



MEMORANDUM FOR GSA CONTRACTING ACTIVITIES

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SUBJECT: FAR and GSAM Class Deviation - Limited Authority for Ten (10) Year Operations and Maintenance Service Procurements When Using Schedule 03-FAC

**1. Purpose.**

This memorandum approves the attached business case for a class deviation from FAR 8.405-3(d) and GSAM 517.204 to allow limited use of contract terms up to ten (10) years.

**2. Applicability.**

This class deviation applies to PBS blanket purchase agreements (BPA) and task orders (TO) under these BPAs off the Federal Supply Schedule 03-FAC that:

- Require operations and maintenance (O&M) for fixed equipment (e.g. heating, cooling, ventilation, electrical, elevator, escalator and fire safety systems, components and devices) in GSA controlled buildings; and
- Require contract terms up to ten (10) years, for a one (1) year base period and nine (9) one (1) year option periods.

The period of performance for an applicable BPA or TO may not extend beyond the period of performance of the FSS base contract it is placed against.

See Attachment A for the deviation text regarding implementation of this class deviation.

**3. Authority.**

This class deviation is issued under the authority of FAR 1.404 and GSAM 501.404. This class deviation is issued following consultation with the Chair of the Civilian Agency Acquisition Council (CAAC) in accordance with FAR 1.404(a) and GSAM 501.404(a).

**4. Effective Date.**

This deviation is effective immediately and remains in effect until October 31, 2023.

**5. Point of Contact.**

Questions regarding this memorandum should be directed to Mr. Tony Hubbard, Senior Policy Advisor, General Services Acquisition Policy Division (MVAC) at [Tony.Hubbard@gsa.gov](mailto:Tony.Hubbard@gsa.gov).

**Attachment A - Deviation Text**

**Attachment B - PBS Business Case**

**Attachment A**

**Deviation Text**

- Additions to baseline made by proposed rule are indicated by **[bold text in brackets]**
- Deletions to baseline made by proposed rule are indicated by ~~strikethroughs~~
- Five asterisks (\*\*\*\*\* ) indicate that there are no revisions between the preceding and following sections
- Three asterisks (\*\*\*) indicate that there are no revisions between the material shown within a subsection

**FAR Baseline: Change 2005-101 effective 10/26/2018**

**Part 8—Required Sources of Supplies and Services**

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**Subpart 8.4—Federal Supply Schedules**

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**8.405 Ordering procedures for Federal Supply Schedules.**

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**8.405-3 Blanket purchase agreements (BPAs).**

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**(d) Duration of BPAs.**

- (1) Multiple-award BPAs generally should not exceed five years in length, but may do so to meet program requirements.
- (2) **[Unless otherwise approved in accordance with agency procedures, a]**A single-award BPA shall not exceed one year. It may have up to four one-year options. See paragraph (e) of this section for requirements associated with option exercise.
- (3) Contractors may be awarded BPAs that extend beyond the current term of their GSA Schedule contract, so long as there are option periods in their GSA Schedule contract that, if exercised, will cover the BPA's period of performance.

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**GSAM Baseline: Change 96 effective 11/14/2018**

**Part 508—Required Sources of Supplies And Services**

**Subpart 508.4—Federal Supply Schedules**

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**[508.405 Ordering procedures for Federal Supply Schedules.]**

**[508.405-3 Blanked purchase agreements (BPAs)**

**Single-award BPAs for operations and maintenance requirements for fixed equipment in GSA controlled buildings issued against the Federal Supply Schedule 03-FAC, Facilities**

**Maintenance and Management are limited to 10 years (a one year base period and nine one-year option periods).]**

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**Part 517— Special Contracting Methods**

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**Subpart 517.2— Options**

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**517.204 Contracts.**

(a) Telecommunication contracts may not exceed 10 years per GSA Order ADM P 5450.39D, GSA Delegations of Authority Manual.

(b) Public utility contracts are limited to 10 years (40 U.S.C. 501(b)(1)(B)).

**[(c) Operations and maintenance BPAs and task orders under those BPAs for fixed equipment in GSA controlled buildings issued against the Federal Supply Schedule 03-FAC, Facilities Maintenance and Management are limited to 10 years (a one year base period and nine one-year option periods).]**

**[(d)](e) Requests to exceed 5-year limitation. A deviation request to exceed the 5-year limitation specified in FAR 17.204(e) must provide all the following information:**

- (1) Clearly explain the contract(s) and organization(s) covered by the request.
- (2) Support the need for and reasonableness of the extension. Consider factors such as the following:
  - (i) The results of market research.
  - (ii) Stability of the requirement(s).
  - (iii) Benefits to the Government.
  - (iv) Use of a performance-based contracting approach.
  - (v) Availability of funds to cover estimated cancellation costs as well as costs for the first contract period.
  - (vi) Customary commercial practice.
  - (vii) Mechanisms to adjust for economic fluctuations.

**[(e)](d) Approval authority. Deviation requests to exceed the 5-year limitations specified in FAR 17.204(e) must be approved by—**

- (1) The head of the contracting activity for individual contracts; and
- (2) GSA's Senior Procurement Executive for classes of contracts.

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