For the Nuclear Regulatory Commission. **Michael J. Case**,

Acting Director, Project Directorate I-I, Division of Reactor Projects—I/II, Office of Nuclear Reactor Regulation. [FR Doc. 95–1472 Filed 1–19–95; 8:45 am]

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# OFFICE OF MANAGEMENT AND BUDGET

#### Office of Federal Procurement Policy

## Federal Acquisition Regulation (FAR) REWRITE

**AGENCY:** Office of Federal Procurement Policy, Office of Management and Budget.

**ACTION:** Notice of Core Guiding Principles for the Federal Acquisition System.

**SUMMARY:** The Board of Directors for the FAR Rewrite Project finalizes the core guiding principles for the federal acquisition system.

DATES: Effective January 20, 1995. FOR FURTHER INFORMATION CONTACT: Susan E. Alesi, Special Assistant for Regulations, Office of Federal Procurement Policy, 202–395–6803.

SUPPLEMENTARY INFORMATION: On September 7, 1993, the Vice President released the report of the National Performance Review (NPR) which, among other things, requires the Administration to simplify the procurement process through reform of the federal acquisition regulatory system. In response to the report, Steve Kelman, the Administrator for Federal Procurement Policy, established a Board of Directors, comprised of senior level individuals from the Executive Branch,

to develop a plan for regulatory reform. As a first step the Board decided to formulate a set of core guiding principles intended as a vision statement for the federal acquisition system. The Board also decided to supplement the basic principles with accompanying discussion and performance standards for the system.

The first drafts of principles (59 FR 26772 and 59 FR 52844) drew on the concepts espoused by the NPR and what the Board considered to be good business practices such as greater reliance on the good sense and business judgment of the procurement workforce; satisfying the needs of the customer; reducing unnecessary layers of review; emphasizing the importance of timeliness in the procurement process; and an orientation to best value judgments in making contract awards.

The final version of the principles clarifies the principles set forth in the first draft and includes an additional concept, suggested through the public comment process, which the Board believes would significantly increase the opportunity for innovation in procurement. Thus, the revised set of principles make it clear that if a policy is not specifically addressed in the FAR, Government members of the acquisition team should not assume that it is prohibited.

It is intended that the core principles be used in a twofold manner; first, they will be issued in the preface to the FAR not only as a statement of the goals of the system but also to guide future changes to the FAR; and second, they will be used by the drafting teams in the actual rewrite of the FAR.

We encourage agencies to make this statement of core guiding principles available to program customers and contractors, and to make the core principles a part of the basic training materials provided to all personnel involved in the acquisition process.

#### Statement of Guiding Principles Federal Acquisition System

The vision for the Federal Acquisition System is to deliver on a timely basis the best value product or service to the customer, while maintaining the public's trust and fulfilling public policy objectives. Participants in the acquisition process should work together as a team and should be empowered to make decisions within their area of responsibility.

The Federal Acquisition System will:

\* satisfy the customer in terms of cost, quality, and timeliness of the delivered product or service, by, for example,

\*\* maximizing the use of commercial products and services,

- \*\* using contractors with a track record of successful past performance or who demonstrate a current superior ability to perform, and
  - \*\* promoting competition;
- \* minimize administrative operating
- \* conduct business with integrity, fairness, and openness; and

\* fulfill public policy objectives.
The Acquisition Team consists of all participants in Government acquisition including not only representatives of the technical, supply and procurement communities but also the customers they serve, and the contractors who provide the products and services.

The role of each member of the Acquisition Team is to exercise personal initiative and sound business judgment in providing the best value product or service to meet the customer's needs. In exercising initiative, Government members of the Acquisition Team may assume that if a specific strategy, practice, policy or procedure is in the best interests of the Government and is not addressed in the FAR, nor prohibited by law (statute or case law), Executive Order or other regulation, that the strategy, practice, policy or procedure is a permissible exercise of authority.

#### Discussion

Introduction

The Statement of Acquisition Guiding Principles for the Federal Acquisition System (System) represents a concise statement designed to be user-friendly for all participants in Government acquisition. The following discussion of the principles is provided in order to illuminate the meaning of the terms and phrases used. The framework for the System includes the Guiding Principles for the System and the supporting policies and procedures in the Federal Acquisition Regulation (FAR).

#### Vision

All participants in the System are responsible for making acquisition decisions that deliver the best value product or service to the customer. Best value must be viewed from a broad perspective and is achieved by balancing the many competing interests in the System. The result is a system which works better and costs less.

### **Performance Standards**

 Satisfy the Customer in Terms of Cost, Quality, and Timeliness of the Delivered Product or Service

The principle customers for the product or service provided by the System are the users and line managers, acting on behalf of the American taxpayer.

The System must be responsive and adaptive to customer needs, concerns, and feedback. Implementation of acquisition policies and procedures, as well as consideration of timeliness, quality, and cost throughout the process, must take into account the perspective of the user of the product or service.

When selecting contractors to provide products or perform services, the government will use contractors who have a track record of successful past performance or who demonstrate a current superior ability to perform.

The government must not hesitate to communicate with the commercial sector as early as possible in the acquisition cycle to help the