



U.S. General Services Administration

# Federal Acquisition Service

## What every 03FAC Contractor Needs to Know

Proper Use of the 03FAC Schedule Contract

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## Federal Acquisition Service

### Overview

- Ancillary Supplies and/or Services SIN
- Escalation
- SCA
- Subcontracting under Schedule
- Open discussion
- Questions

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## Ancillary Supplies and/or Services SIN

➤ SIN Language

- Ancillary Supplies and/or Services - Ancillary supplies and/or services are support supplies and/or services which are not within the scope of any other SIN on this schedule. These supplies and/or services are necessary to compliment a contractor's offerings to provide a solution to a customer requirement. This SIN may be used for orders and blanket purchase agreements that involve work or a project that is solely associated with the supplies and/or services purchased under this schedule. This SIN EXCLUDES purchases that are exclusively for supplies and/or services already available under another schedule.

Special Instructions: The work performed under this SIN shall be associated with existing SIN(s) that are part of this schedule. Ancillary supplies and/or services shall not be the primary purpose of the work ordered, but be an integral part of the total solution offered. Ancillary supplies and/or services may only be ordered in conjunction with or in support of supplies or services purchased under another SIN(s) of the same schedule. Offerors may be required to provide additional information to support a determination that their proposed ancillary supplies and/or services are commercially offered in support of one or more SIN(s) under this schedule.



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# What supplies and services are allowed?

### ➤ Includes

- May only be used in conjunction with or in support of supplies or services purchased under another SIN(s) of the same schedule.

### ➤ Excludes

- Purchases that are exclusively for supplies and/or services already available under another existing schedule.

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## Pricing the Ancillary Supplies/Services

- Price/Discount Relationship
  - Must be firm-fixed price
- Fair and Reasonable Determination
  - Will need supporting documentation to show Fair and Reasonable
- Contractor input on how to obtain this

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## Labor Rate Price Adjustments

- Method 1
  - Based upon Wage Determinations (SCA eligible labor categories only)
- Method 2
  - Negotiated Fixed Rate Increase or Market Indicator (ex: CPI)
- Method 3
  - Commercial Price List (if CPL is used, this is the only method allowable)

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## Service Contract Act – How does that effect pricing and Escalation

- Wage increases involving SCA wage rates
- How to respond to RFQ if it includes 52.222-43
- Developing Pricing for Task Orders/ BPA's
  - Schedule pricing vs. Customer Requested Pricing



## Subcontracting Under Schedules

- Are contractors allowed to Subcontract?
- Can you subcontract for already negotiated labor rates?
- How much can you charge for Subcontractors?

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## Open/Scenario Discussion

- Situation comes up where a room needs to be painted (or a wall be moved, or any other R&A work). Can the PBS CO issue a Task Order (TO) for this R&A work?
- A TO is issued to repair electrical issues. In the process of completing this TO, it is necessary to remove some drywall, and then replace it after the electrical work is done. Can this be done?
- A section of the sidewalk develops cracks and needs to be replaced. Can the PBS CO issue a TO for this R&A work?
- Situation comes up where the fire extinguishers in the building need to have preventive maintenance performed. The contractor does not do this internally, but has a sub that can do it and has added this to their SIN (003-100). Can the PBS CO issue a task order to have these preventive maintenance services performed?

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## Open/Scenario Discussion cont.

- Can a contractor charge a "handling charge" for having a "subcontractor" perform ancillary services?
- A customer agency needs a service that is not listed on the contractor's current schedule contract. Can a customer agency require the contractor to get the service added to their Ancillary Supply or Service SIN?
- A customer agency wants the contractor to quote an amount (FFP, per month) that they will pay. This amount is for incidental costs of low-dollar parts for routine maintenance. The customer will pay this amount monthly, and any parts that the cost is below \$3,000 (per incident) will not be separately reimbursed by the customer. This will alleviate the administrative burden of billing/paying for small costs items. Is this permissible under the schedule?



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Questions ?????