

Using Multiple Award Schedules: An Overview

Student Guide



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List of Acronyms and Websites

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

AAC	Activity Address Code
AbilityOne	Formerly known as JWOD www.abilityone.gov
ADR	Alternative Dispute Resolution
A/OPC	Agency/Organization Program Coordinator
BOA	Basic Ordering Agreement
BPA	Blanket Purchase Agreement www.gsa.gov/bpa
CALC	Contract Awarded Labor Category https://calc.gsa.gov/
CAP	Common Acquisition Platform https://hallways.cap.gsa.gov
CICA	Competition in Contracting Act
CMLS	Centralized Mailing List Service www.gsa.gov/cmls
COC	Certificate of Competency
CTA	Contractor Team Arrangement
eBuy	Electronic Request for Quotes System www.ebuy.gsa.gov
EPA	Economic Price Adjustment
FAPIIS	The Federal Awardee Performance and Integrity Information System www.fapiis.gov
FAR	Federal Acquisition Regulation www.acquisition.gov/far/index.html
FAS	Federal Acquisition Service www.gsa.gov/fas
FedBizOpps	Federal Business Opportunities www.FedBizOpps.gov
FPMR	Federal Property Management Regulations
FSS	Federal Supply Schedules
GFE	Government Furnished Equipment
GFI	Government Furnished Information
GFM	Government Furnished Material
GPE	Governmentwide Point-of-Entry, Federal Business Opportunities www.FedBizOpps.gov
GSA	General Services Administration www.gsa.gov
GSAM	General Services Administration Acquisition Manual https://www.acquisition.gov/gsam/gsam.html
GSAR	General Services Administration Acquisition Regulation
GWAC	Governmentwide Acquisition Contract www.gsa.gov/gwac
HUBZone	Historically Underutilized Business Zone
IDIQ	Indefinite Delivery/Indefinite Quantity

MFC	Most Favored Customer
MAS	Multiple Award Schedule
MOU	Memorandum of Understanding
NCSC	National Customer Service Center
OMB	Office of Management and Budget www.whitehouse.gov/omb
PBA	Performance-Based Acquisition
PL	Public Law
PPIRS	Past Performance Information Retrieval System www.ppirs.gov
PWS	Performance Work Statement
QASP	Quality Assurance Surveillance Plan
RFI	Request for Information
RFQ	Request for Quotation
SAM	System for Award Management www.sam.gov
SBA	Small Business Administration www.sba.gov
SIN	Special Item Number
SOO	Statement of Objectives
SOW	Statement of Work
SPOC	State Point of Contact
U.S.C.	United States Code

****For additional acronyms and websites, please review the MAS Desk Reference.***

Course Introduction

Welcome to GSA's *Using Multiple Award Schedules: An Overview* training. This course is designed for the Federal 1102 community working in both civilian and military agencies.

The target audience for this training is contracting professionals at all levels who seek to gain understanding or strengthen their knowledge of Multiple Award Schedules contracting and ordering procedures.

In this course, you will learn about the procedures for placing orders for supplies and services against Multiple Award Schedules, as outlined in Federal Acquisition Regulation (FAR) Subpart 8.4. Other parts of the FAR that are applicable to orders placed against Schedules will be referenced as necessary. This course is not a course in general FAR procedures such as protests, acquisition planning, preparation of statements of work, and contract file management, but will discuss these topics as they relate to Schedules contracting and ordering procedures.

Course Outline

This course has eight main topics:

- Topic 1: Introduction to the MAS Program**
- Topic 2: Benefits of the MAS Program**
- Topic 3: Acquisition Life Cycle**
- Topic 4: Market Research**
- Topic 5: Acquisition Strategies Using Schedules**
- Topic 6: Acquisition Flexibility for Use of Schedules**
- Topic 7: Task/Delivery Order Award, Administration and Closeout**
- Topic 8: eTools**

Course Objectives

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

- ❖ The purpose, benefits, and regulatory foundation of the MAS program
- ❖ The importance of acquisition planning and competition when using the Schedules
- ❖ Characteristics and Schedule flexibilities relating to the acquisition life cycle, including strategy, planning, and market research
- ❖ The task/delivery order administrative functions, documentation requirements, and ordering methods when using GSA Schedules



NUTS AND BOLTS TIP

These tips, identified by the icon shown here, are “how-to’s” designed to enhance the student’s learning experience.



MAS Desk Reference

As you read through this manual, look for these references for more detailed information on a particular subject.

Topic 1: Introduction to the MAS Program

GSA Mission and Priorities

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- ❑ **GSA Mission:** The mission of GSA is to deliver the best value in real estate, acquisition, and technology services to government and the American people.
- ❑ **Priorities:**
 - Delivering Better Value and Savings
 - Serving our Partners
 - Expanding Opportunities for Small Businesses
 - Making a More Sustainable Government
 - Leading with Innovation
 - Building a Stronger GSA

Delivering Better Value and Savings. By using the purchasing power of the Federal Government, we will drive down prices, deliver better value, and reduce costs to our customer agencies. As a result, these agencies can focus their resources and attention on their core missions. In addition, we are looking to maximize the value of our real estate assets and reduce our Federal footprint. At the same time, we are looking to help our partner agencies find the space and services they need to serve the American people.

Serving our Partners. GSA will ensure that doing business with us is as easy and reliable as possible by simplifying and streamlining our processes and systems. We are dedicated to providing an excellent customer experience for our partner agencies and vendors. GSA will create a culture of continuous improvement by always searching for better ways to meet our customers' needs and expectations.

Expanding Opportunities for Small Businesses. Delivering the best value for Government and the American people requires taking advantage of all resources. Central to that approach is expanding opportunities for small businesses throughout the country. GSA will share ideas and best practices across the organization and with our customer agencies. We are working with the small business community, including businesses owned by veterans, women, minority, and disadvantaged entrepreneurs, to strengthen partnerships and support the success of our vendors.

Making a More Sustainable Government. Going green saves green, and we are committed to a sustainable Government that reduces energy and water use in Federal buildings,

responsibly disposes of electronic waste, and greens the Federal fleet. GSA will also continue to work with businesses to make sustainable products and services readily available and affordable to our partner agencies. GSA has begun including life cycle costs into our planning and decision making. We are also beginning the widespread implementation of innovative technologies and best practices from sources such as our own Green Proving Ground. Through our efforts, we can reduce our Government's environmental and fiscal footprints.

Leading with Innovation. GSA is a leader of innovation in public service. For example, GSA was the first Government agency to move to the cloud and to offer a process to streamline security of cloud services for the entire Federal Government. We are promoting an innovative, flexible, open workplace that will shrink the Federal footprint while also serving as a model for Federal offices for the future. In the coming years, we will continue to develop innovative cost-saving solutions that will be shared across the Government.

Building a Stronger GSA. We must provide our own employees with the same high-quality service and support that we provide our partner agencies. Within GSA, we need to give our employees the very best training and resources available so that they can deliver our mission as efficiently as possible. We will emphasize collaboration and cooperation across our business lines and throughout the agency so that our customers are receiving the best service from GSA. We will guarantee that when we do something, we do it once and do it well.

GSA Business Lines

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- Public Building Service
- Office of Governmentwide Policy
- Office of Citizen Services & Innovative Technologies
- Federal Acquisition Service

GSA is composed of four primary business lines:

Public Building Service (PBS)

PBS has the following mission: *To provide superior workplaces for federal customer agencies at good economies to the American taxpayer.* PBS is the landlord for the civilian Federal Government. It acquires space on behalf of the Federal Government through new construction and leasing, and acts as a caretaker for Federal properties across the country. PBS owns or leases 9,600 assets, maintains an inventory of more than 362 million square feet of workspace for 1.1 million Federal employees, and preserves more than 480 historic properties. PBS is funded primarily through the Federal Buildings Fund, which is supported by rent from Federal customer agencies.

Office of Governmentwide Policy (OGP)

OGP's policy-making authority covers the areas of personal and real property, travel and transportation, information technology, regulatory information, and use of Federal advisory committees. OGP's strategic direction is to ensure that governmentwide policies encourage agencies to develop and utilize the best, most cost effective management practices for the maintenance of their specific programs.

Office of Citizen Services & Innovative Technologies (OCSIT)

The Office of Citizen Services and Innovative Technologies is the nation's focal point for data, information, and services offered by the Federal Government to citizens. In addition, OCSIT plays a leading role in identifying and applying new technologies to effective Government operations and excellence in customer service in the Government.

Federal Acquisition Service (FAS)

FAS provides contracting vehicles, including the Multiple Award Schedules (MAS) program, fleet management, travel and transportation management, and governmentwide purchase card services to Federal agencies.

FAS Business Portfolios

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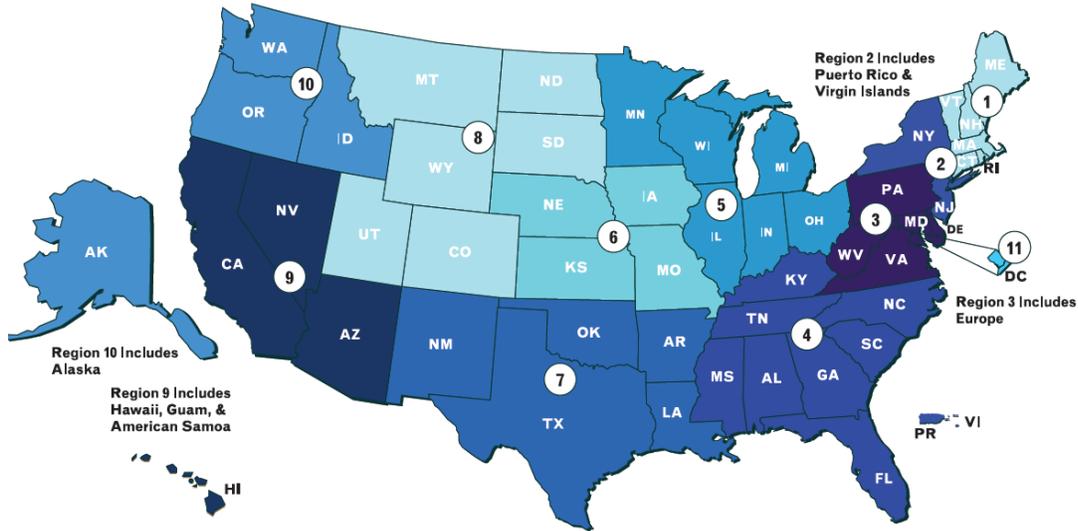
- Office of Integrated Technology Services
- Office of General Supplies and Services
- Office of Travel, Motor Vehicle and Card Services
- Office of Assisted Acquisition Services

FAS is comprised of four primary business portfolios:

- ❖ **Integrated Technology Services:** The Integrated Technology Services (ITS) organization combines many of GSA's Information Technology (IT) programs into a single FAS business portfolio. The main components of ITS are Acquisition Operations Management, IT Schedule 70, Governmentwide Acquisition Contracts (GWACs), Telecommunications and Network Services, Office of Infrastructure Optimization, Planning & Portfolio Management, and Program Support. ITS actively works with GSA's industry partners and customers to ensure that its solutions are relevant and represent the best, most up-to-date technology solutions. Customer agencies can choose from many acquisition vehicles and eTools to procure information technology, software, telecommunications products, services, and integrated solutions that best fit their acquisition and mission needs. ITS provides national program leadership across the 11 regional Network Services organizations.
- ❖ **General Supplies and Services:** The Office of General Supplies and Services (GSS) is responsible for acquisition services and comprehensive supply chain management, including excess/surplus Federal property. GSS performs these activities with four business lines: Acquisition Operations, Supply Operations, Enterprise Supply Chain Solutions, and Personal Property Management.
- ❖ **Travel, Motor Vehicles and Card Services:** The Travel, Motor Vehicles and Card Services (TMVCS) portfolio is responsible for establishing, managing, and delivering efficient and customer-centric travel, transportation, charge card, and motor vehicle products and services to the Federal Government. The four program offices under TMVCS are the Office of Acquisition Operations, the Office of Charge Card Management, the Office of Motor Vehicle Management, and the Office of Travel and Transportation. TMVCS strives to provide customers with the best value through competitive pricing and offers specialized expertise to help customers meet their needs.
- ❖ **Assisted Acquisition Services:** FAS' Assisted Acquisition Services (AAS) program offers value-added, customized acquisition, project management, and financial management services for Information Technology related products and services and

Professional Services to Federal agencies worldwide. AAS trained staff are certified contracting, project management and financial management professionals located throughout the United States, Europe, and Asia. AAS offers expertise in formulating and executing Information Technology and Professional Services acquisitions and projects.

This map indicates the GSA's FAS Regions.



Statutory Authority for the MAS Program

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- ❑ GSA has the authority to procure and supply:
 - ***Personal property*** and ***non-personal services***
 - For executive agencies through the Federal Property and Administrative Services Act of 1949.

- ❑ 41 U.S.C. Sec 259 provides that GSA Schedules are considered competitive if:
 - Participation is open to all ***responsible prospective contractors***; and
 - Orders and contracts result in the lowest overall cost alternative to meet the Government's needs.

The GSA Administrator has statutory authority to procure and supply personal property and non-personal services for use of the executive agencies in the proper discharge of their responsibilities and perform functions related to procurement and supply (including establishing the Multiple Award Schedules program) through Title 41 U.S.C. 152 and Title 40 U.S.C. 501.

The statute states that the use of GSA Schedules is a competitive contracting procedure since participation in the program has been open to all responsible prospective contractors, and orders and contracts under such procedures result in the lowest overall cost alternative to meet the needs of the Government. (See FAR 8.404(a).)

Responsibility for Management of MAS Program

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- The Federal Acquisition Service (FAS) within GSA manages the MAS Program.
- Schedules for medical services and supplies have been delegated to U.S. Department of Veterans Affairs (VA).

The U.S. General Services Administration (GSA) is a centralized Federal procurement and property management agency designed to help Federal agencies serve the public. GSA continuously seeks new supplies and services, designs innovative systems, introduces procurement models, addresses customer needs and expectations, and strives to create “Best Value” for customers.

Under a special agreement, GSA has delegated responsibility for management of Schedules for medical supplies and services to the U.S. Department of Veterans Affairs (VA). See www.fss.va.gov for more information.

Regulatory Foundation

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The Federal Acquisition Regulation (FAR)

FAR	Provides	Applicability
FAR Subpart 8.4	Ordering procedures for GSA Schedules	Federal Government ordering activities
FAR Part 12	Acquisition of commercial items	GSA awards Schedule contracts under Part 12
FAR 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 Administration 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 using GSA Schedules. Orders placed following these procedures are considered to be issued using full and open competition. (See FAR 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 6.102(d)(3), Competition Requirements, pertains to the use of competitive procedures. It states that "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 GSA is a competitive procedure."

What Is a Multiple Award Schedule?

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- Federal Supply Schedule (FSS) - Governmentwide contract vehicle for **commercial** products, services, and solutions
- Also known as “GSA Schedules”
- GSA receives Schedule contract offers through standing solicitations posted on FedBizOpps

GSA Schedules

The 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, and deliveries are made directly to the customer. (www.gsa.gov/eligibilitytouse).

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 range from computer hardware to office supplies.

FSS website: www.gsa.gov/schedules

MAS Schedule Facts

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- ❑ GSA offers over 40 million supplies and services
- ❑ 23 open and standing solicitations published on FedBizOpps (including those 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, which are used to group or categorize similar supplies and services.

Each Schedule is comprised of multiple SINs. For example, 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 Schedule contracts 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 the 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.

Common Schedule Myths

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- ∅ Your agency can't add terms and conditions.
 - ✓ Terms and conditions may be added at the order level as long as they do not conflict with the Schedule contract.
- ∅ Your agency can't seek price reductions.
 - ✓ Price reductions may be sought on any order, but must be requested for orders exceeding the SAT. Contractors are not required to offer a discount.

While GSA will not alter the terms and conditions of a Schedule contract in violation of the Competition in Contracting Act (CICA), nor alter the scope of a contract to meet an individual ordering activity's unique needs, an ordering activity may add terms and conditions that do not conflict with the Schedule contract terms and conditions to an order. Use caution when adding terms and conditions to a Schedules order to ensure that no violation of CICA occurs.

MAS Contract Characteristics

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- Multiple Award IDIQ (5 year base, three 5 year options)
- Firm Fixed-Price or Firm Fixed-Price EPA
- Quantity and delivery performance requirements established at the order level
- Price Reductions – discounting is allowed at any time

Quantity and Delivery/Performance Requirements

As IDIQ Schedule contracts, the contracts themselves contain no specific quantities. The ordering activity sets specific order quantities and specific delivery/performance requirements 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 terms and conditions.

Limits on Order Placement and Timing

In accordance with FAR 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 any time 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. The contractor cannot be required to deliver supplies or services more than 60 months after expiration of the Schedule contract.
- ❖ 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 holding a proper competition.

Negotiating Reductions from Schedule Prices

- ❖ Requesting price reductions is permitted at any time. The vendor may offer reduced prices based on specific quantities, overall volume, delivery requirements, and other order-specific conditions and terms.

- ❖ The Government buyer is **required** to **request** reductions for any requirement (order or BPA) in excess of the SAT.
- ❖ Vendors retain the option of agreeing to any requested price reductions.

MAS Contract Characteristics

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Order Level Thresholds:

- At or Below the Micro-Purchase Threshold – place the order with any GSA Schedule contractor.
- Micro-purchase – SAT – survey at least three contractors and make a best value determination.
- Exceeding Simplified Acquisition Threshold (SAT) – ordering agencies must solicit or consider multiple sources and must seek price reductions.

Any orders under the micro-purchase threshold may be placed without competition. This enables the ordering agency to quickly acquire what it needs. Although use of small businesses is preferred, it is not mandatory.

For orders over the micro-purchase threshold but not over the SAT, written quotations are not required, use of *eBuy* is not mandated, and ordering agencies may review at least three contractor GSA Schedules and choose the combination of products and services that represent the best value to the agency. Preference should be given to small businesses.

The competition requirements for purchases over the SAT have changed for civilian agencies; they now align with DoD's requirements. Agencies must solicit enough vendors to ensure receipt of at least three quotations, and they must seek price reductions. The use of *eBuy* will ensure that a sufficient number of vendors have been made aware of the requirement. If fewer than three quotations are received, the Contracting Officer must document the file to explain the result, including stating what should be done the next time to ensure more competition.

When only one quote is received for requirements in excess of the SAT, DoD COs must follow additional rules. If fewer than 30 days was allowed for offer submission, the CO must consider promoting competition by revising the requirements document to eliminate any barriers and by permitting more time for receipt of offers. The Contracting Officer must either re-solicit for 30 days or more or request a waiver. If the Contracting Officer still has received only one offer, the CO must determine prices to be fair and reasonable through price or cost analysis or enter into negotiations with the offeror.

Quantity and delivery/performance requirements. The Schedules themselves contain no specific quantities, other than minimum and maximum order 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; however, an ordering activity may add additional terms and conditions as long as they do not conflict with the Schedule contract.



NUTS AND BOLTS TIP

It's a good practice for Contracting Officers to contact companies to whom orders have been awarded to ensure acceptance. Otherwise, the best indication of order acceptance is that the contractor performs or delivers. The Contracting Officer can learn of acceptance prior to the end of five days by calling the contractor.

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 for Schedules 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 using GSA Schedules. Awards made following these procedures are considered competitive.
- ❖ The **General Services Administration Acquisition Regulation (GSAR)** is the GSA FAR supplement and is a subset of the General Services Administration 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 awarding and administering GSA Schedule contracts.
- ❖ All GSA Schedule contracts are awarded using FAR Part 12, 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 the DoD are the **same**. The one exception is that the DoD requires the Contracting Officer to consider additional steps when only one response is received in response to a competitive solicitation over the SAT.

Common Schedule Myth

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∅ Your agency can't use it.

- ✓ All Federal agencies and many other entities may use GSA Schedules. (See www.gsa.gov/portal/content/104212)

Federal agencies and other activities are eligible to use GSA sources pursuant to the Federal Property and Administrative Services Act of 1949 or other statutory authority. Eligible activities include:

- ❖ All Federal agencies and activities in the executive, legislative and judicial branches
- ❖ Government contractors authorized in writing by a Federal agency pursuant to 48 CFR 51.1
- ❖ Mixed ownership government corporations (as defined in the Government Corporation Control Act of 1945, as amended)
- ❖ The government of the District of Columbia
- ❖ Other activities and organizations authorized by statute or regulation to use GSA as a source of supply

An eligible ordering activity is authorized to place orders or establish Blanket Purchase Agreements (BPAs) against GSA Schedule contracts. Additional information and a complete list of eligible users are located at www.gsa.gov/eligibilitytouse.

Authority to Use a GSA Schedule

(slide)

<u>Organizations</u>	<u>Purchasers</u>
<input type="checkbox"/> Executive agencies	<input type="checkbox"/> Contracting Officers
<input type="checkbox"/> Other Federal agencies	<input type="checkbox"/> Holders of governmentwide commercial purchase cards
<input type="checkbox"/> Mixed-ownership Government corporations	<input type="checkbox"/> Those otherwise authorized by the agency or activity to order using GSA Schedules
<input type="checkbox"/> The District of Columbia	
<input type="checkbox"/> Government contractors authorized IAW FAR 51.1	
<input type="checkbox"/> Other activities authorized by statute or regulation	

An activity can place orders using a GSA Schedule if the activity is authorized to use GSA Schedules, and the Schedule user:

- ❖ Is a Contracting Officer;
- ❖ Has a governmentwide commercial purchase card (subject to established limits on card use); or
- ❖ Is otherwise authorized by the agency or activity to order using GSA Schedules.

An activity must be authorized to use GSA Schedules by statute or regulation. A list of activities authorized to use Schedules is presented in GSA Order ADM 4800.2HI (June 2013), Eligibility to Use GSA Sources of Supply and Services. Acquiring activities should check with management if they believe that the activity is authorized to use GSA Schedules, but is not on the list.

Receipt of a Federal grant does not authorize an activity to use GSA Schedules. In addition, a cost-reimbursement contractor cannot transfer procurement authorization to a third-party leasing company to use GSA Schedules.

Any activity requesting an eligibility determination should submit its request to the GSA Office of Governmentwide Policy, Attention: Office of Acquisition Policy (MV). For more on eligibility, visit <http://www.gsa.gov/portal/content/104212>.



MAS Desk Reference

For more on eligibility, refer to the *MAS Desk Reference, Welcome.*

FAR 8.002 - Priorities for Use of Mandatory Government Sources

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<i>*In descending order</i>	
Supplies*	Services
Agency Inventory	Services that are on the Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled (Ability One)
Excess from other agencies	
Federal Prison Industries	
Supplies that are on the Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled (Ability One)	
Wholesale Supply Sources (GSA / DLA)	

When supplies are needed, ordering activities should first determine if they can obtain the supplies from their own agency's existing inventory. If not, they should check with other agencies to see if they can buy the needed supplies from other agencies' existing stock.

Information regarding the availability of other agencies' supplies can be obtained by:

- ❖ Reviewing GSA's excess personal property catalogs and bulletins;
- ❖ Talking with someone at GSA or the activity holding the property;
- ❖ Submitting supply requirements to GSA regional offices using GSA Form 1539, Request for Excess Personal Property; or
- ❖ Examining and inspecting GSA regional office reports.

If the supply is not in stock, the purchaser should continue going down the priority list. Once all sources are exhausted, the ordering activity can go to commercial sources other than Schedules (i.e., open market acquisition), including educational and nonprofit institutions.



MAS Desk Reference

For more on Priorities, refer to the *MAS Desk Reference: Section 1*.

FAR 8.004 – Use of Other Sources

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If agencies are unable to satisfy requirements through mandatory sources, they are encouraged to consider satisfying requirements through the following non-mandatory sources before considering commercial sources in the open market.

Supplies*	Services*
Federal Supply Schedules	Federal Supply Schedules
Governmentwide Acquisition Contracts	Governmentwide Acquisition Contracts
Multi-Agency Contracts	Multi-Agency Contracts
Other contracts or BPAs intended for Governmentwide use, i.e. Federal Strategic Sourcing Initiative (FSSI)	Other contracts or BPAs intended for Governmentwide use, i.e. Federal Strategic Sourcing Initiative (FSSI)
Wholesale Supply Sources	Wholesale Supply Sources
	Federal Prison Industries

*Not listed in any order of priority

FAR 8.002 prioritizes the order in which purchasers must consider various sources when looking to buy services. The ordering activity must check first with the services on the Procurement List maintained by the Committee for Purchase from People Who Are Blind or Severely Disabled (AbilityOne). If the services are not available, continue through the sources until all three are exhausted. If nothing is available there or if the services involve classified or sensitive information, the purchaser can look to make purchases through other commercial sources on the open market.

Note: Acquiring activities should determine if the required service or supply is available through GSA Schedules before considering any other commercial source.



MAS Desk Reference

For more on Priorities, refer to the *MAS Desk Reference: Section 1.*

What Services Are Available on Schedule?

(slide)

- | | |
|--|---|
| <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 |
| <input type="checkbox"/> Professional and Allied Healthcare Staffing Services | <input type="checkbox"/> Cost-Per-Test & Clinical Analyzer Services |

Note: For a comprehensive list of services, please visit GSA eLibrary.

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. Ordering activities issue delivery or task orders against the Schedule contract. Orders must be placed during the period that the Schedule contract is in effect. Orders placed during the effective period but *not completed* during that period must be completed within the time specified in the order. However, the “time specified” can be no more than 60 months beyond the Schedule contract’s expiration. The Government cannot require the contractor to make deliveries beyond 60 months of the contract’s expiration.

Options may be included on orders placed against Schedule contracts and exercised in accordance with FAR 17.207. Options can 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.

Options on orders cannot be exercised beyond the period the Schedule contract is in effect, unless provided for in the contract. This is done by including 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.”

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. 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 the procurement is results-based.

What Supplies Are Available on Schedule?

(slide)

- | | |
|--|--|
| <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 | <input type="checkbox"/> Drugs, Pharmaceuticals, and Hematology Related Products |
| <input type="checkbox"/> Medical Equipment and Supplies | |

Note: For a comprehensive list of services, please visit [GSA eLibrary](#).

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 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 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.

Topic 2: Benefits of the MAS Program

MAS Value Proposition

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- Realize cost savings
- Experience flexibility and choice
- Save time
- Realize transparency
- Control the procurement

Realize Cost Savings: GSA Contracting Officers negotiate fair and reasonable prices for order quantities less than or equal to the simplified acquisition threshold. When the value of an order exceeds that threshold, ordering activities should seek further price reductions. Schedule contracts typically include prices that are the same as (on rare occasions) or better than (in most cases) the prices that Schedule contractors offer to their best commercial customers. The pricing offered to the best commercial customer is identified as “Most Favored Customer” (MFC) pricing.

VA ordering activities must seek a price reduction on all 6211 task orders, regardless of dollar threshold.

The MAS program provides ordering activities with competitively awarded contracts to increase the productivity and capacity of scarce acquisition resources. In addition, the program offers quick and easy access to the right industry partners, allowing customers to make the best use of their valuable time.

Experience Flexibility and Choice: Ordering activities have the flexibility to:

- ❖ Conduct best value procurements considering relevant “best value” factors
- ❖ Obtain a total solution to large or complex requirements using a Schedule Contractor Team Arrangement (CTA)
- ❖ Establish a long-term relationship with a Schedule contractor or group of Schedule contractors using a Schedule Blanket Purchase Agreement (BPA). (Note that single-award BPAs may not exceed one year, with up to four one-year options, per FAR 8.405-3(d)(2).)
- ❖ Include additional terms and conditions (e.g., a rating under the Defense Priorities and Allocations System) as long as they do not conflict with Schedule contract terms and conditions

Section 1331 of the Small Business Jobs Act of 2010 (SBJA) created a change effective November 2, 2011. Contracting Officers can now, at their discretion, set aside orders and BPAs to small businesses or subsets of small businesses (FAR8.405-5(a)).

Governmentwide Purchase Card (GPC) acceptance. All Schedule contractors must accept the GPC for orders not exceeding the micro-purchase threshold, which is currently \$3,500. However, many Schedule contractors accept the GPC for orders of any amount. Contracting Officers may use the GPC as a method of payment for orders up to their warrant limit. Cardholders must follow local agency guidelines for use of the GPC. If the Service Contract Labor Standards (SCLS) apply to a service requirement, the micro-purchase threshold is \$2500; if Davis-Bacon applies to a construction requirement, the micro-purchase threshold is \$2000.

Extensive range of products/services. The wide variety and large number of Schedule contractors allow ordering activities to access an extensive range of supplies and services to satisfy their requirements. More than 19,000 Schedule contractors offer over 40 million supplies and services. 80% of the contracts are with small businesses. Federal agencies obligated over \$47.2 billion against MAS Schedules (including VA Schedule sales).

GSA awards contracts to industry experts, from small, innovative companies to Fortune 500 firms. These organizations understand the supplies and services needed by Schedules program customers. Similarly, GSA works with ordering activities to understand their needs. These efforts bring the private sector and ordering activities together in the knowledge supply chain.

Save Time: Use of FAR Subpart 8.4 procedures significantly reduces the time required for competing for goods and/or services. Orders can be awarded in days or weeks, rather than months. Additionally, nearly every company wishing to do business with the Federal Government starts out with a GSA Schedule contract. Therefore, it is highly probable that the firms an agency would like to see compete for their business will be on GSA Schedule.

Realize Transparency: GSA eTools make it fast and easy to identify qualified contractors, maximize competition, and assist customers in reaching their socioeconomic goals.

GSA eTools

<p>Acquisition Gateway https://hallways.cap.gsa.gov</p>	<p>The Acquisition Gateway is an innovative workspace where acquisition professionals can act as one governmentwide community to find unbiased advice, share expertise, and contribute to its iterative development.</p>
<p>GSA Advantage!® www.gsaadvantage.gov</p>	<p>GSA Advantage!® is the online shopping and ordering system for the Government, which provides access to thousands of contractors and millions of products and services.</p>
<p>eBuy www.ebuy.gsa.gov</p>	<p>eBuy is a component of GSA Advantage!® and is designed to facilitate the request for submission of quotations for commercial products and services.</p>
<p>eLibrary www.gsaelibrary.gsa.gov</p>	<p>The eLibrary eTool is the online source for the latest contract award information.</p>
<p>Contract Awarded Labor Category (CALC) https://calc.gsa.gov/</p>	<p>GSA recently launched the CALC tool, which allows Federal buyers to conduct research and price analysis for professional labor categories across a database of contract awarded prices for 48,000 labor categories from more than 5,000 GSA Schedule contracts.</p>
<p>Schedule Sales Query https://ssq.gsa.gov/</p>	<p>This eTool provides sales data, as reported by Schedule contractors, for specific report quarters during the current and past five fiscal years.</p>
<p>Vendor Support Center https://vsc.gsa.gov</p>	<p>The Vendor Support Center is an online source for vendors to obtain information, review and report sales.</p>

For a more comprehensive list, visit: <http://www.gsa.gov/portal/content/104555>.

VA eTools

<p>VA <i>Advantage!</i> www.vaadvantage.gsa.gov</p>	<p>VA <i>Advantage!</i>, a partnership between the Veterans Administration and the General Services Administration, is a commitment towards improving the acquisition process for VA customers.</p>
<p>Contract Catalog Search Tool www.va.gov/nac/</p>	<p>The National Acquisition Center's MedSurg Contract Catalog Search Tool allows users to browse all products available under the VA Federal Supply Schedule and National Contract programs.</p>
<p>Pharmacy Benefits Management Services http://www.pbm.va.gov/PBM/index.asp</p>	<p>The Pharmacy Benefits Management Services offer a broad range of services and to provide and deliver Veterans personalized, proactive, patient-driven health care.</p>
<p>VA Sales Reporting System https://vasalesportal.gsa.gov/</p>	<p>This new reporting system allows firms with Federal Supply Schedule (FSS) contracts awarded by the VA to submit online sales reports and Industrial Funding Fee (IFF) payments electronically through the GSA/VA system. Sales data is accessible via the Schedule Sales Query tool.</p>

For a more comprehensive list, visit: <http://www.va.gov/oal/business/fss/etoolsVA.asp>.

Control the Procurement: The MAS program provides ordering activities with both self-service access (direct ordering) and full-service (assisted acquisition) access to Schedule contractors. Activities that are at full capacity and do not have time to properly focus on the entire procurement process can use the full-service option to gain additional support. The self-service option allows agency Contracting Offices to retain control of their procurements, including requirements development, evaluation, award and administration.



MAS Desk Reference

For more on the MAS Value Proposition, refer to the *MAS Desk Reference*.

GSA Schedules Conform with Competitive Contracting

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Schedule users shall not:

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

Schedules comply with CICA and are considered compliant with both competition and synopsis requirements; i.e.; the solicitation for the full scope of governmentwide ordering is publicized in FedBizOpps. Consequently, users need not further synopsise, nor seek additional competition.

Agency Goals

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MAS Schedules can help agencies meet their:

- Socioeconomic goals
- Sustainability/Environmental goals

Socioeconomic Goals

Every agency has negotiated annual socioeconomic goals with the Small Business Administration, i.e., a certain percentage of contract dollars must go to each type of small and disadvantaged business included in FAR Part 19 (small businesses, HUBZone businesses, women-owned, veteran-owned, etc.).

Sustainability Goals

Sustainable means creating and maintaining conditions under which humans and nature can exist in productive harmony, that permit fulfilling the social, economic, and other requirements of present and future generations of Americans.

For example, bio-based products are available for purchase at GSA *Advantage!*[®] and GSA Global Supply. Bio-based items are identified with a bio-based symbol.

MAS Supports Small Business Utilization

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- MAS Program promotes small business through socioeconomic preference or set-asides.
- FAR Part 19, *Small Business Programs*
 - Applies to Schedule contracts
 - Does not apply to orders
- Exception to FAR 19 applicability at the order level:
 - Bundling (FAR19.202-1(e)(1)(iii))
 - Size standard criteria

Meeting Agency Socioeconomic Goals

The mandatory preference programs of FAR Part 19, Small Business Programs (e.g., small business set-aside or HUBZone set-aside) generally do not apply. However, some entire Schedules and certain categories (SINs) within other Schedules have been set aside for small business. For example, Schedule 736, Temporary and Administrative Staffing, has been set aside, and only small business firms receive contracts under this Schedule.

Section 1331 of the Small Business Jobs Act of 2010 (SBJA) created a change effective November 2, 2011. Contracting Officers can now, **at their discretion**, set aside orders and BPAs to small business or a subset of small business. (FAR 8.405-5(a))

For orders exceeding the micro-purchase threshold, ordering activities should give preference to small business concerns when two or more contractors can satisfy the requirement at the same delivered price. (See FAR 8.405-5(c)).

The socioeconomic status of Schedule contractors may be viewed at www.gsaelibrary.gsa.gov.



MAS Desk Reference

For more information, refer to the *MAS Desk Reference: Section 5.*

MAS Supports Small Business Utilization, Cont.

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Non Set-Aside Orders

- Consider at least one small business prior to placing an order (FAR 8.405-5(c)).
- Give preference to small business if you have at least two (2) quotes at the same delivered price from small business (FAR 8.405-5(d)).
- Encourage use of Contractor Team Arrangements (CTAs).
- There is no limitation on subcontracting.
- Ordering activity receives socioeconomic credit (FAR 8.405-5(b)).
- Consider socioeconomic status as a primary evaluation factor (FAR 8.405-5(c)).
- You may choose small business subcontracting as an evaluation factor.

Differences between MAS set-asides and non-set-asides are in the areas of:

- ❖ Limitations on Subcontracting
- ❖ The Non-Manufacturer Rule

The FAR Limitations on Subcontracting clause restricts the amount of work small businesses can subcontract to large sources. For service contracts, small sources must perform at least 50% of the cost of labor. For manufacturing, at least 50% of the cost of production must be performed by small business.

The Non-Manufacturer Rule is an exception that allows a non-manufacturer (such as a dealer) to qualify as a small business if it supplies the product made by a domestic small business.

FAR Part 19: Small Business Programs

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- ❑ Part 19 generally does not apply to Schedule orders. – (See 8.404(a))
 - FAR 8.405-5 provides policy for Schedules set-asides.
- ❑ **19.502-4 Multiple-award contracts and small business set-asides.**
 - Contracting officers may, at their discretion—
 - (c) Set aside orders placed under multiple-award contracts for any of the small business concerns identified in FAR 19.000(a)(3)...
 - “For Federal Supply Schedules Program orders, see FAR 8.405-5.”
- ❑ **19.508(c)** requires clauses for total and partial set-asides as well as limitations on subcontracting be added to orders under MAS.

FAR 19.508(c) requires use of the following FAR 52.219-6 clause when a MAS set-aside is involved:

Notice of Total Small Business Set-Aside (Nov 2011)

(a) *Definition.* “Small business concern,” as used in this clause, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the size standards in this solicitation.

(b) *Applicability.* This clause applies only to—

(1) Contracts that have been totally set aside or reserved for small business concerns; and

(2) **Orders set aside for small business concerns under multiple-award contracts as described in 8.405-5 and 16.505(b)(2)(i)(F).**

(c) *General.*

(1) Offers are solicited only from small business concerns. Offers received from concerns that are not small business concerns shall be considered nonresponsive and will be rejected.

(2) Any award resulting from this solicitation will be made to a small business concern.

(d) *Agreement.* A small business concern submitting an offer in its own name shall furnish, in performing the contract, only end items manufactured or produced by small business concerns in the United States or its outlying areas. If this procurement is processed under simplified acquisition procedures and the total amount of this contract does not exceed

\$25,000, a small business concern may furnish the product of any domestic firm. This paragraph does not apply to construction or service contracts.

FAR Subpart 8.405-5 – Small Business

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- ❑ **8.405-5(a)** – Preference programs of Part 19 are not mandatory.
- ❑ **8.405-5(a)(1)** – Set-asides are discretionary for orders and BPAs for small business concerns identified in 19.000(a)(3).
- ❑ **8.405-5(a)(2)** – Follow the ordering procedures at [8.405-1](#), [8.405-2](#), and [8.405-3](#) as applicable.
 - The specific small business program eligibility requirements identified in Part 19 apply.

8.405-5 Small business.

(a) Although the preference programs of Part [19](#) are not mandatory in this subpart, in accordance with section 1331 of Public Law 111-240 ([15 U.S.C. 644\(r\)](#))—

(1) Ordering activity contracting officers may, at their discretion—

- (i) Set aside orders for any of the small business concerns identified in [19.000\(a\)\(3\)](#); and
- (ii) Set aside BPAs for any of the small business concerns identified in [19.000\(a\)\(3\)](#).

(2) When setting aside orders and BPAs—

- (i) Follow the ordering procedures for Federal Supply Schedules at [8.405-1](#), [8.405-2](#), and [8.405-3](#); and
- (ii) The specific small business program eligibility requirements identified in part [19](#) apply.

(b) Orders placed against Schedule contracts may be credited toward the ordering activity's small business goals. 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. Ordering activities should rely on the small business representations made by Schedule contractors at the contract level.

(c) Ordering activities may consider socioeconomic status when identifying contractors 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 business, HUBZone small business, women-owned small business, or small disadvantaged business Schedule contractors. GSA *Advantage!*® and *eLibrary* at <http://www.gsa.gov/fas> contain information on the small business representations of Schedule contractors.

(d) For orders exceeding the micro-purchase threshold, ordering activities should give preference to the items of small business concerns when two or more items at the same delivered price will satisfy the requirement.

FAR Subpart 8.405-5 – Small Business, Cont.

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- ❑ 8.405-5(b) – Orders placed against Schedule contracts may be credited toward the ordering activity’s small business goals.
 - For purposes of reporting, an ordering agency may take credit only if the awardee meets a size standard that corresponds to the work performed.
 - Ordering activities should rely on the small business size representations made at the Schedule contract level.
 - If the prime is large, everything is reported as large even if small subcontractors are involved.
- ❑ Agencies do not need to make a separate size determination at the order level, however...
 - GAO has upheld agencies’ right to request a recertification at the order level. (CMS Information Services Inc., B-290541, Aug. 7, 2002)

8.405-5 Small business.

(b) Orders placed against Schedule contracts may be credited toward the ordering activity’s small business goals. 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. Ordering activities should rely on the small business representations made by Schedule contractors at the contract level. This information is found on the “Contractor Information” page in GSA *eLibrary* at www.gsaelibrary.gsa.gov.

(c) Ordering activities may consider socioeconomic status when identifying contractors 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 business, HUBZone small business, women-owned small business, or small disadvantaged business Schedule contractors. GSA *Advantage!* and *eLibrary* at <http://www.gsa.gov/fas> contain information on the small business representations of Schedule contractors.

(d) For orders exceeding the micro-purchase threshold, ordering activities should give preference to the items of small business concerns when two or more items at the same delivered price will satisfy the requirement.

Size determinations for contractors are also shown in each contractor’s GSA Schedule Contract price list. In accordance with SBA Regulations and the FAR, the size determination made at contract award applies for the life of that contract unless one of three events occurs:

1. Novation
2. Merger or acquisition
3. Option exercise of the Schedule contract

The contractor is then required to update its size. Ordering activities should rely on the information found on *eLibrary* and *GSA Advantage!*®.

Certification Requirements for MAS Contracts

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- MAS contract's size standard certification is generally valid for 5 years.
- Firms must recertify at the time of an option exercise.
 - Exceptions:
 - Novation (within 30 days after effective)
 - Merger or Acquisition (within 30 days after effective)
- See FAR 19.301-2

FAR 19.301-2(b)(3) includes the following requirements for recertification prior to exercise of options, plus for novations and mergers or acquisitions:

“A contractor that represented itself as a small business concern before contract award must re-represent its size status for the North American Industry Classification System (NAICS) code in the contract upon the occurrence of any of the following:

(1) Within 30 days after execution of a novation agreement or within 30 days after modification of the contract to include the clause at [52.219-28](#), Post-Award Small Business Program Representation, if the novation agreement was executed prior to inclusion of this clause in the contract.

(2) Within 30 days after a merger or acquisition of the contractor that does not require novation or within 30 days after modification of the contract to include the clause at [52.219-28](#), Post-Award Small Business Program Representation, if the merger or acquisition occurred prior to inclusion of this clause in the contract.

(3) For long-term contracts—

(i) Within 60 to 120 days prior to the end of the fifth year of the contract; and

(ii) Within 60 to 120 days prior to the date specified in the contract for exercising any option thereafter.”

Required Clauses

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Clause	Title
52.219-3	<i>Notice of HUBZone Set-Aside or Sole Source Award (Nov-2011)</i>
52.219-6	<i>Notice of Total Small Business Set-Aside (Nov-2011)</i>
52.219-13	<i>Notice of Set-Aside of Orders (Nov-2011)</i>
52.219-14	<i>Limitations on Subcontracting (Nov-2011)</i>
52.219-27	<i>Notice of Service-Disabled Veteran-Owned Small Business Set-Aside (Nov-2011)</i>
52.219-29	<i>Notice of Set-Aside for Economically Disadvantaged Women-Owned Small Business (EDWOSB) Concerns (Nov-2011)</i>
52.219-30	<i>Notice of Set-Aside for Women-owned Small Business Concerns Eligible Under the Women-Owned Small Business Program (Nov-2011)</i>

GSA Schedules contain the following clauses, which are applicable at the order level when a set-aside is conducted. Note: Clause applicability varies based on the type of set-aside being conducted.

Clauses:

52.219-3 Notice of HUBZone Set-Aside or Sole Source Award (NOV 2011)

52.219-6 Notice of Total Small Business Set-Aside (NOV 2011)

52.219-13 Notice of Set-Aside of Orders (NOV 2011)

52.219-14 Limitations on Subcontracting (NOV 2011)

52.219-27 Notice of Service-Disabled Veteran-Owned Small Business Set-Aside (NOV 2011)

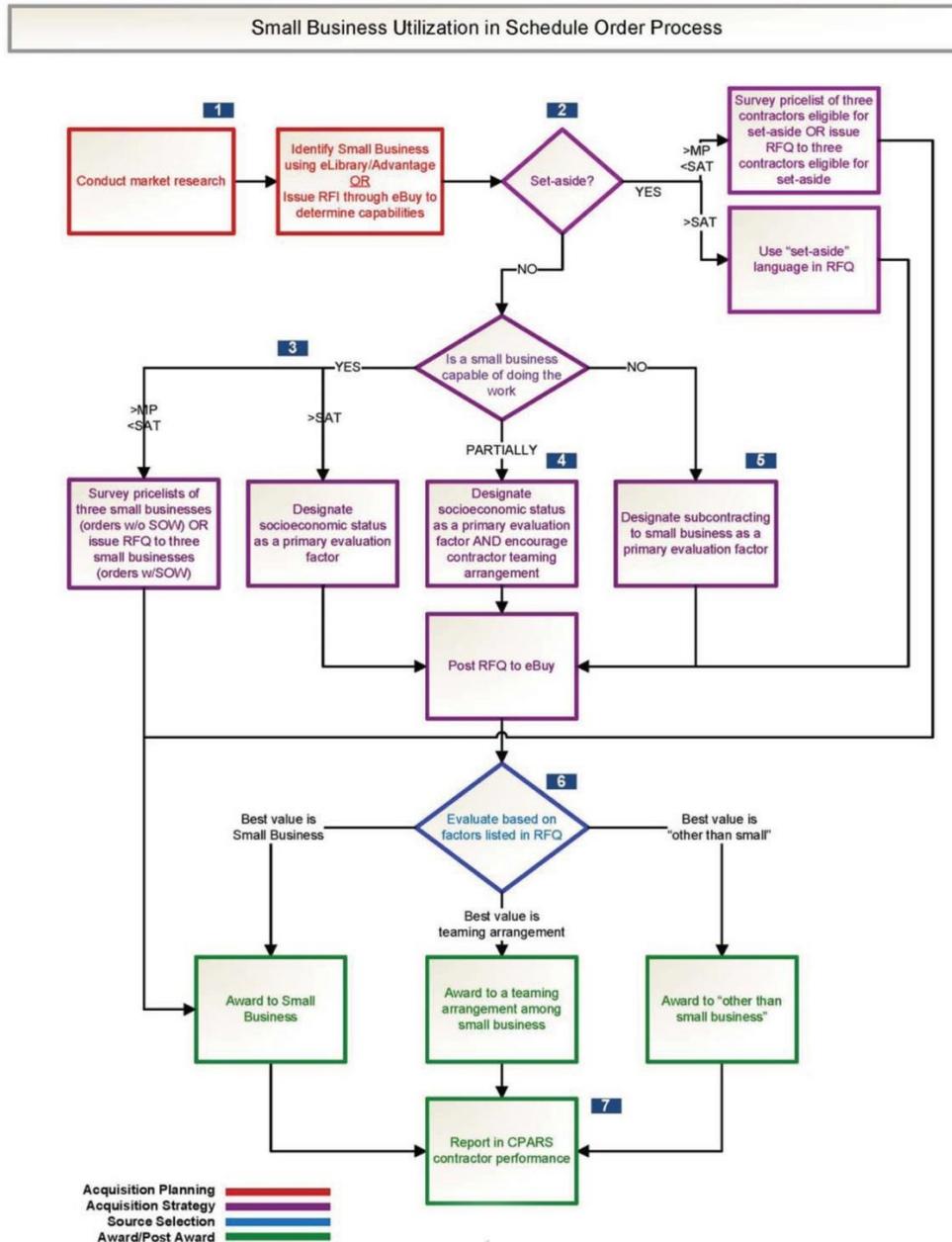
52.219-29 Notice of Set-Aside for Economically Disadvantaged Women-Owned Small Business (EDWOSB) Concerns (NOV 2011)

52.219-30 Notice of Set-Aside for Women-Owned Small Business Concerns Eligible Under the Women-Owned Small Business Program (NOV 2011)

Process for Effective Accomplishment

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The Acquisition Process and Small Businesses when Using GSA Schedules



You can download this from: http://www.gsa.gov/graphics/fas/MAS_Process_Map_10.13.11.pdf.

EXPLANATION OF PROCESS STEPS

1. Conduct market research.

Ordering activities should utilize GSA *Advantage!*® and GSA *eLibrary* to identify small businesses capable of meeting the requirement. Through *Advantage!*®, ordering activities can find all contractors who provide the supply/product required and view the socioeconomic status of each contractor. Through *eLibrary*, ordering activities can find all contractors under the Special Item Number (SIN) associated with the required supply or service; ordering activities can then go one step further and filter the list of contractors by any specific socioeconomic category desired.

If a search on *Advantage!*® and *eLibrary* does not result in any possible small business sources, ordering activities may also consider issuing a Request for Information (RFI) on *eBuy* to determine the capabilities of small businesses in the relevant SINs and to identify small businesses capable of doing the work. An RFI is also a good idea when trying to determine whether your order is eligible for a set-aside (either for small business in general or for one of the small business sub-types listed in FAR 19.000(a)(3)). In order to do a set-aside, there have to be at least two (2) small business (or whatever sub-type the set-aside will be for) Schedule contractors who are capable of doing the work, taking into account the limitations on subcontracting.

After conducting market research, ordering activities should be able to answer the question, “Is a small business capable of doing the work?”

2. Set-aside determination

The ordering activity has discretion as to whether to set aside an order. This discretion can be exercised once two conditions are met:

1. There must be at least two small business (or whatever sub-type the set-aside will be for) Schedule contractors that are capable of doing the work, taking into account the limitations on subcontracting; and
2. Your requirement must meet the small business program eligibility requirements for set-asides. Currently, the FAR requires only that the awarding Contracting Officer directly verifies that Women-Owned Small Business (WOSB) have filed and met the appropriate eligibility requirements (when awarding a set-aside contract or delivery order see FAR 19.505(e)) and via the SBA for set-aside awards to 8(a) program firms .

In the event that the ordering activity exercises its discretion and the order is eligible for a set-aside, the ordering procedures in FAR 8.405-1 and FAR 8.405-2 need to be followed. This means that for orders above the micro-purchase threshold but below the SAT, the ordering activity can either review the price list of three Schedule contractors that are eligible for the set-aside (e.g. small businesses for small business set-aside, HUBZones for HUBZone set-asides) if the order is for supplies or services not requiring an SOW or send a Request for Quotation (RFQ) to at least three Schedule contractors that are eligible for the set-aside for orders that require an SOW. For orders above the SAT, the RFQ needs to be posted on *eBuy* or sent to

enough eligible Schedule contractors so that at least three quotes are received. For set-aside orders, ordering activities should consider using the following language in the RFQ:

This is a notice that this order is a total set aside for [insert either “small business concerns” or specify a type of small business concern]. Only quotes submitted by [insert either “small business concerns” or specify a type of small business concern] will be accepted by the Government. Any quote that is submitted by a contractor that is not [insert either “a small business concern” or specify a type of small business concern] will be immediately rejected.

3. A small business is capable of doing the work in its entirety (no setting-aside of order).

If the ordering activity has determined that a small business can meet the whole requirement alone, as long as there is no limitation on subcontracting, it has two options depending on the estimated order value:

- ❖ For orders above the micro-purchase threshold but below the SAT, the ordering activity can either review the price lists of three small business Schedule contractors if the order is for supplies or services not requiring an SOW or send an RFQ to at least three small business Schedule contractors for orders that require an SOW. The ordering activity can then place an order with the Schedule contractor that represents the best value.
- ❖ For orders above the SAT, the RFQ needs to be posted on *eBuy* or sent to enough Schedule contractors so that at least three quotes are received. Since posting to *eBuy* will make the RFQ available for viewing by all Schedule contractors awarded the relevant SINs, the ordering activities should designate socioeconomic status as a primary evaluation factor in the RFQ. For additional guidance on how to use socioeconomic status as an evaluation factor, see the sample RFQ language posted on www.gsa.gov/schedulesandsbgoals.

4. A small business is capable of doing only part of the work on its own.

If market research reveals that there is no small business that can meet the requirement as a whole but there are small businesses that can each cover portions of the entire requirement, ordering activities can designate socioeconomic status as a primary evaluation factor and also encourage Contractor Team Arrangements (CTAs) in the RFQ. The RFQ can then be posted on *eBuy*, which will result in all Schedule contractors awarded the relevant SIN(s) to be able to view the document. While posting on *eBuy* will result in the RFQ being viewable by large businesses awarded the relevant SIN(s), designation of socioeconomic status as an evaluation factor and the CTA language in the RFQ will prompt them to find a small business (or businesses) with whom to partner in responding to the requirement. Posting on *eBuy* will also ensure that a sufficient number of small businesses have access to the RFQ so that there is a greater probability of receiving responses from CTAs comprised solely of small businesses. For sample RFQ language on evaluating CTAs for the socioeconomic status factor, visit www.gsa.gov/schedulesandsbgoals.

5. A small business is not capable of doing any part of the work.

If market research reveals that the requirement can be met only by an other than small business, ordering activities can still utilize small business by designating subcontracting to small businesses as a primary evaluation factor. Ordering activities can then post the RFQ to *eBuy*.

6. Evaluate the quotes.

In any situation, quotes must always be evaluated in accordance with the evaluation factors listed in the RFQ.

7. Report in CPARS contracting performance.

Recent rulings require ordering activities to report past performance and other responsibility-related determinations into the Contractor Performance Assessment Reporting System (CPARS).

Regardless of whether the BPA/task order was placed with a small business, a CTA, or an other than small business, ordering activities need to report past performance for the contractor in CPARS. Positive past performance will assist the small businesses in being awarded BPAs/orders in the future.

RFQ Language

(slide)

The Contracting Officer should include the following language in the RFQ:

This is a notice that this [*insert either "order" or "Blanket Purchase Agreement"*] is a total set aside for [*insert either "small business concerns" or specify a type of small business concern*]. Only quotes submitted by [*insert either "small business concerns" or specify a type of small business concern*] will be accepted by the Government. Any quote that is submitted by a contractor that is not [*insert either "a small business concern" or specify a type of small business concern*] will not be considered for award.

Note: If using *eBuy* and selecting "set aside," this language will be included in the RFQ automatically.

Include this notice in the Request for Quotation (RFQ) when a set-aside is used. It is included automatically when using *eBuy*. It's important that the notice be in a prominent location at the beginning of the document to alert small businesses of the opportunity, but also to notify other than small business firms so they do not waste their resources pursuing something for which they do not qualify.

When using *eBuy* and Set-Aside is selected, only firms that are identified in the *eBuy* system as the corresponding small business category will be able to see the RFQ.

Recap

(slide)

Set-Aside	Non-Set-Aside
Ordering activity may conduct discretionary set-asides	Ordering activity should give preference to small business if at least two
FAR Part 19 does not apply – See 8.405-5 (ordering procedures come from 8.405-1, 8.405-2, or 8.405-3)	May use socioeconomic status as an evaluation factor
Limitations on Subcontracting apply	No Limitations on Subcontracting
NMR applies	NMR does not apply
Ordering activity receives socioeconomic credit	Ordering activity receives socioeconomic credit
No “rule of two” – Must ensure competition requirements in 8.405-1, 8.405-2, or 8.405-3 are met	

Meeting Agency Goals: Going “Green”

(slide)

What do we mean by “Green”?

- ❑ “*Green purchasing*” or “*sustainable acquisition*” refers to purchasing products with these attributes and purchasing services under which these products will be supplied or used.
- ❑ Federal agencies are required by statutes and executive orders to purchase certain products with specific environmental or energy attributes.
- ❑ For example, janitorial services contracts usually require the contractor to supply replacement paper towels, toilet paper, and plastic trash can liners, all of which can be made from recycled materials.

Meeting Agency Sustainability Goals

Federal agencies are required by statutes and executive orders to purchase certain products with specific environmental or energy attributes. E.O. 13693, Planning for Federal Sustainability in the Next Decade, issued in 2015, put in place revised goals for Greenhouse Gas (GHG) emission reductions and sustainable acquisition. E.O. 13693 promotes sustainable acquisition by requiring agencies to purchase products and services that:

- (i) meet statutory mandates (e.g., recycled content, bio-based, ENERGY STAR® and FEMP designated products)
- (ii) are identified by EPA programs (e.g., Significant New Alternative Policy (SNAP) chemicals, SmartWay Transport Partners, and WaterSense and Safer Choice labeled products)
- (iii) are environmentally preferable
 - (A) Meet or exceed specifications, standards, or labels recommended by EPA
 - (B) Meet environmental performance criteria developed or adopted by voluntary consensus standards

Sustainability in Federal acquisitions is an evolving area. Acquisition policy can be found in FAR Part 23, with solicitation provisions and clauses available at FAR 23.406. The FAR currently reflects guidance from a revoked Executive Order (E.O. 13514) and has to yet to be revised to reflect additional requirements of E.O. 13693 in its entirety.

GSA is committed to provide world-class products and services that save agencies money while minimizing harm to the environment, safety, and health. GSA is greening the Multiple Award Schedules to add more green products and to limit certain products to green-only offerings,

such as ENERGY STAR® appliances. GSA is currently updating its systems to include products and services identified by EPA programs and specifications, standards and eco-labels recommended by EPA. GSA is living up to this commitment, not only in regard to the products and services we provide to customers, but also in the way we conduct internal operations. Learn more at www.gsa.gov/sustainability.

Environmental Program Scope

(slide)

- Recycled content products
- Energy-efficient and water-efficient products
 - Standby power devices
 - EPEAT-registered products
 - WaterSense products
 - ENERGY STAR® and FEMP-designated products
- Alternative fuel vehicles/hybrids/plug-ins/alternative fuels
- Bio-based products
- Environmentally preferable products and services
- Non-ozone depleting substances
- Low or non-toxic or non-hazardous chemicals

Purchases of Products

Purchases of any type of product listed on the GSA Green Procurement Compilation (GPC), including purchase card transactions, are considered to be “applicable.” The products listed are those for which the U.S. Environmental Protection Agency (EPA), U.S. Department of Energy (DOE), or U.S. Department of Agriculture (USDA) have issued designations or otherwise provided guidance for product environmental or energy attributes. Note that it is not the intent of the GPC to list all environmentally sustainable products in the marketplace, and that the green purchasing requirements apply only to the designated products.

Purchases of Services

Because products are supplied or used as part of services contracts, the green purchasing requirements also apply to the purchase of services. Per the Office of Management and Budget (OMB), purchases of any of the following services are considered to be “applicable” contract actions included in the goal count:

- ❖ Building construction, renovation, or repair;
- ❖ Building operations and maintenance;
- ❖ Landscaping services;
- ❖ Pest management;
- ❖ Electronic equipment, including leasing and maintenance;

- ❖ Fleet maintenance;
- ❖ Janitorial services;
- ❖ Laundry services;
- ❖ Cafeteria operations; or
- ❖ Meetings and conference services.

In order to be compliant with the green purchasing requirements, contracts for these services must require the use of green products when any of the following products are part of the contract's scope of work:

- ❖ EPA Comprehensive Procurement Guideline (CPG)–designated products;
- ❖ ENERGY STAR® or Federal Energy Management Program (FEMP) designated products;
- ❖ Electronic Product Environmental Assessment Tool (EPEAT)-registered products;
- ❖ USDA designated Bio-Preferred/Bio-Based products;
- ❖ EPA WaterSense or other water efficient products;
- ❖ Non-ozone-depleting products or alternatives listed under the EPA SNAP Program (Significant New Alternatives Policy);
- ❖ Products containing non or less toxic chemicals or containing alternatives to those on EPA's Priority Chemicals list;
- ❖ Alternative fuel vehicles and alternate fuels;
- ❖ Environmentally Preferable products or services; and/or
- ❖ Products otherwise determined to be environmentally sustainable.

For other services contracts, the use of recycled content paper should be considered. The preference is for all deliverables and administrative documents to be submitted electronically. However, should the contracting team determine paper is necessary, then the contract must require that paper deliverables and administrative documents be printed and copied two-sided on paper containing at least 30 percent postconsumer fiber.



NUTS AND BOLTS TIP

Agencies are required to purchase green products designated by the U.S. Environmental Protection Agency, Department of Energy, and Department of Agriculture. Rather than reviewing multiple websites, you can find the designated products listed in the Green Procurement Compilation, www.gsa.gov/greenproductscompilation. The products are listed by category (e.g., office products, office electronics). GSA updates the Compilation quarterly.

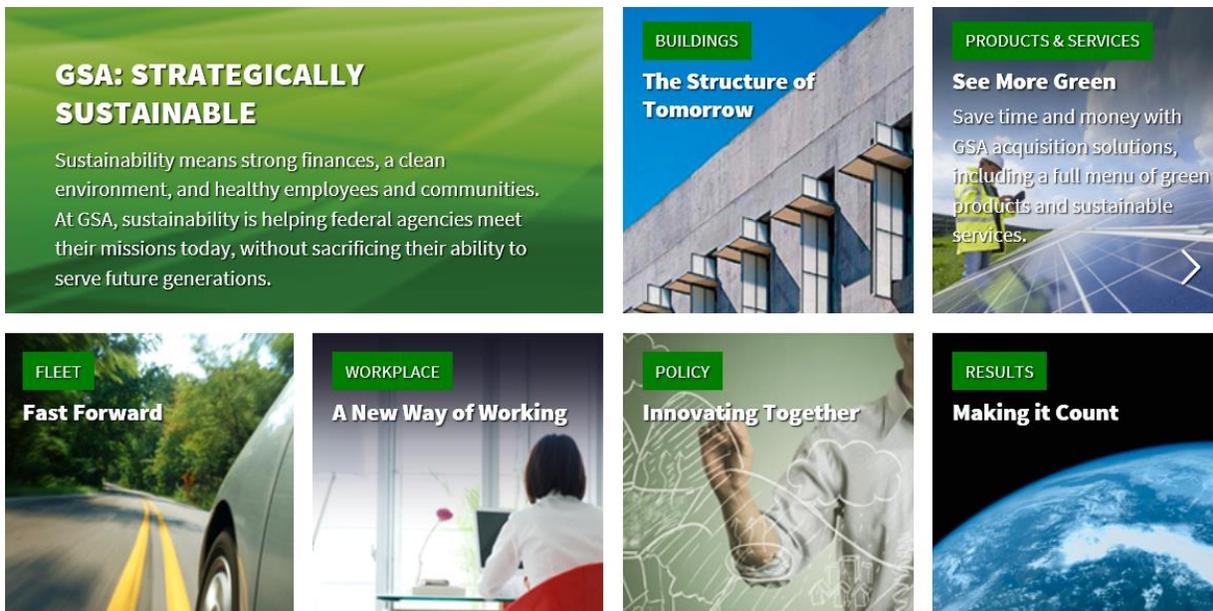
Environmental Program Scope, Cont.

(slide)

Examples of environmentally preferable products are:

- Green cleaning products and services
- Cafeteriaware, especially bio-based content products
- Green meetings and conference services
- Building products

Visit www.gsa.gov/sustainability for a full list of sustainable solutions.



A Word About Labeling

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- ❑ Claims about environmental and energy attributes can be self-claims or verified claims; recycled content claims generally are self-claims.
- ❑ ENERGY STAR® and EPEAT claims are verified by third party entities.
- ❑ Bio-based claims are self-claims, but USDA recently issued regulations for use of a “USDA Certified Bio-Based” label.
- ❑ Third-party organizations develop standards for products, and some of them verify claims.
- ❑ The Federal Trade Commission’s Guides to Environmental Marketing Claims gives guidance to product vendors to help them avoid making misleading claims.

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 19.202-1(e)(1)(iii)), are **NOT** applicable to orders placed against Multiple Award Schedules. (Except that 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 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 quoters. 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 for using FAR Part 15 procedures.

Competition in Contracting Act (CICA)

In accordance with FAR 6.102(d)(3), use of the Federal Supply Schedules (FSS) program is considered a “competitive procedure” under CICA when the FSS ordering procedures are followed – i.e., the Ordering Procedures for Supplies, and Services Not Requiring a Statement of Work (FAR 8.405-1) or the Ordering Procedures for Services Requiring a Statement of Work (FAR 8.405-2).

The Competition in Contracting Act (CICA) was passed into law in 1984 to promote competition. The theory was that more competition for procurements would reduce costs and allow more small businesses to win Federal Government contracts. Under CICA, all procurements must be competed as full and open (there are some exceptions found in FAR Part 6 such as FSS) so that any qualified company can submit an offer. Additionally, CICA requires that all procurements with an estimated value exceeding \$25,000 be advertised for at least 15 days before issuance of a solicitation on FedBizOpps (FAR 5.203 (a)). CICA also requires minimum response times (30 to 45 days) for receipt of bids or proposals from the date of issuance of a solicitation (FAR 5.203 (c), (d) & (e)).

CICA requires each agency and procuring activity to establish a "competition advocate" within its organization to review and challenge any procurement that limits competition. At the Congressional level, a new Senate subcommittee was established to oversee implementation of

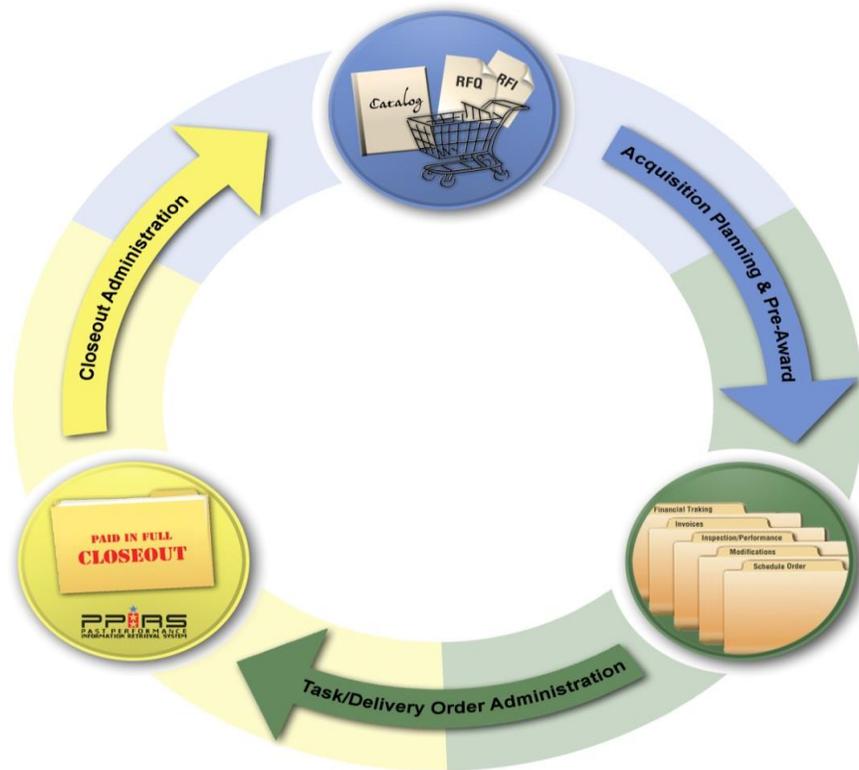
CICA and encourage competition for Government contracts. CICA also amended the protest procedures that are contained in FAR Part 33. Specifically, it established that a protest before contract award to the Government Accountability Office (GAO) will cause the award to be suspended until GAO rules on the protest. It also established a deadline of ninety (90) working days for GAO to issue a ruling or forty-five (45) calendar days if the express option is requested by either party.

Although CICA is still the foundation for competitive requirements, law and regulation make certain exceptions to CICA's competitive mandates and establish other competitive requirements. "Full and open competition" is not the only competitive mandate. For example, CICA does not apply to:

- ❖ Orders placed under single-award requirement contracts or definite-quantity contracts
- ❖ Orders placed under single-award indefinite-quantity contracts that were entered into pursuant to the provisions of CICA
- ❖ Orders placed against a single-award task order and delivery order contracts entered into pursuant to FAR Subpart 16.5

CICA competitive standards do not apply to prospective contracts that will be awarded using simplified acquisition procedures of FAR Part 13 or other contracting procedures that are expressly authorized by statute, which include the competitive procedures that apply to orders placed under the GSA MAS program. There are also fair-opportunity competitive procedures that apply to orders placed against multiple award, task order and delivery order contracts, such as Governmentwide Acquisition Contracts (GWACs) or Multi-Agency (or Award) Contracts (MACs).

Topic 3: Acquisition Life Cycle



The Order Acquisition Life Cycle

The acquisition life cycle begins when an agency or organization discovers a need that cannot be fulfilled internally or through other Government agencies. The need starts a three-phase cycle that broadly describes any type of purchasing activity.

Acquisition Planning and Pre-Award: During this first phase, the program organization works with the Contracting Officer to identify the requirements for the purchase and to determine the most effective way to acquire the needed product or service. The Contracting Officer conducts market research to gain an understanding of the requirement itself, plus the costs and time commitment needed to fulfill the requirement and to identify suitable vendors.

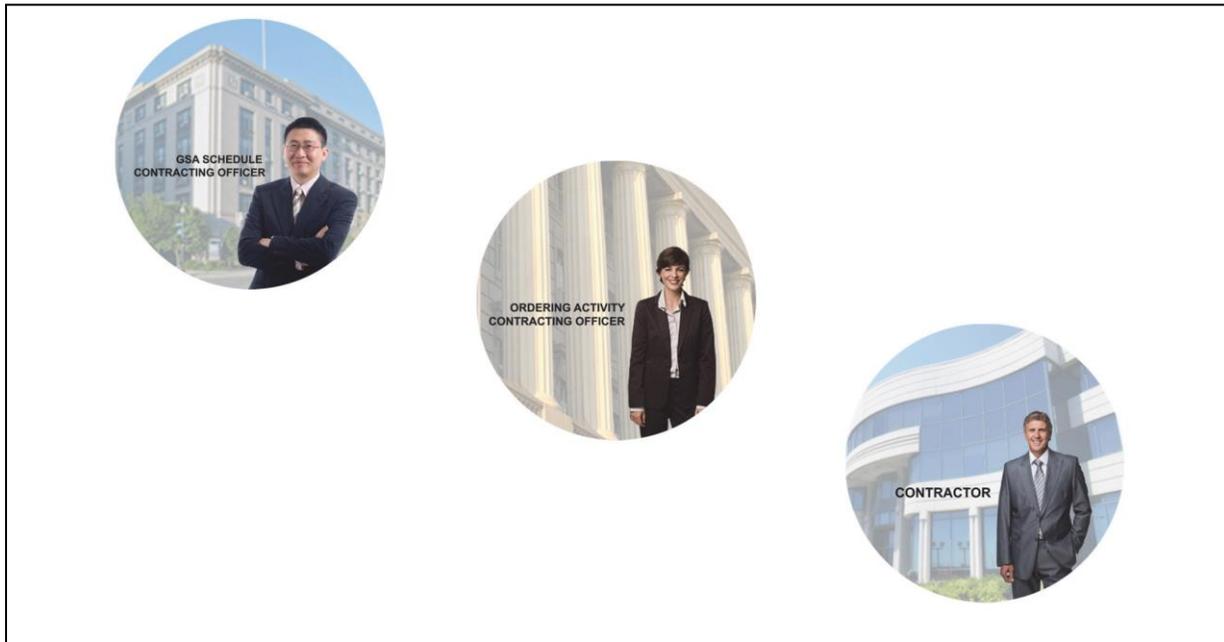
Once the requirements are clearly defined, the Contracting Officer issues a Request for Quotation (RFQ) for the order. Contractors propose solutions and identify price, terms, and conditions. Quotes are reviewed, and the organization awards the order to the contractor offering the solution with the best value.

Task/Delivery Order Administration: During this second phase, the contractor fulfills the obligations of the order. The Contracting Officer monitors the progress against the order and pays the vendor for the supplies or services provided and accepted by the Government.

Closeout Administration: Once the supplies or services have been provided, the final stage is to close out the order. The process includes confirming final acceptance, closing out the order, making final payments, and reporting on the vendor's performance. The assessment of contractor performance is critical to ensuring that future Government buyers can adequately evaluate contractors during the source selection process; past performance information also helps GSA and other Government agencies with market research during their acquisition planning processes.

Acquisition Life Cycle Roles

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Acquisition Life Cycle Roles

The acquisition process involves three major roles:

- ❖ The **GSA Schedule Contracting Officer** is the Contracting Officer responsible for establishing and administering the GSA Schedule contract. This individual works for GSA.
- ❖ The **Ordering Activity Contracting Officer** is the Contracting Officer responsible for purchasing supplies and services and administering orders against a GSA Schedule contract. This Contracting Officer, also known as the Schedule user, places an order directly with the contractor using a Schedule contract.
- ❖ The **Contractor** is responsible for providing the product or service.

GSA Schedule Contracting Officer Responsibilities

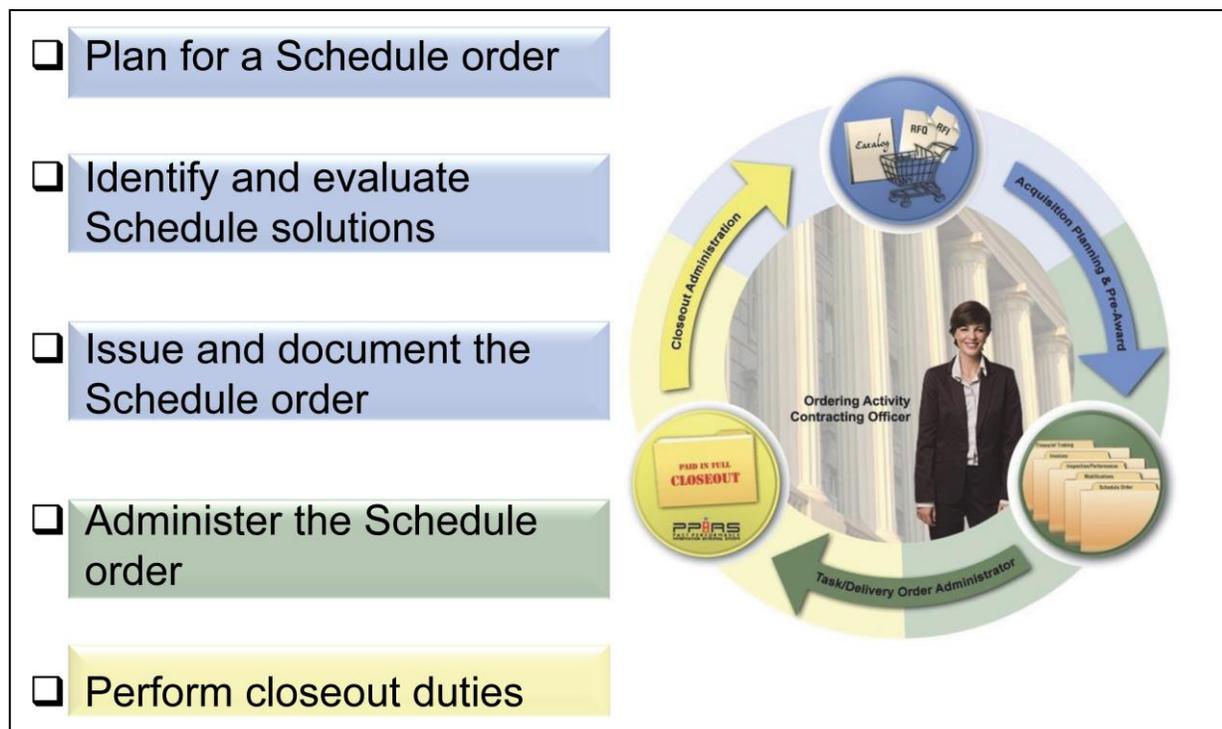
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The GSA Schedule Contracting Officer administers the Schedule contract and provides advice and support to ordering activities, such as strategies for acquisition planning; guidance for appropriate Schedule use; information on Schedule contract requirements; help with terms and conditions of the Schedule contract; and assistance with contractor compliance.

Ordering Activity Contracting Officer Responsibilities

(slide)



Plan for a Schedule order

Identify and evaluate Schedule solutions

Issue and document the Schedule order

Administer the Schedule order

Perform closeout duties

When using a Schedule, the ordering activity Contracting Officer benefits from all the work already done by GSA and the contractor. GSA has determined that the contractor is responsible and technically capable of performing the requirements of the contract; has ensured that pricing is fair and reasonable at the time of award; and has received business size certifications and representations and the required subcontracting plans for large businesses.

Schedule users do not have to issue a complex solicitation or negotiate complex contract terms and conditions. Instead, Schedule users need only issue an order using the appropriate ordering procedures.

Schedule users have the primary responsibility for awarding and administering Schedule orders. In doing so, they must follow the requirements of the contract, FAR Subpart 8.4, and good business practices while planning for a Schedule order; identifying and evaluating solutions available under GSA Schedules; issuing and documenting a Schedule order; and administering the Schedule order.

Schedule Contractor Responsibilities

(slide)

- Comply with all Schedule contract terms and conditions
- Identify ordering activity requirements that can be met utilizing Schedule contracts
- Respond to ordering activity requirements
- Negotiate available solutions
- Maintain proper contract files and administer contract appropriately



After Schedule contract award, the contractor must adhere to the Schedule contract requirements while marketing its products or services to ordering activities. The Schedule contractor must comply with all Schedule contract terms and conditions. For example, the Schedule contractor must:

- ❖ Submit required price list information
- ❖ Report quarterly sales
- ❖ Complete all administrative requirements at the end of the contract
- ❖ Complete each order within the terms of the Schedule contract and the order itself

To be successful, the Schedule contractor needs to:

- ❖ Identify potential business opportunities
- ❖ Respond to ordering activity requirements in an effort to win orders. This may be as simple as providing price list and catalog information, or it might require the Schedule contractor to respond to relatively complex Requests for Quotation.
- ❖ Negotiate with the ordering activity concerning the solutions available under the Schedule contract
- ❖ Maintain proper contract files and proper contract administration

- ❖ Ensure items quoted are either line items in the Schedule contract, or identified as “open market items”

Topic 4: Market Research

Purpose of Market Research

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- Purpose: to find the most suitable approach to acquiring, distributing, and supporting supplies and services for agency needs
- Determine adequacy of:
 - Any commercial products/services for the need
 - GSA Schedule sources if commercially available
 - Support practices for the agency's need
- Determine potential for inclusion of commercial *or* non-developmental items
- Locate small businesses for potential set-aside
- Ensure maximum practicable use of recovered materials, energy conservation, and efficiency
- Determine advisability of bundling

The primary purposes of market research are to:

- ❖ Determine if commercial sources can adequately fulfill the activity's requirements
- ❖ Determine if GSA Schedule sources can adequately fulfill the activity's requirements
- ❖ Determine the extent to which commercial items or non-developmental items can be incorporated at the component level
- ❖ Determine whether sufficient small business sources exist to potentially set aside the order
- ❖ Determine the practices of firms engaged in fulfilling the requirement, including warranties, maintenance, packaging, and marking
- ❖ Ensure the maximum practicable use of recovered materials and promote energy conservation and efficiency
- ❖ Determine whether bundling is necessary and justified

The ultimate goal is for the ordering activity personnel to become educated consumers.

Market Research Goals

(slide)

Market research involves:

- ❑ Collecting and analyzing market capability information
- ❑ Identifying the:
 - True needs of activity
 - Marketplace availability
 - Most suitable approach for:
 - Acquisition
 - Distribution
 - Support

Market research seeks to collect and analyze information about the capability of the market to fulfill a purchasing requirement. This includes identifying:

- ❖ True needs of the activity, which requires an analysis of the outcomes required vs. specifying what the Government wants the contractor to do
- ❖ Availability of the product or service in question
- ❖ Important tertiary concerns, including how the product/service can be acquired; how a product can be distributed; and what types of support are offered (on-site, off-site, mail-in)

Market Research Requirements

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- Market research is the cornerstone for compliance with requirements for competition for orders exceeding the SAT.
- Market research helps justify and document the basis to use the Schedule program (interagency) as the best procurement vehicle when the order exceeds \$500,000 (FAR 17.502).
- Contracting Officers must identify Schedule contractors capable of performing as required.
- Market research is required to ensure at least three quotes will be received.

Market research is the cornerstone to compliance with FAR Subpart 8.4 (for orders exceeding the SAT) and DFARS 208.405-70. Contracting Officers must identify which Schedule contractors are capable of performing the required work. Market research is conducted to verify how many Schedule contractors are interested in the opportunity and to determine approximately how many are likely to respond.

It is important to record the number of vendors available per SIN in the acquisition plan under market research documentation. The Contracting Officer must, at a minimum, review the Schedule contracts to determine which Schedule contractors are capable of performing the required work.

Market Research Guidelines. For orders placed against Schedule contracts that exceed the SAT, the Contracting Officer has these and other options:

- ❖ Issue a draft RFQ or Request for Information (RFI) to learn which objectives are achievable and which vendors can provide solutions.
- ❖ Use *eLibrary* to find out which vendors provide the supplies/services required.
- ❖ Issue the notice to as many Schedule contractors as practicable, consistent with market research appropriate to the circumstances, and to reasonably ensure that quotes will be received from at least three Schedule contractors who are capable of doing the work.
- ❖ Notify all Schedule contractors (for the applicable SINS) that can provide the required work by posting the RFQ on *eBuy* or by using another suitable mechanism to “push” the notification to Schedule contractors.

When fewer than three responses are received. The Contracting Officer may place the order, provided the Contracting Officer determines in writing that no additional contractors could be identified who can fulfill the requirement despite reasonable efforts to do so.

Note that if the Contracting Officer cannot document that sufficient market research was conducted to identify potential Schedule contractors capable of performing the work and that sufficient Schedule contractors were notified, the RFQ must be re-issued.

Market Research Addresses Requirements

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- Understand requirement completely – in terms of the end result or objective.
- Ask **form, fit, and function** questions.
- Determine salient characteristics and sustainability requirements.

Before you can begin your market research, you must have a firm grasp of your agency or end-user requirements.

Having strong clarity about the desired product and/or service includes understanding:

- ❖ **Form:** What should it look like?
- ❖ **Fit:** Is there a specific size, for example?
- ❖ **Function:** What does this product/service do or need to provide? What result is needed?

The answers to these types of questions are the least amount of information any procurement official needs prior to beginning any sound market research. This information should be developed prior to market research for best efficiency, but is also informed by market research. The above questions will assist in determining the supply or service's salient characteristics. "Salient" means remarkable, notable, prominent, striking, conspicuous. Knowing salient characteristics prior to beginning market research aids greatly in the Refine Search feature of *GSA Advantage!*[®].

Market Research Sources: Common Acquisition Platform

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Common Acquisition Platform (CAP)

- A common set of digital and shared services for all Government purchasers
- Online access to all resources for a product or service category
- A holistic view of products and services the Government acquires

The Common Acquisition Platform (CAP) is an initiative to provide a common set of digital and shared services for all Government purchasers. The goal is to provide online access to everything available for a particular product or service category. For example, if someone is purchasing IT hardware or travel services, all resources related to those categories are consolidated in CAP.

Currently, there are approximately 500 groups purchasing more than \$400 billion of products and services governmentwide. This fragmentation results in a great deal of duplication and an inability to fully leverage the collective purchasing power of the Federal Government. It also makes it harder and more costly to do business, both for the Government and for our industry partners who do business with us. CAP is an effort to address these issues by providing a holistic view of the products and services that need to be acquired.

Features of CAP's Acquisition Gateway

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- ❑ Solution Comparisons
- ❑ "Hallway" Resources
 - Prices paid data
 - Market research and acquisition planning
 - Expert articles
- ❑ Connections to Other Acquisition Professionals
- ❑ Personal Project Center
- ❑ Other Resources and Tools, Communities, Events, and News

One of CAP's initial components is the Acquisition Gateway, a repository of information and expertise that is accessible to all Government purchasers.

Features of the Acquisition Gateway include:

Solution Comparisons. The platform brings together content from both Government and industry to allow Government purchasers to compare solutions in a particular product/service category. Currently, there are more than 200 solutions; these include, but are not limited to, GSA products and services. The "Solutions Finder" allows users to search by a range of filters. Users can also link to contracting information, learn about online ordering, and download data.

"Hallway" Resources. Hallways, also organized by product/service category, provide access to a wide range of category-specific information and tools. These include:

- ❖ Prices paid data. Historical pricing data for a particular category offers the potential for reducing variability in pricing, driving down costs, and executing best value purchases. A powerful data visualization tool called the "Prices Paid Portal" includes a growing number of governmentwide data sets.
- ❖ Information on conducting market research
- ❖ Acquisition planning information and tools
- ❖ Expert articles on the product/service

The Professional Services Hallway is a robust collection of expert articles, templates, and white papers. It also provides access to digital services, including the Contract Awarded Labor Category (CALC) tool, Solutions Finder, and Statements of Work Library. Some of the most recent additions include:

- ❖ A paper examining the value of Time and Material (T&M) arrangements
- ❖ Identification of available solutions from civilian and DoD contracts
- ❖ Contracting Officer Toolkit

❖ Index of Professional Services articles

Connections to Other Acquisition Professionals. Acquisition professionals from across the Government can connect and contribute their own ideas, join discussions, and share best practice samples and templates.

Personal Project Center. One of the newer features allows users to personalize their workspace and start building their own acquisition projects.

Other Resources and Tools, Communities, Events, and News

Market Research Sources: CAP

(slide)



Common Acquisition Platform

<https://hallways.cap.gsa.gov>

CAP can be accessed at: <https://hallways.cap.gsa.gov>.

Other Sources for Market Research

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| <ul style="list-style-type: none"><input type="checkbox"/> GSA <i>Advantage!</i>[®]<input type="checkbox"/> GSA <i>eLibrary</i><input type="checkbox"/> GSA CALC tool<input type="checkbox"/> Green Procurement Compilation (GPC)<input type="checkbox"/> PPIRS<input type="checkbox"/> RFIs on <i>eBuy</i> | <ul style="list-style-type: none"><input type="checkbox"/> General Information Sources<ul style="list-style-type: none">• BLS PPI and CPI• Trade Journals, catalogs• FAR Contract Pricing Reference Guide• MarkeTips Magazine<input type="checkbox"/> Recent similar acquisitions |
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GSA eTools and other resources:

- ❖ GSA *Advantage!*[®] www.gsaadvantage.gov
- ❖ GSA *eLibrary* www.gsaelibrary.gsa.gov
- ❖ GSA CALC Tool <https://calc.gsa.gov>
- ❖ Green Procurement Compilation (GPC) <http://www.gsa.gov/portal/content/198257>
- ❖ PPIRS www.ppirs.gov
- ❖ Requests for Information (RFIs) on *eBuy* www.ebuy.gsa.gov

Topic 5: Acquisition Strategies Using Schedules

Acquisition Planning: Background and Objectives

(slide)

- Statement of need
- Applicable conditions
- Independent Government Estimate (IGE)
- Possibility of small business set-asides
- Capability or performance
- Delivery or performance period requirements
- Tradeoffs
- Risks
- Acquisition streamlining

After the ordering activity identifies what the requirements are for the acquisition, the next question the ordering activity must answer is how to acquire the product or service. This is known as the acquisition strategy or acquisition plan.

Acquisition Planning. Schedule orders are not exempt from the development of acquisition plans required by FAR Subpart 7.1 or an Information Technology Acquisition Strategy required by FAR Part 39. Therefore, any planning requirements that apply to an open market acquisition also apply to a Schedule order.

In order to facilitate attainment of the acquisition objectives, the plan must identify those milestones at which decisions should be made. The plan must address all the technical, business, management, and other significant considerations that will control the acquisition. The length and depth of the acquisition plan should be commensurate with the size and complexity of the procurement.

FAR Subpart 7.1 recommends breaking the plan into two parts: *Acquisition background and objectives* and *Plan of Action*. *Acquisition background and objectives* includes the following, if they are relevant to the acquisition:

- ❖ **Statement of need.** Introduce the plan by a brief statement of need. Summarize the technical and contractual history of the acquisition. Discuss feasible acquisition alternatives, the impact of prior acquisitions on those alternatives, and any related in-house efforts.
- ❖ **Applicable conditions.** State all significant conditions affecting the acquisition, such as requirements for compatibility with existing or future systems or programs and any known cost, schedule, and capability, or performance constraints.
- ❖ The **Independent Government Estimate (IGE)** is the Government's estimate of the resources and projected costs that a contractor would incur in the performance of a contract.

Other parts of acquisition planning include:

- ❖ **Capability or performance.** Specify the required capabilities or performance characteristics of the supplies or the performance standards of the services being acquired and state how they are related to the need.
- ❖ **Delivery or performance period requirements.** Describe the basis for establishing delivery or performance-period requirements. Explain and provide reasons for any urgency if it results in concurrency of development and production or constitutes justification for not providing for full and open competition.
- ❖ **Tradeoff price and other factors.** When it appears that other best value factors need to be considered, the Schedule user should decide what best value factors will be considered and how they will be considered. Evaluation factors should be selected based on those that truly affect value to the Government; this is informed by market research. These evaluation factors will be part of an RFQ, if issued, so the vendors know what is important to the Government.
- ❖ **Risks.** Discuss technical, cost, and schedule risks, and describe what efforts are planned or underway to reduce risk and the consequences of failure to achieve goals. If concurrency of development and production is planned, discuss its effects on cost and schedule risks.
- ❖ **Acquisition streamlining.** If specifically designated by the requiring agency as a program subject to acquisition streamlining, discuss plans and procedures to:
 - Encourage industry participation by using draft RFQs, pre-solicitation conferences, and other means of stimulating industry involvement during design and development in recommending the most appropriate application and tailoring of contract requirements;
 - Select and tailor only the necessary and cost-effective requirements; and
 - State the timeframe for identifying which of those specifications and standards, originally provided for guidance only, will become mandatory.



NUTS AND BOLTS TIP

Acquisition Plans. GSA Schedule orders are not exempt from the development of Acquisition Plans, IAW FAR Subpart 7.1 or an Information Technology Acquisition Strategy IAW FAR Part 39. Therefore, any planning requirements that apply to open market acquisitions also apply to a Schedule order.

For Schedule orders in excess of \$550,000, a written determination shall be made that use of the MAS program is the best procurement approach, per FAR Parts 8.404(b)(2) and 17.502-1(a).

Possible Schedule Alternatives to Open Market Items

(slide)

The slide features a GSA U.S. Central Services document on the left with a handwritten note on a yellow sticky note. The note reads: "Tom, Work with GSA CO to modify the contract to reflect our new SW module and change delivery to within 90 days ARO for SIN B2-99. - Steve". Below the document is the text "Modify Schedule Contract". In the center, a photograph of a man and a woman in business attire is labeled "CONTRACTOR" and "CONTRACTOR", with the text "Contractor Team Arrangement (CTA)" below it. On the right, a photograph of a warehouse or office space is labeled "Government Furnished Property (GFP)".

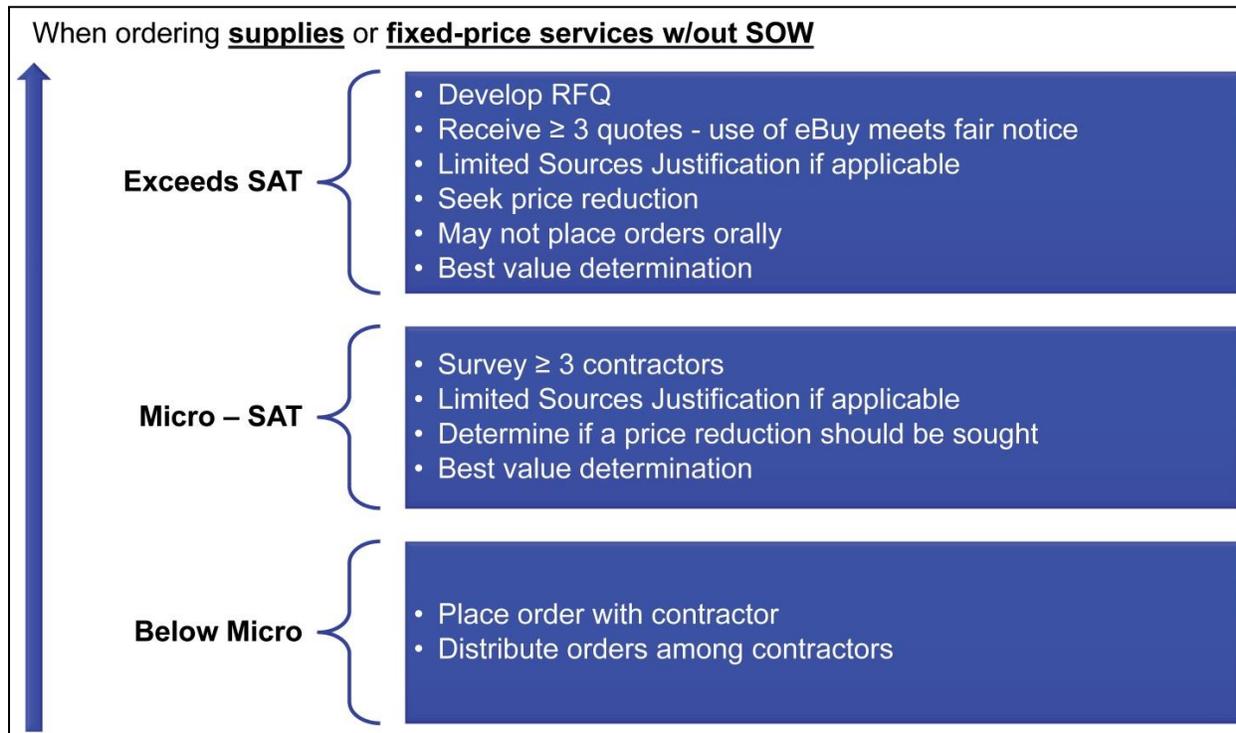
Ordering activities have three options for avoiding using open market items:

- ❖ The Schedule contract can be modified by the GSA Contracting Officer. Currently, there are five types of modification requests:
 - Additions
 - Deletions
 - Administrative Changes
 - Pricing Changes
 - Technical Changes

- ❖ Contractor Team Arrangements (CTAs) bring together multiple Schedule contractors as a team to provide a total solution for the requirement. For instance, one team member might be on a Schedule to provide installation and consulting services for a type of equipment. Another Schedule contractor might be on a different Schedule to provide the equipment but not the installation. Teaming provides a single solution that eliminates the need to search the open market; this benefits contractors and the Government alike. RFQs can state the ordering activity's preference to use a team solution.
- ❖ Government-Furnished Property (GFP)/Government-Furnished Equipment (GFE) includes facilities, equipment, material, supplies, or other services provided by the Government for use by all prospective service providers in the solicitation. Costs for GFP included in a solicitation are considered common costs. Replacement costs, insurance, maintenance and repair costs for GFP may or may not be Government-furnished, depending on the provisions in the solicitation.

Ordering Procedures - FAR 8.405-1

(slide)



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 SAT.** You should obtain at least three (3) quotes (always documenting your contract file and selecting 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 an 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 contractor under the appropriate Schedule that 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 SAT (\$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 offeror. 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*.

Questions to Determine Avoidable Competition Limitations (FAR 8.405-6)

- | |
|---|
| <ul style="list-style-type: none"> • Is the SOW 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? • Was the requirement obtained through the use of restricted competition not in accordance with the procedures in FAR 8.405-6? • Is there a brand name constraint based on non-essential functionality or characteristics? |
|---|



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.



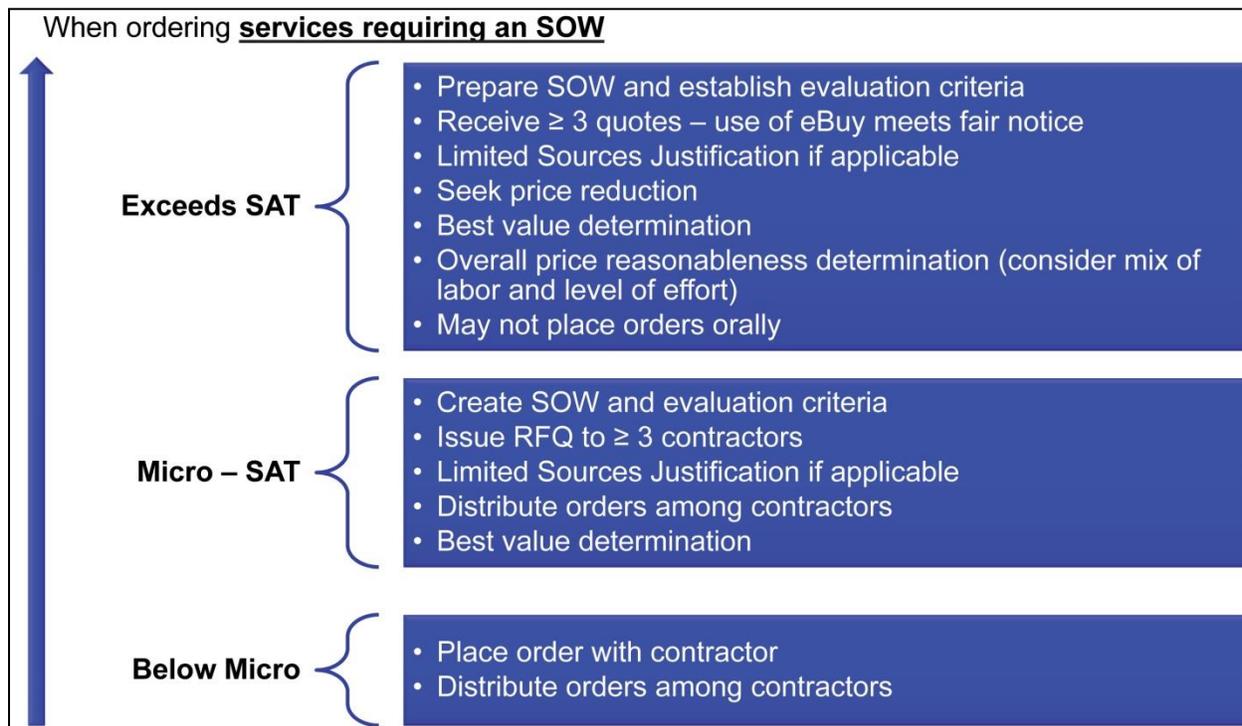
NUTS AND BOLTS TIP

FAR 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 the System for Award Management (SAM) (www.sam.gov) to determine whether the prospective contractor is debarred, suspended, or proposed for debarment.

Ordering Procedures - FAR 8.405-2

(slide)



When Is an SOW Required?

For services offered in Schedule contracts at hourly rates, Schedule users must create Requests for Quotations (RFQs) and include the Statement of Work (SOW) and evaluation criteria to Schedule contractors that offer services that will meet the agency's needs. The SOW and RFQ requirements differ by dollar value. The RFQ may be posted through *eBuy*.

If an order requires an SOW, the first step in the award 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 is not required, the first step in the award process is to compare prices from appropriate Schedule contractors.

If the order requires an SOW, the ordering activity has the option to ask quoters to provide 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.



NUTS AND BOLTS TIP

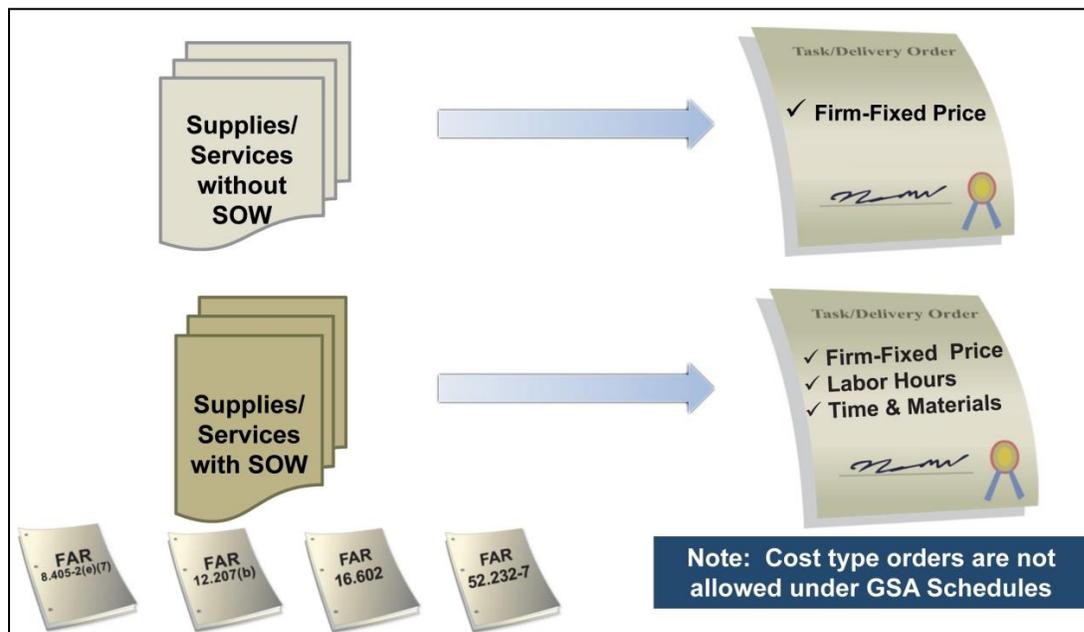
Overall Price Reasonableness Determination for Services

When buying services IAW FAR 8.405-2, the ordering activity is required to conduct an overall price reasonableness determination. This means that the proposed mix of labor and level of effort must be considered to ensure that the overall price provides the best value to the Government.

The ordering activity does not have to evaluate the hourly rate. GSA is responsible for establishing the rates and determines rates to be fair and reasonable at the Schedule contract level. The FAR states: 8.405-2(d) Evaluation. The ordering activity shall evaluate all responses received using the evaluation criteria provided to the Schedule contractors. The ordering activity is responsible for considering the level of effort and the mix of labor proposed to perform a specific task being ordered, and for determining that the total price is reasonable.

Schedule Order Types

(slide)



Pricing Arrangements

Orders for supplies or services not requiring an SOW must be Firm Fixed-Price (FFP). (See FAR 8.405-1(a)). Orders for services requiring an SOW may use one or a combination of the following pricing arrangements:

- ❖ Firm-Fixed-Price (FFP)
- ❖ Labor-Hour (LH)
- ❖ Time-and-Materials (T&M)

FFP is the preferred order type, and its use is required to the maximum extent practicable (See FAR 8.404(h)(2)). A LH or T&M type can be used only when it's not possible at time of order placement to accurately define the extent or duration of the work or accurately estimate the cost. The Contracting Officer must execute a determination and findings (D&F) establishing that no other contract type is suitable, and the order must contain a ceiling price that the contractor exceeds at their own risk prior to placement.

For BPAs for hourly rate services, the ordering activity must develop an SOW for the requirements covered by the BPA. All orders under the BPA must specify a fixed-price for the performance of the tasks identified in the SOW/PWS.



MAS Desk Reference

For more information, refer to the *MAS Desk Reference: Section 3.*

Limited Sources Justification and Approval

(slide)

- FAR 8.405-6
- Schedule orders are exempt from FAR Part 6.
- Ordering activities must justify restricting consideration when:
 - Restricting to fewer contractors than required per 8.405-1 and 8.405-2
 - Limiting to brand name

GSA Schedule orders and BPAs are exempt from the requirements in FAR Part 6, Competition Requirements. However, an ordering activity must justify its action when restricting consideration to fewer contractors than required in FAR 8.405-1, 8.405-2, or 8.405-3 or to an item particular to one manufacturer (e.g., a brand name item).

When limiting the sources on a requirement, the ordering activity must document the rationale for limiting consideration, regardless of the dollar value. However, the higher the dollar amount, the more information is required in the justification, and the more approvals must be obtained. The ordering activity must list under which permitted exception the requirement falls.

For orders or BPAs valued between the micro-purchase threshold and the SAT, the Contracting Officer must document the circumstances leading to the restriction of consideration of Schedule contractors to fewer than required by FAR 8.405-1, 8.405-2, or 8.405-3.

For orders or BPAs exceeding the SAT, the Contracting Officer, with assistance from the requiring activity, must prepare a justification citing the authority to limit sources under the Schedules program. At a minimum, each justification must include the following information:

- ❖ Identification of the agency and the contracting activity, and specific identification of the document as a “Limited Sources Justification”
- ❖ Nature and/or description of the action being approved
- ❖ Description of the services or supplies required to meet the agency’s needs (including the estimated value)
- ❖ The authority and supporting rationale and, if applicable, a demonstration of the proposed contractor’s unique qualifications to meet the requirement
- ❖ A determination by the Contracting Officer that the order represents the best value consistent with FAR 8.404(d)

- ❖ A description of the market research conducted among Schedule holders and the results, or a statement of reason the market research was not conducted
- ❖ Any other facts supporting the justification
- ❖ A statement of the actions, if any, the agency may take to remove or overcome any barriers that led to the restricted consideration before any subsequent action is taken
- ❖ The Contracting Officer's certification that the justification is accurate and complete to the best of the Contracting Officer's knowledge
- ❖ Evidence that any supporting data provided by the technical or requirements personnel (e.g., verifying the Government's minimum needs or requirements, or other rationale for limited sources) and which form a basis for the justification have been certified as complete and accurate by those technical personnel

Limited Sources Justifications

(slide)

- ❑ An urgent and compelling need exists, and following the prescribed Schedule ordering procedures would result in unacceptable delays.
- ❑ 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.
- ❑ The new work is a logical follow-on to an original MAS order, provided that the original order was a competitively awarded Schedule order.
- ❑ See FAR 8.405-6(d) for monetary thresholds and approval requirements.

FAR 8.405-6 outlines the following instances when limited source acquisitions, with proper documentation and approvals, are permissible:

- ❖ An urgent and compelling need exists, and following the prescribed Schedule ordering procedures would result in unacceptable delays.
- ❖ Only one source is capable of responding due to the unique or specialized nature of the work.
- ❖ The new work is a logical follow-on to an original Schedule order, provided that the original order was placed in accordance with the applicable Schedules program ordering procedures and was not previously issued under sole source or limited source procedures.

Limited Sources Justification Requirements

(slide)

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

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 SAT 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 FedBizOpps, **and**
 - For a minimum of 30 days.

Limited Sources Justification Requirements, Cont.

(slide)

Brand Name (8.405-6(b))

Threshold	LSJ Required	Posting Required
Exceeds SAT	Yes	Yes - eBuy
\$25,000 - SAT	Document Circumstances – not a full blown LSJ	Yes - eBuy
Micro – SAT	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 *eBuy*:

- ❖ For proposed orders or BPAs with an estimated value exceeding \$25,000, but not exceeding the SAT, Contracting Officer shall document the file.
- ❖ For proposed orders or BPAs with an estimated value exceeding the SAT, a Limited Sources Justification is required.

Post-Award Posting Requirements for Limited Source

(slide)

- ❑ FAR 8.405-6(d)
 - Post notice/justification of limited source procurements on FedBizOpps or agency website with link accessible from FedBizOpps.
 - Post NLT 14 days after award - remain accessible to public for 30 days.
 - Urgent and Compelling LSJ may be approved after award; post NLT 30 days after award and remain accessible for 30 days.
- ❑ Exceptions to posting
 - Disclosure would compromise the national security or create other security risks.
 - The nature of the file (size + format) does not make it cost effective or practicable for COs to provide access through *eBuy*.
 - Agency's Senior Procurement Executive (SPE) makes a written determination that access through *eBuy* is not in the Government's interest.

The requirement to post documentation or justification does not apply when:

- ❖ Disclosure would compromise the national security (e.g., would result in disclosure of classified information) or create other security risks. The fact that access to classified material may be necessary to submit a proposal or perform the contract does not, in itself, justify use of this exception;
- ❖ The nature of the file (e.g., size, format) does not make it cost-effective or practicable for Contracting Officers to provide access through *eBuy*; or
- ❖ The agency's Senior Procurement Executive makes a written determination that access through *eBuy* is not in the Government's interest.

Other Direct Costs Categories

(slide)

- ❑ Ancillary Supplies and Services
 - Commercial items on Schedule
 - Items included in the task order
 - Items support and are not the primary purpose of the order
- ❑ Travel Reimbursable Items
 - Travel in the performance of a task order
 - Reimbursable according to agency and Federal regulations
- ❑ Open Market Items
 - Commercial items not on Schedule
 - Can be mixed with Schedule items only if all clauses applicable to those items are included and the ordering Contracting Officer determines prices are fair and reasonable and within scope

When putting together the acquisition plan, ordering activities should also consider how much and what types of Other Direct Costs (ODCs) are going to be needed to meet the requirement. Direct costs are costs that can be directly traced to an order and which are incidental to the main purchase. ODCs typically come in three categories:

- ❖ **Ancillary Supplies and Services** are commercial items which complement the main purchase, are within the scope of the contract, and are already on the Schedule contract. The items are included in the MAS contract and task order and cannot be ordered separately from other services on the same contract. Because the items are already on the MAS contract, the prices are considered fair and reasonable. An example of ancillary items is an order for training that might specify the development of course materials and the teaching of classes. The cost of printing the participant guides is an additional service that is available under the Schedule contract, but is only available when purchasing the training services.
- ❖ **Travel Reimbursement Items** are costs for transportation, lodging, and per diem that are associated with the performance of a task order. Ordering activities can reimburse contractors for travel-related costs as long as the travelers follow the appropriate Federal, agency, and project travel regulations, such as the Federal Travel Regulation (FTR) and the Joint Travel Regulation (JTR).
- ❖ **Open Market Items**, also known as “non-Schedule items” are “incidental” costs for commercial items that are not awarded under a MAS contract but which also support an order. Because the items are not on the Schedule contract, ordering activities cannot assume that the costs are fair and reasonable. Therefore, ordering activities must purchase these items in accordance with all applicable acquisition regulations. The

ordering Contracting Officer must determine that the quoted prices for these items are fair and reasonable and within scope.

Topic 6: Acquisition Flexibility for Use of Schedules

Contract Flexibilities

(slide)



The MAS program offers a number of approaches to acquiring complete solutions. Contractor Team Arrangements (CTAs) enable two or more vendors to present a team approach to providing solutions; they are different from a prime contractor/subcontractor type of relationship. Also, it may be beneficial to an organization to award BPAs for recurring requirements, to make the ordering process easier and to take advantage of the potential to obtain reduced pricing.



MAS Desk Reference

For more information, refer to the *MAS Desk Reference: Section 10 on CTAs.*

Schedule Contractor Team Arrangement (CTA) Benefits

(slide)

- Provides a complete solution
- Encourages use of GSA Schedules
- Increases competition
- Levels the playing field for small businesses

The benefits of CTAs include the following:

- ❖ Satisfies the customer with a single solution
- ❖ Increases competitive edge
- ❖ Increases market share
- ❖ Increases visibility
- ❖ Focuses on core capabilities
- ❖ Obtains complementary capabilities
- ❖ Integrates different skills
- ❖ Offers additional opportunities with customers
- ❖ Builds direct relationships with customers
- ❖ Maximizes use of one or more Schedule solutions
- ❖ Shares risks and rewards
- ❖ Allows more opportunities for small business and small disadvantaged businesses
- ❖ Reduces the number of items Schedule contractors need to carry on their Schedule contracts, thus reducing inventory and tracking costs

Key Differences between CTAs and Subcontractor Arrangements

(slide)

Key Questions	CTA	Prime/Sub Arrangement
Who must hold the Schedule contract?	Each member	Only prime contractor
Who is considered a party to the task order? (privity)	Each member	Only prime contractor
Who has ultimate responsibility for contract duties?	Each member	Only prime contractor
What rates can be charged?	Up to the MAS rate for member providing the services	Up to the MAS rate for the prime contractor
FPDS reporting	Member with the greatest revenue on the order	Only prime contractor

The main benefit of CTA use is the increased flexibility to obtain total solutions. There are real differences between Schedule CTAs and prime contractor/subcontractor arrangements. Key differences can be identified in five areas:

- ❖ Requirement to have a Schedule contract;
- ❖ Performance responsibility (if prime/sub, the prime has responsibility);
- ❖ Privity of contract (there is no privity with subcontractors, so a CO cannot talk to them);
- ❖ Invoicing; and
- ❖ Ability to provide total solutions.

There are also key differences between Schedule CTAs and other types of CTAs. The primary differences are that in establishing Schedule CTAs:

- ❖ All CTA participants must have a Schedule contract and use their Schedule rates.
- ❖ The ordering activity must have privity of contract with all CTA participants.
- ❖ Prime/subcontractor relationships and combined corporate entities are not acceptable. For other than Schedule CTAs, prime/subcontractor relationships and combined corporate entities are common.

FPDS Reporting:

1. Interim Guidance: Ordering activities are responsible for accurately achieving and reporting on their small business goals, including accurate reporting to the FPDS. Under CTAs, each contractor has privity of contract with the ordering activity. When a MAS order is awarded with CTA, small business achievement in contractual terms is based upon the dollar amount of the work the small business contractors perform under the order. FPDS currently will only accept information relating to one contractor per order. The ordering activity must determine which CTA member is realizing the preponderance of the revenue on an order and report that contractor's information to FPDS.
2. Future Guidance: GSA is working with the Office of Federal Procurement Policy (OFPP) and the Small Business Administration (SBA) to provide further clarity around the use of CTAs and anticipates issuing final guidance in the future.

Unlike a prime/subcontract relationship where all reporting is done under the prime's name, a CTA focuses upon who performs the majority of work (interim guidance).



MAS Desk Reference

For more information, refer to the *MAS Desk Reference: Section 10 on CTAs.*

MAS BPA Streamlines the Acquisition Process

(slide)

- Permits consolidation of agency and multi-agency requirements
- Eliminates the need for immediately funding requirements
- Eliminates the synopsis requirement

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

- ❖ 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 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). 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.

Schedule BPAs simplify the acquisition process for ordering activities. In addition to not performing a “fair and reasonable” price analysis (except for labor hours and mix on hourly-rate contracts), ordering activities do not need to synopsise requirements for purchases against a BPA.

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.”



MAS Desk Reference

For more information, refer to the *MAS Desk Reference: Section 9 on BPAs.*

Blanket Purchase Agreements Benefits

(slide)

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

From the Government's perspective, the five best reasons to use a Schedule BPA are:

- ❖ 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.
- ❖ It saves administrative time and money through consolidated payment and summary invoicing, thereby creating processing efficiencies.
- ❖ Pre-negotiated prices means 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.
- ❖ Funding is not required until a need arises, and an order is placed.
- ❖ It allows the agency to set aside BPAs for small business and helps the agency achieve its socioeconomic goals

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 faster turn-around on orders and may improve cash flow.

Single-Award BPAs

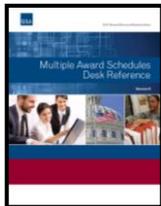
(slide)

- FAR stated preference for multiple awards
- 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

The preference in FAR 8.405-3 is to establish a multiple-award BPA. However, if agency requirements are best met with a single-award and proper approvals are obtained, the agency may award the BPA to only one contractor. If this occurs, authorized users may place the task order directly under the established BPA when the need for the supply or service arises.

Consider:

- ❖ Frequency of ordering, invoicing, discounts, delivery
- ❖ Type of order: FFP, Labor Hour, T & M



MAS Desk Reference

For more information, refer to the *MAS Desk Reference: Section 9 on BPAs.*

Multiple-Award BPAs

(slide)

- 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 at the discretion of the ordering activity and should be based on a strategy that is expected to maximize the effectiveness of the BPA(s).

For orders exceeding the micro-purchase threshold, the ordering activity must forward the requirement (or SOW/PWS/SOO and the evaluation criteria) to an appropriate additional number of Schedule BPA holders in accordance with the BPA ordering procedures. The ordering activity must evaluate the responses received, make a best value determination, and place the order with the Schedule BPA holder that represents the best value.

If the BPA is for hourly-rate services, the ordering activity must develop an SOW/PWS/SOO for requirements covered by the BPA. All orders under the BPA should specify a price for the performance of the tasks identified in the requirements document.

Topic 7: Task/Delivery Order Award, Administration and Closeout

Evaluation Process

(slide)



Evaluation team members must understand all the significant factors being considered. In addition to price, the team may use other factors to determine best value. Factors include:

- ❖ Past performance and/or experience
- ❖ Technical qualifications
- ❖ Preference for the items of small business concerns when two or more items at the same delivered price will satisfy the requirement, as indicated in FAR 8.405(c)
- ❖ Any other best value factors that represent the key areas of importance to be considered in the selection decision and support meaningful comparison and discrimination among competing quotes

If the Schedule user is considering price and additional evaluation factors, the evaluation team must understand the relative importance of the identified evaluation factors. At a minimum, the RFQ should state whether all evaluation factors other than price, when combined, are:

- ❖ Significantly more important than price,
- ❖ Approximately equal to price, or
- ❖ Significantly less important than price.

Comparing Best Value

(slide)

IAW FAR 8.4, ordering activities should place orders on a “best value” basis.



Best Value Continuum

Under a “Best Value” continuum, there is a recognition that the Government always seeks to obtain the best value in negotiated acquisitions using any one, or a combination, of source selection approaches. In addition, the acquisition should be tailored to the requirement.

At one end of this continuum is the “lowest price, technically acceptable” (LPTA) strategy, and at the other end is the “technical/past performance predominates” strategy, whereby tradeoff of price, past performance, and technical considerations are weighted to identify the quote that provides the Government with the best value.

The tradeoff type of best value procurements involve tradeoffs between cost, technical, and past performance factors to determine which option provides the solution that best meets the Government’s needs, while reducing the associated risk. For example, if the Government’s requirements are to increase efficiency and thereby, reduce the agency’s operating costs, the purchase of a high-end computer at a higher price may be a better value than a low-end computer at a lower price.

Part of the best value tradeoff analysis involves conducting a risk analysis; the ordering activity must consider whether it is willing to pay more for:

- ❖ Achieving socioeconomic objectives
- ❖ Better past performance

- ❖ Better technical approach
- ❖ Better management capabilities

If it decides to use non-price factors, which means that other than the lowest-priced, technically acceptable quotation may be selected, the ordering activity must clearly state the priorities in the RFQ.

When determining best value, an ordering activity may take advantage of the full spectrum of best value techniques as defined in FAR 2.101. When making the best value determination, ordering activities should refer to the guidance provided in the RFQ for the evaluation factors and their relative weights in the decision making process. Price may be the least important evaluation factor, but it must be evaluated.

Best Value Factors

(slide)



Once the technical requirements and performance outcomes are known, ordering activities can consider the factors that are most critical to arriving at the desired solution. In addition to price, these critical factors become the evaluation criteria when awarding orders. Because RFQs must include evaluation criteria, it is important that ordering activities consider these factors when determining requirements.

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. 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 continuing maintenance required for the supply to meet activity requirements?
 - Do Schedule contractors or the 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 among supplies?

 - ❖ **Environmental and energy efficiency:**
 - Do supplies offered by Schedule contractors or other suppliers have significantly different percentages of recovered materials?
 - Are some services or supplies environmentally preferable to others?
 - Do available services or supplies generate hazardous waste?
 - Do available services or supplies meet Government-prescribed energy efficiency standards?
 - Does information (e.g., the Government-mandated energy use and efficiency labels on air conditioners and refrigerators) indicate that supplies have significantly different energy requirements?

 - ❖ **Technical qualifications:**
 - Are there significant differences in provider/supplier technical qualifications?
-

- If 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 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 seller 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?



NUTS AND BOLTS TIP

Meeting Special Requirements

An example of a requirements change consideration is if a requiring activity has requested a “Desk, computer, 26” x 48” and walnut.” During market research, the purchaser could not find a firm that offers a walnut computer desk with a 26” x 48” work surface. However, the purchaser found several that offer walnut computer desks with a 30” x 48” work surface as well as a variety of other dimensions. The person responsible for acquiring the desk could get a local craftsman or even a large manufacturer to custom-build a desk with the required work surface dimensions, but the price would be substantially higher than the price for an off-the-shelf desk. If space or other factors do not preclude using a desk with a 30” depth, the best interest of the Government would generally be served by modifying the requirement. It would likely be more advantageous to identify a range of acceptable sizes. However, if there are factors that make the 26” depth essential, the requirement should not be modified.

Best Value Factors: Procurement of Services

(slide)

In addition to considering past performance/experience and price, you may consider other “best value” factors.

- Possession of specialized experience or expertise
- Use of tools, processes, or procedures that ensure high quality or enhanced performance
- Certifications, awards, or recognition demonstrating competence and/or reduced risks
- Soundness of technical approach
- Ability to successfully manage, as demonstrated in the management plan
- Qualifications of key personnel

In acquisitions for services, in addition to considering past performance/experience and price, ordering activities may consider other best value factors in selecting Schedule contractors to meet their needs. For example, they may want to consider:

- ❖ Possession of specialized experience or expertise
- ❖ Use of tools, processes, or procedures that ensure high quality or enhanced performance
- ❖ Certifications, awards, or recognition demonstrating competence and/or reduced risks
- ❖ Soundness of technical approach
- ❖ Ability to successfully manage, as demonstrated in the management plan
- ❖ Qualifications of key personnel

Making and Documenting the Decision: Orders without SOW (8.405-1)

(slide)

Documentation	
Schedule contracts considered	√
Contractor chosen	√
Description of supply or service purchased	√
Amount paid	√
Evidence of compliance with ordering procedures when exceeding the SAT	√
Basis for award decision	√
Determination that interagency vehicle (Schedule) constitutes best approach (when exceeding \$550,000)	√

In accordance with FAR 8.405-1, the following documentation must be included for an order without an SOW:

- ❖ The Schedule contracts considered
- ❖ The contractor chosen
- ❖ A description of the supply or service purchased
- ❖ The amount paid
- ❖ Evidence of compliance with ordering procedures for orders exceeding the SAT
- ❖ The basis for the award decision
- ❖ For orders exceeding \$550,000, a determination that the interagency vehicle (the Schedule) constitutes the best approach

Making and Documenting the Decision: Orders with SOW (8.405-2)

(slide)

Documentation	
Schedule contracts considered; contractor chosen	√
Description of supply or service purchased	√
Amount paid	√
The evaluation methodology used in selecting the contractor to receive the order	√
The rationale for any tradeoffs in making the selection	√
Overall price reasonableness determination	√
Rationale for using other than FFP or PBA	√
Evidence of compliance with ordering procedures when exceeding the SAT	√
Determination that interagency vehicle (Schedule) constitutes best approach (when exceeding \$550,000)	√

In accordance with FAR 8.405-2, the following documentation must be included for an order requiring an SOW:

- ❖ The Schedule contracts considered
- ❖ The contractor chosen
- ❖ A description of the supply or service purchased
- ❖ The amount paid
- ❖ The evaluation methodology used in selecting the contractor
- ❖ Overall price reasonableness
- ❖ The rationale for using other than Firm Fixed-Price (FFP) or performance-based acquisition (PBA)
- ❖ Evidence of compliance with ordering procedures for orders exceeding the SAT
- ❖ For orders exceeding \$550,000, a determination that the interagency vehicle (the Schedule) constitutes the best approach

Notification of Unsuccessful Quoters

(slide)

May Include	Do Not Include
<ul style="list-style-type: none">• Number of Schedule contractors solicited and quotes received• Name and address of each Schedule contractor receiving an order or BPA• The total price of each order• General reason(s) why the contractor's quote was not accepted	<ul style="list-style-type: none">• Information on other quoters including point by point comparisons• Trade secrets• Privileged or confidential processes, techniques, commercial or financial information• Names of individuals regarding past performance

Note: eBuy users can automatically send e-mail notices to unsuccessful bidders

After award of a Schedule order or BPA for services requiring an SOW, the ordering activity should provide timely notification to unsuccessful quoters. The FAR does not establish specific requirements for the notices; therefore, the ordering activity can tailor each notice as appropriate to the situation.

Notices may be brief or may include detailed information such as:

- ❖ The number of Schedule contractors solicited
- ❖ The number of quotes received
- ❖ The name and address of each Schedule contractor receiving an award
- ❖ The total price of each order
- ❖ The reason(s) why the quote was not accepted

The notification to unsuccessful quoters must **not** include:

- ❖ Point-by-point comparisons
- ❖ Information on other quoters
- ❖ Trade secrets
- ❖ Privileged or confidential processes and techniques
- ❖ Privileged or confidential commercial or financial information
- ❖ Names of individuals providing reference information about past performance

Notifications to unsuccessful quoters should explain why they did not receive an award, but should not reveal proprietary information about the competitors.

Protests

(slide)

- ❑ A protest is a written objection to the awarding of a contract by an interested party.
- ❑ A protest can be to the agency or to GAO.
- ❑ Protests can occur in the following situations:
 - Procedural issues
 - Scope issues
 - Open market items

Note: FAR Subpart 33.1 is applicable to orders placed against GSA Schedules

FAR 33.101 defines “protest” as a written objection by an interested party to any of the following:

- ❖ A solicitation or other request by an agency for offers for a contract for the procurement of property or services
- ❖ The cancellation of the solicitation or other request
- ❖ An award or proposed award of the contract
- ❖ A termination or cancellation of an award of the contract, if the written objection contains an allegation that the termination or cancellation is based in whole or in part on improprieties concerning the award of the contract

Contrary to popular belief, **contractors may protest GSA Schedule orders**. The limitation for non-Schedule multiple award IDIQs found in FAR 16.505(a)(10) does not apply to MAS contracts.

Procedural issues may include use of FAR Part 15-type procedures vs. those outlined in FAR Subpart 8.4. Scope issues can arise if some of the work involved in providing a solution for a Federal customer is outside the scope of the Schedule contract. Good market research should prevent this type of error. If the protest is on an “open market item” included in a Schedule order, it may be that the item is not part of the Schedule contract, and it was not specifically identified as “open market.”

Order Administration Functions

(slide)

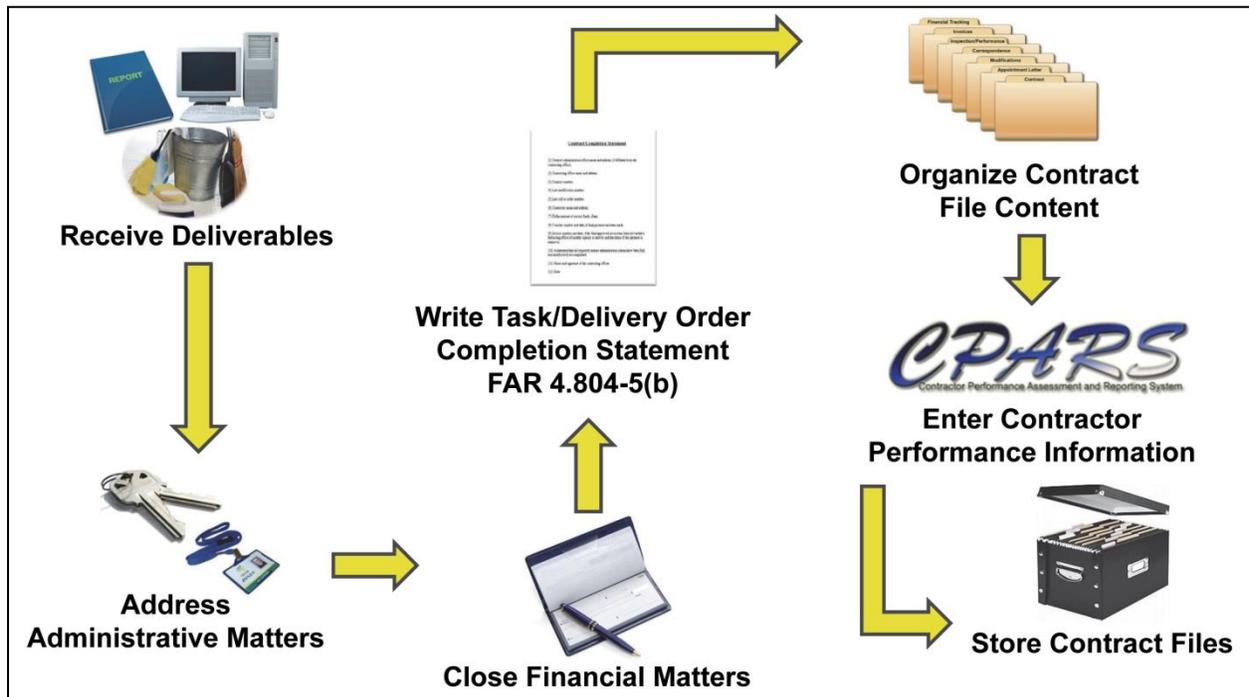
- ❑ Order administration focuses on obtaining **quality** services and supplies:
 - On time
 - Within budget
- ❑ Administration activities vary depending upon the situation, but may include:
 - Monitoring contractor performance
 - Non-conformance remedies
 - Dispute resolution
 - Inspection and acceptance
 - Order/BPA modifications
 - Performance incentive payment determinations
 - Prompt payments
 - Order/BPA closeout

The Schedule user is responsible for administering Schedule orders and BPAs issued under Schedule contracts.

Schedule order or BPA administration activities vary, depending upon the acquisition situation and may include monitoring contractor performance, non-conformance remedies, dispute resolution, inspection and acceptance, order/BPA modifications, performance incentives, payments, and order/BPA closeout. FAR 4.804-1 provides timeframes for closeout. Simplified acquisitions should be closed out as soon as receipt has been verified, and payment has been made.

Required Actions at Closeout

(slide)



Contracts involving:	Timeframe for closing after completion or receipt of goods:
Simplified acquisition procedures	Immediately after final payment
FFP, without simplified acquisition procedures	6 months
Settlement of indirect costs	36 months
All other types	20 months

The closeout process ensures that all terms and conditions have been met. FAR 4.804-1 requires that contracts be closed according to the following guidelines:

- ❖ Files for contracts using simplified acquisition procedures should be considered closed when the Contracting Officer receives evidence of receipt of property and final payment has been made, unless otherwise specified by agency regulations.
- ❖ Files for firm, fixed-price contracts, other than those using simplified acquisition procedures, should be closed within six months after the date on which the Contracting Officer receives evidence of physical completion.
- ❖ Files for contracts requiring settlement of indirect cost rates should be closed within 36 months of when the Contracting Officer receives evidence of physical completion.

- ❖ Files for all other contracts should be closed within 20 months of when the Contracting Officer receives evidence of physical completion.

The Contracting Officer can use “quick closeout,” as indicated in FAR 42.708, if the following conditions apply:

- ❖ A contract with indirect costs is physically complete.
- ❖ The amount of unsettled indirect cost to be allocated to the contract is relatively insignificant.
- ❖ The Contracting Officer can reach agreement with all interested parties on a reasonable estimate of allocable dollars.

Indirect cost amounts are considered insignificant when:

- ❖ The total unsettled indirect cost to be allocated to any one contract does not exceed \$1,000,000; and
- ❖ Unless otherwise provided in agency procedures, the cumulative unsettled indirect costs to be allocated to one or more contracts in a single fiscal year do not exceed 15 percent of the estimated, total unsettled indirect costs allocable to cost-type contracts for that fiscal year. The Contracting Officer may waive the 15 percent restriction based upon a risk assessment that considers the contractor’s accounting, estimating, and purchasing systems; other concerns of the cognizant contract auditors; and any other pertinent information.

Closeout cannot occur if a contract:

- ❖ Is in litigation or under appeal; or
- ❖ Is being terminated, and all termination actions have not been completed.

Requirements for Termination

(slide)

To terminate a Schedule order:

- Review the GSA Schedule contract to identify applicable clauses prior to taking action.
- Include in the order file a record of dates the Schedule contractor received notices and copies of all documentation to and from the contractor.

When terminating a Schedule order, the ordering activity Contracting Officer:

- ❖ Should review the GSA Schedule contract to identify the applicable clauses before taking any action towards termination
- ❖ Must include, in the order file, a record of dates the contractor received notices. Information from the COR will support the Contracting Officer.
- ❖ Should look for additional information as needed in FAR 52.212-4, 8.406-4, and 8.406-5

The timing of actions related to order termination can affect the rights of the parties. To clarify the timing of those actions, the order file must include a record of the date any notices described in this section are received by the contractor. When one of these notices is mailed, it must be sent by certified mail, return receipt requested. When the ordering activity arranges for hand delivery of the notice, a written acknowledgement of receipt must be obtained from the contractor. These receipts must be retained in the order file, along with a copy of the related notice.

Schedule contracts contain clauses that allow ordering activities to terminate task orders with contractors. Ordering activities can terminate orders using one of two options:

- ❖ **Termination for Cause.** Cancellation of a contract or any part thereof, because the contractor defaults or fails to comply with any contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance.
- ❖ **Termination for Convenience.** Cancellation of a contract or any part thereof, when it is in the Government's best interest to do so (e.g., when an item is no longer needed).



MAS Desk Reference

For more Terminations, refer to the *MAS Desk Reference: Section 7.*

Termination for Cause

(slide)

- ❑ FAR Subpart 8.406-4
- ❑ The ordering activity has the right to terminate all or part of an order when the contractor defaults or fails to comply with any of the contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance.
- ❑ The ordering activity must notify GSA when:
 - A Schedule order is terminated for cause.
 - Fraud is suspected.

According to the termination for cause terms in FAR 52.212-4 (Deviation) and FAR 52.212-4 (Alternate I) (Deviation), the ordering activity reserves the right to terminate the order, or any part thereof, for cause:

- ❖ In the event of any default by the contractor
- ❖ If the contractor fails to comply with any contract term or condition
- ❖ If the contractor fails to provide the Government (upon request) with adequate assurances of future performance

If a Schedule contractor asserts that the failure was excusable, the ordering activity contracting officer shall follow the dispute procedures at FAR 8.406-6, as appropriate.

Government/Contractor Liabilities

The ordering agency is not liable for any services or supplies not accepted. The contractor is liable for all rights and remedies provided by law. The Government's preferred remedy is to acquire similar items from another contractor and to charge the defaulted contractor with any excess repurchase costs and any incidental or consequential damages incurred due to the termination.

If the termination remedy is re-purchase, and the terminated contractor is charged any excess costs, the ordering activity must re-purchase at the lowest price possible, considering the quality required by the Government, delivery requirements, and administrative expenses.

When excess costs are anticipated, the ordering activity may withhold funds due to the contractor as offset security. Ordering activities must minimize excess costs to be charged against the contractor and collect or set off any excess costs owed. If an ordering activity is unable to collect excess re-purchase costs, it must notify the Schedule Contracting Office after final order payment to the contractor.

Termination for Convenience

(slide)

- ❑ FAR Subpart 8.406-5
- ❑ The ordering activity has the right to terminate all or part of an order when it is in the Government's best interest (e.g., when an item is no longer needed).
- ❑ If the Schedule Contracting Officer terminates any services or supplies covered by the contract:
 - The contractor **must** complete any orders for those services or supplies.
 - The ordering activity Contracting Officer **may** terminate the order for convenience.

The ordering activity Contracting Officer may unilaterally terminate all or part of a Schedule order at any time, with or without giving any reason, for the convenience of the Government when it is in the Government's best interest (e.g., when an item is no longer needed). Terminating an order has no effect on the Schedule contract.

Before terminating an order for convenience, the ordering activity Contracting Officer must try to enter into a no-cost settlement agreement with the Schedule contractor. The Contracting Officer should be able to negotiate a no-cost cancellation in situations where it is in the interest of both parties to the Schedule order, such as in the following circumstances:

- ❖ An off-the-shelf supply has not been shipped; or
- ❖ No significant work has been expended by the contractor in providing a service or special-order supply, or no work hours have been expended.

If a no-cost settlement cannot be reached, the Contracting Officer sends a Notice of Termination for Convenience to the contractor. Once the contractor receives the Notice of Termination for Convenience, he/she must immediately stop work and ensure all suppliers and subcontractors cease work.

The parties to the Schedule order should mutually agree upon the requirements of the termination settlement quote. The parties must balance the Government's need to obtain sufficient documentation to support payment to the contractor against the goals of having a simple and expeditious settlement.

Termination for Convenience: Liabilities and Rights

When an ordering activity Contracting Officer terminates a GSA Schedule fixed-price order for the Government's convenience, the contractor must be paid:

- ❖ The percentage of the contract price reflecting the percentage of the work performed prior to the notice of the termination; plus

- ❖ Reasonable charges the contractor can demonstrate, to the satisfaction of the ordering activity using a standard record-keeping system, resulting from the termination.

The contractor must not be required to comply with the Cost Accounting Standards Board, Cost Accounting Standards (CAS) or the contract cost principles in FAR Part 31, Contract Cost Principles and Procedures. The Government does not have any right to audit the contractor's records solely because of the termination for convenience.

The contractor must not be paid for any work performed or costs incurred which could have been avoided.

When an ordering activity Contracting Officer terminates a GSA Schedule LH or T&M task order for the Government's convenience, the contractor must be paid an amount for direct labor hours (as defined in the GSA Schedule contract and order) determined by multiplying the number of direct labor hours expended before the effective date of termination by the hourly rate(s) in the order, less any hourly rate payments already made to the contractor, plus reasonable charges the contractor can demonstrate to the satisfaction of the ordering activity, using its standard record-keeping system, that have resulted from the termination.

Topic 8: eTools

GSA Advantage!

(slide)



- Search
- Review
- Place Order
- View History

www.gsaadvantage.gov

GSA Advantage!® - an online shopping service through which ordering activities may place orders against the Schedules using the Governmentwide Purchase Card.

GSA Advantage!® is an online catalog, information, and ordering system. The system gives authorized customers the ability to search, identify, compare, and order Schedule items that offer the best value to the Government. By using GSA Advantage!®, the user can search through the millions of supplies and services that are available under Schedule contracts. It is the first step for commodity purchases. When beginning any commodity procurement research, the first market research tool suggested is a simple search for the product under GSA Advantage!®.



NUTS AND BOLTS TIP

No registration is required to use GSA Advantage!® or eLibrary for market research.

eBuy

(slide)



- Post Requirements
- Issue RFI/RFQ
- Notification of Award

www.ebuy.gsa.gov

eBuy - An online RFQ system that allows ordering activities to post requirements, obtain quotes, and issue orders.

Issuing an RFQ via *eBuy* allows ordering activities to post requirements, obtain quotes, and award orders electronically.

eBuy, GSA's electronic Request for Quotation (RFQ) system, streamlines the buying process with point and click functionality by allowing RFQs and RFIs to be exchanged between Federal buyers and Schedule contractors. Use of *eBuy* increases competition in Federal contracting through its transparency feature; it allows maximum exposure to all vendors within a specific SIN. *eBuy* greatly supports civilian and DoD goals of increased competition in contracting.

Market research may be facilitated using *eBuy* to distribute an RFI to Schedule contractors. Using an RFI via *eBuy* may produce valuable feedback from potential Schedule contractors on how to best tailor the acquisition and how to best utilize Schedule sources. RFIs should be clearly identified as such and include a statement such as: "This is a request for information only. No award will be made as a result of this request."



NUTS AND BOLTS TIP

Note: IAW with DFARS PGI 208.405-70, posting of a request for quotation on *eBuy* is one medium for providing fair notice to all contractors, as required by FAR 8.405 and DFARS 208.405-70(c)(2).

eLibrary

(slide)



- Schedules listings
- Descriptions
- Clauses
- Contractor details
- SAM status

www.gsaelibrary.gsa.gov

eLibrary - The official online source for complete GSA and VA Schedules information – a great market research tool.

GSA *eLibrary* provides access to information on millions of supplies and services. It is the official online source for complete GSA and VA Schedules contract award information. GSA *eLibrary* is a centralized source for researching Schedules that includes:

- ❖ Basic ordering guidelines
- ❖ Complete Schedule listings
- ❖ Powerful search engine
- ❖ Vendor socioeconomic status

GSA *eLibrary* enables you to search which suppliers have a contract and what is currently available. Searches can be conducted using various search options, e.g., the Schedule contractor's name, contract number, SIN, Schedule number, or keyword. GSA *eLibrary* provides links to GSA *Advantage!*® and GSA *eBuy* for ordering agencies and provides direct access to contractor websites and email addresses.



Knowledge Check 1

An organization requires contracting support for a new system. What are the benefits of using a GSA Schedule contract?

Answer:



Knowledge Check 2

What are the characteristics of a GSA contract?

Answer:



Knowledge Check 3

What parts of the FAR are relevant to GSA Schedule contracts?

Answer:



Knowledge Check 4

List sources for market research

Answer:



Knowledge Check 5

You are part of a selection board that is seeking to implement a new payment processing software. The board has narrowed the selection down to two solutions: (1) a system that uses new technology, and (2) one that has a longer track record of success but is \$10,000 more expensive.

What factors would you consider when making the best value decision?

Answer:



Knowledge Check 6

You are a Contracting Officer. An acquisition team wants to use a Schedule contractor for the ongoing purchase of IT equipment. You suggest the organization consider a Schedule BPA.

List the benefits of using a Schedule BPA

Answer:



Knowledge Check 7

An ordering activity is about to begin administering a new order. Which tasks must be performed in order administration?

Answer:

- Monitoring contractor performance
- Inspecting and accepting supplies and services
- Remedying non-conformance
- Consulting industry standards for evaluating performance
- Resolving disputes
- Making payments



Knowledge Check 8

When is an order physically complete?

Answer:

Appendix

Appendix A – Blanket Purchase Agreement (BPA) Considerations

Appendix B – GSA Publication “*Building Flexibility, Speed & Value into Acquisition*”

Appendix A –Blanket Purchase Agreement Considerations

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 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 purchase against a BPA. The only exception is for 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 BPA's for the following reasons:

- 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
- Saves 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:

- Simplifies production and revenue planning by providing an ongoing source of orders
- Increases revenue through volume purchases. To earn the volume purchases, the contractor understands 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 a Single Award BPA, as outlined in FAR 8.405-3. Once a Single Award BPA is established, ordering activities can place additional orders with the BPA holder without further “best value” selections.

If the anticipated tasks are broad in scope/complexity and repetitive in nature, 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.

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 Schedules BPA has certain documentation requirements that 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 practice.

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 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 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 vendors are enticed to provide better pricing and terms by leveraging the full value of the requirement to attract 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)

If the ordering activity establishes Multiple BPAs, before placing an order exceeding the micro-purchase threshold, the ordering activity must forward the requirement, or SOW, and the evaluation criteria, to an appropriate number of Schedule BPA holders in accordance with the BPA ordering procedures. The

ordering activity must evaluate the responses received, make a “best value” determination and place the order with the Schedule BPA holder that represents the best value.

Choosing BPA Types

When an ordering activity has a requirement, the first decision that should be made is if a MAS BPA is appropriate to use. The ordering activity compares the performance work statement (PWS) to the GSA Schedules to see if there is a match.

Assuming the PWS is in-scope, the next step is to decide whether to issue a task order against a Schedule or to use a BPA. The reasoning behind using a BPA is based on whether or not the requirement is going to be recurring. If the requirement is not recurring, then the ordering activity should issue a task order or an RFQ and submit an order based on the quotes.

If the requirement is recurring, the ordering activity must determine whether the requirement is broad or narrow. If the requirement is broad, a multiple award BPA should be used. A single award BPA should be used if the requirement is narrow.

BPA Specifications

The Schedule BPA must include the specifics of the agreement. The specifications should address the subjects below.

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

Blanket Purchase Agreement period. The period of the Schedule BPA may be identified with specific start and end dates or from award to the expiration date. Schedule BPAs 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 if there are option periods in the Schedule contract(s), if exercised, will cover the Schedule BPA’s period of performance.

FAR Subpart 8.405-3(d) requires an annual review of each Schedule BPA to determine if the BPA continues to represent the best value. It is possible to add options to a BPA, but there is no compelling reason to do so. Annual reviews are more flexible and streamlined than a full FAR Part 17 option review. A cancellation clause should be included in the BPA if issues occur so the Government is able to cancel the BPA.

Frequency of ordering. The frequency of ordering should be described clearly based on available information. If the frequency of ordering is identified, 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 include a general statement that accurately describes the known

information about the frequency of ordering. For example, the Schedule BPA may 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 difficult or impossible to identify delivery/performance periods in the BPA. When various services will be provided based on a general Schedule BPA SOW, it may not be possible 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.

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 particular types of services or supplies over a period. The period is one year unless the Schedule BPA is for a shorter period.

The BPA should include a statement that the Government is not obligated to make any purchases using the Schedule BPA. Common examples include:

- 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 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. However, it should be noted that this is not a requirement.

Delivery/performance locations. Schedule BPAs for supplies should either identify the location required for delivery or state that the location 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. At a minimum, the Schedule BPA should identify the geographic area of BPA performance.

Price Reductions. The potential volume of orders under BPAs, regardless of the size of individual orders, offers the opportunity to secure greater discounts. FAR Subpart 8.405-4 requires Schedule users to seek price reductions:

- Before placing any order that exceeds the relevant maximum order threshold
- When the supply or service is available elsewhere at a lower price
- When establishing a BPA to fill requirements
- In conjunction with the annual BPA review
- When there are other reasons for requesting a price reduction

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

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

Invoice address. If the contractor will submit 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 on 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, stating their total dollar value, and 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 is later.

Evaluations and rationales. When establishing MAS BPAs, the ordering activity must document the following:

- The evaluation methodology used in selecting the contractor to receive the BPA(s)
- The rationale for any tradeoffs in making the selection
- The fair and reasonable price determination required by FAR Subpart 8.405-2(d) for BPAs with hourly rate services
- The results of the annual review

If applicable, the ordering activity must document the following:

- The circumstances and rationale for restricting consideration of Schedule contractors to fewer than required in the Schedule ordering procedures
- The rationale for placing an order other than firm-fixed price or performance-based

Sample BPA Format

A BPA does not need to be a long document. The sample BPA template is available as a Word document on the GSA website at www.gsa.gov/bpaformat.

Schedule BPA Order Placement

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, each BPA should include procedures for providing BPA holders a fair opportunity to provide the services and/or supplies identified in the BPA. The ordering activity must:

- Forward the requirement or Statement of Work (SOW), and the evaluation criteria, to an appropriate number of BPA holders, as established in the BPA ordering procedures; and
- Evaluate the responses received, make a best value determination, and place the order with the BPA holder that represents the best value.

If the ordering activity establishes a BPA for hourly rate services, the ordering activity must develop an SOW for requirements covered by the BPA. All orders under the BPA shall specify a price for the performance of the tasks identified in the SOW.

The procedures for placing Schedule BPA orders must conform to applicable FAR, agency, and ordering activity requirements.

Any required order element included in the Schedule BPA does not need to be included in orders under the BPA.

Using Existing Schedule BPAs

The BPA may specify the methods that the Schedule user can use to place an order. If the BPA does not specify an order placement method, the BPA user can use any method permitted by the Schedule contract, FAR, agency, and ordering activity guidelines.

The contents of each individual order will depend on the contents of the BPA. The required information not included in the BPA must be included in each individual order.

There is no dollar limitation for BPAs established by ordering activities with contractors under the Schedules program.

The ordering contracting officer must review BPAs annually to determine whether the BPAs continue to represent the best value.

DFARS 208.405-70(b) and (c) require that any DoD ordering activity seeking to place orders exceeding the simplified acquisition threshold should provide fair notice of the intent to make the purchase to as many relevant Schedule contractors as practicable so that the ordering activity can receive offers from at least three contractors. If fewer than three contractors submit quotes, the contracting officer should document the efforts made to obtain three quotes. By opening the quote to a greater number of

contractors, DoD ordering activities ensure that they have fulfilled the DoD competition requirements, even if fewer than three quotes are received.

When a single BPA is established, subsequent task orders may be placed without additional competition against the BPA. For multiple award BPAs, contracting officers subject to the DFARS and guided by the DFARS PGI 208.404-70 additional ordering procedures should send the complete RFQ (including the SOW and selection criteria) to all multiple award BPA holders.

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 allows the Government not only 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. Price reductions allow ordering activities to take advantage of flexible and dynamic pricing in the commercial marketplace. 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 a Schedule contract’s maximum order threshold. The maximum order varies among contracts and is listed in every GSA Schedule contractor’s price list and on *GSA Advantage!*®. 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.

BPA Task Order Documentation

When placing an order from a BPA, the ordering activity must document:

- The BPA holder from which the supply or service was purchased
- A description of the supply or service purchased
- The amount paid
- The fair and reasonable price determination required by FAR 8.405-2(d) for BPAs with hourly rate services
- If applicable, the rationale for using other than a firm fixed-price order or a performance-based order

If ordering from multiple BPAs, in addition to the above documentation, the ordering activity shall document:

- The BPAs considered
- The evaluation methodology used in selecting the BPA holder to receive the order
- The rationale for any tradeoffs in making the selection

Socioeconomic Considerations for BPAs

Just as with individual Schedule task orders, an ordering activity may consider socioeconomic conditions on a contractor to establish a BPA. FAR Subpart 8.405-5 states that although the mandatory preference programs of FAR Part 19 do not apply, orders placed against Schedule contracts may be credited toward the ordering activity's small business goals.

Although set-asides do not apply to the MAS program, an ordering activity may limit competition to small businesses in selecting the Schedule BPA holders to whom they send an RFQ. Under the current rules, any Schedule BPA holder may submit a quote, and the ordering activity must consider it. The ordering activity may choose socioeconomic objectives as one of its source selection factors and this factor, in addition to price and other factors, may result in an award to a small business over a non-small business.

If an ordering activity decides to consider socioeconomic status when identifying contractor(s) for consideration or competition for award of an order or BPA, it should, consider using at least one of the following Schedule contractor(s):

- Small business
- Veteran-owned small business
- Service disabled veteran-owned small business
- HUBZone small business
- Women-owned small business
- Small disadvantaged business

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. The ordering activity should rely on the small business representations made by Schedule contractors at the contract level. Contractors must recertify their size status prior to the exercise of an option or if another company, notwithstanding the execution of a notation, acquired the company.

GSA *Advantage!*® and GSA *eLibrary* contain information on the small business representations of Schedule contractors.

The task order contracting officer may request a size recertification at the task/delivery order level for any of the following reasons:

- The NAICS code used on the Schedule contract is different than that representing the preponderance of the work on a particular task order, and the NAICS codes have different size standards.
- The size standards for the NAICS codes changed.
- The contractor was large at the time of Schedule contract award but has subsequently become smaller due to a decrease in average annual gross receipts or number of employees.
- Any combination of the above.

BPA Annual Review

The ordering activity that established a BPA must review it at least once a year to determine whether:

- The Schedule contract upon which the BPA was established is still in effect;
- The BPA continues to represent the best value; and
- Estimated quantities/amounts have been exceeded and additional price reductions can be obtained.

The ordering activity must document the results of its review and should take appropriate action based on the results of the review. For example, the ordering activity should consider whether it is appropriate to seek additional price reductions under the current BPA or initiate a new competition for a replacement.