

POLICY FLASH 2006,23

Policy Flash 2006-23

DATE: April 5, 2006

TO: Procurement Directors

FROM: Office of Procurement and Assistance Policy, MA-61
Office of Procurement and Assistance Management

SUBJECT: **Final Rule - Elimination of the Make-or-Buy Plan Requirement for Management and Operating Contracts**

SUMMARY: The March 31, 2006 *Federal Register* contained a final rule eliminating the Department of Energy Acquisition Regulation requirement for Make-or-Buy Plans for management and operating contracts, The Electronic DEAR has been updated.

A summary of changes is attached.

This Flash and summary of changes may be viewed at
<http://procurement.doe.gov>.

Questions may be referred to Richard Langston (202) 287-1339 or
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Michael P. Fischetti

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Attachment

SUMMARY OF CHANGES IN MAKE-OR-BUY ELIMINATION

A study of the Make-or-Buy process concluded that it was costly to administer and did not produce the expected benefits.

1. Section 901.105 is amended to remove the reference to the Make-or-Buy paperwork clearance under the Paperwork Reduction Act.
2. Section 970.1504-4-1, Make-or-Buy Plans, is removed. It included 970.1504-4-2, Policy, and 970.1504-3, Requirements.
3. Section 970.1504-5(b) is removed. It was the instruction for use of the Make-or-Buy Plan clause.
4. Section 970.5203-1, Management Controls, is amended to include outsourcing of functions as a consideration of efficient and effective operations.
5. Section 970.5204-2, Laws, Regulations and DOE Directives, is amended to provide a requirement for contractors to consider outsourcing as a mechanism to increase improvement in the management of their contracts.
6. Section 970.5215-2, Make-or-Buy Plan, is removed and reserved.
7. Section 970.5244-1, Contractor Purchasing System, is amended to remove and reserve paragraph (n).