

CHANGE REQUEST COVER SHEET

Change Request Number: 09-23

Date Received: 12/10/2008

Title: Revision of Requirements Governing the Justification for the Utilization of GSA FSS

Name: Jeffrey Baker

Phone: 202-493-5723

Policy OR Guidance: Guidance

Section/Text Location Affected: AMS Procurement Guidance T3.8.3

Summary of Change: Modification of the guidance for a justification to use GSA FSS

Reason for Change: As this guidance section already has a requirement for FAA to ensure goods and services acquired through GSA are the best value to FAA, the requirement for the redundant justification to use GSA FSS and prove best value is being eliminated.

Development, Review, and/or Concurrence: AJA-43, AJA-431, ARC

Target Audience: FAA Acquisition Workforce

Potential Links within FAST for the Change: None

Briefing Planned: No

ASAG Responsibilities: None

Potential Links within FAST for the Change: None

Links for New/Modified Forms (or) Documents (LINK 1)

Links for New/Modified Forms (or) Documents (LINK 2)

Links for New/Modified Forms (or) Documents (LINK 3)

SECTIONS EDITED:

Procurement Guidance:

T3.8.3 Federal Supply Schedules [\[Old Content\]](#)[\[New Content\]](#) [\[RedLine Content\]](#)

Procurement Guidance:

T3.8.3 Federal Supply Schedules

Federal Supply Schedules

Section 4 : Use of Federal Supply Schedules [\[Old Content\]](#)[\[New Content\]](#) [\[RedLine Content\]](#)

SECTIONS EDITED:

T3.8.3 Federal Supply Schedules (Revision 4, October 2007)

Old Content: Procurement Guidance:

T3.8.3 Federal Supply Schedules (Revision 4, October 2007) New Content: Procurement Guidance:

T3.8.3 Federal Supply Schedules Red Line Content: Procurement Guidance:

T3.8.3 Federal Supply Schedules (~~Revision 4, October 2007~~)

Section 4 : Use of Federal Supply Schedules

Old Content: Procurement Guidance:

T3.8.3 Federal Supply Schedules

Federal Supply Schedules

Section 4 : Use of Federal Supply Schedules

a. *General.*

(1) Although GSA has already determined that prices are fair and reasonable, with the exception of prices of certain orders for services (see below), the CO must still determine that using a FSS is in the FAA's best interest (e.g. delivery capability, availability of disaster relief contracts, etc.) and represents the best value to FAA. This determination must be documented in the contract file.

(2) The FAA is exempt from mandatory use of FSS contracts that GSA or the FAR designates as mandatory.

(3) Before procuring supplies through an FSS, the CO must confirm that the items are not covered by FAA mandatory sources, including the Strategic Sourcing for the Acquisition of Various Equipment and Supplies (SAVES) Program.

(4) FAA's requirements should be performance-based to the maximum extent practicable. Program officials must not "over-scope" requirements to the point that it hinders competition. If an FAA requirement is for a specific "brand name" product

available from only one manufacturer, and no other equal product will be satisfactory, the program official must document the rational basis for requiring the brand name product.

(5) The CO must request pricing from three or more vendors when using an FSS to obtain supplies or services. To ensure the FAA receives the full benefit of competition, the CO is encouraged to seek pricing from as many vendors as reasonably possible (but at least three).

(6) Single source procurements using FSS contracts, or procurements involving schedules that only have one vendor, must be justified, documented, reviewed and approved as single source actions. (Refer to AMS Policy 3.2.2.4)

(7) For support services on a time and materials or labor hour basis, the CO and program official must review resumes of proposed contractor personnel. (Refer to AMS Procurement Guidance T3.8.2).

(8) For services that require a statement of work, the program official is responsible for evaluating the level of effort and mix of labor proposed to perform the specific task being ordered.

(9) The evaluation criteria and the basis on which the selection will be made must be plainly stated and strictly adhered to.

(10) For administrative convenience, the CO may add items not available through FSS (also referred to as open market items) to a FSS blanket purchase agreement or FSS individual task or delivery order only if:

(a) All applicable acquisition rules pertaining to the purchase of the items not on the FSS have been followed;

(b) The CO has determined the price for the items not on the FSS is fair and reasonable;

(c) The items are clearly labeled on the order as items not on the FSS; and

(d) All clauses applicable to items not on the FSS are included in the order.

(11) Supplies offered on a Schedule are listed at fixed prices, and services are priced either at hourly rates or at a fixed price for performance of a specific task.

(12) FAA must select the FSS product or service which represents the best value for the FAA. FAA should consider, as appropriate, factors such as delivery, features, capabilities, trade-in terms, probable life, warranties, maintenance availability, past performance, environmental factors, and energy efficiency.

(13) Orders placed under an established FSS are exempt from public announcement requirements (as stated in AMS Policy 3.2.1.3.12).

b. *Ordering supplies or services without a SOW.* When ordering supplies or service listed in a FSS and a statement of work (SOW) is not required, COs must place orders with the schedule contractor that can provide the supply or service that represents the best value to the FAA.

(1) Before placing an order, COs must consider reasonably available information about the supply or service offered under MAS contracts by surveying three or more schedule contractors through the GSA Advantage Online shopping service or by requesting pricing from three or more schedule contractors.

(2) If the use of a single source is required or only one vendor is present on an applicable schedule and the total dollar value is \$10,000 or less, no single-source justification is required.

(3) If the use of a single source is required and the total dollar value is above \$10,000, a single-source justification is required and must be:

(a) Compliant with the requirements in AMS Policy 3.2.2.4;

(b) Developed by the servicing organization;

(c) Reviewed by legal counsel; and

(d) Approved by the CO.

(4) In addition to those items detailed in AMS Procurement Guidance T3.10.1, the CO must document the Schedule contracts considered, noting the contractor from which the supply or service was ordered.

c. *Ordering Procedures for Service Requiring a Statement of Work.*

(1) *SOW.* All SOWs must include the work to be performed, location of work, period of performance, deliverable schedule, applicable performance standards, and any special requirements.

(2) *Request for Quotation (RFQ) Procedures.* The CO must provide the RFQ, which includes the SOW and evaluation criteria, to at least three schedule contractors that offer services that will meet the FAA's needs, and may post it to e-Buy.

(a) If the use of a single source is required or only one vendor is present on an applicable schedule and the total dollar value is \$10,000 or less, no single-source justification is required.

(b) If the use of a single source is required and the total dollar value is above \$10,000, a single-source justification is required and must be:

- (i) Compliant with the requirements in AMS Policy 3.2.2.4;
- (ii) Developed by the servicing organization;
- (iii) Reviewed by legal counsel; and
- (iv) Approved by the CO.

(3) In addition to those items detailed in AMS Procurement Guidance T3.10.1, the CO must document:

- (a) The Schedule contracts considered, noting the contractor from which the supply or service was ordered;
- (b) Description of the services purchased;
- (c) The evaluation methodology used in selecting the contractor;
- (d) The rationale for any tradeoffs;
- (e) The price reasonableness determination; and
- (f) The rationale for not using a firm-fixed price or performance-based order.

d. There may be circumstances when the quantity of the order has a potential to reduce price. FSS contracts contain a "level," or maximum order threshold, at which customers must request price decreases from the contractor before placing an order. FSS contractors are authorized to offer price reductions in accordance with commercial practices, and the FSS contractors are not required to extend the same price reductions to all ordering activities that they gave to an individual ordering activity for a specific order. Despite the presence of the maximum order threshold, the customer may request a price reduction on any order.

e. COs may establish blanket purchase agreements (BPAs) with FSS contractors. COs may use BPAs to establish accounts with FSS contractors to fill recurring requirements. All FSS contracts contain BPA provisions. If using a BPA is in FAA's best interest, COs should refer to the applicable FSS contract for BPA requirements. As detailed in AMS Procurement Guidance T3.2.2.5, a BPA with a vendor does not justify purchasing from only one source, as the initial BPA and future orders awarded are subject to competition requirements. Other FAA requirements detailed in AMS Procurement Guidance T3.2.2.5 include the need to publicly announce BPAs anticipated having a total value over \$100,000, only a warranted CO may place orders exceeding \$100,000, and reviews to include legal counsel and the Chief Information Officer apply.

f. *Termination.*

(1) *Termination for Default.* A CO may terminate individual orders for default, and may include charging the contractor with excess costs resulting from repurchase. The schedule contracting office must be notified of all instances where an order has been terminated for default, and refer to GSA for specific termination procedures.

(2) *Termination for Convenience.* A CO may terminate individual orders for convenience, and the contracting officer must endeavor to enter into a "no cost" settlement agreement with the contractor.

g. *Disputes.*

(1) Under the Disputes clause of a schedule contract, the CO may:

(a) Issue decisions on disputes arising from performance of an order and notify the schedule contracting officer of the decision; or

(b) Refer the dispute to the schedule CO.

(2) Disputes pertaining to the terms and conditions of schedule contracts must be referred to the schedule contracting officer for resolution.

New Content: Procurement Guidance:

T3.8.3 Federal Supply Schedules

Federal Supply Schedules

Section 4 : Use of Federal Supply Schedules

a. *General.*

(1) Although GSA has already determined that prices are fair and reasonable, with the exception of prices of certain orders for services (see below), FAA must select the FSS product or service which represents the best value for FAA. FAA should consider, as appropriate, factors such as delivery, features, capabilities, trade-in terms, probable life, warranties, maintenance availability, past performance, environmental factors, and energy efficiency.

(2) FAA is exempt from mandatory use of FSS contracts that GSA or the FAR designates as mandatory.

(3) Before procuring supplies through an FSS, the CO must confirm that the items are not covered by FAA mandatory sources, including the Strategic Sourcing for the Acquisition of Various Equipment and Supplies (SAVES) Program.

(4) FAA's requirements should be performance-based to the maximum extent practicable. Program officials must not "over-scope" requirements to the point that

it hinders competition. If an FAA requirement is for a specific "brand name" product available from only one manufacturer, and no other equal product will be satisfactory, the program official must document the rational basis for requiring the brand name product.

(5) The CO must request pricing from three or more vendors when using an FSS to obtain supplies or services. To ensure FAA receives the full benefit of competition, the CO is encouraged to seek pricing from as many vendors as reasonably possible (but at least three).

(6) Single source procurements using FSS contracts, or procurements involving schedules that only have one vendor, must be justified, documented, reviewed and approved as single source actions. (Refer to AMS Policy 3.2.2.4)

(7) For support services on a time and materials or labor hour basis, the CO and program official must review resumes of proposed contractor personnel. (Refer to AMS Procurement Guidance T3.8.2).

(8) For services that require a statement of work, the program official is responsible for evaluating the level of effort and mix of labor proposed to perform the specific task being ordered.

(9) The evaluation criteria and the basis on which the selection will be made must be plainly stated and strictly adhered to.

(10) For administrative convenience, the CO may add items not available through FSS (also referred to as open market items) to a FSS blanket purchase agreement or FSS individual task or delivery order only if:

(a) All applicable acquisition rules pertaining to the purchase of the items not on the FSS have been followed;

(b) The CO has determined the price for the items not on the FSS is fair and reasonable;

(c) The items are clearly labeled on the order as items not on the FSS; and

(d) All clauses applicable to items not on the FSS are included in the order.

(11) Supplies offered on a Schedule are listed at fixed prices, and services are priced either at hourly rates or at a fixed price for performance of a specific task.

(12) Orders placed under an established FSS are exempt from public announcement requirements (as stated in AMS Policy 3.2.1.3.12).

b. *Ordering supplies or services without a SOW.* When ordering supplies or service listed in a FSS and a statement of work (SOW) is not required, COs must place orders with the schedule contractor that can provide the supply or service that represents the best value to FAA.

(1) Before placing an order, COs must consider reasonably available information about the supply or service offered under MAS contracts by surveying three or more schedule contractors through the GSA Advantage Online shopping service or by requesting pricing from three or more schedule contractors.

(2) If the use of a single source is required or only one vendor is present on an applicable schedule and the total dollar value is \$10,000 or less, no single-source justification is required.

(3) If the use of a single source is required and the total dollar value is above \$10,000, a single-source justification is required and must be:

(a) Compliant with the requirements in AMS Policy 3.2.2.4;

(b) Developed by the servicing organization;

(c) Reviewed by legal counsel; and

(d) Approved by the CO.

(4) In addition to those items detailed in AMS Procurement Guidance T3.10.1, the CO must document the Schedule contracts considered, noting the contractor from which the supply or service was ordered.

c. *Ordering Procedures for Service Requiring a Statement of Work.*

(1) *SOW.* All SOWs must include the work to be performed, location of work, period of performance, deliverable schedule, applicable performance standards, and any special requirements.

(2) *Request for Quotation (RFQ) Procedures.* The CO must provide the RFQ, which includes the SOW and evaluation criteria, to at least three schedule contractors that offer services that will meet FAA's needs, and may post it to e-Buy.

(a) If the use of a single source is required or only one vendor is present on an applicable schedule and the total dollar value is \$10,000 or less, no single-source justification is required.

(b) If the use of a single source is required and the total dollar value is above \$10,000, a single-source justification is required and must be:

(i) Compliant with the requirements in AMS Policy 3.2.2.4;

(ii) Developed by the servicing organization;

(iii) Reviewed by legal counsel; and

(iv) Approved by the CO.

(3) In addition to those items detailed in AMS Procurement Guidance T3.10.1, the CO must document:

(a) The Schedule contracts considered, noting the contractor from which the supply or service was ordered;

(b) Description of the services purchased;

(c) The evaluation methodology used in selecting the contractor;

(d) The rationale for any tradeoffs;

(e) The price reasonableness determination; and

(f) The rationale for not using a firm-fixed price or performance-based order.

d. There may be circumstances when the quantity of the order has a potential to reduce price. FSS contracts contain a "level," or maximum order threshold, at which customers must request price decreases from the contractor before placing an order. FSS contractors are authorized to offer price reductions in accordance with commercial practices, and the FSS contractors are not required to extend the same price reductions to all ordering activities that they gave to an individual ordering activity for a specific order. Despite the presence of the maximum order threshold, the customer may request a price reduction on any order.

e. COs may establish blanket purchase agreements (BPAs) with FSS contractors. COs may use BPAs to establish accounts with FSS contractors to fill recurring requirements. All FSS contracts contain BPA provisions. If using a BPA is in FAA's best interest, COs should refer to the applicable FSS contract for BPA requirements. As detailed in AMS Procurement Guidance T3.2.2.5, a BPA with a vendor does not justify purchasing from only one source, as the initial BPA and future orders awarded are subject to competition requirements. Other FAA requirements detailed in AMS Procurement Guidance T3.2.2.5 include the need to publicly announce BPAs anticipated having a total value over \$100,000, only a warranted CO may place orders exceeding \$100,000, and reviews to include legal counsel and the Chief Information Officer apply.

f. *Termination.*

(1) *Termination for Default.* A CO may terminate individual orders for default, and may include charging the contractor with excess costs resulting from repurchase. The

schedule contracting office must be notified of all instances where an order has been terminated for default, and refer to GSA for specific termination procedures.

(2) *Termination for Convenience.* A CO may terminate individual orders for convenience, and the contracting officer must endeavor to enter into a "no cost" settlement agreement with the contractor.

g. *Disputes.*

(1) Under the Disputes clause of a schedule contract, the CO may:

- (a) Issue decisions on disputes arising from performance of an order and notify the schedule contracting officer of the decision; or
- (b) Refer the dispute to the schedule CO.

(2) Disputes pertaining to the terms and conditions of schedule contracts must be referred to the schedule contracting officer for resolution.

Red Line Content: Procurement Guidance:

T3.8.3 Federal Supply Schedules

Federal Supply Schedules

Section 4 : Use of Federal Supply Schedules

a. *General.*

(1) Although GSA has already determined that prices are fair and reasonable, with the exception of prices of certain orders for services (see below), ~~the CO~~ **FAA** must ~~still determine that using a FSS is in~~ **select the FSS product or service which represents** the FAA's best ~~interest~~ **value** (e.g. ~~for FAA, delivery~~ **FAA should** ~~capability~~ **consider**, ~~availability~~ **as of appropriate, disaster relief** ~~factors such~~ **contracts, as** etc.) ~~delivery~~, ~~and~~ **features**, ~~represents~~ **capabilities**, ~~the~~ **trade-in** ~~best~~ **terms**, ~~value~~ **probable to life**, ~~FAA~~ **warranties**, ~~This~~ **maintenance** ~~determination~~ **availability**, ~~must~~ **past be** ~~performance~~, ~~documented~~ **environmental** ~~in~~ **factors**, ~~the contract file~~ **and energy efficiency**.

(2) ~~The~~ FAA is exempt from mandatory use of FSS contracts that GSA or the FAR designates as mandatory.

(3) Before procuring supplies through an FSS, the CO must confirm that the items are not covered by FAA mandatory sources, including the Strategic Sourcing for the Acquisition of Various Equipment and Supplies (SAVES) Program.

(4) FAA's requirements should be performance-based to the maximum extent practicable. Program officials must not "over-scope" requirements to the point that it hinders competition. If an FAA requirement is for a specific "brand name" product

available from only one manufacturer, and no other equal product will be satisfactory, the program official must document the rational basis for requiring the brand name product.

(5) The CO must request pricing from three or more vendors when using an FSS to obtain supplies or services. To ensure ~~the~~ FAA receives the full benefit of competition, the CO is encouraged to seek pricing from as many vendors as reasonably possible (but at least three).

(6) Single source procurements using FSS contracts, or procurements involving schedules that only have one vendor, must be justified, documented, reviewed and approved as single source actions. (Refer to AMS Policy 3.2.2.4)

(7) For support services on a time and materials or labor hour basis, the CO and program official must review resumes of proposed contractor personnel. (Refer to AMS Procurement Guidance T3.8.2).

(8) For services that require a statement of work, the program official is responsible for evaluating the level of effort and mix of labor proposed to perform the specific task being ordered.

(9) The evaluation criteria and the basis on which the selection will be made must be plainly stated and strictly adhered to.

(10) For administrative convenience, the CO may add items not available through FSS (also referred to as open market items) to a FSS blanket purchase agreement or FSS individual task or delivery order only if:

(a) All applicable acquisition rules pertaining to the purchase of the items not on the FSS have been followed;

(b) The CO has determined the price for the items not on the FSS is fair and reasonable;

(c) The items are clearly labeled on the order as items not on the FSS; and

(d) All clauses applicable to items not on the FSS are included in the order.

(11) Supplies offered on a Schedule are listed at fixed prices, and services are priced either at hourly rates or at a fixed price for performance of a specific task.

(12) ~~FAA must select the FSS product or service which represents the best value for the FAA. FAA should consider, as appropriate, factors such as delivery, features, capabilities, trade-in terms, probable life, warranties, maintenance availability, past performance, environmental factors, and energy efficiency.~~ (13) Orders placed under an established FSS are exempt from public announcement requirements (as stated in AMS Policy 3.2.1.3.12).

b. *Ordering supplies or services without a SOW.* When ordering supplies or service listed in a FSS and a statement of work (SOW) is not required, COs must place orders with the schedule contractor that can provide the supply or service that represents the best value to ~~the~~ FAA.

(1) Before placing an order, COs must consider reasonably available information about the supply or service offered under MAS contracts by surveying three or more schedule contractors through the GSA Advantage Online shopping service or by requesting pricing from three or more schedule contractors.

(2) If the use of a single source is required or only one vendor is present on an applicable schedule and the total dollar value is \$10,000 or less, no single-source justification is required.

(3) If the use of a single source is required and the total dollar value is above \$10,000, a single-source justification is required and must be:

(a) Compliant with the requirements in AMS Policy 3.2.2.4;

(b) Developed by the servicing organization;

(c) Reviewed by legal counsel; and

(d) Approved by the CO.

(4) In addition to those items detailed in AMS Procurement Guidance T3.10.1, the CO must document the Schedule contracts considered, noting the contractor from which the supply or service was ordered.

c. *Ordering Procedures for Service Requiring a Statement of Work.*

(1) *SOW.* All SOWs must include the work to be performed, location of work, period of performance, deliverable schedule, applicable performance standards, and any special requirements.

(2) *Request for Quotation (RFQ) Procedures.* The CO must provide the RFQ, which includes the SOW and evaluation criteria, to at least three schedule contractors that offer services that will meet ~~the~~ FAA's needs, and may post it to e-Buy.

(a) If the use of a single source is required or only one vendor is present on an applicable schedule and the total dollar value is \$10,000 or less, no single-source justification is required.

(b) If the use of a single source is required and the total dollar value is above \$10,000, a single-source justification is required and must be:

(i) Compliant with the requirements in AMS Policy 3.2.2.4;

- (ii) Developed by the servicing organization;
- (iii) Reviewed by legal counsel; and
- (iv) Approved by the CO.

(3) In addition to those items detailed in AMS Procurement Guidance T3.10.1, the CO must document:

- (a) The Schedule contracts considered, noting the contractor from which the supply or service was ordered;
- (b) Description of the services purchased;
- (c) The evaluation methodology used in selecting the contractor;
- (d) The rationale for any tradeoffs;
- (e) The price reasonableness determination; and
- (f) The rationale for not using a firm-fixed price or performance-based order.

d. There may be circumstances when the quantity of the order has a potential to reduce price. FSS contracts contain a "level," or maximum order threshold, at which customers must request price decreases from the contractor before placing an order. FSS contractors are authorized to offer price reductions in accordance with commercial practices, and the FSS contractors are not required to extend the same price reductions to all ordering activities that they gave to an individual ordering activity for a specific order. Despite the presence of the maximum order threshold, the customer may request a price reduction on any order.

e. COs may establish blanket purchase agreements (BPAs) with FSS contractors. COs may use BPAs to establish accounts with FSS contractors to fill recurring requirements. All FSS contracts contain BPA provisions. If using a BPA is in FAA's best interest, COs should refer to the applicable FSS contract for BPA requirements. As detailed in AMS Procurement Guidance T3.2.2.5, a BPA with a vendor does not justify purchasing from only one source, as the initial BPA and future orders awarded are subject to competition requirements. Other FAA requirements detailed in AMS Procurement Guidance T3.2.2.5 include the need to publicly announce BPAs anticipated having a total value over \$100,000, only a warranted CO may place orders exceeding \$100,000, and reviews to include legal counsel and the Chief Information Officer apply.

f. *Termination.*

(1) *Termination for Default.* A CO may terminate individual orders for default, and may include charging the contractor with excess costs resulting from repurchase. The

schedule contracting office must be notified of all instances where an order has been terminated for default, and refer to GSA for specific termination procedures.

(2) *Termination for Convenience.* A CO may terminate individual orders for convenience, and the contracting officer must endeavor to enter into a "no cost" settlement agreement with the contractor.

g. *Disputes.*

(1) Under the Disputes clause of a schedule contract, the CO may:

- (a) Issue decisions on disputes arising from performance of an order and notify the schedule contracting officer of the decision; or
- (b) Refer the dispute to the schedule CO.

(2) Disputes pertaining to the terms and conditions of schedule contracts must be referred to the schedule contracting officer for resolution.
