to the maximum extent practicable. This will facilitate the use of fixed-price contracts for such requirements for services. (See 7.105 for requirement to address performance-based contracting strategies in acquisition plans. See also 16.104(k).)

PART 42—CONTRACT ADMINISTRATION

14. Section 42.1102 is amended by adding the following sentence to the end of the paragraph:

42.1102 Applicability.

* * * See part 37, especially subpart 37.6, regarding surveillance of contracts for services.

PART 46—QUALITY ASSURANCE

15. Section 46.103 is amended by revising paragraph (a) to read as follows:

46.103 Contracting office responsibilities.

* * * * *

(a) Receiving from the activity responsible for technical requirements any specifications for inspection, testing, and other contract quality requirements essential to ensure the integrity of the supplies or services (the activity responsible for technical requirements is responsible for prescribing contract quality requirements, such as inspection and testing requirements or, for service contracts, a quality assurance surveillance plan);

* * * * *

16. Section 46.401 is amended by revising paragraph (a) to read as follows:

46.401 General.

(a) Government contract quality assurance shall be performed at such times (including any stage of manufacture or performance of services) and places (including subcontractors’ plants) as may be necessary to determine that the supplies or services conform to contract requirements. Quality assurance surveillance plans should be prepared in conjunction with the preparation of the statement of work. The plans should specify—

- (1) All work requiring surveillance; and
- (2) The method of surveillance.

* * * * *

17. Section 46.407 is amended in the introductory text of paragraph (f) by adding new second and third sentences to read as follows:

46.407 Nonconforming supplies or services.

* * * * *

(f) * * * For services, the contracting officer can consider identifying the value of the individual work requirements or tasks (subdivisions) that may be subject to price or fee reduction. This value may be used to determine an equitable adjustment for nonconforming services. * * *

* * * * *

PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

18. Section 52.237-10 is added to read as follows:

52.237-10 Identification of Uncompensated Overtime.

As prescribed in 37.115-3, insert the following provision:

Identification of Uncompensated Overtime (Oct 1997)

(a) *Definitions.* As used in this provision—*Uncompensated overtime* means the hours worked without additional compensation in excess of an average of 40 hours per week by direct charge employees who are exempt from the Fair Labor Standards Act. Compensated personal absences such as holidays, vacations, and sick leave shall be included in the normal work week for purposes of computing uncompensated overtime hours.

Uncompensated overtime rate is the rate that results from multiplying the hourly rate for a 40-hour work week by 40, and then dividing by the proposed hours per week. For example, 45 hours proposed on a 40-hour work week basis at \$20 per hour would be converted to an uncompensated overtime rate of \$17.78 per hour (\$20.00×40 divided by 45=\$17.78).

(b) For any proposed hours against which an uncompensated overtime rate is applied, the offeror shall identify in its proposal the hours in excess of an average of 40 hours per week, by labor category at the same level of detail as compensated hours, and the uncompensated overtime rate per hour, whether at the prime or subcontract level. This includes uncompensated overtime hours that are in indirect cost pools for personnel whose regular hours are normally charged direct.

(c) The offeror's accounting practices used to estimate uncompensated overtime must be consistent with its cost accounting practices used to accumulate and report uncompensated overtime hours.

(d) Proposals that include unrealistically low labor rates, or that do not otherwise demonstrate cost realism, will be considered in a risk assessment and will be evaluated for award in accordance with that assessment.

(e) The offeror shall include a copy of its policy addressing uncompensated overtime with its proposal.

(End of provision)

[FR Doc. 97-21492 Filed 8-21-97; 8:45 am]

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DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 8, 13, and 51

[FAC 97-01; FAR Case 96-602; Item VIII]

RIN 9000-AH29

Federal Acquisition Regulation; ADP/ Telecommunications Federal Supply Schedules

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

ACTION: Final rule.

SUMMARY: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council have agreed on a final rule amending the Federal Acquisition Regulation (FAR) with respect to GSA's Federal Supply Schedules program. This regulatory action was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993, and is not a major rule under 5 U.S.C. 804.

DATES: Effective October 21, 1997.

FOR FURTHER INFORMATION CONTACT: The FAR Secretariat, Room 4035, GS Building, Washington, DC 20405 (202) 501-4755 for information pertaining to status or publication schedules. For clarification of content, contact Ms. Linda Nelson, Procurement Analyst, at (202) 501-1900. Please cite FAC 97-01, FAR case 96-602.

SUPPLEMENTARY INFORMATION:

A. Background

This final rule amends FAR Parts 8, 13, and 51 to recognize the reassignment of Federal Supply Schedule contracts for ADP/Telecommunications to GSA's Federal Supply Service to add new coverage on the "GSA Advantage!" program, clarify when ordering offices should seek price reductions under schedule contracts, and to clarify procedures for placing schedule orders above the maximum order threshold.

A proposed rule requesting comment was published in the **Federal Register** at 61 FR 52844, October 8, 1996. Thirty-eight comments were received from twelve respondents. All comments were considered in developing the final rule.

B. Regulatory Flexibility Act

The Department of Defense, the General Services Administration, and the National Aeronautics and Space Administration certify that this final rule will not 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 the rule merely updates and clarifies guidance for Government agencies regarding use of the GSA Federal Supply Schedule program.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the changes to the FAR do not impose recordkeeping or information collection requirements, or collections of information from offerors, contractors, or members of the public which require the approval of the Office

of Management and Budget under 44 U.S.C. 3501, *et seq.*

List of Subjects in 48 CFR Parts 8, 13, and 51

Government procurement.

Dated: August 7, 1997.

Edward C. Loeb,

Director, Federal Acquisition Policy Division.

Therefore, 48 CFR Parts 8, 13, and 51 are amended as set forth below:

1. The authority citation for 48 CFR Parts 8, 13, and 51 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

PART 8—REQUIRED SOURCES OF SUPPLIES AND SERVICES

2. Section 8.401 is revised to read as follows:

8.401 General.

(a) The Federal Supply Schedule program, directed and managed by the General Services Administration (GSA), provides Federal agencies with a simplified process for obtaining commonly used commercial supplies and services at prices associated with volume buying (also see 8.001). Indefinite delivery contracts (including requirements contracts) are established with commercial firms to provide supplies and services at stated prices for given periods of time. Similar systems of schedule-type contracting are used for military items managed by the Department of Defense. These systems are not included in the Federal Supply Schedule program covered by this subpart.

(b) The GSA schedule contracting office issues publications, entitled Federal Supply Schedules, containing the information necessary for placing delivery orders with schedule contractors. Ordering offices issue delivery orders directly to the schedule contractors for the required supplies and services. Ordering offices may request copies of schedules by completing GSA Form 457, FSS Publications Mailing List Application, and mailing it to the GSA Centralized Mailing List Service (7CAFL), P.O. Box 6477, Fort Worth, TX 76115. Copies of GSA Form 457 also may be obtained from this address.

(c) GSA offers an on-line shopping service called "GSA Advantage!" that enables ordering offices to search product specific information (*i.e.*, national stock number, part number, common name), review delivery options, place orders directly with contractors (or ask GSA to place orders on the agency's behalf), and pay