U.S. Department of Justice

Federal Bureau of Prisons

Washington, D.C. 20534

Date:

To: All Government Dorm and Quarters Furniture Buyers and GSA Schedule Users

Subject: Expiration of Dorm and Quarters Furniture Pilot Program

In 1999, Federal Prison Industries, Inc. (FPI or trade name UNICOR) and the Quarters Furniture Manufacturers Association and its member companies (QFMA) began an innovative agreement regarding the procurement of Dorm and Quarters furniture (D&Q). The agreement established a five year pilot program, during which FPI's mandatory source for D&Q purchases was waived. The purpose of the program was to gauge how the Federal government marketplace would respond to the elimination of mandatory source. The pilot program, expired at the end of FY 2005 (September 30, 2005). Following implementation of the pilot program, Congress passed several new laws affecting the procurement process from FPI. In light of these changes, FPI felt that the appropriate course of action was to let the agreement expire and have agencies follow the procedures outlined in the applicable statutes and FAR 8.6 (70 F.R. 18954 (April 11, 2005)).

In the case of D&Q products, FPI has continued the waiver of its mandatory source. Therefore, if FPI's product is comparable, agencies may directly purchase such products from FPI at their discretion. If, after performing a comparability determination, however, they find the FPI product not comparable, they need not request a waiver before proceeding to use competitive procurement procedures.

Any comment or question may be sent to:

Federal Prison Industries, Inc
Dorm and Quarters Program Mgr.
400 First Street, NW
Washington, D.C. 20534

Quarters Furniture Manufacturers Ass.
c/o Matt Yanson, President
8425 Progress Drive, Suite BB
Frederick, MD 21701

Thank you for your interest.

Steve Schwalb 12/7/05

Steve Schwalb
Chief Operating Officer
Federal Prison Industries, Inc.

Matt Yanson 11/10/05

Matt Yanson
President
Quarters Furniture Manufacturing Ass.