The Federal Acquisition Regulations

FAR Part 8 Required Sources of Supplies and Services

What is the Last Source of Supply?
What Are GSA Schedules?

FAR SubPart 8.4 Federal Supply Schedules
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.
GSA Mission and Priorities

Priorities:

• Delivering Better Value and Savings
• Serving our Partners
• Expanding Opportunities for Small Businesses
• Making a More Sustainable Government
• Leading with Innovation
Expanding Opportunities for Small Businesses.

Delivering best value requires taking advantage of all resources.
GSA is a Leader in Small Business engagement
Working with businesses owned by:
   Veteran, Women, Minority, and Disadvantaged Entrepreneurs
Federal Acquisition Service (FAS) provides contracting vehicles (including the Multiple Award Schedule program), fleet management, travel and transportation management, and government-wide purchase card services to Federal agencies.
Federal Acquisition Service

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

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
Multiple Award Schedules

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
FAR Subpart 8.4—Federal Supply Schedules

Contracts awarded by GSA or the Department of Veterans Affairs (VA) for similar or comparable supplies, or services, established with more than one supplier, at varying prices.
Indefinite delivery contracts are awarded to provide supplies and services at stated prices for given periods of time.

The primary statutory authorities for the Multiple Award Schedules program are [41 U.S.C. 152(3)](https://www.gpo.gov/fdsys/search/api/document-detail?uri=41%20U.S.C.%20152(3))
FAR Subpart 8.404
Use of Federal Supply Schedules

Parts 13, 14, 15, and 19 do not apply to orders or BPA’s placed against Federal Supply Schedules contracts*.

Orders and BPAs placed against a Multiple Award Schedule, using the procedures in this subpart, are considered to be issued using full and open competition.

Agencies placing orders under Federal Supply Schedule contracts using the procedures of 8.405 shall not seek competition outside of the Federal Supply Schedules or synopsize the requirement.

*see 8.405-5
Multiple Award Schedules

GSA takes on responsibility for protests issued against an agency awarding an Order or BPA using Multiple Award Schedules in accordance with FAR 8.4.

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.
Multiple Award Schedules

Flexibility
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
- A vast selection of contractors offering expert solutions for services and products
- May set aside orders for small business at Contracting Officer’s discretion
Multiple Award Schedules

Small Business Jobs Act (SBJA) of 2010
Section 1331 of the legislation allows Contracting Officers, at their discretion, to set aside orders and BPAs to small business or subset of small business.
(changes to FAR part 8.405-5(a))

Effective November 2, 2011
MAS Supports Small Business Utilization 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)
MAS Supports Small Business Utilization Socioeconomic Preference (Non Set-Aside orders)

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
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
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
FAR Part 19: Small Business Programs

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 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.
FAR Subpart 8.405-5 – Small Business

- **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.
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.
FAR Subpart 8.405-5 – Small Business

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)
Nonmanufacturer (NMR) 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
Nonmanufacturer (NMR) Rule

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.
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.
Federal Acquisition Service

Small Business Utilization in Schedule Ordering Process

1. Conduct market research
2. Identify small business using eLibrary/Advantage GEI
3. Issue RFP through eBay to determine capabilities
4. Set-aside?
   - YES
     - Survey list of three contractors eligible for set-aside OR issue RFQ to three contractors eligible for set-aside
     - Use "set-aside" language in RFQ
   - NO
     - Is a small business capable of doing the work
       - YES
         - Survey list of three small businesses (orders w/ SOV) OR issue RFQ to three small businesses (orders w/ SOV)
       - PARTIALLY
         - Designate socioeconomic status as a primary evaluation factor
         - Designate socioeconomic status as a primary evaluation factor AND encourage contractor teaming arrangement
         - Designate subcontracting to small business as a primary evaluation factor
       - NO
         - Post RFQ to eBay

5. <MP <SAT
6. >SAT

7. >SAT
8. >MP

Note: The flowchart illustrates the process for utilizing small businesses in Schedule Ordering, including market research, identification of small businesses, issuance of RFP, determination of capabilities, and evaluation of contractors' capabilities for set-aside.
References

Schedules website: www.gsa.gov/schedules
Questions?

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