



September 30, 2010

*O.K. M. 10-8-10*

**MEMORANDUM FOR JOSEPH A. NEURAUTER, SENIOR PROCUREMENT EXECUTIVE**

**FROM:** Bill Schmidt, Acquisition Integrity Associate (MV)  
**THROUGH:** Edward C. Loeb, Civilian Agency Acquisition Council Chairman  
**SUBJECT:** Class Deviation to Federal Acquisition Regulation (FAR) 8.405-3(a)(4) in Support of Situational Awareness and Incident Response (SAIR II) Blanket Purchase Agreements (BPAs)

**ISSUE:**

Whether the Senior Procurement Executive (SPE) should grant the Federal Acquisition Service (FAS) a class deviation from FAR 8.405-3(a)(4) for SAIR II BPAs.

**BACKGROUND:**

Pursuant to General Services Acquisition Regulation 501.404(a), FAS requests the SPE to grant it a class deviation from FAR 8.405-3(a)(4) for SAIR II BPAs. FAR 8.405-3(a)(4) allows the establishment of multi-agency BPAs against Federal Supply Schedule (FSS) contracts, but only if the multi-agency BPAs identify the participating agencies and their estimated requirements at the time the BPAs are established. FAS seeks to establish such BPAs for SAIR II. However, Federal agencies have been unable to provide historical spending data to estimate requirements. That is caused, in part, by decentralized purchasing and the lack of consolidated data. Further, some agencies do not believe they can commit to the SAIR acquisition in the current decentralized environment. Both issues are challenges to compliance with FAR 8.405-3(a)(4). To address these issues, FAS requests a deviation from FAR 8.405-3(a)(4) to permit it to establish multi-agency BPAs against FSS contracts without requiring identification of participating agencies and their estimated requirements at the time the BPAs are established (FAS' Request). For details, see Attachment: Sep. 9, 2010, Memorandum for Joseph A. Neurauter.

**APPLICABLE FAR AND GSAR SECTIONS:**

Class deviations affect more than one contract action.<sup>1</sup> A request for a class deviation from the FAR must be supported by statements that fully describe the need for and nature of the deviation.<sup>2</sup> The SPE may authorize class deviations from the FAR.<sup>3</sup> However, before approving such a class deviation, the SPE must consult the Civilian Agency Acquisition Council Chairman.<sup>4</sup> GSA must furnish a copy of each approved FAR class deviation to the FAR Secretariat.<sup>5</sup>

**DISCUSSION:**

FAS' Request is a proper request for a class deviation under FAR 1.404, and it meets the requirements of GSAR 501.404(d).

**RECOMMENDATION:**

It is recommended that the SPE grant FAS' Request.

Attachment: Sep. 9, 2010 Memorandum for Joseph A. Neurauter

Edward C. Loeb, Civilian Agency Acquisition Council Chairman

Approve Edward C. Loeb Disapprove \_\_\_\_\_

Joseph A. Neurauter, Senior Procurement Executive

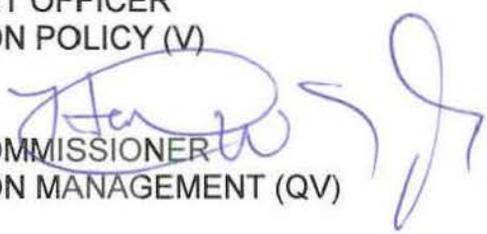
Approve Joseph A. Neurauter Disapprove \_\_\_\_\_  
10-8-10

<sup>1</sup> FAR 1.404.  
<sup>2</sup> GSAR 501.404(d).  
<sup>3</sup> FAR 1.404(a); GSAR 501.404(a)(1).  
<sup>4</sup> FAR 1.404(a)(1); GSAR 501.404(a)(1).  
<sup>5</sup> FAR 1.404.



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MEMORANDUM FOR JOSEPH A. NEURAUTER  
SENIOR PROCUREMENT OFFICER  
OFFICE OF ACQUISITION POLICY (V)

FROM: HOUSTON W. TAYLOR   
ACTING ASSISTANT COMMISSIONER  
OFFICE OF ACQUISITION MANAGEMENT (QV)

SUBJECT: Class Deviation to Federal Acquisition Regulation (FAR)  
8.405-3(a)(4) in Support of Situational Awareness and  
Incident Response (SAIR II) Blanket Purchase  
Agreements (BPAs)

In accordance with General Services Administration Acquisition Regulation (GSAR) 501.404(a), the Federal Acquisition Service (FAS) requests a class deviation to FAR 8.405-3(a) in support of Situational Awareness and Incident Response (SAIR II), a suite of cyber security products and services.

FAR 8.405-3(a) permits the establishment of multi-agency BPAs against Federal Supply Schedule contracts if the multi-agency BPAs identify the participating agencies and their estimated requirements at the time the BPAs are established. The requested deviation would permit FAS to establish multi-agency BPAs against Federal Supply Schedule contracts without requiring identification of participating agencies and their estimated requirements at the time the BPAs are established.

The Information System Security Line of Business (ISSLOB), managed by the Department of Homeland Security (DHS), established an Interagency Working Group to identify cyber security compliance requirements and standards for situational awareness and incident response, in order to provide a new suite of vetted cyber security products and services.

With the encouragement and support of DHS, the establishment of multiple Federal Supply Schedule BPAs for SAIR II will assist Federal agencies in complying with the Governmentwide requirements identified in Public Law 107-347, Federal Information Security Management Act (FISMA), and further defined in National Institute of Standards and Technology (NIST) special publications.

Federal agencies have been unable to provide historical spending data to estimate requirements due, in part, to decentralized purchasing and the lack of consolidated data. The requests for estimates from the members of various Information Governance Boards have only provided very limited responses and limited commitments, although these boards have demonstrated considerable interest in the establishment of BPAs, and realize that multi-agency BPAs should offer significant benefits. Because no firm commitments with associated estimated expenditures are available, the ISSLOB has provided an estimate based on indications of interest. It is expected that once the BPAs are established, they will be recognized for the convenience, quality, economies, and standardization benefits that they offer.

While agencies have expressed interest in participating in the SAIR II acquisition, they do not feel that they can commit their agencies to this acquisition in such a decentralized environment.

Approval of this deviation request will enable the SAIR II effort to recognize and overcome these challenges and obligations faced by agencies across the Government, and offer a convenient, economical, and standardized solution set that will help satisfy the requirements of FISMA and E-Gov. As the premier acquisition service provider to the Federal Government, GSA will ensure that continued use of the products and services available under the SAIR II BPAs remain compliant with all applicable regulations. In addition, by establishing Governmentwide use of non-mandatory SAIR II BPAs, Federal agencies can gauge the success of established initiatives, fill the critical data collection and analysis gaps, and, at their discretion, incrementally participate in such efforts. The Federal Government will be able to further utilize its economies of scale to order services more efficiently, leverage its buying power, simplify and standardize its Information Technology (IT) security requirements, and consequently, improve IT regulatory compliance and information system security.

Should you have any questions regarding this request, please contact Morgan Phillips Snyder, Contracting Officer, Integrated Technology Services, Office of Acquisition Operations. Ms. Phillips Snyder can be reached at (703) 306-6875.