

(3) Review the FMS recommendation to determine whether the offered new or improved article or service is still suitable for introduction into the procurement program or whether certain factors were uncovered during this review which indicate that an introduction would not be in the Government's best interest.

(i) If the review calls for rejecting the introduction into the system, FPN should contact FMS to obtain agreement on the rejection. (FPN is not required to make this contact since FPN has final responsibility for determining acceptability of the application, but may wish to do so to corroborate the decision to reject.)

(ii) The rejection shall be recorded on GSA Form 6477, mentioning FMS agreement, when appropriate. The New Item case file shall be closed out after including completed GSA Form 6477 and a copy of a letter from FPN to the applicant explaining why the application was rejected. A copy of this letter to the applicant shall be forwarded to FMSD and to the BSC in (a), above.

(4) If FPN finds the new or improved article or service suitable, a determination shall be made about the most appropriate method of procurement. This determination shall be entered on GSA Form 6477, including the reasons for the selection. The applicant shall be notified in writing (with copy to the BSC) when it has been determined to accept his product or service. Following is a guide for making selections for the method of procurement:

(i) *Use of existing Federal Supply Schedules.* If a new or improved item (commodity or service) is related to and is suitable for inclusion in an existing Schedule, it will be so assigned. If the item is to be procured competitively, a request for specification shall be initiated immediately.

(ii) *Use of stock system.* While, as a general rule, the New Item Introductory Schedule method is preferred for the initial introduction of a new item, there are circumstances which may justify its introduction directly into the stock system, if there is evidence of existing demand. Such demand must be sufficiently large to meet the criteria for inclusion in the stock program. Evidence of existing demand must be filed in the case file and may be in the form of statements from any Federal agency or FSS region. However, before an item can be placed into the stock system a specification must be developed in order to permit competitive procurement.

(iii) *New Item Schedule.* If the item is not suitable to warrant its inclusion in the stock program or in an existing Schedule, it may be considered for assignment to a "New Item Introductory Schedule" as described below.

(A) The New Item Introductory Schedule is to provide an economical and expeditious method for testing the demand for new items for which demand is unknown or uncertain. Procurement of items on the New Item Introductory Schedule will be on a proprietary brand name basis during the period of the test-

ing of demand. (Authority: Section 302(c)(10) Federal Property and Administrative Services Act, as amended.)

(B) Noncompetitive procurement of these items will avoid the delay of preparing specifications and developing a list of bidders for items which may not result in sufficient demand to warrant their inclusion in a regular supply program. The New Item Introductory Schedule has the following characteristics:

(I) Covers all FSC classes;
(II) Mandatory for use by GSA and optional for use by all other Federal agencies;

(III) Remains continuously in effect with items added or deleted by subsequent cumulative issuances, representing a conglomerate of individual annual indefinite quantity negotiated contracts of brand name items with provision for annual renewals not to exceed a total period of 3 years;

(IV) Contains a provision for evaluation by the contracting officer with respect to demand at the end of 1 year to determine whether to (a) drop the item from further consideration, (b) incorporate the item in one of the regular supply programs on a competitive basis, or (c) continue under New Item Introductory Schedule for renewal but not to exceed a total of 3 years to obtain additional data.

(iv) *Pilot testing in self-service store.* As a supplementary method of establishing demand, a new item may be designated for demand testing in the self-service store system. In this event, necessary arrangements will be made with the Chief, Special Programs Branch (FSDP), Office of Supply Distribution, including the provision for a report of sales on the item from the self-service store.

(v) *Other actions.* Other actions may be taken to include an accepted item into the system as necessary. For example, this may be by the use of GSA Form 1303, Request for Federal Cataloging Action, procedure to obtain a Federal Stock Number, by registering the item and assigning an item status code, etc.

(d) For properly monitoring the new item program and as a management tool, organizational elements within the Federal Supply Service which are parties to any actions dealing with this program shall establish periodic monitoring and reporting procedures.

PART 5A-16—PROCUREMENT FORMS

The table of contents for Part 5A-16 is amended to add the following new entries:

5A-16.950-1171	GSA Form 1171, Application for Presenting New or Improved Articles, and Instructions for Submitting the Form.
5A-16.950-6220	GSA Form 6220, Introductory Contractor's Record.
5A-16.950-6477	GSA Form 6477, New Item Application Summary.

NOTE: Copies of the forms illustrated in Part 5A-16 are filed with the original documents.

(Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c); 41 CFR 5-1.101(c))

Effective date. This regulation is effective on August 1, 1973.

Dated: July 2, 1973.

M. J. TIMBERS,
Commissioner,
Federal Supply Service.

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Title 49—Transportation

CHAPTER I—DEPARTMENT OF TRANSPORTATION

[Docket No. HM-22; Amdt. No. 171-19]

SUBCHAPTER A—HAZARDOUS MATERIALS REGULATIONS BOARD

PART 171—GENERAL INFORMATION AND REGULATIONS

Matter Incorporated by Reference

The purpose of this amendment to the Hazardous Materials Regulations is to update the reference to the addenda to sections VIII (division I) and IX of the "American Society of Mechanical Engineers Boiler and Pressure Vessel Code."

On April 23, 1973, the Board published a notice of proposed rule making, Docket No. HM-22; Notice No. 73-3 (38 F.R. 10014) proposing to make the above change. One comment was received which was in agreement with the proposal.

In consideration of the foregoing, Title 49, Part 171, is amended as follows:

In § 171.7, paragraph (d) (1) is amended to read as follows:

§ 171.7 Matter incorporated by reference.

(d) * * *

(1) ASME Code means sections VIII (Division I) and IX of the 1971 edition of the "American Society of Mechanical Engineers Boiler and Pressure Vessel Code," and addenda thereto through December 31, 1972.

This amendment is effective Sept. 30, 1973. However, immediate compliance with the regulations, as amended herein, is authorized.

(Sec. 831-835, Title 18, United States Code; sec. 9, Department of Transportation Act, 49 U.S.C. 1657; Title VI, sec. 902(h), Federal Aviation Act of 1958, 49 U.S.C. 1421-1430, 1472, 1655(c))

Issued in Washington, D.C. on July 12, 1973.

JAMES F. RUDOLPH,
Board Member for the
Federal Aviation Administration.

KENNETH L. PIERSON,
Alternate Board Member for the
Federal Highway Administration.

MAC E. ROGERS,
Board Member for the
Federal Railroad Administration.

W. F. REA, III,
Rear Admiral, Board Member for
the United States Coast Guard.

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