

Blanket Purchase Agreements (BPAs) and the GSA MAS Program

Student Guide



List of Acronyms and Websites

Below are acronyms that appear in this guide. The corresponding website addresses are listed when available.

BPA	Blanket Purchase Agreement www.gsa.gov/bpa
IFF	Industrial Funding Fee
eBuy	GSA's electronic RFQ posting web site www.gsa.gov/ebuy
eLibrary	Market research tool www.gsaelibrary.gsa.gov
FAR	Federal Acquisition Regulation www.acquisition.gov/far/index.html
FAS	Federal Acquisition Service www.gsa.gov/fas
FSS	Federal Supply Schedules (aka Multiple Award Schedules)
GSA	General Services Administration www.gsa.gov
MAS	Multiple Award Schedule www.gsa.gov/schedules
MAS Desk Reference	http://www.gsa.gov/portal/content/226369
PPIRS	Past Performance Information Retrieval System www.ppirs.gov
RFQ	Request for Quotation
SAT	Simplified Acquisition Threshold
SIN	Special Item Number
SOW	Statement of Work

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Course Introduction

Welcome to GSA's *Blanket Purchase Agreements (BPAs) and the GSA MAS Program* training. This course is designed for the Federal 1102 community working in both civilian and military agencies.

BPAs are an excellent method for an ordering activity to fulfill recurring requirements. BPAs can be used for simple recurring requirements or complex services requirements. In this course, you will learn how BPAs leverage an ordering activity's buying power by taking advantage of quantity discounts, saving administrative time and reducing paperwork.

Course Outline

This course has six main topics.

- Topic 1: Introduction to the MAS Program**
- Topic 2: Benefits of the MAS Program**
- Topic 3: Types of Schedules and Characteristics**
- Topic 4: Introduction to BPAs**
- Topic 5: Establishing BPAs**
- Topic 6: Ordering Procedures**

Course Objectives

Upon completion of this course, you should be able to:

- ❖ Describe the purpose and benefits of the Multiple Awards Schedule (MAS) program
- ❖ Describe the role of a Blanket Purchase Agreement (BPA) in the MAS program
- ❖ Describe the process and requirements used to establish BPAs
- ❖ Recognize the ordering procedures for BPAs

Topic 1: Introduction to the MAS Program

What Is a Multiple Award Schedule?

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- Governmentwide contract vehicle for **commercial** products, services, and solutions
- Also known as “Federal Supply Schedule (FSS),” “GSA Schedules” or “MAS”
- Standing solicitations posted on FedBizOpps
- Awarded using FAR Part 12 procedures

GSA Schedules

The Multiple Award Schedule (MAS) program provides eligible ordering activities with a simplified process for obtaining supplies and services. Schedule contracts are multiple award, indefinite delivery/indefinite quantity (IDIQ) contracts, which are awarded to responsible companies that offer commercial supplies or services at fair and reasonable prices. Products and services are ordered directly from Schedule contractors.

Multiple Award Schedules are also known colloquially as “GSA numbers,” “GSA Schedules,” “GSA contracts,” “Federal Supply Schedules (FSS)” and the “GSA list.” All of these terms are used synonymously within the Federal contracting community to refer to the GSA MAS program.

Through the MAS program, GSA contracts with thousands of commercial businesses that provide access to a vast array of professional services, such as management, financial, engineering, environmental, accounting, graphic design, and landscaping services. In addition to commercial services, commercial supplies that are offered range from computer hardware to office supplies.

FSS website: www.gsa.gov/schedules

MAS Contract Characteristics

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- Multiple Award IDIQ (5 year base, three 5 year options)
- Fixed-Price or Fixed-Price with EPA
- Fair and reasonable pricing
 - Price reductions may be applied at the order level.
- Performance requirements established at the order level

Quantity and Delivery/Performance Requirements

As IDIQ contracts, the Schedules themselves contain no specific quantities, other than minimum and maximum threshold amounts. The ordering activity sets specific order quantities and specific delivery/performance dates when issuing an order under the Schedule contract. When issuing an order:

- ❖ Delivery or performance periods and all other order requirements must conform to the applicable terms and conditions of the Schedule contract, but
- ❖ An ordering activity may add additional terms and conditions as long as they do not conflict with the Schedule contract.

Limits on Order Placement and Timing

In accordance with FAR Subparts 8.405-1 and 8.405-2, Schedule users:

- ❖ May issue orders for supplies, or for services not requiring a Statement of Work (SOW) orally, by facsimile, by paper order, or electronic commerce methods.
- ❖ May not issue oral orders when ordering services requiring an SOW. Orders by facsimile, by paper order, or electronic commerce methods are authorized.
- ❖ May place an order anytime during the effective period of the Schedule contract. Any order not completed within the period of the Schedule contract must be completed within the time specified in the order.
- ❖ May not issue oral orders for brand name items when the order exceeds \$25,000.
- ❖ May not place repetitive orders for the same items to attempt to avoid exceeding the Simplified Acquisition Threshold (SAT), which is currently \$150,000, and to hold a proper competition.

Negotiating Reductions to Schedule Prices

- ❖ Requesting price reductions is permitted at any time. Vendors may offer reduced prices based on specific quantities, overall volume, delivery requirements, and other order-specific terms and conditions.
- ❖ The Government buyer is **required to request** reductions for any requirement (order or BPA) in excess of the SAT.
- ❖ Vendors are not required to agree to any reductions.

Regulatory Foundation

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FAR	Provides	Applicability
Subpart 8.4	Ordering procedures for GSA Schedules	Federal Government ordering activities
Part 12	Acquisition of Commercial Items	GSA awards Schedule contracts under Part 12
Subpart 6.102(d)(3)	Defines orders placed against Schedules as a competitive procedure	All

The **Federal Acquisition Regulation (FAR)** provides the primary regulatory guidance for the GSA Schedules program. The **General Services Acquisition Regulation (GSAR)** is the GSA FAR supplement. The GSAR provides guidance tailored to GSA acquisitions, including GSA Schedules contracting. GSAR guidance primarily affects GSA Schedules by providing supplementary guidance to the Contracting Officers awarding and administering GSA Schedule contracts.

FAR Subpart 8.4, Federal Supply Schedules, prescribes procedures that Federal Government ordering activities must follow when issuing orders against GSA Schedules. Orders placed following these procedures are considered to be issued using full and open competition. (See FAR Subpart 8.404(a))

FAR Part 12, Acquisition of Commercial Items, prescribes policies and procedures unique to the acquisition of commercial items. It implements the Federal Government's preference for the acquisition of commercial items contained in Title VIII of the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) by establishing acquisition policies more closely resembling those of the commercial marketplace and encouraging the acquisition of commercial items and components.

FAR Subpart 6.102(d)(3), Competition Requirements, pertains to the use of competitive procedures. It states use of MAS issued under the procedures established by the Administrator of General Services consistent with the requirement of 41 U.S.C. 259(b)(3)(A) for the MAS program of the General Services Administration is a competitive procedure.

FAR Applicability to Schedules

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FAR	Title	Applicable
Part 13	Simplified Acquisition Procedures	NO (except allows for MAS BPAs)
Part 14	Sealed Bidding	NO
Part 15	Contracting by Negotiation	NO
Part 19	Small Business Programs	NO (except Bundling)
Part 36	Construction and A&E	NO
Part 7	Acquisition Planning	YES
Part 10	Market Research	YES
Subpart 17.5	Interagency Acquisitions	YES
Subpart 33.1	Protests	YES
Subpart 37.6	Performance Based Acquisition	YES
Part 39	Acquisition of Information Technology	YES

The primary regulatory guidance is provided by the **Federal Acquisition Regulation (FAR)**:

- ❖ **FAR Subpart 8.4, Federal Supply Schedules**, prescribes procedures that Federal Government ordering activities **must** follow when issuing orders against GSA Schedules. Awards made following these procedures are considered competitive.
- ❖ The **General Services Acquisition Regulation (GSAR)** is the GSA FAR supplement and is a subset of the General Services Acquisition Manual (GSAM). GSAR provides guidance tailored to GSA acquisitions, including GSA Schedules contracting. GSAR guidance primarily affects GSA Schedules by providing supplementary guidance to the contracting activities that are awarding and administering GSA Schedule contracts.
- ❖ All GSA Schedule contracts are awarded using FAR Part 12, Acquisition of Commercial Items.

Any agency utilizing GSA Schedules **must** use the procedures described in FAR Subpart 8.4. Some agencies issue supplementary guidance to the FAR. For example, the DoD has the Defense Federal Acquisition Regulation Supplement (DFARS); the Army has the Army Federal Acquisition Regulation Supplement (AFARS) in addition to the DFARS; and NASA has the NASA FAR Supplement (NFS). The competition requirements for civilian agencies and DoD are the **same**. The one exception is the DoD requires the Contracting Officer to consider additional steps when only one response is received to a competitive solicitation over the SAT.

Notes:

- ❖ Acquisition planning is required for all acquisitions over the micro-purchase threshold, which is currently \$3,500.
- ❖ FedBizOpps notice is only required post-award for a limited sources acquisition.
- ❖ Responsibility determinations are made by GSA, at the contract level.
- ❖ Terms and conditions are already set in the Schedule contracts.
- ❖ Fair and reasonable pricing has already been determined in the Schedules, though over the SAT, agencies **must** request price reductions.

Topic 2: Benefits of the MAS Program

FAR Subpart 8.4 Simplifies the Solicitation Process

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In contrast to FAR Part 15, *Contracting by Negotiation*, Schedule orders do not require:

- Conducting a formal “negotiated procurement” (Source Selection Evaluation Board (SSEB))
- Issuing a “solicitation” for thirty days (or any other pre-determined time)
- Conducting a “competition” by seeking contractors outside the Schedules program
- Synopsizing the requirement on FedBizOpps, unless it’s a limited sources acquisition over the SAT
- Conducting “discussions”
- Conducting formal “debriefings” or “competitive range determinations”
- Using FAR Subpart 15.3 concepts and procedures

FAR Subpart 8.4 provides ordering procedures for placing orders against a GSA Schedule. FAR Part 13, *Simplified Acquisition Procedures*, Part 15, *Contracting by Negotiation*, and FAR Part 19, *Small Business Programs* (except for FAR Part 19.202-1(e)(1)(iii)), are **NOT** applicable to orders placed against Multiple Award Schedules. (Exception: FAR 13.303-2(c)(3) allows for BPAs to be established with Multiple Award Schedule contractors, if not inconsistent with the terms of the applicable Schedule contract, but see FAR 8.405-3 for BPA procedures under Schedules.)

Under FAR Subpart 8.4, ordering activities do **not**:

- ❖ Conduct a formal “negotiated procurement.”
- ❖ Issue a “solicitation” for 30 days (or any other pre-determined time).
- ❖ Conduct “discussions.”
- ❖ Conduct formal “debriefings.”
- ❖ Use FAR Subpart 15.3 concepts and procedures.

Not using FAR Subpart 15.3 concepts and procedures has the following implications for your task order selection process:

- ❖ There is no requirement to follow the FAR 15.305 requirement to “evaluate competitive proposals and then assess their relative qualities.” In other words, your evaluation system can immediately compare (and remember, we don’t say “compete” because the CICA requirements have already been met) one quote to another in order to determine the rank ordering for selection.
- ❖ You are not bound by the rules in FAR Subpart 15.3 for evaluating past performance, such as the requirement to provide a neutral rating to a quote without any past

performance. Further, if you choose not to use past performance as an evaluation factor, there is no requirement to document the file with your rationale.

- ❖ There is no requirement to capture “the relative strengths, deficiencies, significant weaknesses, and risks supporting proposal evaluation...” as required in FAR Subpart 15.305. This means your evaluation system can be very streamlined. There is no requirement to set a competitive range using all the published evaluation factors. This means that you can save yourself and the Schedule contractor considerable time and money by phasing your procurement in a manner that uses the least costly factors to initially down-select the quoters.
- ❖ Because a competitive range is not established, there is no need to be overly focused on the nature of exchanges with the quoter. You can engage in detailed exchanges about any aspect of a quote at any time. Naturally, you should make every effort to treat each quoter equitably. You must not be biased, arbitrary or capricious, and your decisions must be adequately (but not overly) documented.



NUTS AND BOLTS TIP

PROTEST RISK. If an agency issues a Schedule order using FAR Part 15 terminology and procedures, protest review authorities, such as the GAO and the courts, may sustain a protest against the order using FAR Part 15 procedures.

GSA Schedules Conform with Competitive Contracting

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Schedule users shall not:

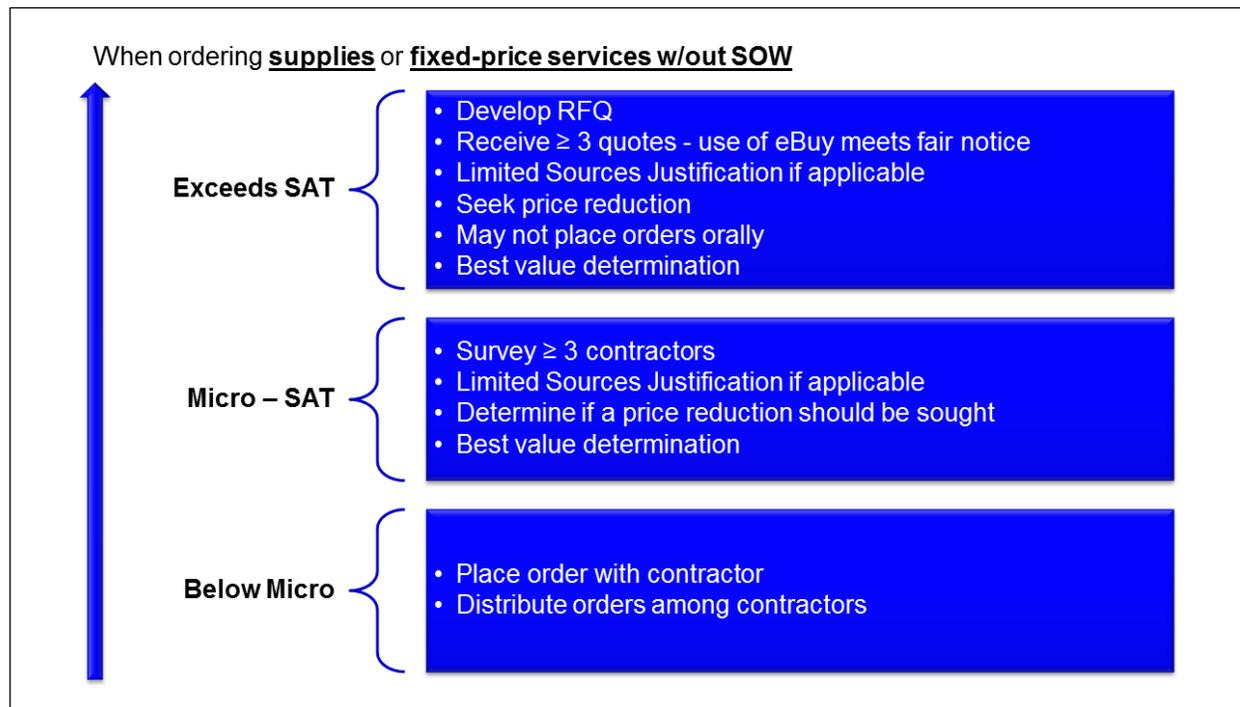
- Seek further competition outside of the MAS program
- Synopsise the requirement

(unless limited sources greater than SAT with an LSJ – See 8.404(g))

FAR Subpart 8.404(a)

Ordering Procedures - FAR Subpart 8.405-1

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When Is an SOW Not Required?

According to FAR Subpart 8.405-1, when acquiring fixed-price services or supplies through GSA Schedules, an SOW is not required when the dollar value of the order or BPA:

- ❖ **Is at or below the micro-purchase threshold.** You may place the order directly with the selected vendor. FAR procedures for acquisitions at or below the micro-purchase threshold emphasize simplicity and fair treatment. Supporting documentation, including extensive information, collection, and evaluation, is not required. However, the Schedule user should attempt to distribute orders among Schedule contractors.
- ❖ **Exceeds the micro-purchase threshold, but not the Simplified Acquisition Threshold.** You should obtain at least three quotes, always documenting your contract file, and select the best value quote.
 - Survey at least three Schedule contractors, considering price and other identified best value factors.
 - Consider ordering from contractors that help you meet your agency's socioeconomic goals.
 - Use a Request for Quotation (RFQ) only if it is the most efficient method for gathering the information needed to evaluate solutions available under GSA

Schedules. When using an RFQ, the Schedule user must provide the RFQ, including the evaluation criteria, to any Schedule contractor (under the appropriate Schedule) who requests a copy.

- The Schedule user should seek a price reduction when:
 - Market research reveals that the supply or service is available elsewhere at prices lower than those available from Schedule contractors.
 - The Schedule contractor has been or will be selected to provide recurring requirements, and the size of the recurring orders appears to merit a price reduction.
 - Market research identifies other information indicating that a price reduction is appropriate.
- ❖ **Exceeds the Simplified Acquisition Threshold**, or when establishing a BPA. The ordering activity shall seek a price reduction, survey more than three contractors, and select the best value quote. If further price reductions are not offered, an order may still be placed. *eBuy* shall be used as one method to ensure at least three written quotations are received. If fewer than three are received, the Contracting Officer must document the file as to the actions taken to ensure competitive quotations, and what can be done in future acquisitions to enhance competition. Procedures also apply for DoD agencies when the value of the order exceeds the Simplified Acquisition Threshold (\$150,000) and only one offer was received (DFARS 208.404 and 208.405–70). If fewer than 30 days for offer submission was allowed, the Contracting Officer must consider promoting competition by revising the requirements document to eliminate any barriers and by permitting more time for receipt of offers when fewer than 30 days was initially allowed. The Contracting Officer must either re-solicit for 30 days or more or request a waiver. If the Contracting Officer still receives only one offer, he/she must determine prices to be fair and reasonable through price or cost analysis or enter negotiations with the quoter. Remember, under the Schedules program you cannot compete outside of the program, so the Contracting Officer should consider whether or not there are any valid sources available or if sources have been exhausted through the use of *eBuy*.



NUTS AND BOLTS TIP

Schedule contractors are not required to pass on to all GSA Schedule users a one-time spot price reduction provided to a single agency.



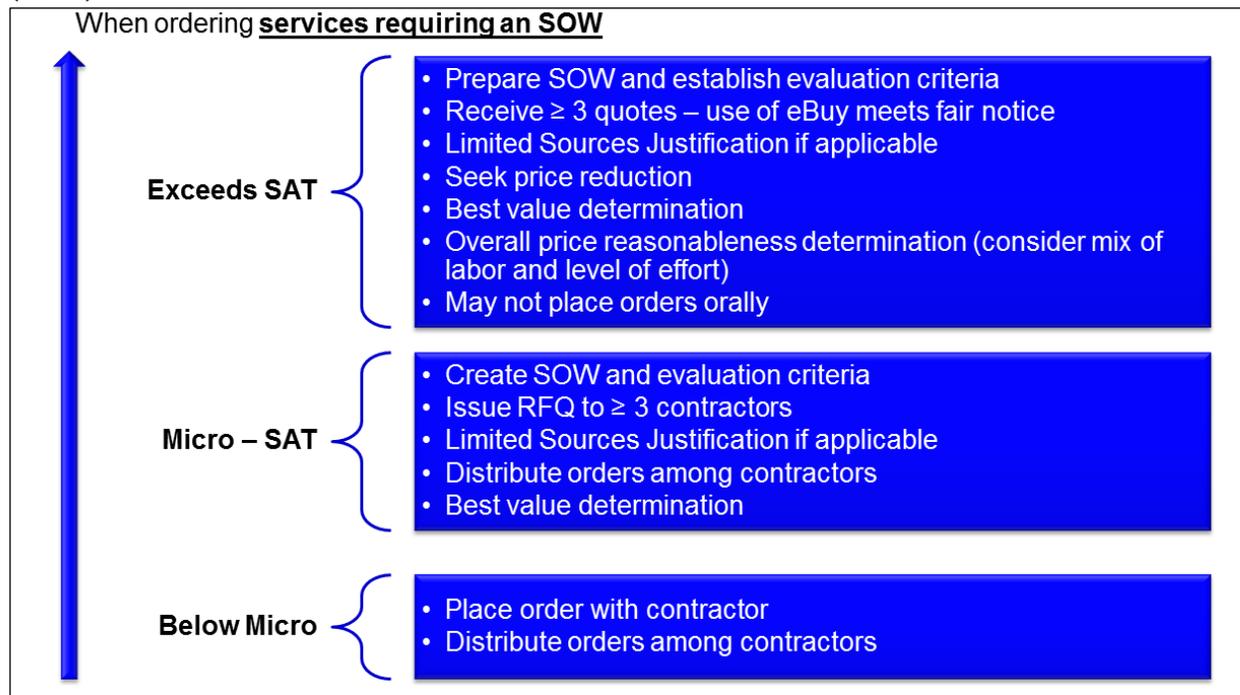
NUTS AND BOLTS TIP

FAR Subpart 9.405-1(b) prohibits ordering from any Schedule contractor that is debarred, suspended, or proposed for debarment unless the agency head makes a written determination of the compelling reasons for such action.

A Schedule user can review the contractor's information page in GSA *eLibrary* (www.gsaelibrary.gsa.gov) to determine whether the prospective contractor is debarred, suspended, or proposed for debarment.

Ordering Procedures - FAR Subpart 8.405-2

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When Is an SOW Required?

For services offered in Schedule contracts at hourly rates, Schedule users must develop RFQs and include the SOW and evaluation criteria to Schedule contractors who offer services that will meet the agency's needs. The SOW and RFQ requirements differ by dollar value. The RFQ may be posted on *eBuy*.

If an order requires an SOW, the first step in the decision process is to review the quotes. The price quote review focuses on the quality of the vendor's capabilities or products, the proposed solution, the prices, and any other pre-determined evaluation criteria.

If an SOW/Performance Work Statement (PWS)/Statement of Objectives (SOO) is not required, the first step is to compare prices from appropriate Schedule contractors. If the order requires an SOW/PWS/SOO, the ordering activity has the option to ask quoters to give oral presentations after quotation submission. The oral presentations can help the ordering activity clarify details, become acquainted with the contractors' personnel, and provide additional comparison points for decision making.

After comparing prices and other factors, the ordering activity chooses the contractor who can provide the best value to the Government.

Topic 3: Types of Schedules and Characteristics

MAS Schedule Facts

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- GSA offers over 40 million supplies and services.
- 23 open and standing solicitations published on FedBizOpps (including 9 managed by VA)
- Over 19,000 Schedule contracts
 - 80% are small businesses.
 - Orders and BPAs can be set aside for small businesses.
- \$33.4B MAS + \$13.8B VA = \$47.2B Total Sales (Spend)

GSA Schedules provide access to over 40 million commercial supplies (products) and services at volume discount pricing. The Schedule List in the GSA *eLibrary* contains a list of all GSA and VA Schedules. The generic categories of supplies and services available under each Schedule may be viewed by clicking on the Schedule number in the Source column. Supplies and services are identified in each Schedule by Special Item Number (SIN).

Special Item Numbers (SINs)

Within each Schedule are specific SINs. SINs are groups of similar (but not identical) supplies or services that are intended to meet similar customer requirements; SINs are also known as categories.

Each Schedule is comprised of multiple SINs. For example, under the Professional Services Schedule (PSS), *Mission Oriented Business Integrated Services (MOBIS)* has seven SINs:

- 874-1, Integrated Consulting Services
- 874-4, Training Services
- 874-5, Ancillary Supplies and/or Services
- 874-6, Acquisition Management Support
- 874-7, Integrated Business Program Support Services
- 874-8, DAU and FAI Certified DAWIA Training
- 874-9, Off the Shelf Training Devices and Training Materials

GSA Schedules are awarded on an indefinite delivery/indefinite quantity (IDIQ) basis. The total quantity of services or supplies that will be acquired under the Schedule contract and the

specific time for delivery of those items are not set in the contract. Schedule solicitations include only estimated total Schedule acquisition dollars for each SIN.

The quantity and names of Schedules and SINs change from time to time. GSA *eLibrary* (www.gsaelibrary.gsa.gov) provides a current listing of all Schedule contracts and links to additional information about each Schedule.

What Services Are Available on Schedule?

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- | | |
|--|---|
| <input type="checkbox"/> Environmental Services | <input type="checkbox"/> Information Technology Services |
| <input type="checkbox"/> Professional Engineering Services | <input type="checkbox"/> Advertising and Marketing Services |
| <input type="checkbox"/> Logistics Services | <input type="checkbox"/> Financial and Business Solutions |
| <input type="checkbox"/> Language Services | <input type="checkbox"/> Security Solutions |
| <input type="checkbox"/> Management and Consulting Services (including Training) | <input type="checkbox"/> Facilities Maintenance |
| <input type="checkbox"/> Temporary Administrative and Professional Services | <input type="checkbox"/> Disaster Relief |

Note: For a comprehensive list of services, please visit GSA eLibrary. www.gsaelibrary.gsa.gov

GSA Schedule Contract Fundamentals

Solicitations for GSA Schedule contracts are “open and continuous solicitations” issued through FedBizOpps. Vendors wishing to become GSA Schedule contractors may submit an offer at any time. More information on Schedule solicitations may be found at www.gsa.gov/schedulesolicitations.

GSA Schedule contracts have a base period of five years, with three additional five-year option periods. Options are exercised in accordance with FAR Subpart 17.207.

Ordering activities issue delivery or task orders against the contract. For services, the task orders specify the scope, milestones, timeframe, and price for the requirements. Options may be included on orders placed against Schedule contracts, and options may be exercised, provided that:

- ❖ Funds are available.
- ❖ The requirement covered by the option fulfills an existing Government need.
- ❖ Prior to exercising an option, the ordering activity ensures that it is still in the Government’s best interest, with price and other factors considered.

Acquisition of Commercial Services

FAR 11.002(a)(2)(iii) requires that, to the maximum extent practicable, offerors of commercial items be provided an opportunity to compete for any government contract acquisition. If the use of commercial services is precluded, purchasers may lose the benefits of commercial item innovations. Failure to define a service requirement as a commercial item will also prevent purchasers from using Schedule contracts and participating in the related benefits.

Purchasers should describe services requirements in a way that permits sellers providing commercial services to compete. Preferably, a performance-based approach should be used, in accordance with FAR Subpart 37.6, so that results sought are stated, versus how the work should be done.

Note: For a comprehensive list of services, please visit GSA eLibrary.
www.gsaelibrary.gsa.gov.

What Supplies Are Available on Schedule?

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- | | |
|--|---|
| <input type="checkbox"/> Office Supplies and Equipment | <input type="checkbox"/> Information Technology Products |
| <input type="checkbox"/> Tools and Hardware | <input type="checkbox"/> Vehicles and Support Equipment |
| <input type="checkbox"/> Building and Industrial Materials | <input type="checkbox"/> Appliances and Food Services |
| <input type="checkbox"/> Furniture | <input type="checkbox"/> Law Enforcement, Fire, and Security Products |
| <input type="checkbox"/> Scientific Equipment | |

Note: For a comprehensive list of supplies, please visit GSA eLibrary. www.gsaelibrary.gsa.gov

Commercial Items and MAS

The FAR definition of “commercial items,” as found at FAR 2.101(b), includes both supplies/commodities and services. It is very broad and encompassing and includes all of the following types of items as commercial items:

Nongovernmental items: A supply of a type customarily used by the general public or by nongovernmental entities for other than governmental purposes and that has been sold, leased, or licensed to the general public; or has been offered for sale, lease, or license to the general public.

Evolved nongovernmental items: A nongovernmental item that:

- ❖ Evolved from an item customarily used for nongovernmental purposes through advances in technology or performance; and
- ❖ Will be available in the commercial marketplace in time to satisfy the delivery requirements under a solicitation.

Modified versions of either of these item types: An item that would be considered a nongovernmental item or an evolved nongovernmental item if it were not for one of the following:

- ❖ Modifications of a type customarily available in the commercial marketplace
- ❖ Minor modifications of a type not customarily available in the commercial marketplace that must be made to meet Federal Government requirements

A minor modification does not significantly alter the nongovernmental function or essential physical characteristics of an item or component, or change the purpose of a process. Factors to be considered in determining whether a modification is minor include the value and size of the modification and the comparative value and size of the final item. Dollar values and percentages may be used as guideposts, but are not conclusive evidence that a modification is minor.

Note: For a comprehensive list of services, please visit GSA eLibrary. www.gsaelibrary.gsa.gov.

Topic 4: Introduction to BPAs

Blanket Purchase Agreements (BPAs)

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- A BPA is a simplified method of filling anticipated repetitive needs for supplies or services by establishing “charge accounts” with qualified sources of supply.
- Establishes terms applicable to future orders
- Does not obligate funds

A Blanket Purchase Agreement (BPA) is a vehicle or an acquisition strategy that an ordering activity can use to simplify the acquisition of recurring needs for Schedule services or supplies. The benefits of using BPAs include leveraging buying power, saving administrative time, and reducing paperwork. Ordering activities that have a continuing need for identical or similar items available on a GSA Schedule can establish a Schedule BPA.

BPAs enable ordering activities to prepare for anticipated purchases and become more proactive in their purchasing. Because an ordering activity is not actually buying products or services when it establishes the BPA, funding does not have to be immediately available when the BPA is established unless a minimum dollar value is guaranteed in the BPA. (This is not a requirement for BPAs, as it is with indefinite delivery/indefinite quantity (IDIQ) contracts.) When the funding becomes available and the need becomes immediate, the ordering activity can then make the purchase by simply placing a delivery or task order against the BPA.

MAS BPA Characteristics

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- MAS BPAs are issued against established MAS contracts that have been negotiated by the GSA Contracting Officer and contractor at the time of award.
- Terms and conditions for the BPA, including contract type and clauses, must comply with the underlying MAS contract.
- MAS BPAs are based on prices already subjected to competition and determined to be fair and reasonable by GSA.
- MAS BPAs are subject to FAR Subpart 8.4 procedures, not Part 13 procedures.

GSA has established that the prices contained within the contractor's Schedule contract are fair and reasonable. Therefore, FAR 8.404(d) states ordering activities are not required to make a separate determination of fair and reasonable pricing, except for a price evaluation as required by 8.405-2(d). However, the DoD recently issued a class deviation to the FAR which provides alternative policy for DoD. This deviation replaces adhering to FAR 8.404(d) and requires DoD Contracting Officers to make a separate determination of fair and reasonable pricing for BPA pricing and orders placed under BPAs. (This is done using the proposal analysis techniques outlined in FAR Subpart 15.404-1.)

The ordering activity is responsible for considering the level of effort and mix of labor proposed to perform the required work. This is typically established via a technical evaluation. The technical requiring activity will describe the required work using a Performance Work Statement that is included in the RFQ. After quotes are received from each responding contractor, those same technical evaluators will review the quote for the specific types of labor proposed (Engineer 1, Cost Analyst 3, Program Manager 2, etc.), and then review and comment on how many labor hours were proposed for each category.

Furthermore, when establishing a BPA, the ordering activity's Contracting Officer should always request a discount to contractor pricing. The contractors are not required to provide the discount; however, it is always prudent to ask at any dollar amount, and the Government is required to ask when the order exceeds the SAT.

Both "traditional" BPAs and MAS BPAs can be used to fill anticipated repetitive needs for supplies and services. While traditional BPAs are subject to the requirements of FAR Part 13, Simplified Acquisition Procedures, FAR Part 13 does **not** apply to GSA Schedule BPAs. Schedule BPAs are governed by FAR Part 8.405-3, *Blanket Purchase Agreements*, which states that ordering activities must give preference to establishing multiple-award BPAs rather than awarding a single BPA.

MAS BPAs and Acquisition

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- Simplifies ordering process for repetitive orders
- Considered a competitive procedure
- No guaranteed minimum or maximum
- Subject to annual reviews

BPAs simplify the ordering process and should be used for negotiating better pricing for large, recurring requirements. BPAs specify the frequency of orders, invoicing, discounts, requirements (e.g., estimated quantities, work to be performed), delivery locations, and time.

In accordance with FAR Subpart 6.102(d)(3), *Full and Open Competitive Procedures*, use of the MAS BPA is considered a **competitive procedure** under the Competition in Contracting Act (CICA) when the GSA Schedule ordering procedures are followed. Ordering activities shall not seek competition outside the Schedules or synopsise the requirement.

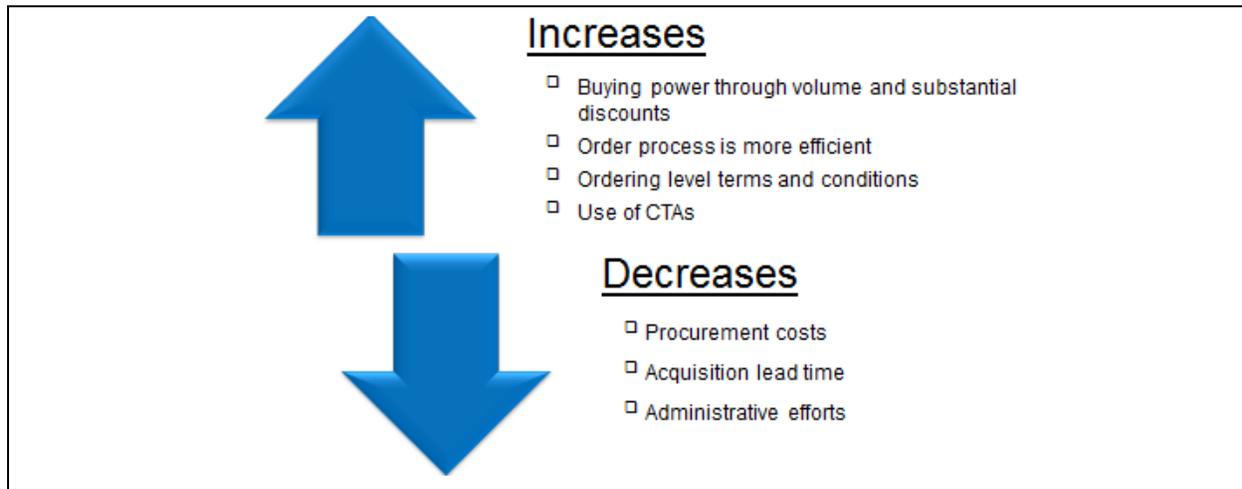
The ordering procedures outlined in FAR Subpart 8.405-3 apply to the establishment of a GSA Schedule BPA (FAR Subpart 8.405-3(a) and (b)). Based upon the potential volume of orders under the BPA, ordering activities may be able to obtain greater discounts under the BPA, regardless of the size of individual orders. Additionally, FAR Subpart 8.405-3(c) establishes procedures for placing orders against MAS BPAs.

Unlike IDIQ contracts, BPAs promise no minimum guarantee or maximum. It's possible, though unlikely, that a BPA contractor could receive no orders, or more orders than anticipated. The Government is responsible for giving its best estimate for quantity and/or services to be procured under the BPA, but there is no guarantee. This could be viewed as a risk to some contractors, but it's actually an opportunity.

Ordering activities do not need to synopsise requirements for purchase against a MAS BPA.

Benefits of MAS BPA

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Schedule BPAs offer many benefits. Most importantly, they help ordering activities anticipate and prepare for recurring purchasing needs, and they have fewer acquisition requirements than standard FAR contracts or traditional BPAs.

Contractual terms and conditions are contained in GSA Schedule contracts and flow down directly into GSA Schedule BPAs. Schedule contracts are not to be re-negotiated when establishing GSA Schedule BPAs; however, ordering activities can include additional terms and conditions in the MAS BPAs, as long as they do not conflict with the Schedule contract terms and conditions. As a purchasing option, BPAs reduce the lead time of some contracting and open market requirements, such as the search for sources and the need to prepare complex solicitations. Other requirements are eliminated altogether, such as the requirement to synopsise the acquisition.

BPAs also:

- ❖ Require no upfront funding
- ❖ Provide an opportunity to negotiate improved discounts
- ❖ Satisfy recurring requirements
- ❖ Reduce administrative efforts by eliminating repetitive, individual orders and payments
- ❖ Let customers obtain better value by leveraging buying power through volume purchasing
- ❖ Enable an ordering activity to use streamlined ordering procedures
- ❖ Permit an ordering activity to incorporate Contractor Team Arrangements (CTAs)
- ❖ Allow for quicker turnarounds on orders
- ❖ Permit an ordering office to incorporate terms and conditions not in conflict with the underlying contract, such as requiring contractors to report the green products supplied, thereby helping agencies to track and report their green product purchases
- ❖ Provide “on/off ramps” for contractors when using multiple-award BPAs

- ❖ Now permit ordering offices to set aside BPAs or orders against BPAs for small businesses, which helps meet socioeconomic goals

A Schedule BPA can be set up for an agency's field offices across the nation, thus allowing them to participate in the Schedule BPA and place orders directly with Schedule contractors. In doing so, the entire agency reaps the benefits of additional discounts negotiated into the Schedule BPA.

A multi-agency Schedule BPA is also permitted if the Schedule BPA identifies the participating agencies and their estimated requirements at the time the Schedule BPA is established.

Additional Benefits

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Government Benefits:

- Negotiate improved discounts
- Satisfy recurring requirements
- Leverage agency requirements
- Effect quicker turnaround on orders
- Funding isn't required until a BPA order is initiated
- May use small business set-aside procedures in BPA awards to help meet socioeconomic goals

From the Government's perspective, there are benefits to using Schedule BPAs:

- ❖ Pre-negotiated prices mean that the Government can be sure it is getting the best pricing from the contractor on all task orders associated with the Schedule BPA. Note that the Government should seek additional price reductions when establishing a BPA.
- ❖ It gives the ordering activity flexibility in acquiring the exact services, levels of effort, and periods of performance that it needs for acquisitions without having to go through a separate acquisition process for each purchase. This facilitates quicker turnaround on orders.
- ❖ It saves administrative time and money through consolidated payment and summary invoicing, thereby creating processing efficiencies.
- ❖ Funding is not required until a need arises, and an order is placed.
- ❖ If market research shows small businesses are capable of performing, Contracting Officers may conduct a set-aside. Include a statement/notice in the RFQ that only offers from small business will be accepted.

BPAs help consolidate agency needs in many ways. Here are two examples:

1. A BPA can be set up for field offices across the nation, allowing the offices to participate in an agency-wide BPA and place orders directly with GSA Schedule contractors. In doing so, the entire agency reaps the benefits of additional discounts negotiated into the BPA.
2. A multi-agency BPA can be established if the BPA identifies the participating agencies and their estimated requirements at the time the BPA is established.

Additional Benefits, Cont.

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Contractor Benefits:

- Simplifies production and revenue planning
- Potential for increased revenue through volume sales
- Quicker turnaround on orders and improved cash flow

Contractors also see value in participating in a Schedule BPA:

- ❖ It simplifies production and revenue planning by providing an ongoing source of orders.
- ❖ It increases revenue through volume purchases. To earn the volume purchases, the contractor understands it must provide volume discounts.
- ❖ The streamlined acquisition process provides contractors with a quicker turnaround on orders and may improve cash flow.

Topic 5: Establishing BPAs

Single-Award BPAs

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- ❑ FAR stated preference is for multiple-award BPAs.
- ❑ Single-award BPA limited to 1 year, no more than 4 option years; documented justification and approvals required
 - Initial award >\$112M must be approved by the head of the agency (See 8.405-3(a)(3))
- ❑ Benefits:
 - Simplified ordering process
 - Improved pricing and terms

To encourage and facilitate competition when placing orders under BPAs, the FAR establishes an explicit preference for multiple-award, rather than single-award, BPAs.

The number of BPAs to be established is within the discretion of the ordering activity and should be based on a strategy that is expected to maximize the effectiveness of the BPA(s). The ordering activity must consider several factors, including the benefits of ongoing competition, when deciding whether a single- or multiple-award BPA is appropriate and document the decision in the acquisition plan or BPA file.

When establishing a single-award BPA, the ordering activity should address the following:

- ❖ The frequency of ordering, invoicing, discounts, requirements (or estimated quantities, work to be performed), delivery locations and time
- ❖ Supplies or services to be ordered and type of pricing, such as hourly-rate services
- ❖ A Firm Fixed-Price (FFP), Labor-Hour (LH) or Time-and-Materials (T&M) pricing arrangement for individual tasks or orders, as allowed in the GSA Schedule contract
- ❖ Whether a single BPA contractor can meet all of the estimated requirements
- ❖ Whether the Government will obtain the best value from a single Schedule contractor; the quantity discounts, administrative savings and other benefits related to reduced procurement lead-time vs. the ongoing need to price and perform competitively in a multiple-award BPA, task/delivery order-level competition environment
- ❖ Authorized users of the BPA and their collective requirements

A single-award BPA is limited to one year, with no more than four option years; documented justification and approvals are required.

No **single-award** BPA with an estimated value exceeding \$112 million (including any options) may be awarded unless the head of the ordering agency determines in writing that:

- a) The orders expected under the BPA are so integrally related that only a single source can reasonably perform the work;
- b) The BPA provides only for firm fixed priced orders for—
 1. Products with unit prices
 2. Services with prices established in the BPA for specific tasks to be performed;
- c) Only one source is qualified and capable of performing the work at a reasonable price to the Government, or
- d) It is necessary in the public interest to award the BPA to a single source for exceptional circumstances.

If limiting the potential sources that will be considered for award of a single-award BPA, the above requirement for a determination to establish a single-award BPA greater than \$112 million is **in addition to** the requirement of FAR Subpart 8.405-6 for a limited sources justification. However, the two documents may be combined into one document, which must then be approved by the head of the ordering agency.

The advantages of establishing a single-award Schedule BPA include:

- ❖ Simplifying all of your future orders. For items covered by a BPA, you can go to just one Schedule vendor.
- ❖ Potentially better pricing and terms. You can leverage the full value of the collective requirements at the time of the upfront competition.



NUTS AND BOLTS TIP

- (1) If the BPA is for hourly rate services, the ordering activity shall develop a statement of work for requirements covered by the BPA. All orders under the BPA should specify a price for the performance of the tasks identified in the statement of work.
- (2) Only contractors holding current GSA Schedule contracts may participate in the establishment of a BPA based on GSA Schedules.

Multiple-Award BPAs

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- All purchases are competed among a prequalified pool of contractors.
- Duration generally does not exceed 5 years, but may do so to meet program requirements.
- For orders over the micro-purchase threshold and for hourly-rate services, RFQs must be sent to all BPA holders at the order level.
- Benefits:
 - Simplified ordering process
 - Improved pricing and terms
 - Ability to search and negotiate for best value

Multiple-award BPAs are established with more than one Schedule contractor. They are appropriate when the ordering activity determines that more than one BPA is needed to meet its needs, or when the requirement is less defined. The number of BPAs to be established is within the discretion of the ordering activity and should be based on a strategy that is expected to maximize the effectiveness of the BPA(s).

The ordering activity must consider several factors, including the benefits of ongoing competition when deciding how many BPAs are appropriate and document the decision in the acquisition plan or BPA file. The Contracting Officer should consider the following factors and document the decision in the acquisition plan or BPA file:

- a) The scope and complexity of the requirement(s)
- b) The benefits of ongoing competition and the need to periodically compare multiple technical approaches or prices
- c) The administrative costs of multiple BPAs
- d) The technical qualifications of the Schedule contractor(s)

With a multiple-award BPA, each contractor must be given the opportunity to submit a quote for each order, very much like the “fair opportunity” process used in FAR Part 16, *Types of Contracts*, for multiple-award IDIQ contracts. If the BPA is for hourly-rate services, the ordering activity must develop an SOW/PWS/SOO for the requirements covered by the BPA. This document will allow the technical evaluators at the ordering activity to determine what the contractor is working towards, i.e., the desired outcome of the labor hours and mix proposed. All orders under the BPA should specify a price for the performance of the tasks identified in the requirements document.

The “Multi-Agency” BPA

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- The ordering activity may set up a Schedule BPA so that the multiple agencies may order against the BPA directly with the Schedule contractor(s).
- The ordering activities eligible to use the BPA(s) should be clearly identified in the original BPA document, and each should define and consolidate its estimated requirements to obtain greater discounts.
- For “Best Value,” the BPA must reflect the requirements of all users with an estimate of the total quantity.
- Continuous competition benefits the Government.

Setting up a Multi-Agency Schedule BPA

Before a multi-agency BPA is established, multiple ordering activities should identify, define and consolidate their requirements to obtain greater discounts. All users must also be identified as signatories. To ensure “Best Value” is obtained, the BPA must reflect the requirements of all users with an estimate of the total quantity.

The ordering activity can set up a Schedule BPA so that the participating agencies’ ordering activities may place orders against the Schedule BPA directly with the Schedule contractor.

Basis for Establishment

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- ❑ BPAs are established considering price and non-price factors, always best value.
- ❑ Best value factors:
 - Item characteristics
 - Past performance
 - Warranty
 - Ownership costs
 - Maintenance availability
 - Useful life
 - Environmental and energy efficiency
 - Technical qualifications
 - Transportation costs
 - Administrative costs
 - Delivery and performance terms

When determining “best value,” an ordering activity may take advantage of the full spectrum of best value techniques as defined in FAR Subpart 2.101, from lowest-priced technically acceptable through a full tradeoff process. When determining which non-price evaluation factors to include in an RFQ, ordering activities should decide how factors will be considered and their relative importance to other non-price factors.

Ordering activities should consider:

- ❖ **Item characteristics:**
 - Which commercial services/supplies match most closely with the identified activity requirement?
 - Is there an apparent tradeoff between service/supply features and price?
- ❖ **Past performance:**
 - Does available information indicate that Schedule contractors or other available sources have significantly different past performance records?
 - Does available information indicate that specialized performance experience will significantly improve a contractor’s chance of success in meeting the requirement?
- ❖ **Warranty:**
 - Do Schedule contractors or other suppliers offer warranties?
 - Do available warranties protect customers from significant risk?
 - Are the warranties offered by Schedule contractors comparable to those offered by other sources in the market?

- If warranties are offered, does the activity have the administrative tracking and logistics capabilities necessary to take advantage of them?
- ❖ **Ownership costs:**
 - What installation costs are associated with the various supplies that meet identified requirements?
 - What is the reliability of the various supplies that meet identified requirements (e.g., average time between failures)?
 - What are the historical repair costs for the various supplies?
 - What are the historical routine maintenance costs for the various supplies?
 - What are the disposal costs associated with the various supplies?
- ❖ **Maintenance availability:**
 - Is ongoing maintenance required for the supply to meet activity requirements?
 - Do Schedule contractors or other suppliers provide maintenance for the identified supply?
 - Do Schedule contractors or other suppliers provide maintenance in the area(s) where the supply is most likely to be used?
 - If the Schedule contractor is not the original equipment manufacturer (OEM), is there an agreement in place that will ensure services provided by the Schedule contractor will not void the warranty?
- ❖ **Useful life:**
 - How long are available supplies expected to remain useful?
 - Are there any significant differences in useful life between supplies?
- ❖ **Environmental and energy efficiency:**
 - Are the products to be supplied or used designated green products, as listed in the Green Procurement Compilation?
 - Do the products to be supplied or used meet the agency's strategic sustainability performance plan goals or the agency toxic and hazardous chemical management plan?
 - Do the products to be supplied or used generate hazardous waste, or can they be disposed as solid waste or recycled at the end of their useful life?
 - Does the contractor offer a take-back program for products?
 - Do the products to be supplied or used meet applicable Government-required energy efficiency standards, water efficiency standards, recycled or bio-based content, or other energy or environmental requirements?
 - Does the contractor offer opportunities for waste prevention, such as reduced packaging or packaging take-back programs?
- ❖ **Technical qualifications:**
 - Are there significant differences in provider/supplier technical qualifications?

- If the requirement is for services, is the proposed labor mix likely to result in successful performance?
 - If the requirement is performance-based, has the contractor proposed appropriate performance standards and a quality assurance plan that measures the right things in order to ensure success?
 - Are there unique or specialized qualifications required to meet the activity requirement?
 - Are there any significant differences between the technical qualifications of Schedule contractors and other firms in the industry?
 - Training and customer support issues:
 - Is training or other customer support important to the user of the supply or service?
 - Do Schedule contractors or other suppliers offer customers significantly different levels of training or other customer support?
- ❖ **Transportation costs:**
- If items are priced other than Free on Board (FOB) destination, will the transportation cost be significantly different for shipments from different sellers?
- ❖ **Administrative costs:**
- Will the administrative costs of contracting with one prospective contractor likely be different from contracting with another? In other words, will it cost more in time and/or money to contract with one vendor than it will to contract with another?
 - Will the administrative costs of contracting with a Schedule contractor likely be different from those associated with other commercial suppliers? (Normally, administrative costs are much lower for Schedule orders.)
- ❖ **Delivery and performance terms:**
- Can Schedule contractors meet activity delivery or performance requirements?
 - Is the delivery or performance available from Schedule contractors significantly different from the delivery or performance available from other sources?

The benefits of making a “Best Value” selection decision can result in improved mission performance and lower life cycle costs, while encouraging Schedule contractors to provide their best supplies and services to the Government.

The fundamental goal of GSA in managing the Schedules program is to provide an array of procurement choices that provides sufficient flexibility to satisfy customers in terms of choice, price, quality and timeliness of delivery.

Number of BPAs to Establish in a Multiple-Award Environment

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- Factors to consider:
 - Scope and complexity
 - Benefits of ongoing competition
 - Administrative costs
 - Technical qualifications
- Document the rationale in the acquisition plan or file.

FAR Subpart 8.405-3 clarifies the conditions under which BPAs may be established with one or more Schedule contractors. The number of BPAs to be established is at the discretion of the ordering activity establishing the BPAs and should utilize a strategy that is expected to maximize the effectiveness of the BPA(s). Schedule BPAs under the GSA Schedules program are established using the ordering procedures listed in FAR Subpart 8.405-3.

Before an ordering activity can issue a task order against a Schedule BPA, it must first establish the BPA itself. The BPA has multiple documentation requirements which provide a permanent record of the process used in evaluating Schedule solutions and placing the Schedule order or BPA. The documentation should be brief but detailed enough to demonstrate that the Schedule user followed the requirements of the FAR, the Schedule contract, and good business practices. The Schedule user should consider documentation requirements and recommendations for various requirements, acquisition dollar levels, and agency requirements.

Schedule BPAs shall address the frequency of ordering, invoicing, discounts, requirements (e.g., estimated quantities, work to be performed), delivery locations and time. When establishing multiple Schedule BPAs, the ordering activity shall also specify **the procedures for placing orders under the Schedule BPAs (e.g., FAR Subpart 8.405-3(c)(2))**.

Establishing a Schedule BPA: Basic Information

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- Statement that it is a Schedule BPA
- Statement that it is issued under authority of the Schedule contract BPA clause (I-FSS-646)
- Identification of the issuing organization
- Identification of the contractor
- BPA award period shall not exceed the period of the Schedule contract including option year period(s)

It's important to clearly indicate that the BPA document addresses the establishment of a BPA and that it is something different than a standard order. The BPA document should begin with general information such as the following:

- ❖ A statement that the document is a Schedule BPA. This point should be highlighted and clearly evident.
- ❖ A statement that the Schedule BPA is issued under authority of the BPA clause Schedule contract BPA clause (I-FSS-646) in the applicable GSA Schedule contract(s), including the contract number(s).
- ❖ Identification of the organization issuing the Schedule BPA
- ❖ Identification of the contractor
- ❖ BPA award period shall not exceed the period of the Schedule contract, including option year period(s)

The Schedule BPA should include the signatures of ordering activity and Schedule contractor representatives who are authorized to bind the parties to the agreement. The Schedule BPA may also include other elements required by FAR Subpart 8.406-1 for Schedule orders.

BPAs and Small Business

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- ❑ Set-asides may be conducted at the BPA or order level.
- ❑ Must establish ordering procedures at the BPA level.
 - Do not conduct order level set-asides without prior notice.

Ordering activity Contracting Officers may, at their discretion, both set aside awards for orders and BPAs for any of the types of small business concerns identified in 19.000(a)(3). This change is reflected in FAR Subpart 8.405-5.

Ordering activities may consider socioeconomic status when identifying contractor(s) for consideration or competition for award of an order or BPA. At a minimum, ordering activities should consider, if available, at least one:

- ❖ Small business
- ❖ Veteran-owned small business
- ❖ Service disabled veteran-owned small business
- ❖ HUBZone small business
- ❖ Women-owned small business, or
- ❖ Small disadvantaged business Schedule contractor(s)

Ordering activities should give preference to small businesses for orders over the micro-purchase threshold if two or more items at the same delivered price as a large business will satisfy the requirement.

Ordering activities can take credit for awarding orders to small business firms when purchases are reported in the Federal Procurement Data System (FPDS). If the order is placed with multiple contractors using a Contractor Team Arrangement (CTA), report the BPA order in FPDS using identifying data of the contractor doing the preponderance of work. For purposes of reporting an order placed with a small business Schedule contractor, an ordering agency may take credit only if the awardee meets a size standard that corresponds to the work performed.

When setting aside orders against BPAs, we have the following guidance for ordering activities:

- ❖ **Existing multiple-award BPAs, or BPAs that were established without prior notification to prospective BPA holders that orders may be set aside under the BPAs, should not use set-aside orders.** Procedures for placing orders against BPAs come from FAR Subpart 8.405-3(c) and require that the ordering activity give “fair opportunity” to all BPA holders. While Section 1331 provided set-aside authority “notwithstanding fair opportunity requirements,” it would be inappropriate to restrict the competition on existing BPAs or on any non-set-aside BPAs where use of Section 1331 authority at the order level was not specified, and prospective BPA holders were not notified prior to the BPAs being established.

❖ **Newly-established multiple-award BPAs may use order set-asides where:**

a) The BPA RFQ clearly states that the ordering activity may determine to set aside task or delivery orders as described in the ordering procedures contained in the BPA's Request for Quotations and in accordance with FAR Subpart 8.405-3(c)(2); and

b) There is sufficient competition among BPA holders such that the resulting task or delivery orders are in full compliance with the above cited regulatory requirements. The easiest way to comply with these requirements is to establish a number of BPAs which is more than adequate to cover the breadth and depth of expected task order delivery orders and at least three sources will be viable competitors for each task or delivery order.

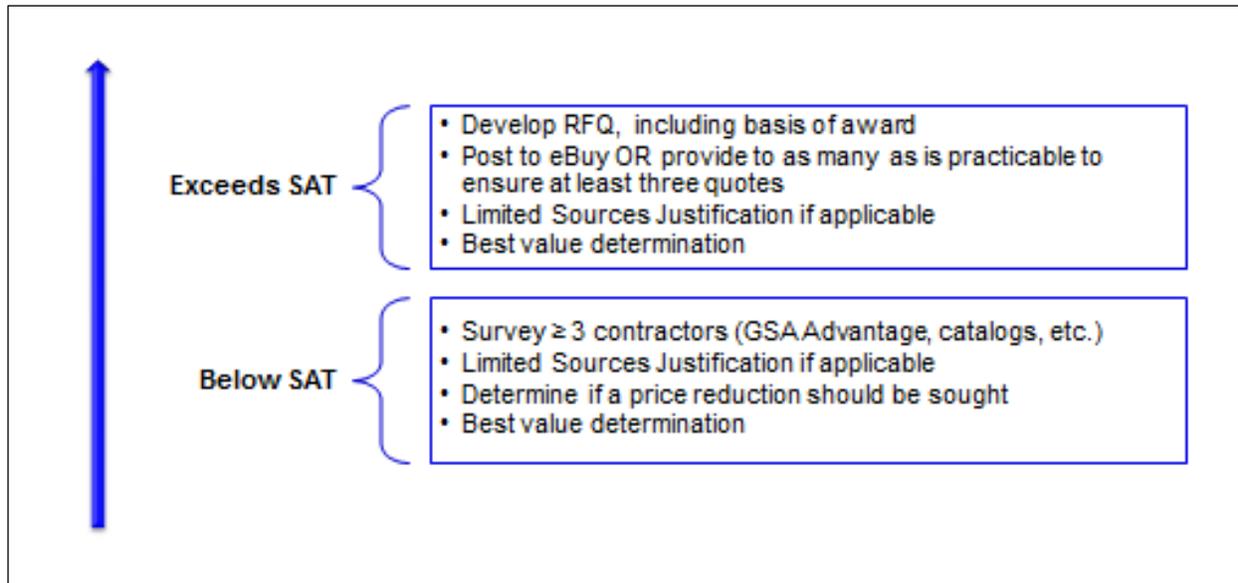
or

c) The ordering activity has properly documented restricting consideration in accordance with the requirements of FAR Subpart 8.405-6 and generated a Limited Sources Justification.

Socioeconomic status can also be considered when identifying firms for competition and can even be one of the evaluation criteria if a set-aside is not conducted. So, if ordering activities elect not to conduct a set-aside but still want to promote small businesses, they may choose to include agency socioeconomic objectives as one of its source selection factors. This factor, when added to price and other factors, may make the quote of a non-small business not the best value when establishing BPAs or ordering from a BPA.

MAS BPA Establishment Procedures — FAR Subpart 8.405-3(b)(1) (slide)

When Establishing BPAs for Supplies or Fixed-Price Services Not Requiring an SOW



The procedures for establishing BPAs differ, based on whether an SOW is required or not. An SOW is not required when establishing BPAs for supplies or for fixed-price services.

When the anticipated aggregate value of the BPA is below the SAT, follow these procedures:

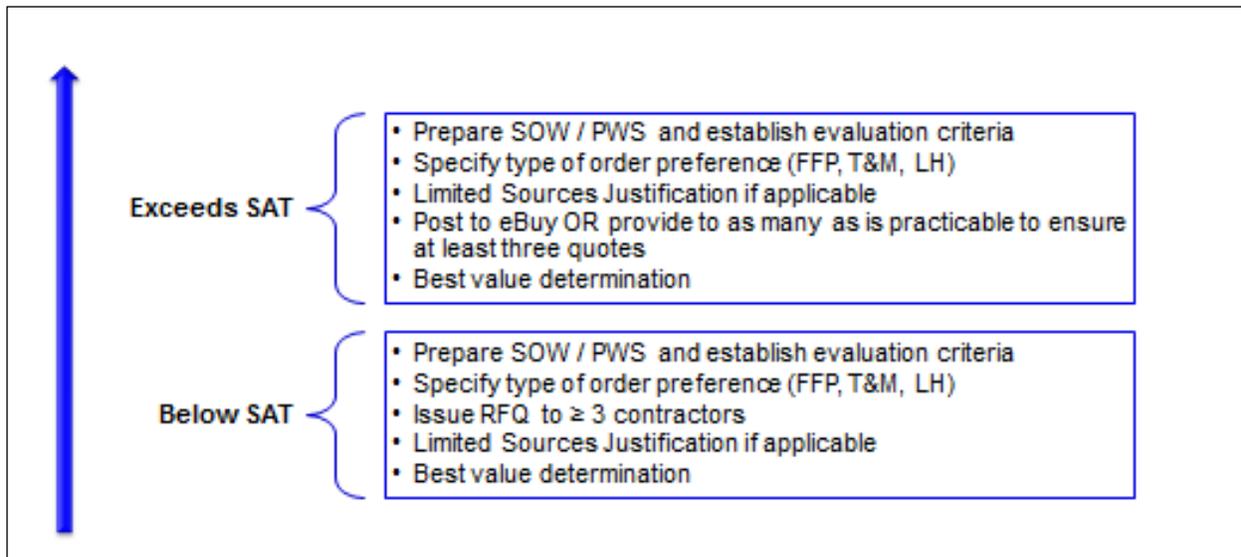
- ❖ Survey three or more contractors through GSA *Advantage!*, catalogs, etc.
- ❖ Develop a Limited Sources Justification (LSJ) to justify restricting competition, if applicable. We will discuss when an LSJ is required later in this topic.
- ❖ Determine if a price reduction should be sought.
- ❖ Make a best value determination to select as many contractors as required to meet your ordering objectives and acquisition strategy.

When the aggregate BPA value exceeds the SAT, use these procedures:

- ❖ Develop a Request for Quotation (RFQ). This should include the basis of award.
- ❖ Post the RFQ to *eBuy*, or provide it to as many contractors as practical to ensure at least three quotes are received.
- ❖ Develop a Limited Sources Justification, if applicable.
- ❖ Make a best value determination to select as many contractors as required to meet your ordering objectives and acquisition strategy.

MAS BPA Establishment Procedures — FAR Subpart 8.405-3(b)(2) (slide)

When Establishing BPAs for Services Requiring an SOW



An SOW is required when establishing BPAs for services that are not fixed-price.

When the anticipated aggregate value of the BPA is below the SAT, follow these procedures:

- ❖ Prepare an SOW or Performance Work Statement (PWS). This should include evaluation criteria.
- ❖ Specify the type of preference for orders made under the BPA (Firm Fixed-Price, Time and Materials, Labor-Hour).
- ❖ Provide the RFQ to three or more contractors.
- ❖ Develop a Limited Sources Justification, if applicable.
- ❖ Make a best value determination to select as many contractors as required to meet your ordering objectives and acquisition strategy.

When the aggregate value of the BPA exceeds the SAT, use these procedures:

- ❖ Prepare an SOW or Performance Work Statement (PWS). This should include evaluation criteria.
- ❖ Specify the type of preference for orders made under the BPA (Firm Fixed-Price, Time and Materials, Labor-Hour).
- ❖ Develop a Limited Sources Justification, if applicable.
- ❖ Post the RFQ to *eBuy*, or provide it to as many contractors as practical to ensure at least three quotes are received.

- ❖ Make a best value determination to select as many contractors as required to meet your ordering objectives and acquisition strategy.

BPA Specifications: Who and When

(slide)

- Multi-Agency Schedule BPAs
- BPA Period
- Ordering Frequency
- Delivery/Performance Period

Multi-Agency Schedule BPAs. Agencies can join together to create a BPA that is limited to purchasers in any of the partner agencies. This multi-agency Schedule BPA must identify the participating agencies and each agency's estimated requirements at the time the Schedule BPA is established.

BPA Period. The period of the Schedule BPA may be identified with specific beginning and ending dates or simply from award to the expiration date. Schedule BPAs generally should not exceed five years in length, but may do so to meet program requirements. A contractor may be awarded a Schedule BPA that extends beyond the current term of the applicable GSA Schedule contract, so long as there are option periods in the Schedule contract that, if exercised, will cover the Schedule BPA's period of performance.

FAR 8.405-3(e) requires an annual review of each Schedule BPA to determine if the BPA still represents best value. While it is possible to add options to a BPA, there is no compelling reason to do so. Annual reviews of Schedule BPAs are much more flexible and streamlined than a full FAR Part 17, *Special Contracting Methods*, option review. A cancellation clause should be included in the BPA in case there are problems, and the Government needs to cancel the BPA.

Ordering Frequency. The frequency of ordering should be described as clearly as practicable based on available information.

- ❖ If the frequency of ordering is known, the Schedule user should describe the frequency in the Schedule BPA. For example, the Schedule BPA might state that orders will be issued monthly based on estimated ordering activity requirements for the following month.
- ❖ If the frequency of ordering is not known, the Schedule user should use a general statement that accurately describes the known information about the frequency of ordering. For example, the Schedule BPA might state that orders will be issued when requirements are identified by the ordering activity.

Delivery/Performance Period. When the Schedule BPA's delivery/performance period is known, the Schedule BPA should state the period.

If the Schedule BPA covers a large number of services or supplies, it may be cumbersome or even impossible to identify delivery/performance periods in the BPA. When various services will be provided based on a general Schedule BPA SOW, it may be impossible to identify the performance period in the BPA. In those cases, the Schedule BPA should state that the delivery/performance period will be identified in each BPA order.

BPA Specifications: What and Where

(slide)

- Estimated requirements
- Delivery/performance locations

Estimated Requirements. Estimated requirements should be based on the best available estimate at the time the Schedule BPA is established. The estimates should describe the expected requirements for a particular type of services or supply over a period of time. The period is normally one year unless the Schedule BPA is for a shorter period of time.

- ❖ The BPA should include a statement that the Government is not obligated to make any purchases using the Schedule BPA. This is commonly done in one of two ways:
 - A statement such as “This Schedule BPA does not obligate any funds. The Government is obligated only to the extent of authorized orders actually made under the BPA”; or
 - A statement such as “The Government estimates, but does not guarantee, that the volume of purchases using this Schedule BPA will be \$_____. This BPA does not obligate any funds. The Government is obligated only to the extent of authorized orders actually made under the BPA.”
- ❖ Ordering activities may include a guaranteed minimum purchase amount in the BPA as a way to get better pricing from the contractor. If the BPA contains such a guarantee, then the ordering activity must dedicate funds to cover the guaranteed minimum.

Delivery/Performance Locations. Schedule BPAs for supplies should identify either the location required for delivery or state that it will be provided with each order. If Schedule BPA services will be performed at one or more known locations, the BPA should identify those locations as clearly as practicable. At a minimum, the Schedule BPA should identify the geographic area of BPA performance (e.g., Lincoln County, TN).

BPA Specifications: Price Reductions

(slide)

Seek price reductions:

- Before placing any order that exceeds the SAT
- When establishing a BPA to fulfill requirements
- In conjunction with annual BPA review

The potential volume of orders under BPAs, regardless of the size of individual orders, offers the opportunity to secure greater discounts.

In accordance with FAR Subpart 8.405-4, ordering activities may request a price reduction at any time before placing an order, establishing a BPA, or in conjunction with the annual BPA review. However, the ordering activity is required to seek a price reduction when the order or BPA exceeds the SAT.

Ordering activities are also required to seek price reductions:

- ❖ Before placing any order that exceeds the SAT
- ❖ When establishing a BPA to fulfill requirements
- ❖ In conjunction with annual BPA review

Any additional discounts obtained should be clearly identified in the resulting Schedule BPA. Identification may take any form appropriate to the acquisition situation. The discount will often be a percentage reduction or a reduced price list applicable to the BPA.

Schedule contractors are not required to pass on to all Schedule users a price reduction extended only to an individual ordering activity for a specific order or BPA.

BPA Specifications: Invoicing

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When invoicing, keep in mind:

- The invoice address for the order
- The opportunity to consolidate billing

Invoice Address. If the contractor submits all Schedule BPA invoices to the same address, the BPA should identify that address. If different orders will require that invoices be sent to different addresses, the Schedule BPA should state that invoices must be submitted to the address specified in each order.

Invoice Consolidation. Examples of invoice consolidation requirements include the following statements:

- ❖ “A summary invoice must be submitted at least monthly or upon expiration of the Schedule BPA, whichever occurs first, for all deliveries made during a billing period, identifying the delivery tickets examined therein and stating their total dollar value. It must be supported by receipt copies of the delivery tickets.”
- ❖ “An itemized invoice must be submitted at least monthly or upon expiration of the BPA, whichever occurs first, for all deliveries made during a billing period and for which payment has not been received.”

When billing procedures provide for an individual invoice for each delivery, these invoices must be accumulated, provided that:

- ❖ A consolidated payment will be made for each specified period; and
- ❖ The period of any discounts will commence on the final date of the billing period or on the date of receipt of invoices for all deliveries accepted during the billing period, whichever date occurs later.

Evaluations and Rationales

(slide)

- Evaluation methodology
- Tradeoff rationale
- Price reasonableness
- Annual review results
- Limited sources rationale
- Hourly basis rationale

- ❖ **Evaluation Methodology.** An RFQ issued to establish one or more BPAs must state the evaluation criteria that will be used to determine which quotations offer the best value. Typical evaluation factors include technical capability, capacity to do the required work on an “as needed” basis, past performance, price analysis, etc.
- ❖ **Tradeoff Rationale.** FAR guidance instructs us to make best value source selections to ensure the Government gets the best solution at the best price. If there are any cost or technical tradeoff factors, the ordering agency must identify these factors in the RFQ to ensure the vendors know what the Government thinks is important.
- ❖ **Price Reasonableness.** In establishing the Schedule contract, GSA has already determined pricing to be fair and reasonable. While ordering activities must determine that the pricing for BPAs and BPA orders is fair and reasonable, they are not required to conduct a detailed analysis of fair and reasonable pricing. The exception is the DoD, which issued a class deviation for FAR Subpart 8.404(d). DoD Contracting Officers are now required to make a separate determination of fair and reasonable pricing using proposal analysis techniques of FAR Subpart 15.404-1. Quotations received in response to an RFQ may offer lower prices.
- ❖ **Annual Review Results.** When considering a firm for a BPA award, the Contracting Officer can review findings of other Contracting Officers within the agency to see if any performance problems have been noted. This is a form of past performance evaluation.
- ❖ **Limited Sources Rationale (Brand Name).** If the requirement is for a brand name product (i.e., specific to one manufacturer), the ordering agency will be required to develop a Limited Sources Justification in accordance with FAR Subpart 8.405-6(b) before award of the BPA. This justification must explain why only a certain product will be acceptable. For brand name requirements over \$25,000, the Limited Sources Justification must be posted in GSA *eBuy* as part of the RFQ.
- ❖ **Limited Sources Rationale (Non-Brand Name.)** If the requirement is for a non-brand name product or service, but the ordering activity still decides to restrict it, a Limited Sources Justification must be completed; if the BPA is estimated to exceed the SAT, the Limited Sources Justification must be posted to FedBizOpps within 14 days after BPA award, posted on the ordering activity’s website (the ordering activity may provide a link to the FedBizOpps posting), and remain active for 30 days.

- ❖ **Hourly Basis Rationale.** FAR Part 12, *Acquisition of Commercial Items*, contemplates the award of fixed-price contracts and orders for commercial items, though there may be times when the exact number of hours required for each different type of labor category is unknown. In the event that a Time and Materials or Labor-Hours BPA is to be awarded, the BPA file will need to be documented to show why the hourly basis is required.

BPA Documentation Requirements

(slide)

Minimum BPA Documentation Requirements – (8.405-3(a)(7))	
Schedule contracts considered, noting the awardee	✓
Description of the supply or service purchased	✓
Price	✓
Limited Source Justification, if applicable (See 8.405-6)	✓
Justification for Single-Award BPA, if applicable	✓
Determination for a single-award BPA exceeding \$112 million, if applicable	✓
Documentation supporting the decision for multiple or single award BPAs	✓
Evidence of compliance with competitive procedures - see 8.405-3(b)	✓
<i>Basis for the award decision.</i> This should include the <u>evaluation methodology</u> used in selecting the contractor, the <u>rationale for any tradeoffs</u> in making the selection, and a <u>price reasonableness determination for services requiring a statement of work</u>	✓

FAR Subpart 8.405-3(a)(7) requires the minimum documentation requirements listed on the chart to be included in the BPA file. Other documentation requirements include the rationale for authorizing other than Firm Fixed-Price (FFP) or performance-based orders for services, and the results of annual reviews.

The file documentation required above must be appropriate for the ceiling amount of the order(s). That is, the higher the dollar value, the more complete and complex the file documentation must be. In addition to the items listed in the slide, those authorized to order must be named, and the CO should make sure they understand the limits of their authority.

Notifying Unsuccessful Offerors

(slide)

- ❑ Agencies should provide timely notification to unsuccessful MAS contractors for BPAs over the SAT IAW FAR 8.405-3(b)(3).
- ❑ If an unsuccessful offeror requests information on an award that was based on factors other than price alone, a brief explanation of the basis for the award decision shall be provided.

The process for notifying unsuccessful offerors under FAR Subpart 8.405 is significantly different from the debriefing that would be required under FAR Part 15, *Contracting by Negotiation*. Unsuccessful offerors should be provided with timely notification of the award. If an unsuccessful offeror requests information on an award that was based on factors other than price alone, a brief explanation of the basis for the award decision shall be provided to them.

While the Government isn't required to give a detailed debriefing, an unsuccessful firm should have their questions answered.

Be aware that a BPA award can be protested, in accordance with the procedures in FAR Part 33.

BPA Annual Review

(slide)

- ❑ Schedule BPAs require an annual review. (8.405-3(e))
- ❑ The ordering activity Contracting Officer shall review the BPA and determine in writing, at least once a year (e.g., at option exercise), whether—
 - The Schedule contract upon which the BPA was established is still in effect;
 - The BPA still represents the best value (see 8.404(d)); and
 - Estimated quantities/amounts have been exceeded, and additional price reductions can be obtained.
- ❑ The determination shall be included in the BPA file documentation.

In accordance with FAR Subpart 8.405-3(e), Schedule BPAs require an annual review.

The ordering activity must review of the GSA Schedule BPA annually and document (in writing) that:

- ❖ The underlying Schedule contract is still in effect.
- ❖ The BPA still represents the best value.
- ❖ Estimated quantities/amounts have been exceeded, and additional price reductions can be obtained.

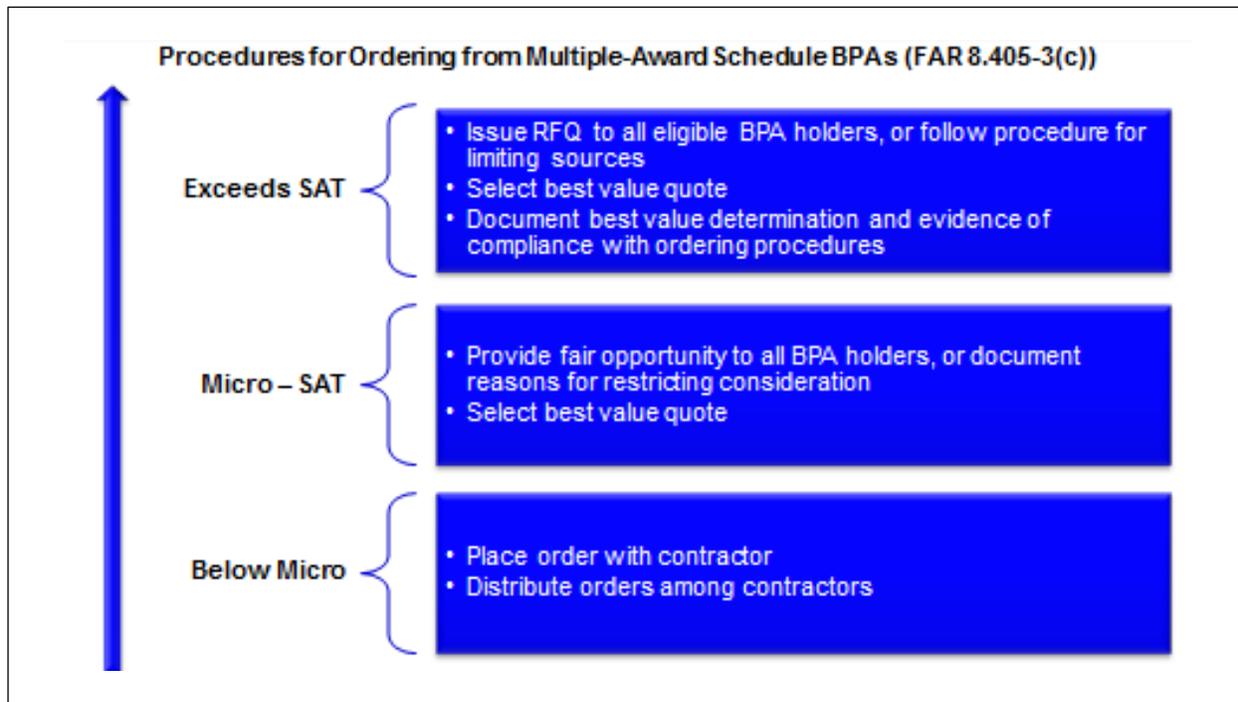
The determination should be included in the BPA file documentation.

Prior to exercising each option under a single-award BPA, the review of the BPA must be completed, and the Contracting Officer's determination approved by the ordering activity competition advocate. This is a different process than exercising an option under FAR Subpart 17.2, although there are similar activities that must be performed.

Topic 6: Ordering Procedures

BPA Ordering Procedures — FAR Subpart 8.405-3(c)(2)

(slide)



General Ordering Procedures

Orders can be placed only against existing BPAs. Once the Schedule contract upon which the BPA is awarded expires, the BPA automatically expires, and no new orders can be placed against it.

A BPA that extends beyond the current term of its GSA Schedule contract may be established, provided there are option periods in its GSA Schedule contract that, if exercised, cover the BPA's period of performance.

Any order (including order options) issued against an existing BPA before the BPA expires will have its own period of performance. The order, including order options, must be completed by the contractor in accordance with Schedule contract FAR clause 52.216-22(d):

“Any order issued during the effective period of this contract and not completed within that period shall be completed by the contractor within the time specified in the order.... provided that the contractor shall not be required to make any deliveries under this contract after the completion of customer order, including options, 60 months following the expiration of the basic contract ordering period.”

Ordering under Single- and Multiple-Award BPAs

If the ordering activity establishes a single-award Schedule BPA, authorized users may place the order directly under the established BPA when the need for the supply or service arises.

If the ordering activity establishes multiple-award Schedule BPAs, which is preferable in the FAR, each BPA should include procedures for providing BPA holders a fair opportunity to provide the services and/or supplies identified in the BPA. The BPA should specify the ordering procedures at various dollar thresholds. These procedures are outlined on the slide.

Below Micro-purchase Threshold

- ❖ Place the order with a contractor.
- ❖ Distribute orders among contractors.

Micro-purchase Threshold – SAT

- ❖ Provide fair opportunity to all BPA holders, or document reasons for restricting consideration.
- ❖ Select best value quote.

Exceeds the SAT

- ❖ Issue RFQ to all eligible BPA holders, or follow procedures for limiting sources.
- ❖ Select best value quote.
- ❖ Document best value determination and evidence of compliance with ordering procedures.

BPA Ordering Procedures, Cont.

(slide)

Additional Procedures for Hourly-Rate Services – FAR 8.405-3(c)(3)

- Ordering activity shall develop a statement of work for each order.
- Ordering activities should place these orders on a Firm Fixed-Price basis.
- For T&M and LH orders, the Contracting Officer shall follow the procedures at FAR 8.404(h). (Requires D&F)
- All orders under the BPA shall specify a price for the performance of the tasks identified in the statement of work.
- Ordering activity is responsible for considering the level of effort and the mix of labor to determine overall price reasonableness.

The ordering activity needs to develop an SOW for requirements covered by the BPA. Orders should be solicited and awarded on a Firm Fixed-Price basis to the maximum extent practicable. If Firm Fixed-Price is not achievable, orders may be placed on either a Time and Materials or Labor-Hour basis.

However, the use of a Time and Materials or Labor-Hour order requires the Contracting Officer to comply with FAR Subpart 8.404(h) and make a written Determination and Findings (D&F) that a fixed-price order is not suitable. In addition, the order must contain a ceiling amount that the contractor exceeds at their own risk.

The ordering activity Contracting Officer is also required to perform an order-level price reasonableness determination as required by FAR Subpart 8.405-2(d). The ordering activity is responsible for considering the level of effort and the mix of labor proposed to perform, and for determining that the proposed price is reasonable.

Limiting Sources (8.405-6)

(slide)

Questions to Determine if Competition is Restricted

- Is the SOW or PWS narrowly defined with overly restrictive specifications or performance standards?
- Is the order written in such a way as to create a continuous arrangement with the same contractor?
- Does one of the conditions in FAR 8.405-6 apply, and is the reason well documented?
- Is it a brand name or equivalent?

Under a multiple-award BPA, the expected procedure would be to give each BPA holder a fair opportunity to compete for each order over the micro-purchase threshold.

Such competition may be unnecessarily limited if the response to any of the following questions is “yes”:

- ❖ Is the SOW or PWS narrowly defined with overly restrictive specifications or performance standards?
- ❖ Is the order written in such a way as to create a continuous arrangement with the same contractor?
- ❖ Does one of the conditions in FAR Subpart 8.405-6 (exceptions) apply, and is the reason well documented? These exceptions are discussed on the next slide.
- ❖ Is it a brand name or equivalent?

If the ordering activity restricts consideration to fewer than all BPA holders, justification is required. FAR Subpart 8.405-6 describes the types of justification.

- ❖ If the dollar amount of the order does **not** exceed the SAT, the ordering activity should document the rationale for restricting consideration.
- ❖ If the dollar amount **does** exceed the SAT, a detailed Limited Sources Justification (LSJ) is required. This must be prepared in accordance with FAR Subpart 8.405-6(c)(2) and approved in accordance with FAR Subpart 8.405-6(d).

Exceptions Allowing Limited Source Orders

(slide)

- An urgent and compelling need exists.
- Only one source is capable of providing the supplies or services.
- In the interest of economy and efficiency, the new work is a logical follow-on to an original Schedule order.

Under a multiple-award BPA, the expected procedure would be to give each BPA holder a fair opportunity to compete for each order over the micro-purchase threshold.

However, when placing orders against BPAs (or establishing them), there are three allowable exceptions:

1. An urgent and compelling need exists, and following the procedures would result in unacceptable delays;
2. Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized; or
3. In the interest of economy and efficiency, the new work is a logical follow-on to an original GSA Schedule order, and the original order was placed in accordance with the applicable ordering procedures. The original order or BPA must not have been previously issued under sole-source or limited sources procedures.

Limited Sources Justification (LSJ) Requirements

(slide)

Limited Source Order/BPA (8.405-6(a)) (Sole Source)

Threshold	LSJ Required	Posting Required
Exceeds SAT	Yes	Yes
Micro – SAT	Document Circumstances – not a full blown LSJ	No
Below Micro-Purchase	No	No

Posting requirements: Within 14 days after placing an order or establishing a BPA exceeding the simplified acquisition threshold that is supported by a limited-sources justification the ordering activity shall:

- Publish a notice in accordance with FAR Subpart 5.301 and
- Post the justification:
 - At www.fedbizopps.gov and
 - On the website of the ordering activity agency, which may provide access to the justification by linking to FedBizOpss, and
 - For a minimum of 30 days.

Justification is generally required in order to limit competition when using the Schedules. FAR Subpart 8.405-6(a) outlines these requirements for sole source orders or BPAs.

- ❖ For orders or BPAs that exceed the SAT, a Limited Sources Justification (LSJ) must be developed and signed at the appropriate levels. Justification requirements and approval levels are outlined in FAR Subpart 8.405-6 and discussed in a subsequent slide.
- ❖ For orders or BPAs between the micro-purchase threshold and the SAT, a full-blown LSJ is not required; however, the ordering activity must provide documentation that addresses the reasons for restricting sources.

For orders exceeding the SAT, the LSJ must also be posted. Within 14 days **after** placing an order (or establishing a BPA) that exceeds the SAT, the ordering activity must:

- ❖ Publish a notice in accordance with FAR Subpart 5.301, and
- ❖ Post the justification at FedBizOpss and on the website of the ordering agency. Access to the justification may be provided by linking to FedBizOpss. The justification must remain posted for a minimum of 30 days.

Limited Sources Justification (LSJ) Requirements, Cont.

(slide)

Brand Name (8.405-6(b))		
Threshold	LSJ Required	Posting Required
Exceeds SAT	Yes	Yes - eBuy
\$25k – SAT	Document Circumstances – not a full blown LSJ	Yes - eBuy
Micro - \$25k	Document Circumstances – not a full blown LSJ	No
Below Micro-purchase	No	No

Posting requirements: The ordering activity shall post the following information along with the Request for Quotation (RFQ) to *e-Buy*:

- For proposed orders or BPAs with an estimated value exceeding \$25,000, but not exceeding the simplified acquisition threshold, Contracting Officer shall document the file.
- For proposed orders or BPAs with an estimated value exceeding the simplified acquisition threshold, Limited Sources Justification.

As has been discussed, when placing orders against BPAs (or establishing them), it is important to strive to maintain competition as much as possible. However, agencies may restrict the pool of MAS contractors to those that offer a brand name product or feature of a product.

Two different circumstances related to brand names are recognized in the FAR:

- ❖ **Brand Name or Equal.** This allows offerors to propose alternatives to specific brand names if they offer supporting information that demonstrates their product's equality. The features important to the Government, such as compatibility with existing equipment, must be identified. "Brand name or equal" is recognized as permitting competition.
- ❖ **Brand Name.** This applies when only items peculiar to a single source will suffice to meet requirements. Often, brand name acquisitions are for software (for compatibility reasons) or for certain spare parts. Because the brand name approach is highly restrictive, its use is severely limited.

FAR Subpart 8.405-6(b) outlines requirements for brand name orders or BPAs.

- ❖ For orders or BPAs between the micro-purchase threshold and the SAT, a full-blown LSJ is not required; however, the ordering activity must document the reasons for restricting sources.
- ❖ For orders or BPAs exceeding the SAT, however, a formal LSJ is required.

FAR Subpart 8.405-6(b)(3) outlines posting requirements.

- ❖ For proposed orders or BPAs with an estimated value exceeding \$25,000 but not exceeding the SAT, the ordering activity must post the justification for restricting competition, along with the Request for Quotation (RFQ), to *eBuy*.
- ❖ For proposed orders or BPAs with an estimated value exceeding the SAT, the ordering activity must post the LSJ, along with the RFQ, on *eBuy*.

Exceptions to Posting of Limited Sources Justification

(slide)

Justification for limited source orders must be published with the RFQ on *eBuy* unless:

- Disclosure would compromise the national security or create other security risks.
- Agency Senior Procurement Executive makes a written determination that access through *eBuy* is not in the Government's interest.
- The file size or format does not make it cost-effective or practicable for *eBuy*.

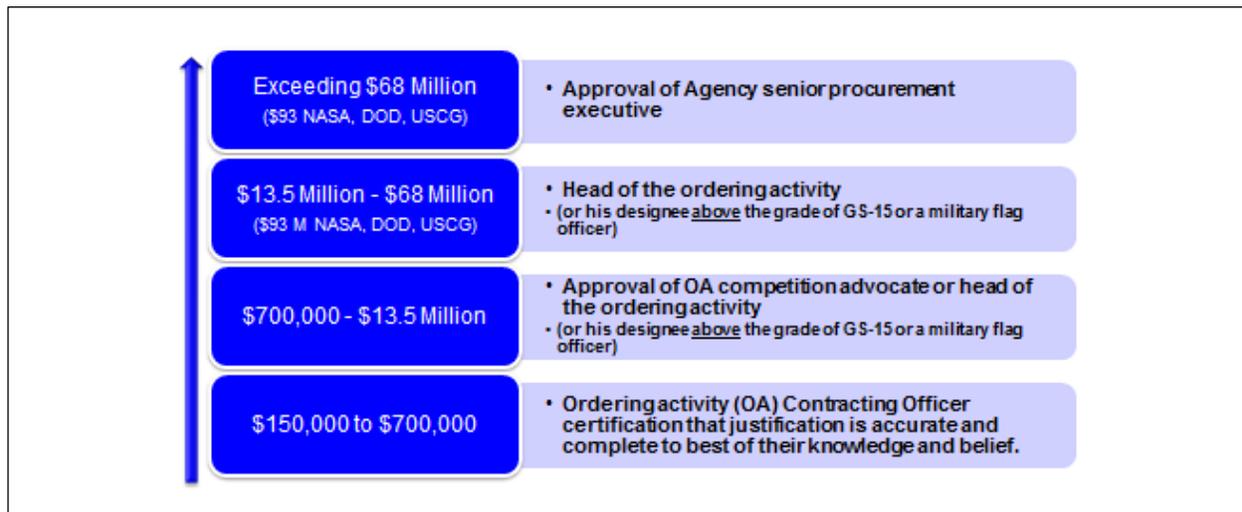
In most cases, there are posting requirements for limited source orders involving higher dollar amounts. However, there are some exceptions to these requirements.

Justifications and RFQs need not be published on *eBuy* if:

- ❖ Disclosure would compromise the national security or create other security risks.
- ❖ The agency Senior Procurement Executive makes a written determination that access through *eBuy* is not in the Government's interest.
- ❖ The file size or format does not make it cost-effective or practical to post it on *eBuy*.

Limiting Sources Justification Approval Requirements

(slide)



Like justification requirements, approval levels for limiting sources are addressed in FAR Subpart 8.405-6.

These approval levels, based on dollar amount of the proposed order or BPA, are outlined on the slide.

Knowledge Checks



Knowledge Check 1

What are some of the major issues that need to be addressed when establishing MAS BPAs?

Answer:

Major concerns/issues to address include:

- Competition is limited to MAS contract holders – may not solicit outside the MAS program
- Number of BPAs to establish (single- versus multiple-award)
- SOW (required or not required)
- Duration limits (single-award may not exceed 5 years; multiple-award generally should not exceed 5 years)
- Socioeconomic considerations, including potential small business set-asides
- Competition requirements (below/above SAT)
- Limited Sources Justification, if applicable (preparation, approval, and posting requirements)
- Brand name specifications
- Price reductions
- Documentation requirements
- Notification of unsuccessful offerors (over SAT)



Knowledge Check 2

Describe the competitive procedures for multiple-award BPAs at the order level:

Answer:

At or below micro-purchase threshold – no additional competition required. Order may be placed with any BPA holder that meets the need. Attempt to distribute orders.

Over micro-purchase but under SAT – provide each BPA holder a fair opportunity to be considered. Do not need to contact each BPA holder if information is available to ensure each BPA holder is provided a fair opportunity to be considered for award.

Exceeding SAT – prepare an RFQ that includes a description of the supplies or services and the basis of selection, and provide it to all BPA holders. All BPA holders must be provided an opportunity to submit a quote. Fairly consider all quotes received, and make the award in accordance with the selection procedures specified in the RFQ.

If competitive procedures above are not followed, the Contracting Officer must document circumstances for restricting consideration. If over SAT, a detailed Limited Sources Justification must be developed and approved. Posting the LSJ on FedBizOpps and the agency website is not required.

Web Resources

- ❖ Blanket Purchase Agreements: <http://www.gsa.gov/portal/content/199353>
- ❖ Sample BPA Format: http://www.gsa.gov/graphics/fas/BPA_Sample_Format.doc
- ❖ Establishment of BPAs: <http://www.gsa.gov/portal/content/199393>
- ❖ Ordering from BPAs: <http://www.gsa.gov/portal/content/200429>
- ❖ Price Reductions: <http://www.gsa.gov/portal/content/200397>
- ❖ Documentation: <http://www.gsa.gov/portal/content/200545>
- ❖ BPA Frequently Asked Questions: <http://www.gsa.gov/portal/content/200549>
- ❖ MAS Training Student Guides: <http://www.gsa.gov/portal/content/141427>
- ❖ MAS Desk Reference: www.gsa.gov/masdeskreference
- ❖ Multiple Award Schedules: www.gsa.gov/schedules
- ❖ *eLibrary*: www.gsaelibrary.gsa.gov
- ❖ *GSA Advantage!*: www.gsaadvantage.gov
- ❖ *eBuy*: www.ebuy.gsa.gov
- ❖ MAS News: www.gsa.gov/masnews
- ❖ Federal Acquisition Regulation (FAR): www.acquisition.gov/far/index.html

Appendix: Blanket Purchase Agreements

MAS BPA Streamlines the Acquisition Process

BPAs help consolidate agency needs in many ways. Two examples are:

- A BPA can be set up for field offices across the nation, thus allowing them to participate in an agency-wide BPA and place orders directly with GSA Schedule contractors. In doing so, the entire agency reaps the benefits of additional discounts negotiated into the BPA.
- A multi-agency BPA can be established if the BPA identifies the participating agencies and their estimated requirements at the time the BPA is established.

BPAs enable an ordering activity to prepare for anticipated purchases and become more proactive in its purchasing approach. Because an ordering activity is not buying products or services when it establishes the BPA, the ordering activity does not need to have the funding available when the BPA is established unless a minimum dollar value is guaranteed in the BPA (note that this is not a requirement). When the funding becomes available, and the need becomes immediate, the ordering activity can make the purchase by placing a delivery or task order.

Schedule BPAs simplify the acquisition process for the ordering activity. An ordering activity does not need to synopsise requirements for a purchase against a BPA. The only exception is for American Recovery and Reinvestment Act (ARRA)-funded purchases, which do require a plain-language synopsis of the acquisition need.

The Attraction of Schedule BPAs

Schedule BPAs offer many benefits. Most importantly, Schedule BPAs help ordering activities anticipate and prepare for recurring purchasing needs and have fewer acquisition requirements than standard FAR contracts or traditional BPAs.

The Government encourages the use of Schedule BPAs for the following reasons:

- They give the ordering activity flexibility in acquiring the exact services, levels of effort, and periods of performance that it needs for acquisitions without having to go through a separate acquisition process for each purchase
- They save administrative time and money through consolidated payment and summary invoicing, thereby creating processing efficiencies
- Pre-negotiated prices means that the Government is receiving the best pricing from the contractor on all task orders associated with the Schedule BPA.

The contractor receives value in participating in a Schedule BPA for the following reasons:

- It simplifies production and revenue planning by providing an ongoing source of orders.
- It increases revenue through volume purchases. To earn the volume purchases, the contractor understands that volume discounts must be provided.
- The streamlined acquisition process provides contractors with a quicker turnaround on orders and may improve cash flow.

Guidelines for Establishing BPAs for Work Requiring an SOW

If the BPA is for hourly rate services, the ordering activity must develop a Statement of Work (SOW) for requirements covered by the BPA. All orders under the BPA should specify a price for the performance of the tasks identified in the Statement of Work.

If the anticipated tasks are narrow in scope/complexity and repetitive in nature, such as mail management at one location, the ordering activity may follow the procedures for establishing a single-award BPA, as

outlined in FAR 8.405-3. Once a single-award BPA is established, ordering activities can place orders with the BPA holder without further “best value” selections.

If the anticipated tasks are broad in scope/complexity, such as engineering support services for multiple military bases, the ordering activity may then follow the procedures for establishment of a series of multiple-award BPAs. When issuing an order from a multiple-award BPA, the ordering activity must forward the RFQ to an appropriate number of BPA holders, as established in the BPA’s ordering procedures and FAR 8.405-3(c).

Whenever a BPA is being negotiated, the ordering activity should seek price reductions.

Establishing a Schedule BPA: Basic Information

Before an ordering activity can issue a task order against a Schedule BPA, the BPA must first be established. Similar to other acquisitions, a Schedule BPA has certain documentation requirements that provide a permanent record of the process used in evaluating Schedule solutions and establishing the Schedule BPA. The documentation should be brief but detailed enough to demonstrate that the Schedule user followed the requirements of the FAR, the Schedule contract, and good business practices.

Most Schedule BPAs begin with general information, such as the following:

- A statement that the document is a Schedule BPA
- A statement that the Schedule BPA is issued under authority of the BPA clause in the applicable GSA Schedule contract(s), including the contract number(s)
- Identification of the organization issuing the Schedule BPA
- Identification of the contractor

The Schedule BPA should include the signatures of ordering activity and Schedule contractor representatives who are authorized to bind the parties to the agreement. The Schedule BPA may include other elements required by FAR Subpart 8.406-1 for Schedule orders.

Award Types

Single-Award BPAs

If the ordering activity establishes one BPA, authorized users may place the task order directly under the established BPA when the need for the supply or service arises.

When establishing a single-award BPA, the ordering activity should address the following:

- The frequency of orders, invoices, discounts, delivery locations and time
- Supplies or services to be ordered, and type of pricing, such as hourly-rate services
- A Firm Fixed-Price (FFP), Labor Hour or Time and Materials (T&M) pricing arrangement for individual task or delivery orders, as allowed in the GSA Schedule contract
- Confirmation that a single BPA contractor can meet estimated requirements
- Declaration that the Government seeks to obtain the best value from a single Schedule contractor, and considering quantity discounts, administrative savings and other benefits related to reduced acquisition lead-time
- Authorized users

To issue a single award BPA, the ordering activity must first issue a BPA RFQ. The ordering activity must evaluate all quotes submitted and select the contractor who provides the best value. When the ordering activity needs to purchase against the BPA, a task order RFQ is issued to the single BPA holder. The contractor submits a quote, which is evaluated by the ordering activity. The ordering activity decides if placing an order would be in their best interest.

One advantage of a single-award Schedule BPA is all future orders are simplified because the ordering activity can go to a single vendor for all items covered by the BPA. Another advantage is that vendors

are motivated to provide better pricing and terms because the Government is leveraging the full value of the requirement, thereby attracting maximum competition.

Multiple-Award BPAs

Multiple-award BPAs are established with more than one Schedule contractor. Multiple-award BPAs are appropriate when the ordering activity determines that more than one BPA is necessary to meet its needs, or when the requirement is less defined. Multiple-award BPAs require ordering activities to make two best-value evaluations: *Who receives the BPA?* and *Who receives the task order?*

The number of BPAs to be established is within the discretion of the ordering activity establishing the BPAs and should be based on a strategy that is expected to maximize the effectiveness of the BPAs. In determining how many BPAs to establish, the ordering activity should consider:

- The scope and complexity of the requirement(s)
- The need to periodically compare multiple technical approaches or prices
- The administrative costs of multiple BPAs
- The technical qualifications of the Schedule contractor(s)

Ordering procedures for multiple-award BPAs are as follows:

- For orders at or below the micro-purchase threshold, the ordering activity may place orders with any BPA holder that can meet the agency needs. The ordering activity should attempt to distribute any such orders among the BPA holders.
- For orders exceeding the micro-purchase threshold but not exceeding the simplified acquisition threshold:
 - (A) The ordering activity must provide each multiple-award BPA holder a fair opportunity to be considered for each order exceeding the micro-purchase threshold, but not exceeding the simplified acquisition threshold unless one of the exceptions at FAR 8.405-6(a)(1)(i) applies.
 - (B) The ordering activity need not contact each of the multiple-award BPA holders before placing an order if information is available to ensure that each BPA holder is provided a fair opportunity to be considered for each order.
 - (C) The ordering activity Contracting Officer shall document the circumstances when restricting consideration to less than all multiple-award BPA holders offering the required supplies and services.
- For orders exceeding the simplified acquisition threshold.
 - (A) Provide an RFQ to all BPA holders offering the required supplies or services under the multiple-award BPAs, to include a description of the supplies to be delivered or the services to be performed and the basis upon which the selection will be made.
 - (B) Afford all BPA holders responding to the RFQ an opportunity to submit a quote; and
 - (C) Fairly consider all responses received and make award in accordance with the selection procedures.
- The ordering activity shall document evidence of compliance with these procedures and the basis for the award decision.

Sample BPA Format

A BPA does not need to be a long document. The sample BPA template below is available as a Word document on the GSA website at http://www.gsa.gov/graphics/fas/BPA_Sample_Format.doc.

BPA NUMBER _____	
(CUSTOMER NAME) BLANKET PURCHASE AGREEMENT	
Pursuant to GSA Federal Supply Schedule Contract Number(s) _____ and Federal Acquisition Regulation (FAR) 8.405-3, Blanket Purchase Agreements (BPAs), the Contractor agrees to the following terms of a BPA EXCLUSIVELY WITH _____ (<i>Ordering Agency</i>):	
(1) The following contract services/products can be ordered under this BPA. All orders placed against this BPA are subject to the terms and conditions of the contract, except as noted below:	
ITEM (Model/Part Number or Type of Service)	SPECIAL BPA DISCOUNT/PRICE
_____	_____
(2) Delivery:	
DESTINATION	DELIVERY SCHEDULE/DATES
_____	_____
(3) The Government estimates, but does not guarantee, that the volume of purchases through this agreement will be _____.	
(4) This BPA does not obligate any funds.	
(5) This BPA expires on _____ or at the end of the contract period, whichever is earlier.	
(6) The following office(s) is hereby authorized to place orders under this BPA:	
OFFICE	POINT OF CONTACT
_____	_____
(7) Orders will be placed against this BPA via Electronic Data Interchange (EDI), FAX, paper, or oral communications.	
(8) Unless otherwise agreed to, all deliveries under this BPA must be accompanied by delivery tickets or sales slips that must contain the following information as a minimum:	
(a) Name of Contractor;	
(b) Contract Number;	
(c) BPA Number;	
(d) Model Number or National Stock Number (NSN);	
(e) Task/Delivery Order Number;	
(f) Date of Purchase;	
(g) Quantity, Unit Price, and Extension of Each Item (unit prices and extensions need not be shown when incompatible with the use of automated systems; provided, that the invoice is itemized to show the information); and	
(h) Date of Shipment.	
(9) The requirements of a proper invoice are as specified in the Federal Supply Schedule contract. Invoices will be submitted to the address specified within the task/delivery order transmission issued against this BPA.	
(10) The terms and conditions included in this BPA apply to all purchases made pursuant to it. In the event of an inconsistency between the provisions of this BPA and the Contractor's invoice, the provisions of this BPA will take precedence.	

Price Reductions

Ordering activities should seek additional price reductions, increased discounts or concessions when placing an order under a GSA Schedule contract or BPA. Contractors often will “sharpen their pencils” to obtain a large Schedule contract order. GSA Schedule contractors are not required to grant all Schedule users a price reduction extended to an individual customer for a specific order.

The ability to seek additional price reductions and concessions not only allows the Government to leverage its combined requirements to obtain favorable prices, terms, and conditions, but also to leverage agency requirements to take advantage of quantity or spot discounts available in a fluid, commercial pricing atmosphere.

An ordering activity should try to seek further price reductions when requirements warrant reductions. By requesting a price reduction, the ordering activity can maximize its use of GSA Schedule contracts by taking advantage of factors such as:

- Competitive forces
- Technological changes
- Labor conditions
- Supply and demand
- Industry sales goals
- Inventory reductions

An ordering activity should seek price reductions for any size Schedule contract order and must seek price reductions if a requirement exceeds the SAT. In response to the ordering activity's request for a price reduction, the contractor may:

- Offer a lower price;
- Offer the current Schedule contract price; or
- Decline the order.

If further price reductions are not offered, the order may still be placed by the ordering activity because GSA has determined the contract prices to be fair and reasonable.