

U.S. General Services Administration

Using Multiple Award Schedules

**Advanced Version
Student Guide**

Version 8.0

*Sponsored by the Federal Acquisition Institute
Developed by the GSA Federal Acquisition Service*

www.gsa.gov/schedules

Using GSA Multiple Award Schedules: Student Guide

Tips at a Glance...

As you read through this manual, look for these helpful tips to help you make a “Best Value” selection.

NUTS AND BOLTS TIP

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

MAS DESK REFERENCE

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

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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 FAR Definition
AbilityOne	www.abilityone.gov
ADR	Alternative Dispute Resolution ADR Working Group
A/OPC	Agency/Organization Program Coordinator A/OPC Roles and Responsibilities
BOA	Basic Ordering Agreement BOA
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 CICA
CMLS	Centralized Mailing List Service www.gsa.gov/cmls
COC	Certificate of Competency COC
CTA	Contractor Team Arrangement CTA
eBuy	Electronic Request for Quotes System www.ebuy.gsa.gov
EPA	Economic Price Adjustment EPA
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 FPMR

FSS	Federal Supply Schedule FSS
GFE	Government-Furnished Equipment GFE
GFI	Government-Furnished Information GFI
GFM	Government-Furnished Material GFM
GPE	Governmentwide Point-of-Entry Federal Business Opportunities www.fbo.gov
GSA	General Services Administration www.gsa.gov
GSAM	General Services Administration Acquisition Manual www.acquisition.gov/gsam/gsam.html
GSAR	General Services Administration Acquisition Regulation GSAR
GWAC	Governmentwide Acquisition Contract. For GSA GWACs see www.gsa.gov/gwac
HUBZone	Historically Underutilized Business Zone HUBZone
IDIQ	Indefinite Delivery/Indefinite Quantity IDIQ
MFC	Most Favored Customer MFC
MAS	Multiple Award Schedule MAS
MOU	Memorandum of Understanding MOU
NCSC	National Customer Service Center NCSC
OMB	Office of Management and Budget www.whitehouse.gov/omb
PBA	Performance-Based Acquisition PBA
PL	Public Law PL
PPIRS	Past Performance Information Retrieval System www.ppirs.gov
PWS	Performance Work Statement PWS
QASP	Quality Assurance Surveillance Plan QASP
RFI	Request for Information RFI
RFQ	Request for Quotation RFQ
SAM	System for Award Management www.sam.gov
SBA	Small Business Administration www.sba.gov

SIN	Special Item Number SIN
SOO	Statement of Objectives SOO
SOW	Statement of Work SOW
SPOC	State Point of Contact SPOC
U.S.C.	United States Code U.S.C.

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

Course Introduction

Welcome to GSA's *Using Multiple Award Schedules* 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 Federal Supply Schedule contracting and ordering procedures.

This course will cover the procedures for placing orders for supplies and services against Multiple Award Schedules (MAS) 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 files management, but will discuss these topics as they relate to Schedules contracting and ordering procedures.

Course Outline

In this one-day course, you will receive an in-depth view of the MAS program as it applies to the acquisition life cycle. There are four lessons:

- ❖ Lesson 1: MAS Program Overview
- ❖ Lesson 2: MAS Pre-Award Activities
- ❖ Lesson 3: Placing Orders
- ❖ Lesson 4: MAS Post-Award Activities

Course Objectives

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

- ❖ Describe the MAS program, to include benefits, prioritization, goals, and characteristics
- ❖ Describe the MAS pre-award activities, to include planning, requirements, and market research
- ❖ Apply ordering procedures for the MAS program
- ❖ Describe the MAS post-award activities, to include performance evaluation, administration, order termination, and closeout procedures

Lesson 1: MAS Program Overview

In this lesson, you will learn about the Multiple Award Schedules (MAS) program, GSA's responsibility for the program, how vendors participate, the basic structure of those contracts, and how they are used across the Federal Government.

Learning Objectives

- ❖ Recognize the purpose of the GSA Schedules program
- ❖ Identify the statutory authority of the GSA Schedules program
- ❖ Recognize how FAR Subpart 8.4 procedures benefit Schedule users over FAR Part 13/15 procedures
- ❖ List priorities for use of Government supply sources
- ❖ Identify Schedule features in support of agency goals, to include sustainability and socioeconomic programs

Lesson Topics

- ❖ Topic 1: Introduction to the MAS program
- ❖ Topic 2: Benefits of the MAS program
- ❖ Topic 3: Priorities for Use
- ❖ Topic 4: Types of Schedules and Characteristics
- ❖ Topic 5: Meeting Agency Goals

Topic 1: Introduction to the MAS Program

GSA Mission and Priorities

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 veteran, 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 year, 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

Public Building Service Office of Governmentwide Policy Office of Citizen Services and 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 and 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 MAS program), fleet management, travel and transportation management, and governmentwide purchase card services to Federal agencies.

FAS Business Portfolios

Office of Integrated Technology Services Office of General Supplies and Services Office of Travel, Motor Vehicle, and Card Services Office of Assisted Acquisition Services
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FAS is comprised of four primary business portfolios:

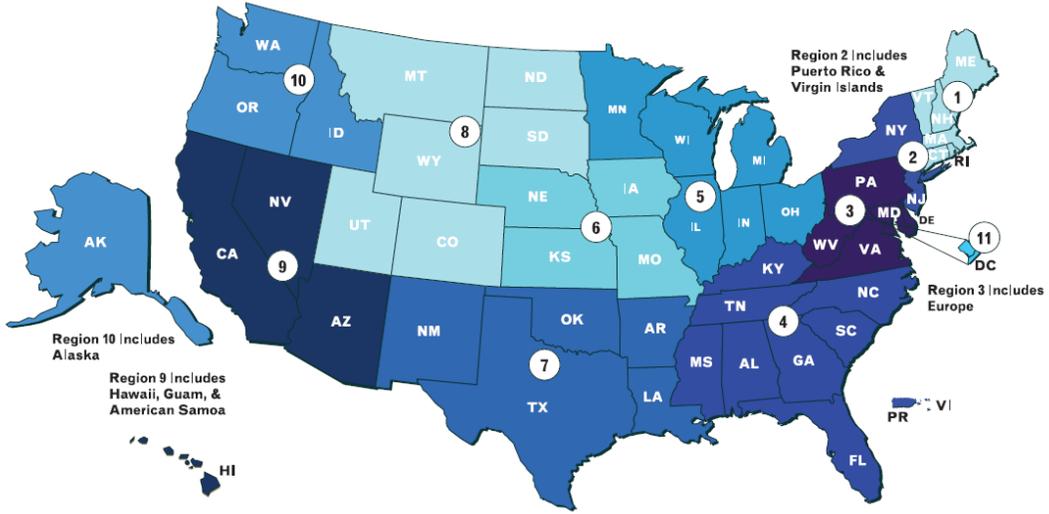
Integrated Technology Services: The Integrated Technology Services (ITS) organization combines many of GSA's Information Technology (IT) programs into a single FAS business portfolio. The main components of ITS are Acquisition Operations Management, IT Schedule 70, Governmentwide Acquisition Contracts (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; and 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 offer 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.

GSA Regions



Responsibility for Management of MAS Program

- 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.

What Is a Multiple Award Schedule?

- 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 conducts negotiations; awards and administers Schedule contracts IAW FAR Part 12

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.

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.

Schedules website: www.gsa.gov/schedules

Agency Statutory and Regulatory Requirements

- All orders must be consistent with relevant requirements
- Ordering activity has ultimate responsibility for compliance
- Seek legal advice for conflicts between requirements and regulations

Any orders must be consistent with the ordering activity's statutory and regulatory requirements applicable to the acquisition of the supply or service. The ordering activity must ensure that the FAR and any agency supplements and/or local policy are followed when placing orders. Ordering activities should seek legal advice from their own legal counsel.

Topic 2: Benefits of the MAS Program

MAS Value Proposition

Realize cost savings

- Up-to-date, FAR-compliant acquisition vehicles that help minimize risks
- Competitive market-based pricing that leverages the buying power of the Federal Government, with the ability to negotiate further discounts at the order level
- Acquisition experts available to help customers make the most of MAS
- On-site and online training for help in using MAS

Pricing: GSA Contracting Officers negotiate fair and reasonable prices. Schedule contracts typically include prices that are the same as or better than the prices the Schedule contractors offer to their best commercial customers. The pricing offered to the best commercial customer is identified as “most favored customer” (MFC) pricing.

NUTS AND BOLTS TIP If an agency issues a Schedule order using FAR Part 15 terminology and procedures, protest review authorities, such as the Government Accountability Office (GAO) and the courts, will review the action consistent with FAR Part 15, rather than less complex FAR Subpart 8.4 procedures and may sustain a protest.

Savings: 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 most use of their valuable time.

MAS DESK REFERENCE For more on the MAS Value Proposition, refer to the [MAS Desk Reference](#), page 5.

MAS Value Proposition

Experience flexibility and choice

- The ability to tailor orders to get what you need by customizing terms and conditions at the order level
- Alternatives such as Blanket Purchase Agreements (BPAs) and Contractor Team Arrangements (CTAs) that can replace the need for agency Indefinite Delivery/Indefinite Quantity (IDIQ) contracts
- Decision tools and contracting solutions proven to meet complex requirements
- A vast selection of contractors offering expert solutions for services and products
- May set aside orders for small business at Contracting Officer's discretion

Flexibility: Ordering activities have the flexibility to:

- ❖ Conduct best value procurements considering relevant “best value” factors without using source selection procedures
- ❖ 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 (DPAS)) as long as they do not conflict with Schedule contract terms and conditions
- ❖ Section 1331 of the Small Business Jobs Act (SBJA) of 2010 created a change effective November 2, 2011. Contracting Officers can now, at their discretion, set aside orders and BPAs to small business or subset of small business (8.405-5(a))

Governmentwide Purchase Card (GPC) acceptance. All Schedule contractors must accept the GPC for orders below the micro-purchase threshold. 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.

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 15,000 Schedule contractors offer over 20 million supplies and services. These contractors are among the best firms in their industries, from small innovative companies to Fortune 500 firms. In addition, contractors can form CTAs to meet large or unusually complex Government requirements.

MAS Value Proposition

Save Time

- Pre-competes, on-demand contracts to increase the productivity and capacity of scarce acquisition resources
- Quick and easy access to the right industry partners, allowing customers to make the most use of their valuable 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, with over 15,000 companies holding Schedule contracts (managed under categories), user agencies generally find sufficient competition within the Schedule SIN (or category) under which they are competing.

MAS Value Proposition

Realize transparency

- A suite of eTools that can be leveraged to identify qualified contractors, maximize competition, and assist customers in reaching their socioeconomic goals
- Business intelligence into customer purchasing patterns when using our eTools

GSA [eTools](#) make it fast and easy to identify qualified contractors, maximize competition, and assist customers in reaching their socioeconomic goals.

MAS Value Proposition

Control the procurement

- Self-service access that allows agency contracting offices to retain control of their procurements, including requirements development, evaluation, award, and administration
- Can request assistance from the Schedule contract office listed at the top of the Schedule SIN page

The MAS program provides ordering activities with both full-service access and self-service 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.

Ordering activities can request assistance from the Schedule contract office listed at the top of the Schedule SIN page.

Topic 3: Priorities for Use

FAR 8.002 - Priorities for Use of Mandatory Government Sources

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 (AbilityOne)
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 (AbilityOne)	
Wholesale Supply Sources (GSA / DLA)	

FAR 8.002 prioritizes the order in which purchasers must consider various sources when looking to buy supplies and services.

The priorities for **supplies** are as follows. After examining and inspecting if other agencies' supplies can be obtained:

- ❖ If the supply is not in an agency's inventory, the purchaser should next check with Federal Prison Industries, Inc. (aka Unicor).
- ❖ If the supply is still not available, the purchaser should check the Procurement List maintained by the Committee for Purchase from People Who Are Blind or Severely Disabled (AbilityOne).
- ❖ The next option is to check with wholesale supply sources, such as stock programs of the GSA, Defense Logistics Agency (DLA), Department of Veterans Affairs (VA), and military inventory control points.

When buying **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).

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

FAR 8.004 – Use of Other Sources

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	Federal Prison Industries*

If agencies are unable to satisfy requirements through mandatory sources, they are encouraged to consider satisfying requirements through the non-mandatory sources listed on the slide before considering commercial sources in 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.

<p>MAS DESK REFERENCE For more on Priorities, refer to the <i>MAS Desk Reference: Section 1.</i></p>

Topic 4: Types of Schedules and Characteristics

MAS Schedule Facts

- GSA offers over 20 million supplies and services
- 23 open and standing solicitations published on FedBizOpps (including nine managed by VA)
- Over 15,000 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 20 million commercial supplies (products) and services at volume discount pricing. The Schedule List in the GSA *eLibrary* (www.gsaelibrary.gsa.gov) 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.

Special Item Numbers (SINs)

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

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

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

GSA Schedules are awarded on an indefinite delivery/indefinite quantity (IDIQ) basis. The total quantity of services or supplies that will be acquired under the Schedule contract and the specific time for delivery of those items are not set in the contract. Schedule solicitations include only estimated total Schedule acquisition dollars for each SIN.

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

What Services Are Available on Schedule?

- | | |
|---|---|
| <input type="checkbox"/> Energy Services | <input type="checkbox"/> Professional Services |
| <input type="checkbox"/> Environmental Services | <input type="checkbox"/> Security and Law Enforcement |
| <input type="checkbox"/> Facility Management Services | <input type="checkbox"/> Technology Services |
| <input type="checkbox"/> Furniture Services | <input type="checkbox"/> Transportation Services |
| <input type="checkbox"/> Human Capital Services | <input type="checkbox"/> Travel Services |
| <input type="checkbox"/> Office Services | <input type="checkbox"/> Vehicle Buy/Lease Services |

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

GSA Schedule Contract Fundamentals

Solicitations for GSA Schedule contracts are “standing 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 <https://www.gsa.gov/acquisition/purchasing-programs/gsa-schedules/industry-partners/gsa-schedule-solicitations>.

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 GSA 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.”

What Supplies Are Available on Schedule?

- | | |
|--|--|
| <input type="checkbox"/> Building & Industrial | <input type="checkbox"/> Security Solutions |
| <input type="checkbox"/> Furniture & Furnishings | <input type="checkbox"/> Tools, Hardware & Machinery |
| <input type="checkbox"/> IT Electronics | <input type="checkbox"/> Vehicles & Watercraft |
| <input type="checkbox"/> Law Enforcement, Fire & Security Products | <input type="checkbox"/> Disaster Relief Products |
| <input type="checkbox"/> Recreation & Apparel | <input type="checkbox"/> Hospitality, Cleaning & Chemicals |
| <input type="checkbox"/> Travel & Transportation Supplies | <input type="checkbox"/> Laboratory, Scientific & Medical |
| <input type="checkbox"/> Wildland & Fire Equipment | <input type="checkbox"/> Office Solutions |

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

FAR Subpart 8.4 Simplifies the Solicitation Process

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 Subpart 13.303-2(c)(3) allows for Blanket Purchase Agreements (BPAs) to be established with Multiple Award Schedule contractors, if not inconsistent with the terms of the applicable Schedule contract. See FAR 8.405-3 for BPA procedures under Schedules.)

Under FAR Subpart 8.4, as compared with FAR Part 15, ordering activities do NOT:

- ❖ Conduct a formal “negotiated procurement”
- ❖ Issue a “solicitation” for 30 days (or any other pre-determined time)
- ❖ Conduct a “competition” by seeking contractors outside the Schedules program
- ❖ Synopsize the requirement on FedBizOpps, unless it’s a limited sources acquisition over the simplified acquisition threshold (SAT)
- ❖ Conduct “discussions”
- ❖ Conduct formal “debriefings” or “competitive range determinations”
- ❖ Use FAR Subpart 15.3 concepts and procedures

When a Contracting Officer correctly chooses not to use FAR Subpart 15.3 concepts and procedures for a GSA Schedule-based order, the following are positive attributes of the task order selection process:

- ❖ There is no requirement to follow the FAR Subpart 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 Competition in Contracting Act (CICA) requirements have already been met) one quote to another in order to determine the rank ordering for selection.
- ❖ You are not bound by the rules in FAR Subpart 15.3 for evaluating past performance, such as the requirement to provide a neutral rating to a quote without any past performance. Further, if you choose not to use past performance as an evaluation factor, there is no requirement to document the file with your rationale.
- ❖ There is no requirement to capture “the relative strengths, deficiencies, significant weaknesses, and risks supporting proposal evaluation...” as required in FAR Subpart 15.305. This means your evaluation system can be very streamlined. There is no requirement to set a competitive range using all the published evaluation factors. This means that you can save yourself and the Schedule contractor considerable time and money by phasing your procurement in a manner that uses the least costly factors to initially eliminate offerors.
- ❖ Because a competitive range is not established, there is no need to be overly focused on the nature of exchanges with the quoter. You can engage in detailed exchanges about any aspect of

a quote at any time. Naturally, you should make every effort to treat each quoter equitably. You must not be biased, arbitrary, or capricious, and your decisions must be adequately (but not overly) documented.

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

Regulatory Foundation

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

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 GSA is a competitive procedure.

FAR Parts Not Applicable/Applicable to Schedules

FAR	Title	Applicable to Orders
Part 13	Simplified Acquisition Procedures	NO (except allows for MAS BPAs IAW 8.405-3)
Part 14	Sealed Bidding	NO
Part 15	Contracting by Negotiation	NO
Part 19	Small Business Programs	NO (except bundling and socio-economic size criteria and definitions)
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

MAS Contract Characteristics

- Multiple-Award IDIQ
(GSA Schedules - 5 year base, three 5-year options)
(VA Schedules - 5 year base, one 5-year option)
- No cost-type orders
- 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 contracts, the Schedules 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 by electronic commerce methods
- ❖ May not issue oral orders when ordering services requiring an SOW. Orders by facsimile, by paper order, or by 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) and competition rules

Negotiating Reductions from Schedule Prices

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

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 or 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; 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.

Trade Agreements Act (TAA)

- Provides for waiver of the Buy American Act
- Waivers granted for World Trade Organization (WTO) countries, North American Free Trade Agreement, Israeli Free Trade Agreements, etc.
- Since the estimated value of Schedule contracts exceeds the TAA thresholds, it applies to all orders placed against Schedules, regardless of the dollar amount
- FAR Subpart 25.4

The Trade Agreements Act (19 U.S.C. 2501, et seq.) is the enabling statute that implements numerous multilateral and bilateral international trade agreements and other trade initiatives between the United States and other designated countries. Because the estimated dollar value of each Schedule exceeds the established TAA threshold, the TAA is applicable to all Schedules. In accordance with the TAA, only U.S.-made or designated country end products shall be offered and sold under Schedule contracts.

Topic 5: Meeting Agency Goals

MAS Supports Small Business Utilization

- 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 (FAR 19.202-1(e)(1)(iii))
 - Size standard criteria

FAR Part 19 provides guidance to Federal agencies on how to implement facets of the Small Business Act, as amended. However, Part 19, with one small exception (bundling) does **not** apply when using the GSA Schedules' ordering procedures. Part 19 does apply when those Schedule contracts are being negotiated and awarded. However, based on a recent statutory change and associated FAR implementation, Contracting Officers may now elect, at their discretion, to apply the set-aside process to the placement of Schedule orders and establishment of Schedule BPAs.

MAS Supports Small Business Utilization, Cont.

Socioeconomic Preference (Non Set-Aside orders)

- Consider at least one small business prior to placing an order (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 (8.405-5(d))
- Encourages use of Contractor Team Arrangements (CTAs)
- No limitation on subcontracting
- Ordering activity receives socioeconomic credit (8.405-5(b))
- Consider socioeconomic status as a primary evaluation factor (8.405-5(c))
- May choose small business subcontracting as an evaluation factor

MAS Supports Small Business Utilization, Cont.

- If available, ordering activities should consider at least one:
 - Small business
 - Veteran-owned small business
 - Service disabled, veteran-owned small business
 - HUBZone small business
 - Women-owned small business
 - Small disadvantaged business

“Veteran-owned small business concern” means a small business concern –

- (1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and
- (2) The management and daily business operations of which are controlled by one or more veterans.

SDVOSB firms are owned by one or more members of the military that incurred a disability while serving his or her country. Under the Veterans Benefit Act of 2003, the Federal Government seeks to provide contracting assistance to SDVOSBs.

Note that there is a statutory goal only for SDVOSBs and not just veteran-owned small business concerns. Set-asides under the MAS program are now permissible, if market research indicates there are enough firms in the same socioeconomic category. Additionally, if an award is made to one of these small business types, either through a set-aside or not, your agency will get credit for the award in FPDS.

“Women-owned small business concern” means a small business concern –

- (1) That is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and
- (2) Whose management and daily business operations are controlled by one or more women.

In addition to the long standard category of small businesses owned by women, SBA recently added two new related classifications. These are Women-Owned Small Businesses, WOSB, and Economically Disadvantaged WOSBs, or EDWOSB. A small business that is woman owned that meets the new requirements can apply for WOSB or EDWOSB status and may either self-certify to their qualifications or be certified by a designated third party. These new categories also permit agencies to conduct set-asides, including ones done under MAS, for either category. This differs from the existing general small business woman-owned status that does not permit set-asides. Regardless of whether awarded through set-asides or through a non-restricted, open competition basis, agencies are given credit towards women-owned small goals if the award is made to a general owned woman business or one that qualifies under the two new categories.

“HUBZone” means a historically underutilized business zone that is an area located within one or more qualified census tracts, qualified non-metropolitan counties, BRAC former military bases, or lands within the external boundaries of an Indian reservation.

“HUBZone small business concern” means a small business concern that appears on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration. HUBZone firms will also be visible at www.sam.gov and on GSA *Advantage!*®

8(a) firms are called this because they were identified in Section 8(a) of the Small Business Act. The term 8(a) is often used in place of “Disadvantaged” but they are not synonymous. Only disadvantaged businesses meeting certain criteria can be accepted by SBA into the 8(a) program, which is used to develop and grow the business over time.

Section 8(a) of the Act authorizes SBA to contract for goods and services with Federal agencies. SBA then subcontracts actual performance of the work to socially and economically disadvantaged small

businesses, which have been certified by SBA as eligible to receive these contracts. The major advantage of this program is that it allows the Government to contract, on a noncompetitive basis, with socially and economically disadvantaged small businesses not to exceed \$6.5 million if the acquisition has an assigned North American Industry Classification System (NAICS) code, and \$4 million for all other acquisitions. SBA also offers managerial, technical, and financial support to participating firms.

Remember that orders and BPAs can be set aside for 8(a) firms. All orders to an 8(a) Schedule holder will count as credit towards the agency's five percent small disadvantaged business goals.

FAR Part 19: Small Business Programs

- Part 19 generally does not apply to Schedules 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 an 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

- **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 against Multiple Award Schedules.
- **8.405-5(a)(2)** – Follow the ordering procedures at:
 - 8.405-1 – Products and services without SOW
 - 8.405-2 – Services with an SOW
 - 8.405-3 – BPAs
 - 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 only take credit 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 contractor(s) for consideration or competition for award of an order or BPA. At a minimum, ordering activities should consider, if available, at least one small business, veteran-owned small business, service disabled veteran-owned small business, HUBZone small business, women-owned small business, or small disadvantaged business Schedule contractor(s). GSA *Advantage!*® and Schedules *eLibrary* at www.gsaelibrary.gsa.gov 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

- 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
- 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 only take credit 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 contractor(s) for consideration or competition for award of an order or BPA. At a minimum, ordering activities should consider, if available, at least one small business, veteran-owned small business, service disabled veteran-owned small business, HUBZone small business, women-owned small business, or small disadvantaged business Schedule contractor(s). GSA *Advantage*® and Schedules *eLibrary* at www.gsaelibrary.gsa.gov 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; the contractor is then required to update its size. The three events are: 1. Novation; 2. Merger or acquisition; and 3. Option exercise of the Schedule contract. Ordering activities should rely on the information found on *eLibrary* and *GSA Advantage!*®.

Certification Requirements for MAS Contracts

- MAS contracts size standard certification is generally valid for five 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 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.”

Nonmanufacturer (NMR) Rule

What Is the Nonmanufacturer Rule?

- On a supply contract, a firm must perform at least 50% of the cost of manufacturing the supplies (not including the cost of materials).
- The NMR provides that...
 - a firm that is not a manufacturer may qualify as a small business on a supply contract that has been set aside for small business if it supplies the product of a domestic small business manufacturer.

For additional information: www.sba.gov/content/non-manufacturer-waivers

The Small Business Act and SBA's regulations impose performance requirements (limitations on subcontracting) on firms that are awarded set-aside contracts.

For more information on the Non-Manufacturer Rule (NMR), see <https://interact.gsa.gov/blog/gsa-schedules-and-non-manufacturer-rule-nmr>.

Regulations:

- ❖ On a supply contract, a firm must perform at least 50% of the cost of manufacturing the supplies (not including the cost of materials).
- ❖ The NMR is an **exception** to the performance requirements, and provides that a firm that is **not** a manufacturer may qualify as a small business on a supply contract set aside for small business if, among other things, it supplies the product of a small business made in the United States.

Nonmanufacturer (NMR) Rule, Cont.

Nonmanufacturer Rule Reminders

- As the Contracting Officer applying the Nonmanufacturer Rule to your acquisition strategy, there are some things to remember:
 - The NMR does not apply to service contracts.
 - The NAICS code and size standard will flow down from the Schedule contract
- SBA may grant waivers to the NMR in industries where there are no small business manufacturers
 - Nonmanufacturer waivers are not granted for HUBZone procurements.
 - Nonmanufacturer waivers cannot be granted after quotes on a solicitation have been received

SBA may grant waivers for NMR. In order to qualify as a small business on a small business set-aside for the acquisition of supplies, an offeror must either manufacture the item in accordance with the Limitations on Subcontracting or supply the product of a small business made in the United States. The Small Business Act also contains provisions that allow the Administrator of the SBA to waive this requirement when there are no small business manufacturers or processors available to supply the product to the Federal Government. SBA can provide waivers on these bases:

- ❖ **Individual waiver.** After reviewing a determination by a Contracting Officer that no small business manufacturer or processor can reasonably be expected to offer a product meeting the specifications (including period of performance) required of an offeror or by the solicitation; or
- ❖ **Class waiver.** For a product or class of products after determining that no small business is available to participate in the Federal procurement market.

Nonmanufacturer (NMR) Rule, Cont.

Clause	Title
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)
52.219-27	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)

Language applying the NMR to set-aside Schedule orders can be found in these clauses.

Required Clauses

Clause	Title
52.219-3	Notice of Total 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 Total Service-Disabled, Veteran-Owned Small Business Set-Aside (Nov-2011)
52.219-29	Notice of Total Set-Aside for Economically Disadvantaged Women-Owned Small Business (EDWOSB) Concerns (Nov-2011)
52.219-30	Notice of Total Set-Aside for Women-Owned Small Business Concerns Eligible Under the Women-Owned Small Business Program (Nov-2011)

The following clauses are in each Schedule small business contract and flow down to the order when a set-aside is conducted at the order level. As a best practice, the ordering activity Contracting Officer should reference these clauses in the task order.

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

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)

52.219-14 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

RFQ Language

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 RFQs 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 firms so they do not waste their resources pursuing something for which they do not qualify.

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	

Socioeconomics: Set-asides

- FAQs about Set-asides on Schedules
 - www.gsa.gov/portal/content/113371
 - www.gsa.gov/schedulesandsbgoals

Meeting Agency Goals: Going “Green”

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 these 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.

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 at FAR Subpart 23.1 with solicitation provisions and clauses called out at FAR 23.406. The FAR currently matches the guidance of 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 minimize 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 living up to this commitment, not only in regard to the products and services we provide customers, but also in the way we conduct internal operations. Learn more at www.gsa.gov/sustainability.

Environmental Program Scope

- 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, 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 compilation tool 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:

- ❖ 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
- ❖ 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
- ❖ 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

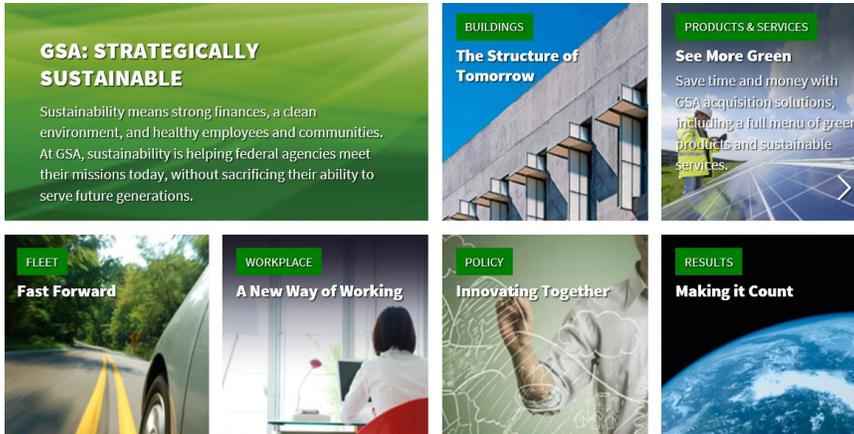
Agencies are required to purchase green products designated by the U.S. Environmental Protection Agency, Department of Energy, and Department of Agriculture. Rather than reviewing multiple websites, you can find the designated products listed in the Green Procurement Compilation at <https://sftool.gov/GreenProcurement>. Products and services are listed by category (e.g., office products, office electronics). GSA updates the compilation quarterly.

Environmental Program Scope, Cont.

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.



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 Schedule contract?

Answer:

Knowledge Check 3

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

Answer:

Lesson 2: MAS Pre-Award Activities

In this lesson, you will learn about the various pre-award milestones as they relate to using the Multiple Award Schedule program. This will help ensure that the program office gets what it needs and that vendors will be able to compete in an equitable environment.

Learning Objectives

- ❖ Describe the acquisition planning process
- ❖ Identify thresholds for Limited Sources Justifications
- ❖ Identify the steps in requirements writing and Request for Quotation (RFQ) development
- ❖ Recognize the importance of market research

Lesson Topics

- ❖ Topic 1: Acquisition Planning
- ❖ Topic 2: Requirement Writing and Request for Quotation (RFQ)
- ❖ Topic 3: Market Research

Topic 1: Acquisition Planning

Acquisition Planning: Background and Objectives

- 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 the requirements 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.

The plan must identify milestones at which decisions should be made and 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 with 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 effort.
- ❖ **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 their 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 and how best-value factors will be considered. Evaluation factors should be selected because market research shows that they affect value to the Government, and evaluation of those factors is likely to vary among Schedule contractors.

When the Schedule user plans to trade off price and other non-price factors, this decision may be made when establishing non-price factors that will contribute to a best value determination made during the requirements definition stage. These evaluation factors will be part of a Request for Quotation (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 plan 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 Part 17.502-1(a).

Acquisition Planning: Action Plan

- Sources
- Competition
- Major components or subsystems
- Source selection procedures
- Acquisition considerations
- Budgeting and funding

Sources. Market research will help the Contracting Officer learn whether items/services can be acquired from required sources of supply, and use of *eLibrary* can help determine which vendors provide the required supplies and/or services.

Competition. All Schedule orders over the micro-purchase threshold must be competed. Orders up to the simplified acquisition threshold (SAT) require consideration of at least three vendors before making a best value decision. Orders over the SAT must receive at least three written quotations in response to an RFQ. Use of *eBuy* will help ensure that the maximum number of vendors is notified of the acquisition. If fewer than three written quotations are received, the Contracting Officer must document the file as to what occurred and what can be done differently in the future to ensure competition.

Major Components or Subsystems. Discuss component breakout plans relative to these major components or subsystems. Describe how competition will be sought, promoted, and sustained for these components or subsystems.

Source Selection Procedures. Guidance provided in FAR Subpart 8.4 suggests a best value source selection procedure works best, particularly when there are facets of the products or services (e.g., warranty issues) that may cost more but will provide greater value to the Government. In other instances, paying the lowest price for acceptable items is the right technique. The acquisition plan should make clear which procedure will be used.

Acquisition Considerations. The proposed length of the order must be considered, including any option periods contemplated, along with any other special considerations and/or provisions that will be included. If the order is for services and it will not be performance-based, a rationale must be provided.

Budgeting and Funding. Include information on the Independent Government Cost Estimate (IGCE), how it was derived, and a statement regarding funding availability for the acquisition.

Acquisition Planning: Action Plan, Cont.

- | | |
|--|--|
| <ul style="list-style-type: none">• Product or service descriptions• Priorities, allocations, and allotments• Contractor versus Government performance• Inherently governmental functions• Management information requirements• Make or buy | <ul style="list-style-type: none">• Test and evaluation• Logistics• Government-furnished property• Government-furnished information• Environmental objectives• Security• Contract administration |
|--|--|

Product or service descriptions. Explain the choice of the product/service description, such as a performance specification, that will be used in the acquisition.

Priorities, allocations, and allotments. If a requirement is urgent, a short performance or delivery schedule may be required, and certain funding allotments may be identified. Include a discussion of this issue if applicable.

Contractor vs. Government performance. Discuss this issue in accordance with OMB Circular A-76 for service acquisitions.

Inherently governmental functions. This topic, covered in FAR Subpart 7.5, states that for service acquisitions, contractors cannot be used to perform duties that are inherently governmental. These duties include decision making, obligation of funds, determination of agency policy, the direction and control of Federal employees, etc.

Management information requirements. If appropriate, discuss what type of management system will be used to monitor contractor performance. This typically applies to Earned Value Management Systems, which are not required to be used on Schedule buys under \$10 million for civilian agencies or \$30 million for DoD.

Make or buy. Though this is part of the acquisition plan content requirements, Schedules are for commercial items/services, and this issue is probably not pertinent. It generally applies to acquisitions in excess of \$13.5 million. See FAR 15.407-2.

Test and evaluation. Describe the testing and acceptance procedures that will be used.

Logistics. Consider the delivery and maintenance capabilities of vendors who provide the products and/or services to ensure life cycle support is available.

Government-furnished property. Any items or facilities that will be furnished to the awardee for performance of the order must be clearly identified. This directly impacts price.

Government-furnished information. Discuss any information, drawings, manuals, etc., that will be provided to the awardee, including special handling requirements, if any, to protect the information.

Environmental objectives. Discuss all applicable environmental and energy conservation objectives associated with the acquisition. This includes specifying the use of environmentally-friendly products.

Security. Describe all pertinent security considerations for both information and personnel, including access to Government information systems.

Contract administration. Describe how the order or BPA will be administered, and by whom.

Acquisition Planning: Action Plan, Cont.

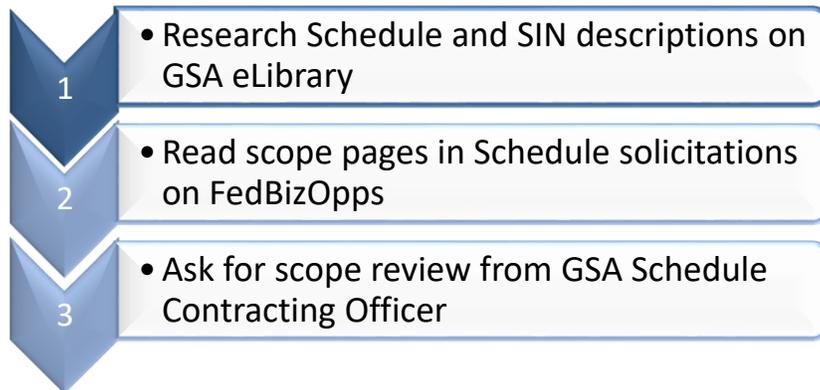
- Other considerations
- Milestones for the acquisition cycle
- Identification of participants in acquisition plan preparation

Other considerations. If applicable, discuss standardization considerations, Occupational Safety and Health Act (OSHA) considerations, the SAFETY Act, etc. See FAR 7.105(b)(20).

Milestones for the acquisition cycle. For Schedule orders, the following milestones should be identified: Acquisition plan development and approval, definition of requirements approved, certification of funds availability, development and approval of the RFQ, issuance of the RFQ, due date for receipt of quotations, completion of evaluation of quotations, source selection and award.

Identification of participants in acquisition plan preparation. List the individuals participating in the development of the acquisition plan, including their contact information.

Scope Determination Steps



GSA offers several options to help ordering activities determine whether the proposed work is in scope of MAS Schedules. The details of all the Schedules are available online. To find more information on Schedules and SINs, go to www.gsaelibrary.gsa.gov.

Out-of-Scope

- Non-commercial items
- Construction/A&E
- Cost-reimbursement contracts
- Terms and conditions conflicting with Schedule contract
- Services outside the scope of the Schedule contract

The GSA Schedule contract defines the broad contract terms and conditions for contractors who want to perform work for the Government through the MAS program. It also defines the contract terms and conditions between the GSA-approved contractors and the ordering activity. Schedule contracts may not be used for the purchase of non-commercial items, Architect-Engineer (A&E) work, construction, or cost-type contracts.

Terms and conditions in task orders must not conflict with those in the GSA Schedule contract. Task orders may not be placed for services not already listed in the contract.

Limiting Sources (8.405-6)

Questions to Determine Competition Limitations

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

Alternatives to Open Market Items in the Schedules Environment

Using Schedule items helps to minimize acquisition costs because the Government has already vetted the contractor and determined the pricing to be fair and reasonable. Open market items require the Contracting Officer's administrative time and effort to make a fair and reasonable price evaluation in accordance with FAR procedures.

Ordering activities have three options to avoid using open market items:

- ❖ **Schedule contract modification:** It is possible to modify the Schedule contract to add new items or labor categories in order to meet a specific agency requirement.
- ❖ **Contractor Team Arrangements (CTAs)** bring together multiple Schedule contractors as a team to provide a total solution for the requirement. For example, one team member might be on a Schedule to provide installation and consulting services for a specific type of equipment. Another Schedule contractor might be on a different Schedule to provide the equipment but not the installation. By teaming together, these contractors could offer a single solution that avoids the need to search the open market. This approach benefits both contractors and the Government. RFQs can state that the ordering activity will accept a teaming 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.

Exceptions Allowing Limited Source Orders

- Essential to the Government's requirements
- No other products meet the need
- Logical follow-on work to an original Schedule order
- Urgent and compelling need overrides ordering procedures delays

While the use of performance specifications is preferred to encourage contractors to propose innovative solutions, the use of a brand name or equal purchase description may be advantageous when the salient features of the items are critical to fulfilling the agency's requirement.

Purchasers should limit the use of brand name or equal purchase descriptions to situations where it is advantageous to the Government. This situation is defined as when a "particular brand name, product or feature is essential to the Government's requirements, and market research indicates other companies' similar products, or products lacking the particular feature, do not meet, or cannot be modified to meet, the agency's needs."

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

- ❖ 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.
- ❖ An urgent and compelling need exists, and following the prescribed Schedule ordering procedures would result in unacceptable delays.

Limited Sources Justification Requirements (Sole Source)

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

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

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

Limited Sources Justification Requirements (Brand Name)

Brand Name (8.405-6(b))

Threshold	LSJ Required	Posting Required
Exceeds SAT	Yes	Yes – <i>eBuy</i>
\$25,000 – SAT	Document Circumstances – not a full blown LSJ	Yes – <i>eBuy</i>
Micro – \$25,000	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 simplified acquisition threshold, the Contracting Officer shall document the file.
- ❖ For proposed orders or BPAs with an estimated value exceeding the simplified acquisition threshold, a Limited Sources Justification is required.

Limited Source Justification Approval Requirements



Exception to Publication of Limited Source Justifications

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

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

In accordance with FAR 8.405-6(a)(2), the posting requirement does not apply when disclosure would compromise the national security or create other security risks.

Posting "Brand Name" Restricted RFQs and Limited Sources Justifications

In accordance with FAR 8.405-6(b)(3), justifications for limited source orders or BPAs, when restricting to items "peculiar to one manufacturer" ("brand name" restriction), must be published to *eBuy* unless:

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

The justification or documentation for the use of brand name must be completed and approved at time the requirement for brand name is determined – either at the order level or at a BPA level if the requirement is broad in scope. In addition, if an order uses brand name description and is placed under a BPA where a justification was not completed, one must be then prepared for the order.

Topic 2: Requirements Writing and Request for Quotation (RFQ)

Statement of Work (SOW) Defined

- Deliverable schedule
- Applicable compliance requirements
- Any special requirements
- Work to be performed
- Location of work
- Period of performance

Sometimes also known as a “work statement,” the SOW is a document that defines requirements in clear, concise language for the specific work to be accomplished. It must be individually tailored to consider the period of performance, deliverable items (if any), and the desired degree of performance.

RFI versus RFQ

RFI	RFQ
Used for identifying sources	Known sources exist
A means of obtaining and collecting information about capabilities within the market to satisfy contract needs	Precise specifications exist (or, if performance-based, clear objectives have been defined)
Industry feedback helps develop evaluation criteria	Evaluation criteria have been developed
Used for the exchange of information with industry prior to the issuance of an RFQ	Information exchanges are limited

What are the differences between an RFI and RFQ?

An RFI is similar to a “Sources Sought” synopsis on FedBizOpps, except only GSA Schedule holders can view it. Issuing an RFI can help gather information on potential vendor sources, pricing, availability, and alternative strategies. In addition, by using an RFI, you will be able to determine:

- (1) If the product or service is a “commercial item,” and
- (2) If there is adequate competition available through the GSA Schedules program by the number of positive responses/sources identified.

GSA believes the RFI to be a “best practice” to facilitate market research, one that can produce valuable feedback from potential Schedule vendors on how to best tailor the acquisition and how to best utilize Schedule sources.

An RFQ is appropriate when you are familiar with your requirements and have confidence that competition requirements will be met or exceeded within the MAS program.

RFQ Content

Contractor Needs to Know	RFQ Component
What will the contractor do?	SOW/PWS
What does the Government think is important for award?	Evaluation factors
What does the Government need to see?	Quote submission instructions
What other terms apply?	Non-conflicting terms
What Schedules and SINs are needed for the PWS?	SIN and Schedule numbers

The purpose of the RFQ is to provide potential contractors with a clear understanding of the requirement so they can present an accurate quote. Therefore, keeping the RFQ simple, avoiding acronyms, and writing in the active voice can make the quoting process easier for both the contractor and the ordering activity. When listing the evaluation factors in RFQs for Schedule orders, the ordering activity needs to include the major factors and their relative order of importance. It is a best practice not to include sub-factors.

If the ordering activity has determined that it is going to make socioeconomic status a primary evaluation factor, it must be clearly stated in the RFQ. If the ordering activity needs to add any additional terms and conditions, it must ensure that they do not conflict with those of the Schedule contract. It is not necessary to add new terms and conditions to a Schedule order.

RFQ Components

- Statement of Work (SOW) or Performance Work Statement (PWS)
- Quality Assurance Surveillance Plan (QASP), if performance-based
- Other relevant attachments
 - Special requirements
 - Evaluation criteria
 - Information and instructions for quoters

The RFQ is comprised of the SOW, quote submission instructions, and evaluation criteria. Depending on the type of service sought, a Quality Assurance Surveillance Plan (QASP) or another relevant document might help contractors understand the scope of the work better and provide a more accurate quote. The ordering agency should identify any items attached to the RFQ.

Ordering activities may prepare and post RFQs for specific products and services offered under GSA Schedules on www.ebuy.gsa.gov.

FAR 8.405-2 requires that all SOWs for Schedule task orders include the following:

- ❖ Work to be performed/results sought
- ❖ Location of work
- ❖ Period of performance
- ❖ Deliverable schedule
- ❖ Applicable performance standards (if performance-based; otherwise, inspection and acceptance criteria)
- ❖ Any special requirements (e.g., security clearances, travel, special knowledge, agency-specific policies and procedures)

MAS DESK REFERENCE For more information, refer to the *MAS Desk Reference: Section 8*.

SOW/PWS Language Tips

- Use simple words, phrases, and sentences
- Be concise, precise, and consistent
- Use active voice verbs
- Use “shall” or “must” when writing a requirement binding on the contractor
- Use “will” to indicate actions by the Government
- Use terminology consistently
- Avoid redundancy
- Avoid vague or inexact phrases and generalizations

Many different people with different perspectives and life experiences will read the SOW. Readers typically include Government and industry contracting personnel, managers, technical experts, accountants, and lawyers. All these readers need to understand the SOW. Therefore, language selection is very important. It is the responsibility of the Government to write a clear and concise SOW.

SOW/PWS Language Tips, Cont.

- Define technical terms
- Avoid using Government jargon
- Avoid using “any,” “either,” “and/or,” etc.
- Spell out abbreviations or acronyms the first time they are used
- Identify the date or version of any document referenced in the SOW
- Advise readers from industry where they can obtain referenced documents

GSA provides sample SOWs at www.gsa.gov/sowlibrary.

Also see [Defense Acquisition University Service Acquisition Mall](#) for more information.

Quality Assurance Surveillance Plan (QASP)

- Plan for monitoring performance against PWS requirements
- Focus:
 - Quality/Accuracy
 - Quantity
 - Timeliness
 - Customer satisfaction
- Prepared in conjunction with PWS
 - (See FAR Subpart 46.4 for QASP requirements)

When the acquisition is performance-based, the QASP describes how the Government plans to determine whether the contractor is achieving the desired quality and/or service levels. When purchasers need a QASP, it should be prepared in conjunction with and included as part of the PWS/SOO, **or** the Government may ask Schedule contractors to submit a QASP as part of their quotation.

Preparing the QASP may reveal a significant weakness in the PWS/SOO. It is easier to correct a weakness in the requirements document while it is being refined, rather than after it has been approved or published. The QASP should focus on the quality, quantity, and timeliness requirements established in the PWS/SOO. Therefore, it is vital that the PWS/SOO requirements are measurable and that the procedures established in the QASP are adequate for that measurement.

Evaluation Criteria

- Method of evaluation is determined by agency procedures:
 - Color
 - Adjectival
- Method of evaluating quotes for:
 - Multiple items
 - Order options
- Significant factors to be considered in quote evaluation
- Non-price factors evaluation

The RFQ should provide Schedule contractors with information on how the ordering activity will evaluate quotes and award the orders.

Method of evaluating quotes for multiple items. When an RFQ includes multiple items, it should state whether the Schedule user intends to:

- ❖ Issue a single order for all items
- ❖ Issue a single order or multiple orders by line item
- ❖ Use some other method for issuing orders based on the evaluation of the quotes received

Method for evaluating quotes for order or BPA options. The RFQ should state how quotes for any RFQ options are to be evaluated. Options can be for additional quantities or for extensions to the period of performance. If there is a high probability that the Schedule user will exercise an option, it should be included in the evaluation. If there is a low probability that the option will be exercised, it should not be considered in the quote evaluation.

Significant factors to be considered in quote evaluation. Identify all significant factors that the Schedule user will consider in selecting the contractor that provides the best value. The Schedule user must consider price and may also consider:

- ❖ Past performance
- ❖ 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 8.405-5(d)
- ❖ 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 between and among competing quotes

Evaluation factors other than price. If the Schedule user is considering price and factors other than price, the RFQ should state the evaluation methodology of the identified evaluation factors. At a minimum, the RFQ should state the evaluation methodology used in selecting the contractor to receive the order and the rationale for any tradeoffs in making the selection (See FAR 8.405-2(d)).

Ordering activities should make sure that contractor instructions provide sufficient information so that contractors will provide adequate information to evaluate quotes based on the identified factors. The RFQ should never require information if it is not needed or is already reasonably available.

NUTS AND BOLTS TIP The procedures all Federal agencies must use to ensure competition and best value source selection are discussed in FAR 8.405-2(d) and DFARS 208.405-70.

Topic 3: Market Research

Purposes of Market Research

- 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

Market research is the process of collecting and analyzing information to become an educated consumer. The more you understand the product or service and how it is acquired in the commercial marketplace, the better equipped you'll be to conduct the acquisition.

All acquisitions begin with planning. Part of the planning process is conducting market research. Details of the market research process vary with each acquisition.

Factors addressed in market research include:

- ❖ Availability of the service or product in the commercial marketplace
- ❖ Complexity of the order – can it be fulfilled by a single vendor?
- ❖ Dollar value of the order – what will the competition requirements be?
- ❖ Nature of the order (whether it is a new or recurring requirement, or an enhancement)
- ❖ Industry sector involved in the order

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.

Before you can begin your market research, it is helpful to 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?

This information must be developed prior to market research for best efficiency. The above questions will assist in determining what the supply or service's salient characteristics are. "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 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 versus 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 the product can be distributed; and what types of support are offered (on-site, off-site, mail-in)

Market Research Requirements

- 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 \$550,000 (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 for compliance with FAR Subpart 8.4 (for orders exceeding the SAT). 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 about how many are likely to respond.

It is important to record the number of vendors available per Special Item Number (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 against Schedule contracts that exceed the simplified acquisition threshold, the Contracting Officer has two options:

- ❖ Issue a draft RFQ 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, 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) who 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 who can fulfill the requirement could be identified, 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 sufficient Schedule contractors were notified, the RFQ must be re-issued.

Non-Price Evaluation Factors. Factors in addition to price that can be considered in market research should vary depending on the acquisition situation. Price is an important factor in market analysis, but the lowest price is not always the best value. Non-price evaluation factors include those listed on the next slide.

Factors Affecting Best Value Determination (FAR 8.405)

- Training and customer support
- Technical qualifications
- Environmental and energy efficiency
- Useful life
- Maintenance availability
- Total cost of ownership
- Warranty
- Past performance and/or experience
- Service/supply characteristics
- Delivery/performance
- Administrative costs
- Transportation costs
- Price
- Socioeconomic status

Market Research Sources: Common Acquisition Platform

Common Acquisition Platform (CAP)

- An integrated, comprehensive suite of knowledge and data as well as a better toolset of systems to support enhanced execution
- Online access to resources for a product or service category
- A holistic view of products and services the Government acquires

The Common Acquisition Platform (CAP) is a set of initiatives with the goal of providing the acquisition professional with a more integrated, comprehensive suite of knowledge and data as well as a better toolset of systems to support enhanced execution. 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 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

- 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. This includes:

- ❖ 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:

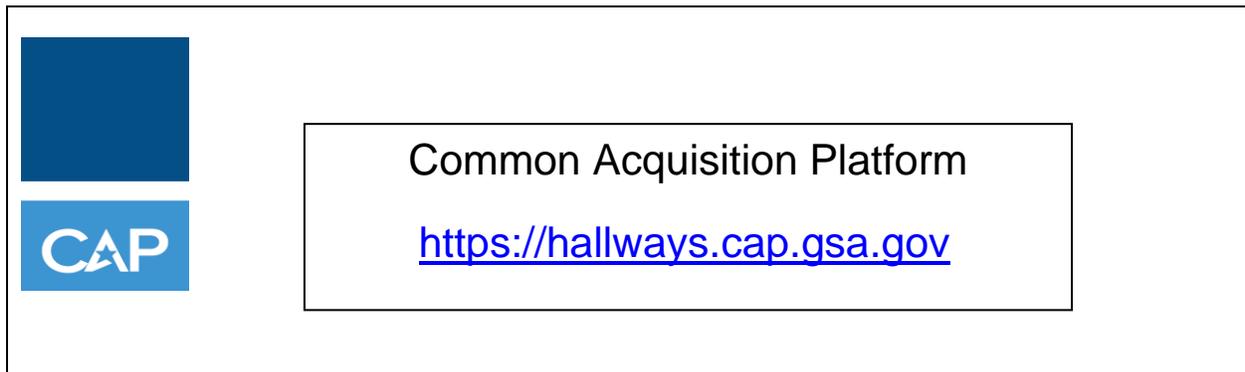
- ❖ A paper examining the value of Time and Material (T&M) arrangements
- ❖ Identification of available solutions from civilian and DoD contracts
- ❖ Contracting Officer Toolkit
- ❖ Index of Professional Services articles

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



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

In addition to CAP, there are other tools and resources you can use when conducting market research, such as the GSA eTools and other resources:

- ❖ GSA *eLibrary* www.gsaelibrary.gsa.gov
- ❖ GSA *Advantage!*® www.gsaadvantage.gov
- ❖ GSA CALC tool <https://calc.gsa.gov/>
- ❖ Green purchasing information www.gsa.gov/sustainability
- ❖ PPIRS www.ppirs.gov
- ❖ Requests for Information (RFIs) on *eBuy* www.ebuy.gsa.gov

Market Research Sources: eTools

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

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



www.gsaelibrary.gsa.gov

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 include:

- ❖ 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., 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.

Market Research Sources: eTools

- Search
- Review
- Place order
- View history

GSA *Advantage!*[®]– An online shopping service through which ordering activities may place orders against the Schedules using the governmentwide purchase card.



www.gsaadvantage.gov

GSA *Advantage!*[®] is an online catalog, information, and ordering system. The system gives 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 stop 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!*[®].

MAS DESK REFERENCE For more information, refer to the *MAS Desk Reference: Section 11 eTools*.

NUTS AND BOLTS TIP No registration is required to use GSA *Advantage!*[®] or *eLibrary* for market research.

Market Research Sources: eTools

- Post requirements
- Issue RFI/RFQ
- Notification of award

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



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, allowing 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 in *eBuy* by distributing 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."

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

Knowledge Check 1

What GSA system is used for posting RFIs and RFQs?

Answer:

Knowledge Check 2

List sources for market research.

Answer:

Lesson 3: Placing Orders

In this lesson, you will learn the procedures for placing orders against the Schedule contracts, including the competition requirements, the flexibilities allowed by the Schedules, and the additional requirements involved when using a Statement of Work (SOW)/Performance Work Statement (PWS)/Statement of Objectives (SOO). You will also learn how to place a Blanket Purchase Agreement (BPA) order based on one or more Schedule contracts, and the differences between placing a BPA order and awarding a BPA.

Learning Objectives

- ❖ Identify Schedule procedures
- ❖ Distinguish between ordering procedures for supplies or services not requiring an SOW and those requiring an SOW
- ❖ Identify the features of Contractor Team Arrangements (CTAs)
- ❖ Identify the features of Schedule Blanket Purchase Agreements (BPAs)
- ❖ Identify strategies for open market items

Lesson Topics

- ❖ Topic 1: Schedule Procedures
- ❖ Topic 2: Contractor Team Arrangements (CTAs)
- ❖ Topic 3: Blanket Purchase Agreements (BPAs)
- ❖ Topic 4: Other Direct Costs

Topic 1: Schedule Procedures

GSA Schedule Contract Ordering Procedures are Competitive

Schedule users shall **not**:

- Seek further competition outside of the MAS program
- Synopsize the requirement (unless Sole Source greater than SAT with an LSJ – See 8.404(g))

(See Nuts and Bolts Tips below.)

NUTS AND BOLTS TIP

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

NUTS AND BOLTS TIP

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 9.405-2).

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 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 (FAR 5.203 (a)) on FedBizOpps. 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.

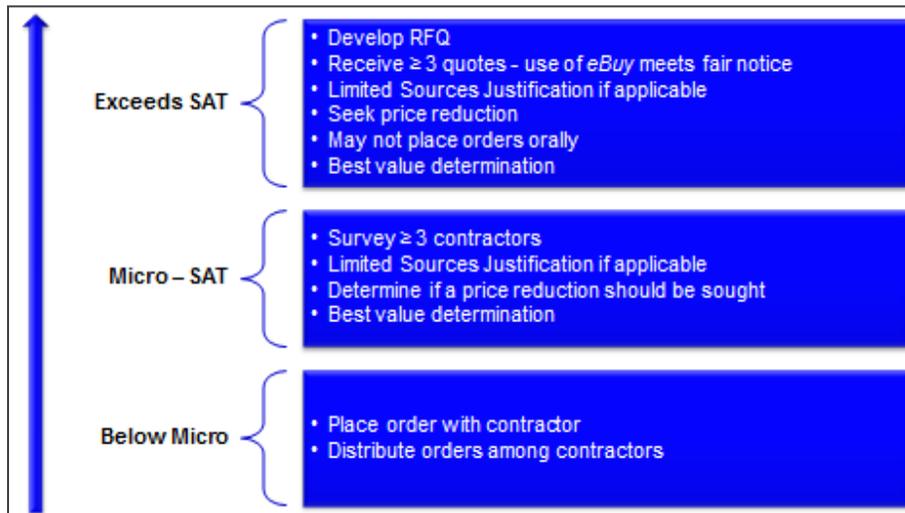
Although CICA is still the foundation for competitive requirements, law and regulation make certain exceptions to CICA’s competitive mandates and establish other competitive requirements. “Full and open competition” is not the only competitive mandate. For example, CICA does not apply to:

- 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 Multiple Award Schedules (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 Multiple Agency (or Award) Contracts (MACs).

Ordering Procedures – FAR 8.405-1

When ordering supplies or fixed-price services without a statement of work



When is an SOW not required?

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

- ❖ **Is at or below the micro-purchase threshold.** You may place the order directly with the selected vendor. FAR procedures for acquisitions at or below the micro-purchase threshold emphasize simplicity and fair treatment. Supporting documentation, including extensive information, collection, and evaluation, is not required. However, the Schedule user should attempt to distribute orders among Schedule contractors.
- ❖ **Exceeds the micro-purchase threshold, but not the Simplified Acquisition Threshold.** You should obtain at least three (3) quotes (always documenting your contract file) and select the best value quote.
 - Survey at least three Schedule contractors, considering price and other identified best value factors.
 - Consider ordering from contractors who 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 who requests a copy.

The Schedule user should seek a price reduction when:

- Market research reveals that the supply or service is available elsewhere at prices lower than those available from Schedule contractors.
- The Schedule contractor has been or will be selected to provide recurring requirements, and the size of the recurring orders appears to merit a price reduction.
- Market research identifies other information indicating that a price reduction is appropriate.

- ❖ **Exceeds the Simplified Acquisition Threshold**, or when establishing a BPA. The ordering activity shall seek a price reduction, survey more than three contractors, and select the best value quote. If further price reductions are not offered, an order may still be placed. *eBuy* shall be used as one method to ensure at least three written quotations are received. If fewer than three are received, the Contracting Officer must document the file as to the actions taken to ensure competitive quotations, and what can be done in future acquisitions to enhance competition. Procedures also apply for DoD agencies when the value of the order exceeds the simplified acquisition threshold (\$150,000) and only one offer was received (DFARS 208.404 and 208.405–70). If fewer than 30 days for offer submission was allowed, the Contracting Officer must consider promoting competition by revising the requirements document to eliminate any barriers to competition and by permitting more time for receipt of offers when fewer than 30 days was initially allowed. The Contracting Officer must either 1) solicit for an additional 30 days, or 2) request a waiver. If the Contracting Officer still receives only one offer, he/she must determine prices to be fair and reasonable through price/cost analysis and 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*.

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 who is debarred, suspended, or proposed for debarment unless the agency head makes a written determination of the compelling reasons for such action.

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

Ordering Procedures - FAR 8.405-2

When ordering services requiring a statement of work



When is an SOW required?

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

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

If an SOW is not required, the first step is to compare prices from appropriate Schedule contractors.

If the order requires an SOW, the ordering activity has the option to ask quoters to give oral presentations after quotation submission. The oral presentations can help the ordering activity clarify details, become acquainted with the contractors' personnel, and provide additional comparison points for decision making.

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

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.

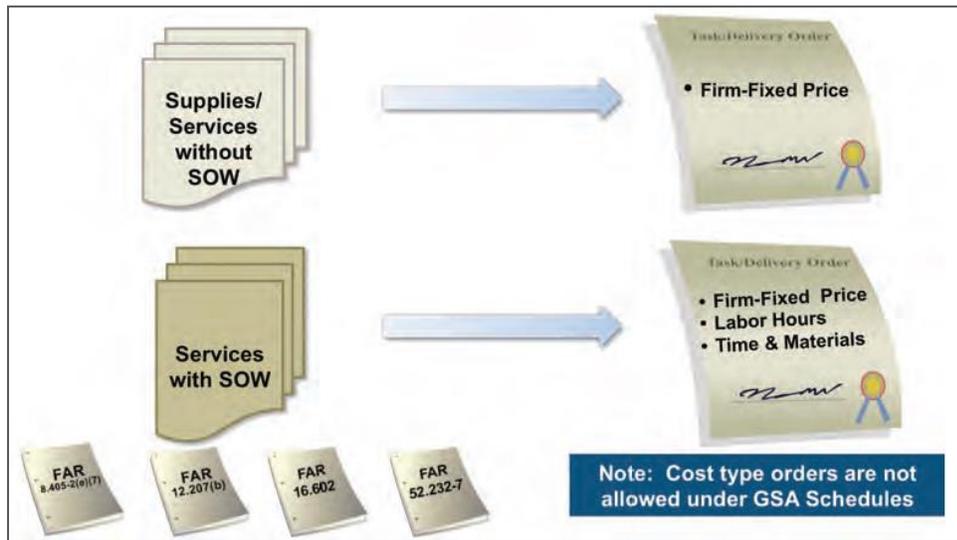
The ordering activity does not have to evaluate the hourly rate. GSA is responsible for establishing the rates and determines rates to be fair and reasonable at the Schedule contract level. The FAR states:

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.

This does not mean the ordering activity should evaluate the labor rate, but rather that the mix of labor and level of effort is correct. For example, the Government may need an Engineer I for 1000 hours and a Program Manager for 100 hours. The Contracting Officer should ensure that the quote from the contractor is in line with this requirement in terms of labor categories and number of hours.

Schedule Order Types



Pricing Arrangements

- ❖ Orders for supplies or services not requiring an SOW/PWS must be Firm Fixed-Price (FFP). (See FAR 8.405-1(a).)
- ❖ Orders for services requiring an SOW/PWS 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 pricing structure and its use is required to the maximum extent practicable (See FAR 8.404(h)(2).) A T&M or LH type order 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.

For BPAs for hourly rate services, the ordering activity must develop an SOW/PWS 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*.

Cautions for T&M and Labor Hour Task Orders

- Require greater surveillance effort
- Appropriate when duration and extent of work cannot be accurately estimated in advance
- Require additional approvals
- Include ceiling price
- Must document file

On LH and T&M orders the price is based on hours worked. LH and T&M orders require more surveillance and control than FFP because ordering activities need to confirm that the hours claimed match hours worked and that the percent of budget consumed matches the percent of work completed. Otherwise, costs can quickly exceed budget.

LH and T&M orders are appropriate when the duration and extent of the work cannot be adequately predicted or described during the acquisition process.

FAR 8.404(h)(3)(ii)(A) requires that the Contracting Officer execute a D&F for the contract that states that no other contract type is suitable. At a minimum, the D&F must:

- ❖ Include a description of the market research conducted
- ❖ Establish that it is not possible at the time of placing the contract or order to accurately estimate the extent or duration of the work or to anticipate costs with any reasonable degree of certainty
- ❖ Establish that the requirement has been structured to maximize the use of fixed-price orders (e.g., by limiting the value or length of the LH and T&M contract or order, or establishing fixed prices for portions of the requirement) on future acquisitions for the same or similar requirements
- ❖ Describe actions planned to maximize the use of fixed-price contracts on future acquisitions for the same requirements
- ❖ If the order is expected to last beyond three years, the D&F must be approved by the head of the contracting activity prior to the execution of the base period

To limit the Government's exposure, LH/T&M orders must include a ceiling price. If the contractor exceeds the limit, the Government is not liable for those costs. In essence, the ceiling price gives the contractor a reason to participate in monitoring costs accurately.

Prior to increasing the ceiling price, Contracting Officers must:

- ❖ Perform an analysis of the price increase to determine the action is in the Government's best interest
- ❖ Document the decision in the contract file
- ❖ Comply with FAR Part 8.405-6 requirements for justifying limited sources if changes modify the order scope

Bundling

- Bundling: Consolidating two or more requirements for supplies or services, previously provided or performed under separate smaller contracts, into a solicitation for a single contract that is **likely to be unsuitable for award to a small business concern**
- Bundling provisions in FAR 19.202 apply to GSA Schedule orders

If acquisition planning for any order involves bundling, the Schedule user must comply with all FAR requirements for a bundled contract. Refer to FAR 7.105, 7.107 and agency guidelines related to bundling.

Bundling is consolidating two or more requirements for supplies or services, previously provided or performed under separate smaller contracts, into a solicitation for a single order or BPA that is likely to be unsuitable for award to a small business concern due to the diversity, size, or specialized nature of the elements of the performance specified; the aggregate dollar value of the anticipated award; the geographical dispersion of the performance sites; or any combination of these factors.

“Separate smaller contract,” as used in this definition, means a contract/order/BPA that has been performed by one or more small business concerns, or that was suitable for award to one or more small business concerns. (See FAR 2.101(b).)

If a proposed acquisition is for a bundled requirement, FAR 19.202-1(e)(1)(iii) requires the ordering activity to provide a copy of the proposed acquisition package to the Small Business Administration (SBA) procurement center representative at least 30 days prior to the issuance of the solicitation (RFQ). The ordering activity must provide all information relative to the justification of contract bundling, including the acquisition plan or acquisition strategy.

When the acquisition involves substantial bundling, the ordering activity must provide all of the following information to the SBA procurement center representative and the agency Office of Small Business Programs:

- ❖ Specific benefits anticipated to be derived from bundling
- ❖ Assessment of the specific impediments to participation by small business concerns as contractors, and actions designed to maximize small business participation as contractors, including provisions that encourage small business teaming
- ❖ Actions designed to maximize small business participation as subcontractors (including suppliers) at any tier under the contract or order that may be awarded to meet the requirements
- ❖ A specific determination that the anticipated benefits of the proposed bundled contract or order justify its use
- ❖ Alternative strategies that would reduce or minimize the scope of the bundling, and the rationale for not choosing those alternatives

NUTS AND BOLTS TIP FAR 19.202-1(e)(1)(iii) is the only section of FAR Part 19 that applies to Schedule orders.

Options

- Options may be included on Schedule orders, provided that the options:
 - Are clearly stated in the requirement
 - Are evaluated as part of the ordering activity's best value determination
- Such options may be exercised on GSA Schedule contract orders, 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.
 - Orders, including exercise of all options, do not require deliveries beyond 60 months of expiration of the Schedule contract ordering period.
- The length of the order and the risk to the ordering activity could be considered as part of the overall evaluation of best value

Options may be included on orders placed against Schedule contracts and BPAs, if the options are clearly stated in the requirement and are evaluated as part of the ordering activity's "best value" determination.

Options may be exercised on Schedule contract orders, provided that:

- ❖ Funds are available.
- ❖ The requirement covered by the option fulfills an existing Government need.
- ❖ Prior to exercising any option under an order or a BPA, the ordering activity ensures that it is still in the Government's best interest, with price and other factors considered.
- ❖ Orders, including exercise of all options, do not require deliveries beyond 60 months of expiration of the Schedule contract ordering period. An additional requirement is that the Schedule contract must contain FAR clause 52.216-22 (Oct 1995) with fill-in language for orders to extend *up to* 60 months beyond contract expiration. Before placing an order, ordering activities should verify that the FSS Schedule contract contains this clause.

Note that single-award BPAs cannot exceed a total of five years, i.e., one year with four, one-year options. Prior to exercising an option on a BPA, the Contracting Officer must conduct an annual review. If the BPA is a single-award BPA, then prior to option exercise, the annual review results (supporting exercise of the option) must be approved by the agency competition advocate.

Schedule task orders may be established under the preceding conditions with options that extend beyond the end of the Schedule contract period. The order option must be exercised prior to the expiration of the Schedule contract, including its option periods. The length of the order and the risk to the ordering activity could be considered as part of the overall evaluation of best value.

Topic 2: Contractor Team Arrangements (CTAs)

Contract Flexibilities



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; this is different from a prime contractor/subcontractor type of relationship.

Also, it may be beneficial to an organization to award a Blanket Purchase Agreement (BPA) for recurring requirements. A BPA can make the ordering process easier and take advantage of the potential to obtain reduced pricing.

Contractor Team Arrangements (CTAs)



A GSA Schedule CTA is an arrangement between two or more MAS contractors to work together to meet Government requirements. The CTA document is a written agreement between team members detailing the responsibilities of each team member.

The CTA does not create a separate legal entity. The CTA allows contractors to meet the Government's needs by providing a total solution that combines the supplies or services from the team members' separate GSA Schedule contracts. In this way, it minimizes acquisition costs, not only by reducing the number of orders, but it may also reduce the need for open market items.

The arrangement benefits contractors by permitting them to complement each other's capabilities to compete for orders that they may not qualify for independently.

When considering quotes from teamed contractors, it is considered a best practice for the ordering activity to review the teaming arrangement and include it in the quote file. Each team member's Schedule contract number should be cited on the order.

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

Schedule Contractor Team Arrangement (CTA) Benefits

- Provides 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

Common Elements of CTA Agreements: Legal Matters



Each team develops its own teaming agreement, which is a business arrangement between all respective team members. GSA does not recommend any particular CTA format. However, GSA strongly encourages Contracting Officers to require submission of the agreement, so that the ordering activity may gain an understanding of how the arrangement will work and identify any CTA elements that may affect the performance risk associated with that quote. While not all-inclusive, the CTA elements below are areas that are of interest to the ordering activity:

- ❖ **Legal relationship.** The CTA document should not create a joint venture or separate legal entity.
- ❖ **Duration of the agreement.** The CTA document should:
 - State the duration of the team agreement
 - Identify any options and describe how each option will work
- ❖ **Terms of the agreement.** The CTA document should:
 - Define the entire course of the project
 - Specify the responsibilities of each team member and any limitations on those responsibilities
 - Specify who receives and pays any team management fees
- ❖ **List of open market items.** The wide range of supplies and services quoted by GSA Schedule contractors should make the need for open market items minimal. Should open market items be required, all such items must be clearly identified as open market items, in accordance with FAR 8.402(f).
- ❖ **Delivery responsibility.** The CTA document should state whether the team lead or each team member is responsible for a particular part of the project, so that delivery responsibility is clearly established.
- ❖ **Confidential information.** The CTA document should identify any proprietary information and specify how such proprietary information and related rights will be managed.

Common Elements of CTA Agreements: Team Matters



Elements of a CTA Agreement related to the teams include:

- ❖ **Identification of parties.** The CTA should:
 - Always be documented in writing and signed by each participating GSA Schedule contractor
 - Identify each member of the Schedule CTA by name, address, GSA Schedule contract number, telephone number, and point of contact (POC)
 - Identify the team leader and POC
 - If the team leader will change throughout the order performance period, the document should describe the reasons for such changes and how the team lead will be designated during order performance
 - State the name and address of the ordering activity
 - Identify the primary ordering activity POC for specific needs
 - State that it is solely between the team members
 - State that it cannot conflict with the terms and conditions of each team member's GSA Schedule contract
- ❖ **Specific team activities.** The CTA document should state the various types of activities that will be incorporated into the team arrangement, and identify who is primarily responsible for each identified activity.
- ❖ **Responsibilities of team leader.** The CTA document should outline and specify the duties of the designated team leader at each phase of the project.
- ❖ **Responsibilities of team members.** The CTA document should specify and describe the duties of each team member.
- ❖ **Independent contractors.** The CTA document should state that all team members remain independent contractors, responsible for their own employees.
- ❖ **Replacement of team members.** The CTA document:
 - Should address the circumstances and procedures for replacement of team members, including the team leader
 - Should state that the team must obtain the approval of the ordering activity prior to replacing any team member after receipt of an order
- ❖ **Performance evaluation.** The CTA document should clarify under whose name the Government should evaluate performance in the Contractor Performance Assessment Reporting System (CPARS) or whether each team member receives a separate CPAR. FAR 8.406-7 requires ordering activities to enter evaluations in PPIRS for all orders exceeding the simplified acquisition threshold (SAT).

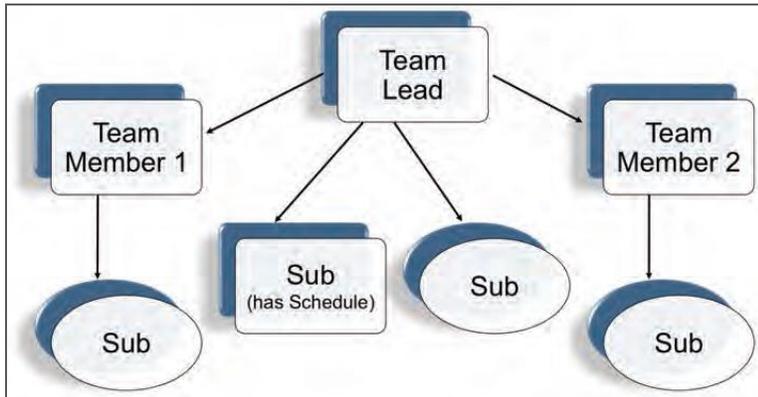
Common Elements of CTA Agreements: Financial Matters



Elements of a CTA related to finance include:

- ❖ **Reporting of sales and Industrial Funding Fee (IFF) payment responsibility.**
The CTA document should:
 - Specify that each team member is responsible for reporting its own sales under its GSA Schedule contract and paying the related IFF to GSA.
 - State that each team member will track sales by contract number to meet contract pricing and IFF reporting requirements.
- ❖ **Invoicing and payment.** The CTA document should designate team responsibilities for invoicing and payment. While the team leader may submit an invoice on behalf of all team members, GSA recommends that payment be made to each team member. GSA recognizes, however, that there may be instances where it is advantageous to design the CTA document so that payment is made to the team leader who pays each team member. Under such circumstances, the CTA document should clearly indicate that all team members agree to this method of payment. The CTA document should acknowledge that the team members, without any involvement by the Government, would resolve any dispute involving the distribution of payment between the team leader and the team members.
- ❖ **Warranties.** The CTA document should designate team warranty responsibilities, such as:
 - The party the ordering activity should contact regarding warranty issues
 - What documents will be required for a warranty claim
 - Who will correct deficiencies covered by warranty
 - How warranty compensation will be managed within the team
- ❖ **Pricing and costs.** The CTA document should:
 - Specify unit prices or hourly rates and how pricing is calculated
 - List the supplies/services and pricing, including any team lead task management pricing, if applicable
 - Note that all prices charged to the ordering activity are at or below the applicable contractor's GSA Schedule contract prices
 - Explain how any order incentives or fees will be divided within the team
- ❖ **Liabilities.** The CTA document should address each team member's responsibilities and performance requirements so that liability is clearly established.
- ❖ **Ordering procedures.** The CTA should document how the team will handle processing additional orders from the Government.

MAS Teaming and Subcontracting



CTAs can be comprised of both Schedule contractors and non-Schedule subcontractors. Each Schedule contractor is considered a team member. Non-Schedule contractors are considered subcontractors. All subcontractors must be mapped to their prime contractors' Schedule labor categories.

The task order is issued to the Schedule Contractor Team as a whole, and lists all Schedule contractor numbers on it. In some cases, depending on the agreement, task orders can be issued directly to each team member. If multiple-award BPAs are awarded to multiple teams, then the teams must compete for the task orders.

The decision to form a team is entirely at the discretion of the contractors, not the ordering activity.

NUTS AND BOLTS TIP Do not confuse Schedule Contractor Team Arrangements (CTAs) with the definition of contractor teaming arrangements found in FAR Subpart 9.6. None of the definitions (the partnership/joint venture or the prime/sub relationship) outlined in Subpart 9.6 apply to Schedule CTAs.

Key Differences between CTA and Subcontractor Arrangements

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
What solutions can be provided?	Total solutions, using contractors from different Schedules	Services/supplies identified on the prime contractor's MAS contract

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

Topic 3: Blanket Purchase Agreements (BPAs)

MAS Blanket Purchase Agreement (BPA) Basics

- A BPA is a simplified method of filling anticipated repetitive needs for supplies or services
- Establishes terms applicable to future orders
- Considered a competitive procedure
- Does not obligate funds
- No minimum/maximum

Blanket Purchase Agreement (BPA) Definition: A relationship that an ordering activity can use to simplify the acquisition of recurring needs for Schedule supplies or services, while leveraging buying power, saving administrative time, and reducing paperwork.

Both “traditional” BPAs and MAS (or “Schedule”) BPAs may be used to fill anticipated repetitive needs for supplies and services. While traditional BPAs are subject to the requirements of FAR Part 13, Simplified Acquisition Procedures, Part 13 does not apply to GSA Schedule BPAs.

Generally, Schedule BPAs should not exceed five years in duration, but may do so to meet program requirements.

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.”

In accordance with FAR 6.102(d)(3), use of the MAS BPA is considered a **competitive procedure** under the Competition in Contracting Act (CICA) when the GSA Schedule ordering procedures are followed.

GSA has established that the prices contained within the contractor’s Schedule price list are fair and reasonable. When establishing one or more BPAs, ordering activities should request discounted pricing; the Schedule holders are not required to discount their prices, however. When placing an order against a BPA, the ordering activity is responsible for considering the level of effort and mix of labor proposed to perform a specific task being ordered, and for making a determination that the total price is fair and reasonable.

The same ordering procedures outlined in FAR 8.405 apply to the establishment of a GSA Schedule BPA (FAR 8.405-3(a)(2)). Based on the potential volume of orders under the BPA, ordering activities may be able to obtain greater discounts, regardless of the size of individual orders.

Annual Review: The ordering activity must document the review of the GSA Schedule BPA annually to determine whether:

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

MAS BPA Characteristics

- MAS BPAs are issued against established MAS contracts
- Terms and conditions for the BPA, including contract type and clauses, must comply with the underlying MAS contract
- MAS BPAs are based on prices already subjected to competition and determined to be fair and reasonable by GSA
- MAS BPAs are subject to FAR Subpart 8.4 procedures, not Part 13

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

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 also include other elements required by FAR 8.406-1 for Schedule orders.

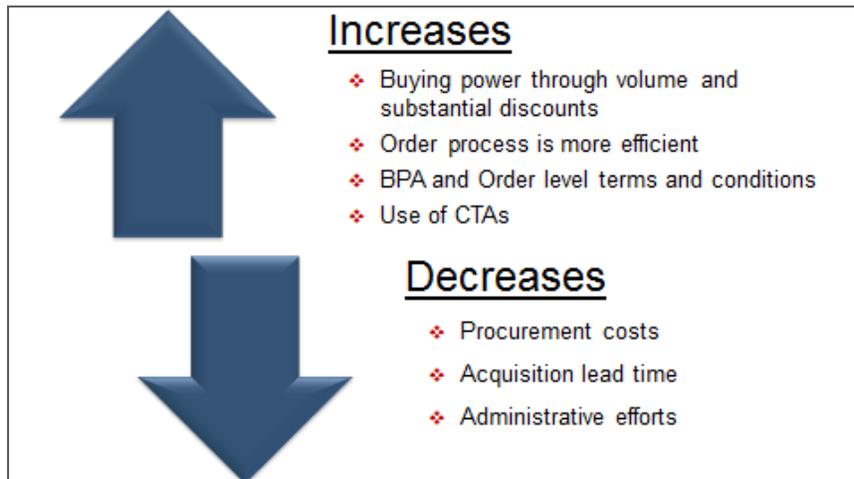
BPAs help consolidate agency needs in many ways. Here are two examples:

- ❖ 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 synopsize requirements for purchase against a BPA.

Benefits of MAS BPA



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

Contractual terms and conditions are contained in GSA Schedule contracts and flow down directly into GSA Schedule BPAs. Therefore, as a purchasing option, BPAs reduce the lead time of some contracting and open market requirements such as the search for sources and the need to prepare solicitations. Others are eliminated altogether, such as the requirement to synopsize the acquisition.

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 synopsize requirements for purchase against a BPA.

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

Additional Benefits

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

From the Government's perspective, there are several good reasons to use Schedule BPAs:

- ❖ 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 businesses 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 quicker turn-around on orders and may improve cash flow.

Single-Award BPAs

- The FAR states a preference for multiple awards
- Single-award BPA limited to one year, no more than four option years; documented justification and approvals required
 - Initial award >\$112M approved by agency head (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 BPA and proper approvals are obtained, the agency may award the BPA to only one contractor. If so, 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

- All purchases are competed among a prequalified pool of contractors
- Duration generally does not exceed five 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
- Benefits:
 - Simplified ordering process
 - Improved pricing and terms
 - Ability to search and negotiate for best value

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

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.

BPA Documentation Requirements

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

When establishing MAS BPAs, the ordering activity must document:

- ❖ The Schedule contracts considered, noting the contractors with which BPAs have been established
- ❖ A description of the requirements (e.g., estimated quantities, work to be performed)
- ❖ The results of price evaluation and overall price reasonableness for services, when applicable
- ❖ The estimated value
- ❖ If applicable, the circumstances and rationale for restricting consideration of Schedule contractors to fewer than required in the Schedule ordering procedures
- ❖ 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 8.405-2(d) for BPAs with hourly-rate services
- ❖ If applicable, the rationale for placing other than Firm Fixed-Price (FFP) or performance-based orders
- ❖ The results of the annual review must be documented

How Many BPAs Should I Award?

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

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

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

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

BPA's and Small Business

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

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

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

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

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

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

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

- ❖ Existing multiple-award BPAs, or BPAs that were established without prior notification to prospective BPA holders that orders may be set aside under the BPAs, should not use set-aside orders. Procedures for placing orders against BPAs come from FAR Subpart 8.405-3(c) and require that the ordering activity give "fair opportunity" to all BPA holders. While Section 1331 provided set-aside authority "notwithstanding fair opportunity requirements," it would be inappropriate to restrict the competition on existing BPAs or on any non-set-aside BPAs where use of Section 1331 authority at the order level was not specified, and prospective BPA holders were not notified prior to the BPAs being established.
- ❖ Newly-established multiple-award BPAs may use order set-asides where:
 - a) The BPA RFQ clearly states that the ordering activity may determine to set aside task or delivery orders as described in the ordering procedures contained in the BPA's Request for Quotations and in accordance with FAR Subpart 8.405-3(c)(2); and
 - b) There is sufficient competition among BPA holders such that the resulting task or delivery orders are in full compliance with the above cited regulatory requirements. The easiest way to comply with these requirements is to establish a number of BPAs, which is more than adequate to cover the breadth and depth of expected task order delivery orders, and at least three sources will be viable competitors for each task or delivery order.

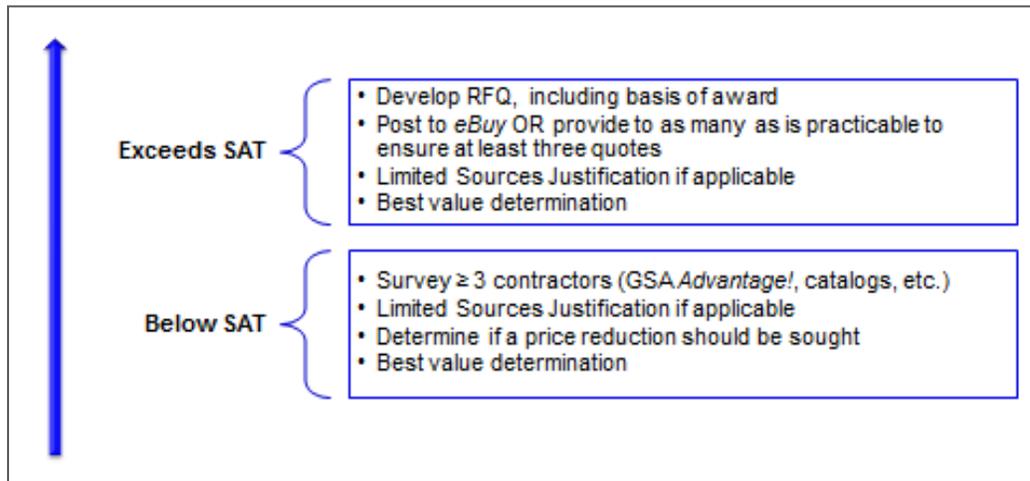
OR

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

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

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

When ordering supplies or fixed-price services without a statement of work



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

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

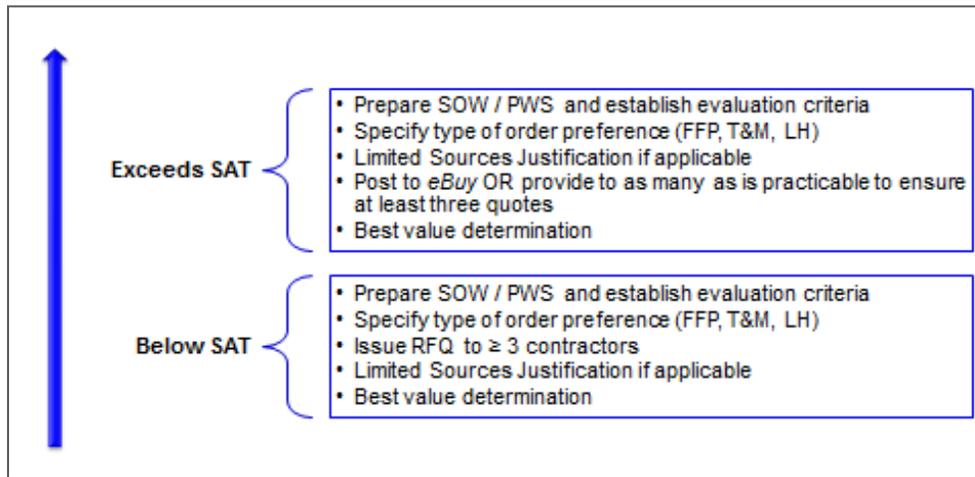
- ❖ Survey three or more contractors through GSA *Advantage!*®, catalogs, etc.
- ❖ Develop a Limited Sources Justification (LSJ) to justify restricting competition, if applicable. We will discuss when an LSJ is required later in this topic.
- ❖ Determine if a price reduction should be sought.
- ❖ Make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

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

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

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

When ordering services requiring a statement of work



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

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

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

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

- ❖ Prepare an SOW or Performance Work Statement (PWS) and evaluation criteria.
- ❖ Specify the type of preference for orders made under the BPA (Firm Fixed-Price, Time and Materials, Labor-Hour).
- ❖ Develop a Limited Sources Justification, if applicable.
- ❖ Post the RFQ to *eBuy*, or provide it to as many contractors as practical to ensure at least three quotes are received.
- ❖ Make a best value determination to select as many contractors as required to meet your ordering objectives and acquisition strategy.

BPA Specifications: Who and When

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

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

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

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

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

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

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

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

BPA Specifications: What and Where

- Estimated requirements
- Delivery/Performance locations

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

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

Delivery/Performance Locations. Schedule BPAs for supplies should either identify the location required for delivery or state that it will be provided with each order.

If Schedule BPA services will be performed at one or more known locations, the BPA should identify those locations as clearly as practicable. At a minimum, the Schedule BPA should identify the geographic area of BPA performance (e.g., Greene County, OH).

BPA Specifications: Price Reductions

Seek price reductions:

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

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

FAR 8.405-4 requires Schedule users to seek price reductions in the following circumstances:

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

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

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

BPA Specifications: Invoicing

When establishing invoicing procedures, keep in mind:

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

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

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

- ❖ “A summary invoice must be submitted at least monthly or upon expiration of the Schedule BPA, whichever occurs first, for all deliveries made during a billing period, identifying the delivery tickets examined therein and stating their total dollar value. It must be supported by receipt copies of the delivery tickets.”
- ❖ “An itemized invoice must be submitted at least monthly or upon expiration of the BPA, whichever occurs first, for all deliveries made during a billing period and for which payment has not been received.”
- ❖ When billing procedures provide for an individual invoice for each delivery, these invoices must be accumulated, provided that:
 - A consolidated payment will be made for each specified period
 - The period of any discounts will commence on the final date of the billing period or on the date of receipt of invoices for all deliveries accepted during the billing period, whichever date occurs later

BPA Specifications: Evaluations and Rationales

- Evaluation methodology
- Tradeoff rationale
- Price reasonableness
- Past performance
- Limited sources rationale
- T&M / LH rationale

Evaluation Methodology. An RFQ issued to establish one or more BPAs must state the evaluation criteria that will be used to determine which quotations offer the best value. Typical evaluation factors include technical capability, capacity to do the required work on an “as needed” basis, past performance, price analysis, etc.

Tradeoff Rationale. FAR guidance instructs us to make best value source selections to ensure the Government gets the best solution at the best price. If there are any cost or technical tradeoff factors, the ordering agency must identify these factors in the RFQ to ensure the vendors know what the Government thinks is important.

Price Reasonableness. When buying services, in accordance with 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 determining rates to be fair and reasonable at the Schedule contract level.

Past Performance. When considering a firm for a BPA award, the Contracting Officer can review findings of other Contracting Officers within the agency to see if any performance problems have been noted. This is a form of a past performance evaluation.

Limited Sources Rationale. If the requirement is for a brand name or equal product, or simply a brand name requirement, the ordering agency will be required to develop a Limited Sources Justification. The information that must be part of this justification must explain why only a certain product will be acceptable. Within 14 days after BPA award, the justification must be posted on *eBuy* and on FedBizOpps, depending on the potential dollar amount of the BPA. The justification, or a link to it, must remain active for 30 days.

T&M/LH Rationale. FAR Part 12 establishes a preference for the award of fixed-price contracts and orders, though there may be times when the exact number of hours required for each different type of labor category is unknown. In the event that a Time and Materials (T&M) or Labor-Hour (LH) BPA is to be awarded, the BPA file will need to be documented to show why the hourly basis is required.

BPA Ordering Procedures – FAR 8.405-3

Procedure for Ordering from Multiple Award Schedule BPAs (FAR 8.405-3(c))



Procedures for placing orders. The Schedule BPA should identify the people authorized to order using the BPA by position title or individual name and organizational component.

If the ordering activity establishes one 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 Schedule BPAs, which is preferable in the FAR, each BPA should include procedures for providing BPA holders a fair opportunity to provide the services and/or supplies identified in the BPA. The BPA should specify the ordering procedures at various dollar thresholds, as discussed below.

When ordering from Schedule BPAs, ordering activities must conform to the following requirements:

- ❖ **Single-award BPA.** If the ordering activity establishes one BPA, authorized users may place the order directly under the established BPA when the need for the supply or service arises. A single-award BPA might be appropriate if there is only one qualified source, or if it is in the public interest in exceptional circumstances.
- ❖ **Multiple-award BPAs.** If the ordering activity establishes multiple BPAs, before placing an order, the ordering activity must:
 - If under the micro-purchase threshold, an award can be made to any BPA holder, so long as orders are fairly dispersed when needs arise.
 - If over the micro-purchase threshold but under the SAT, each BPA holder must be given a fair opportunity to compete for the order, but it is not necessary to individually contact each BPA holder for each order. If the Contracting Officer chooses not to contact each BPA holder, the file must be documented as to the rationale.
 - For orders over the SAT, the ordering activity must send an RFQ to each BPA holder, affording them the opportunity to submit a quote and fairly evaluate all responses received, making a best value award in accordance with the specified selection procedures.
- ❖ **BPAs for hourly-rate services.** 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 shall specify a price for the performance of the tasks identified in the SOW/PWS/SOO.

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

BPA Ordering Procedures, Cont.

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

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

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

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

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

Topic 4: Other Direct Costs

Other Direct Costs Categories

- 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 consider how much and what types of Other Direct Costs (ODCs) are going to be needed to meet the requirement.

Other 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 an 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 officer must determine that the quoted prices for these items are fair and reasonable and within scope.

Adding Non-Schedule Items to a Schedule Order

FAR 8.402(f) states: For administrative convenience may add items not on the Federal Supply Schedule (open market items) to a Federal Supply Schedule BPA or an individual task or delivery order only if—

- All applicable acquisition regulations pertaining to the purchase of the items not on Schedule have been followed:
 - Publicizing (Part 5)
 - Competition Requirements (Part 6)
 - Acquisition of Commercial Items (Part 12)
 - Contracting Methods (Parts 13, 14, and 15)
 - Small Business Programs (Part 19)
- The ordering activity CO has determined the price for the items not on the Schedule is fair and reasonable.
- The items are clearly labeled on the order as items not on the Federal Supply Schedule.
- All clauses applicable to items not on the Federal Supply Schedule are included in the order and are reasonable and within scope

Open market items are known as incidental items, non-contract items, non-Schedule items, and items not on a GSA Schedule contract. While a myriad of products are available through GSA Schedules, an ordering activity may need an item that is not on a Schedule. In those cases, non-Schedule items may be purchased in conjunction with Schedule products or services.

For administrative convenience, the ordering activity may add items not on Schedule to a Schedule BPA or individual task or delivery order if:

1. All applicable acquisition regulations pertaining to the purchase of the items not on the Federal Supply Schedule (FSS) have been followed (e.g., publicizing (Part 5), competition requirements (Part 6), acquisition of commercial items (Part 12), contracting methods (Parts 13, 14, and 15), and small business programs (Part 19));
2. The ordering activity Contracting Officer has determined the price for the items not on the FSS is fair and reasonable;
3. The items are clearly labeled on the order as items not on the FSS; and
4. All clauses applicable to items not on the FSS are included in the order. (See FAR 8.402(f))

Possible Schedule Alternatives to Open Market Items

- Modify Schedule Contract
- Contractor Team Arrangement (CTA)
- 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. By teaming, a single solution that avoids the need to search the open market 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.

Knowledge Check 1

You are a Contracting Officer. One of your organizations has told you they want to acquire technical support services using a GSA Schedule. What are the pertinent acquisition considerations to determine if a GSA Schedule contract is the best solution?

Answer:

Knowledge Check 2

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:

Lesson 4: MAS Post-Award Activities

This lesson will provide you with an understanding of the various tasks required once an order or Blanket Purchase Agreement (BPA) has been awarded. This includes everything from informing unsuccessful quoters, ensuring receipt of items or services, making sure invoices are paid in a timely way, issuing modifications if needed, exercising options, and performing closeout activities within the timeframe mandated in FAR Part 4.

Learning Objectives

- ❖ Recognize the procedures for notifying unsuccessful quoters, to include responding to protests
- ❖ Identify activities associated with order administration
- ❖ Identify activities associated with order termination
- ❖ Identify required actions associated with order completion

Lesson Topics

- ❖ Topic 1: Notification and Kickoff
- ❖ Topic 2: Order Administration Functions
- ❖ Topic 3: Order Termination
- ❖ Topic 4: Order Completion and Required Actions

Topic 1: Notification and Kickoff

Notification of Unsuccessful Quoters

- Notify unsuccessful quoters after award
- Notification content, may include:
 - Number of Schedule contractors solicited
 - Number of quotes received
 - Name and address of each Schedule contractor
 - The total price of each order
 - General reason why quoter was not selected
- *eBuy* can be used to provide notice to unsuccessful quoters

After award of a Schedule order or BPA for services requiring a Statement of Work (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 may 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 ordering activity can use *eBuy* to provide notice to unsuccessful quoters.

Information to Provide to Unsuccessful Quoters

If an unsuccessful quoter requests details on the award based on factors other than price alone, the ordering activity:

- **Must** provide brief explanation of the basis for award when acquiring services requiring an SOW
- **Should** provide brief explanation of the basis for award when acquiring supplies/services not requiring an SOW
- **May** also include:
 - Significant weakness/deficiencies
 - Summary of rationale used to select contractor
 - Reasonable responses to relevant questions

If an unsuccessful quoter requests information on the award of a Schedule order or BPA that was based on factors other than price alone, the ordering activity must provide a brief explanation of the basis for the award decision for services requiring an SOW. It should also provide a brief explanation of the basis for the award decision for supplies or services not requiring an SOW. The ordering activity may provide the following information:

- ❖ Any significant weaknesses or deficiencies identified in the seller's quote
- ❖ A summary of the rationale used to select the task order contractor
- ❖ Reasonable responses to relevant questions about how the evaluation criteria contained in the RFQ were used in the evaluation

Throughout the acquisition process, including when providing information to unsuccessful quoters or when establishing a date to discuss feedback, ordering activities should not use the word "debriefing," nor should they use any other FAR Part 15 procedures or terms. Using words like "proposal," "bid," or "debriefing" at any point throughout the GSA Schedule ordering process can open the door to a formal protest on the grounds that the Government was not following proper order procedures in accordance with FAR Subpart 8.4, or that a protest may be heard and adjudicated based on other than FAR Part 8 procedures and standards.

Information Not to Provide to Unsuccessful Quoters

The notification 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

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- ❖ 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

- A protest is a written objection to the awarding of a contract by an interested party
- A protest can be filed with the agency or GAO
- Protests can be based on:
 - 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 limitations for non-Schedule multiple-award IDIQs found in FAR 16.505(a)(10) do not apply to MAS contracts.

Procedural issues may include use of FAR Part 15-type procedures versus 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 based on an “open market” item included in a Schedule order, it may be that the item is not part of the Schedule contract and was not specifically identified as “open market.”

Responding to Protests

Do

- Ask clarifying questions
- Conduct open communications and look for alternative resolutions
- Provide accurate and relevant information
- Collect relevant information
- Request assistance from contracting personnel or legal counsel

Do Not

- Disclose information that is not available under FOIA
- Disclose information that gives the seller an unfair competitive edge
- Act arbitrarily
- Give the impression that the Government failed in its responsibilities



Post-Award Orientation

Purpose	Agenda	Best Practices
<ul style="list-style-type: none"><input type="checkbox"/> Ensure clear understanding of contract requirements & expectations<input type="checkbox"/> Build effective Government-Schedule contractor partnership 	<ul style="list-style-type: none"><input type="checkbox"/> Goals & objectives<input type="checkbox"/> Contract terms<input type="checkbox"/> Management plan & QASP<input type="checkbox"/> Partnership expectations<input type="checkbox"/> Roles and responsibilities<input type="checkbox"/> Schedules and timeframes	<ul style="list-style-type: none"><input type="checkbox"/> Organized by ordering activity CO & program manager<input type="checkbox"/> Held within one week of award<input type="checkbox"/> Attended by individuals integral to project success

A post-award orientation, also referred to as a kickoff meeting, aids both Government and contractor personnel in achieving a clear and mutual understanding of all contract requirements and in identifying and resolving potential problems. (See FAR Subpart 42.5 for additional information.)

The kickoff meeting is not a substitute for the contractor to fully understand the work requirements at the time quotes are submitted.

A kickoff meeting is a best practice that is almost always appropriate. It is specifically encouraged to assist the Government-contractor performance team to succeed post-award.

Topic 2: Order Administration Functions

Order Administration Functions

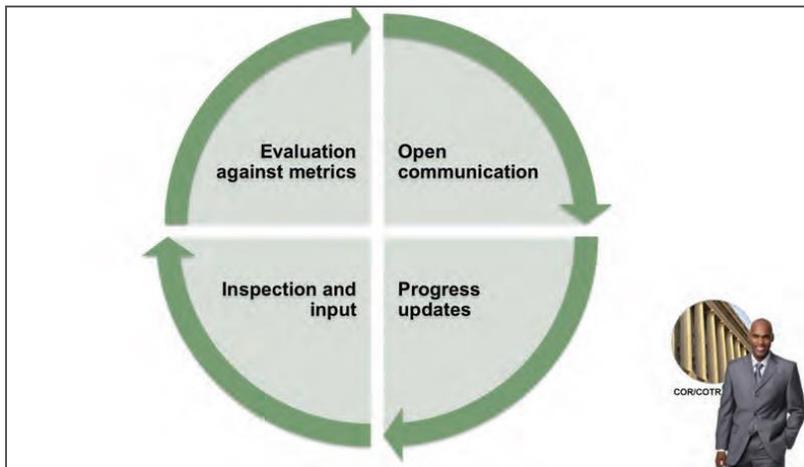
- Order administration focuses on obtaining **quality** services and supplies:
 - On time
 - Within budget

- 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.

Monitoring Contractor Performance



One of the main tasks for Contracting Officer's Representatives (CORs) during the order administration phase is to monitor contractor performance throughout the order/BPA. Effectively monitoring performance throughout the life of the order/BPA can avoid non-conformance problems during the delivery phase.

Monitoring performance consists of four aspects:

- ❖ Maintaining regular and open communications
- ❖ Receiving regular status/progress updates
- ❖ Inspecting and providing input on interim and final work
- ❖ Evaluating against performance metrics, if performance-based, or inspection and acceptance criteria

At the beginning of the contract, the ordering activity and the contractor should establish valid metrics (if performance-based) or fair inspection and acceptance criteria (if not). Metrics provide the basis for all work, communications, and evaluations; they let both parties know if the work is meeting the agency's objectives.

To make sure that the metrics are reasonable, ordering activities should collaborate with the contractors to establish feasible measures (i.e., what yardstick will you use?) and metrics (i.e., what performance standard must the contractor meet?) that achieve the desired results.

The SMART model is useful for establishing metrics and goals for performance-based orders:

- ❖ **Specific:** Set metrics and goals that are clear, concise, and unambiguous. The metrics should describe the desired final product or end state.
- ❖ **Measurable:** Establish concrete and quantifiable metrics to determine if work is successful. When setting measurements, ensure that there is a way to confirm if the metric or performance standard is achieved.
- ❖ **Agreed:** Confirm that the goals and metrics support the acquisition goals for the order, as outlined in the acquisition plan and are agreed upon by the parties to the contract.
- ❖ **Realistic:** Make sure that the metrics can reasonably be accomplished in the established timeframe, given the constraints. Unless needed for safety, health, technical specifications, or security reasons, achieving all metrics may not be realistic because an issue may occur in the process that can cause delays or delivery issues. Many times, the issue is beyond the contractor's ability to adjust. This includes issues such as storms, slow turn-arounds, or lack of timely receipt of GFI or GFP.
- ❖ **Timed:** Set deadlines for interim and final deliverables. For ongoing service, set timeframes for completion of actions. Deadlines can be well defined (e.g., January 5) or relative (e.g., eight weeks after contract award).

Much of the information for the metrics can be found in the Quality Assurance Surveillance Plan (QASP) that was part of the initial Performance Work Statement (PWS). Between the initial QASP and communications with the contractor, a revised QASP should be developed that includes applicable performance standards, acceptable levels of performance, methods of surveillance, and incentives/disincentives. An example of a QASP framework appears below. AQL, which stands for Acceptable Quality Level, would apply only if the Government has a minimum quality level or performance standard that it is willing to accept.

Desired Outcome	Performance Standard	AQL	Monitoring Method	Incentive, if Appropriate	Comments

At the kickoff meeting, the ordering activity and the contractor should establish expectations about communications:

- ❖ What kinds of progress reports are needed?
- ❖ How often do reports need to be submitted, and to whom?
- ❖ What is the communication process, including expectations for any issues that arise?
- ❖ What is the timeframe for any reviews and feedback loops?
- ❖ What is the best way to communicate with each other about issues (e.g., email, phone)?

Possible methods for receiving progress updates include:

- ❖ Status reports
- ❖ Weekly meetings
- ❖ Action item tracking lists
- ❖ Risk tables
- ❖ Trouble tickets/databases
- ❖ Earned value management statistics

Regular progress updates provide a forum for understanding what has been accomplished, what is about to be accomplished, and what is interfering with accomplishment. Progress reports should focus on what has been accomplished and any obstacles preventing progress.

Reports should not be so cumbersome as to draw too much time away from performing work that achieves the contract's goals, nor should they be too detailed, causing the reader to have information overload. The preferred form and content of reports should be discussed at the kickoff meeting.

For deliverables associated with consulting services, inspection may involve the review of draft deliverables. These reviews are critical to the successful development of final deliverables. Contractors look at the input and feedback as guidance on the quality of the product. Providing little to no feedback on draft reviews may result in miscommunication and disappointment at the end of the task order. The contractor may believe it is submitting deliverables that meet the Government's needs, while the Government is actually receiving products that do not meet its needs. Just as importantly, a lack of responsiveness on the contractor's side could contribute to a termination for cause.

In most cases, the ordering activity should inspect products at the location where they were received. The inspection should focus on whether the right products were received undamaged, if specifications were met, and if the right quantity arrived.

When a task order is performance-based, evaluating against metrics provides another way to determine if, and how well, the contractor is conforming to contract requirements. Metric-based evaluation provides an objective method to confirm that the contractor is meeting its obligations. Evaluation against metrics can contribute to more accurate past performance evaluations, which can help other ordering activities to make more effective best value determinations.

Ordering activities should base their evaluations on the standards described in the QASP, the contract, and any agreements established during the kickoff meeting.

Evaluation against metrics requires that quantifiable tracking methods be available and used throughout the order period. Some typical metrics include:

- ❖ On-time delivery percentages
- ❖ Returned items percentages
- ❖ Percentage of time supplies or services adhered to technical standards or specifications
- ❖ Response rates
- ❖ Number of trouble tickets, particularly on repetitive issues
- ❖ Customer satisfaction
- ❖ Number of complaints
- ❖ Defect rate
- ❖ Effectiveness rate
- ❖ Timeliness of service
- ❖ Length of time to resolve issues

Ordering activities are responsible for inspecting Schedule supplies or services to ensure conformance with order technical requirements. Inspection and acceptance of supplies must be performed following the requirements of FAR 8.406-2. The rights of the parties relating to defective services or supplies are set forth in the Schedule contract.

Schedule orders require contractors to tender for acceptance those items that conform to the requirements of the order, and ultimately, to those of the Schedule contract. The Government reserves the right to inspect or test any services or supplies that have been tendered for acceptance. The Government may require repair or replacement of non-conforming supplies or re-performance of non-conforming services at no increase in price.

For services, the ordering activity has a right to inspect all services in accordance with the contract requirements and as called for by the order. The ordering activity must perform inspections and tests as specified in the order's QASP.

For supplies, the ordering activity (or designated representative) must perform the inspection at the destination except when 1) the Schedule ordering agency requires mandatory source inspection, or 2) the Schedule item is covered by a supply description, and the ordering activity determines that the Schedule ordering agency's inspection assistance is needed.

Unless otherwise provided in the Schedule contract, acceptance is conclusive, except for:

- ❖ **Latent defects:** Products that fail to meet requirements that exist at the time of acceptance but cannot be discovered by a reasonable inspection. For example, electrical equipment with internal components that do not meet item specifications.
- ❖ **Fraud:** The use of deceit or trickery to gain an unfair advantage. For example, a contractor knowingly presents for inspection the only item in a shipment that meets order requirements. If the ordering activity suspects fraud, the ordering activity must notify the Schedule Contracting Officer.
- ❖ **Gross mistakes that amount to fraud:** Acts that may have not been intentional but have the effect of deceit or trickery and the gaining of an unfair advantage. For example, a contractor performed tests to determine if equipment could be certified as having met certain commercial safety standards. The contractor's test procedures were flawed, and even though the equipment passed the test, it did not meet commercial safety standards. If the ordering activity suspects gross mistakes that amount to fraud, the ordering activity should notify the Schedule Contracting Officer.

Schedule contractors are responsible for rejected supplies. If a contractor does not remove or provide instructions for the removal of rejected supplies pursuant to the ordering activity's instructions, the

ordering activity should review the Schedule contract to determine what options are available. The contractor may be liable for costs incurred by the Government in taking such measures to avoid unnecessary loss to the contractor.

When a prior rejection makes re-inspection or retesting of supplies necessary, the ordering activity should review the contract to determine whether the ordering activity is authorized to assess the Schedule contractor for costs related to the re-inspection or retesting. In addition, review of information on the procedures for calculating appropriate assessment amount should be made.

Unless otherwise stated in the Schedule contract, the ordering activity may require repair or replacement of non-conforming supplies or re-performance of non-conforming services at no increase in contract price. Ordering activities must exercise the Government's post-acceptance rights within a reasonable time after the defect was discovered or should have been discovered and before any substantial change occurs in the condition of the item, unless the change is due to a defect in the item.

Schedule Contract Terms and Conditions

If the Dispute Concerns...	Notify
Performance	 <p>ORDERING ACTIVITY CONTRACTING OFFICER</p>
Schedule contract terms and conditions	 <p>GSA SCHEDULE CONTRACTING OFFICER</p>

NOTE: Try to resolve disputes at the lowest level possible.

Schedule contracts and orders are subject to the Contract Disputes Act of 1978, as amended. Failure of the parties to reach agreement on any request for equitable adjustment, claim, appeal, or action arising under or relating to the Schedule contract or a Schedule order is a dispute to be resolved in accordance with the Schedule Contract Disputes clause.

Resolution of controversial issues at the local level is generally preferable to all parties.

It is the Government's policy to try to resolve all contractual issues in controversy by mutual agreement at the Contracting Officer's level. An ordering activity Contracting Officer should make a reasonable effort to resolve controversies pertaining to performance of Schedule orders prior to the submission of a claim by either party.

Ordering activity Contracting Officers are encouraged to use Alternative Dispute Resolution (ADR) procedures to the maximum extent practicable. Contracting Officers may issue a final decision on a dispute arising from performance of a Schedule order or refer the dispute to the Schedule Contracting Officer.

Ordering activity Contracting Officers must:

- ❖ Notify the Schedule Contracting Officer promptly of any final decision.
- ❖ Refer all disputes that relate to the Schedule contract terms and conditions to the Schedule Contracting Officer for resolution under the Disputes clause of the Schedule contract and notify the Schedule contractor of the referral. If there is any question about whether a dispute pertains to the performance of a Schedule order or Schedule contract terms and conditions, the Contracting Officer should consult with ordering activity legal counsel.

Contractors may appeal final decisions to either the Board of Contract Appeals (BCA) servicing the agency that issued the final decision or the U.S. Court of Federal Claims.

Payments

- Fixed-price order payment is made on delivery and acceptance
- LH or T&M order payment is authorized when the Contracting Officer:
 - Confirms invoice conforms to GSA Schedule contract and order
 - Ensures invoice accuracy and approves it

The Prompt Payment Act applies to all GSA Schedule orders.

- ❖ For fixed-price orders, payments are made for items that have been delivered, inspected, and accepted.
- ❖ For LH and T&M orders, payments are made after services have been delivered and the invoice has been approved by the Contracting Officer, after conferring with the Contracting Officer's Representative (COR). The Contracting Officer should not authorize payment until invoice review confirms that the invoice is accurate and conforms to the requirements of the GSA Schedule contract and the related order.

Order or BPA Modification

- Ordering Activity Contracting Officer may change:
 - Administrative directions (unilaterally)
 - Order requirements within the task order's scope (with contractor's written agreement, or bilaterally)

An ordering activity may find it necessary to modify a Schedule order or BPA. An ordering activity cannot modify the terms and conditions of the Schedule contract; only the GSA Schedule Contracting Officer can do so. If an ordering activity believes that a particular change to the Schedule terms and conditions would benefit the Government, the ordering activity should contact the Schedule Contracting Officer.

The ordering activity can unilaterally make written administrative changes to the order as long as the ordering activity does not change the substantive (i.e., meaningful or significant) rights of the contracting parties. For example, the ordering activity can unilaterally change the paying office or appropriation data because the change does not affect the rights of the contractor. Note that the Contracting Officer is the only one with authority to modify an order.

The ordering activity is limited in the type of modifications that it can make to a Schedule order, beyond administrative changes. An ordering activity cannot make any:

- ❖ Substantive modification to the order requirements without the contractor's written agreement
- ❖ Additions to the order (e.g., additional quantities), unless priced options exist in the order
- ❖ Modification that does not conform to the terms and conditions of the Schedule contract (e.g., ordering activities cannot require the contractor to deliver/perform in a period shorter than the delivery/performance period set forth in the Schedule contract)
- ❖ Modification that is outside the scope of the original order

If an ordering activity has any questions about the scope of an order, it should contact its legal counsel for guidance. In general, if an ordering activity has ordered:

- ❖ A supply item, the ordering activity could modify the item (e.g., by changing the connector used to connect a phone to a telephone system) as long as the ordering activity does not substantively change the item that is being ordered. In other words, the ordering activity could not initially order a single telephone and change it into a multi-phone system.
- ❖ Another example includes equipment maintenance services for a building; the ordering activity could add a new item of similar equipment in the same building. However, the ordering activity could not add maintenance of unrelated equipment in the same building or similar equipment in another city.

FAR 9.405-1(b) prohibits ordering activities from adding new work, exercising an option, or otherwise extending the duration of a current order if the contractor is debarred, suspended, or proposed for debarment. An exception can be made if the agency head makes a written determination of the compelling reasons for such action. Before modifying any order, the ordering activity must review the Excluded Parties List System (at www.sam.gov) to determine whether the prospective order awardee is debarred, suspended, or proposed for debarment.

If, for any reason, an ordering activity needs to cancel one or more items on an order, the ordering activity must follow the procedures for termination for the Government's convenience.

Topic 3: Order Termination

Requirements for Termination

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

Termination for Cause

- 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
- 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

Schedule orders cannot be terminated for cause if it is determined that a Schedule contractor has a valid excusable failure.

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 repurchase, and the terminated contractor is charged any excess costs, the ordering activity must repurchase 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 repurchase costs, it must notify the Schedule contracting office after final order payment to the contractor.

Termination for Convenience

- 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.
- ❖ 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
- ❖ 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 Labor-Hour (LH) or Time and Materials (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 4: Order Completion and Required Actions

Required Actions at Closeout



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 (FFP) 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.

Receive and Inspect Deliverables

The first step in closing a contract is to receive and approve all final deliverables as listed in the contract. Deliverables can be either products or services.

If applicable, the Government should have received technical and progress reports, inspection reports, and acceptance reports by the time the contractor delivers the final product or service.

Depending on the type of work, the Government should also confirm that the following has occurred:

- ❖ Disposition of classified material has been completed.
- ❖ Final patent report has been cleared.
- ❖ Final royalty report has been cleared.
- ❖ No outstanding value engineering change proposals remain.
- ❖ Plant clearance report has been received.
- ❖ Government-Furnished Property (GFP) is accounted for or disposed of in accordance with agency instructions.

The order file should include the Contracting Officer's Representative (COR) receipts or acceptance letters, along with any relevant comments, for each of the deliverables. It should also include any other agency-required forms associated with acceptance of deliverables.

Address Administrative Matters

Typically, once the contractor delivers the final product or service, the contractor does not remain on-site much longer. Before the contractors leave for the last time, the COR must make sure to follow agency guidelines for collecting GFI and GFP from contractors.

At a minimum, the contractor must return ID badges, keys, parking permits, and other GFP. The contractor must either return or dispose of GFI in accordance with agency requirements.

Close Financial Matters

All invoices must be paid and all costs associated with the contract must be allocated or settled before closeout can occur.

The order file should include:

- ❖ All approved contractor invoices
- ❖ Any dispute clause appeals
- ❖ Any resolutions to dispute or unresolved costs
- ❖ All financial reports and related information
- ❖ Any price modifications or revisions

Order funds review must be completed. If there are excess funds, they must be de-obligated as part of the closeout process. If additional funding is needed, the file should not be closed until additional funding has been received and final payment is made. The order file should also include any other agency-required financial forms.

Write Task/Delivery Order Completion Statement

The order completion statement must include the following:

- ❖ Order administration office name and address (if different from the contracting office)
- ❖ Contracting office name and address
- ❖ Schedule contract and order number
- ❖ Last modification number
- ❖ Last call or order number
- ❖ Contractor name and address
- ❖ Dollar amount of excess funds, if any
- ❖ Voucher number and date, if final payment has been made
- ❖ Invoice number and date, if the final approved invoice has been forwarded to a disbursing office of another agency or activity and status of the payment is unknown
- ❖ A statement that all required contract administration actions have been fully and satisfactorily accomplished
- ❖ Name and signature of the Contracting Officer
- ❖ Date

When the statement is completed, the Contracting Officer must ensure that:

- ❖ The signed original is placed in the Contracting Office order file (or forwarded to the contracting office for placement in the files, if the contract administration office is different from the contracting office); and
- ❖ A signed copy is placed in the appropriate order administration file, if administration is performed by a contract administration office.

Organize Contract File Content

In accordance with FAR 4.8, the head of each office performing contracting, contract administration, or paying functions shall establish files containing the records of all contractual actions. The documentation in the files (see FAR 4.803) shall be sufficient to constitute a complete history of the transaction for the purpose of:

- ❖ Providing a complete background as a basis for informed decisions at each step in the acquisition process
- ❖ Supporting actions taken
- ❖ Providing information for reviews and investigations
- ❖ Furnishing essential facts in the event of litigation or congressional inquiries

The files to be established include:

- ❖ A file for cancelled solicitations
- ❖ A file for each contract and order
- ❖ A file such as a contractor general file

A contract file should generally consist of:

- ❖ The contracting office contract file that documents the basis for the acquisition and the award, the assignment of contract administration (including payment responsibilities), and any subsequent actions taken by the contracting office
- ❖ The contract administration office contract file that documents actions reflecting the basis for and the performance of order administration responsibilities
- ❖ The paying office contract file that documents actions prerequisite to, substantiating, and reflecting contract payments

Normally, each file should be kept separately; however, if appropriate, any or all of the files may be combined (e.g., if all functions or any combination of the functions are performed by the same office).

Files must be maintained at organizational levels that ensure:

- ❖ Effective documentation of contract actions
- ❖ Ready accessibility to principal users
- ❖ Minimal establishment of duplicate and working files
- ❖ The safeguarding of classified documents
- ❖ Conformance with agency regulations for file location and maintenance

Contents of order files that are contractor quote information or source selection information, as defined in FAR 2.101, must be protected from disclosure to unauthorized persons (see FAR 3.104-4).

Agencies may retain order files in any medium (paper, electronic, microfilm, etc.) or any combination of media, as long as the requirements of FAR Subpart 4.8 are satisfied.

Contracting activities may develop further guidance on tabbing post-award actions tailored to their requirements. The [DD Form 1597](#) checklist and the [GSA FSS Delivery/Task Order Checklist – Administration and Closeout Checklist](#) list all the required documents and actions required for closing contracts.

Past Performance Evaluation Process

- Submit past performance information into CPARS within 120 days after completion of order (follow agency policy)
- Past performance threshold for MAS orders is the SAT

The contract completion past performance evaluations must be prepared when the contractor completes the work under the contract or order. In addition, ordering activities must prepare *interim* evaluations according to agency requirements for contracts or orders whose period of performance, including options, exceeds one year.

Ordering activities must prepare an evaluation of contractor performance for each Multiple Award Schedule order that exceeds the simplified acquisition threshold (currently \$150,000). (See FAR 8.406-7 and 42.1502(c)).

The Process

Agencies must provide the contractor with evaluations of performance as soon as practicable after completion of the evaluation using the Contractor Performance Assessment Reporting System (CPARS).

Contractors have 14 days to submit comments before the CPARS report card is uploaded into the Past Performance Information Retrieval System (PPIRS) and viewable by other source selection officials. The contractor has 60 days total to submit comments.

FAR 42.15 provides procedures for evaluating and recording contractor performance information.

Solicited and unsolicited unsuccessful offers, quotations, bids, and proposals:

- ❖ Relating to contracts **above** the simplified acquisition threshold:
 - If filed separately from contract file, retain until contract is completed.
 - If not filed separately, then retain for the same as related contract file.
- ❖ Relating to contracts **at or below** the simplified acquisition threshold: one year after date of award or until final payment, whichever is later.

Documents pertaining generally to the contractor as described at 4.801(c)(3): Until superseded or obsolete

FAR 4.805 Table 4-1 provides additional guidance for retention of records.

NUTS AND BOLTS TIP If information in PPIRS is insufficient to determine acceptable past performance, the ordering activity Contracting Officer has the right to call the other agency's Contracting Officer to get a more complete picture.

Why Enter Contractor Performance Information?

Past performance information helps the Government in making informed future source selection decisions by providing an explanation of a contractor's actions under previously awarded contracts and orders. Past performance descriptions focus on how well the contractor conformed to contract requirements and to standards of good workmanship; forecast and controlled costs; adhered to contract schedules, including the administrative aspects of performance; cooperated; acted reasonably; was committed to customer satisfaction; reported into databases; behaved with integrity and high business ethics; and generally looked out for the best interests of the customer.

Agencies must enter and store all past performance evaluations in the Past Performance Information Retrieval System (PPIRS at www.PPIRS.gov). PPIRS is a web-enabled, enterprise application that provides timely and pertinent contractor past performance information to the Department of Defense

(DoD) and Federal acquisition community for use in making source selection decisions. PPIRS assists acquisition officials by serving as the governmentwide single source for contractor past performance data.

Government access is restricted to those individuals who are working on source selections, to include contractor responsibility determinations. Contractors may view only their own data. A contractor must be registered in SAM and must have created a Marketing Partner Identification Number (MPIN) in their profile to access their PPIRS information. Ordering activities should check with their agencies about submission processes in PPIRS.

When source selection panel members need to review past performance information, they can go to the "View All Reports" feature. The members have access to review reports only while they are on the source selection panel. Once the panel finishes, the PPIRS group manager removes the panel members' authorities to view reports. The panel members' accounts are still in the system and may be reactivated at any time.

Knowledge Check 1

When is an order physically complete?

Answer:

Knowledge Check 2

You are a Contracting Officer. A member of the ordering activity, who has been tasked with writing the contractor evaluation, does not understand why an evaluation needs to be written. Which of the following is a benefit of past performance reporting?

It fulfills a FAR requirement.

It provides legal protection to the ordering activity.

It provides an honest assessment to other governmental organizations considering hiring the contractor.

Answer:

Knowledge Check 3

An acquisition team recently awarded an order. An unsuccessful quoter has requested feedback. What information should be provided?

Answer:

Knowledge Check 4

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

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

Answer: