PUBLIC SUBMISSION

As of: 5/6/15 8:41 AM
Received: May 01, 2015
Status: Draft
Tracking No. 1jz-8ilq-yrkq
Comments Due: May 04, 2015
Submission Type: API

Docket: GSA-GSAR-2014-0020
General Services Administration Acquisition Regulation (GSAR); Transactional Data Reporting; GSAR Case 2013-G504

Comment On: GSA-GSAR-2014-0020-0001
General Services Administration Acquisition Regulations: Transactional Data Reporting; GSAR Case 2013-G504

Document: GSA-GSAR-2014-0020-DRAFT-0008
Comment on FR Doc # 2015-04349

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General Comment

See attached file(s)

Attachments

Transactional Pricing Comments_FINAL_CL_04-30-15

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2013-G504-7

May 1, 2015

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Re: GSAR Case 2013-G504, Transactional Data Reporting

These comments are submitted by immixGroup, Inc. ("immixGroup"), an information technology (IT) reseller located in McLean, Virginia. Since its founding in 1997, immixGroup has grown into a recognized leader in the public sector IT marketplace. immixGroup represents more than 250 leading technology manufacturers and works with more than 600 value-added resellers, solution providers, service providers, and other public sector channel partners to bring the latest software and hardware solutions to the federal government.

We are a top ten IT70 GSA Schedule contractor with sales in Fiscal Year 2014 of over $420 million. We consistently have received awards and recognition for accomplishments in the technology industry, including, most recently, being named a BGov200 Top Federal Industry Leader and a *Washington Post* "Top Place to Work."[1] On March 31, 2015, immixGroup was acquired by Arrow Electronics Inc., a Fortune 200 company and is a wholly owned subsidiary of Arrow Enterprise Computing Solutions, Inc.

immixGroup thanks the U.S. General Services Administration ("GSA") for the opportunity to comment on the proposed rule, "Transactional Data Reporting." We urge GSA to continue to thoughtfully evaluate rules and regulations governing GSA Schedule contracts, as it has done with this proposal. The importance of GSA Schedule contracts in the government-wide contract portfolio cannot be understated. No other contract type maintains catalogs with complete product descriptions, terms, conditions and pricing—fully visible to the public.

In recent years, however, the rules and processes governing IT70 GSA Schedule contracts have become increasingly complex, difficult and extraordinarily burdensome to manage. Further, inconsistency in the application of rules and processes across different IT Centers and contracting officers has led to compliance chaos.

Sadly, however, the proposed rule does not address the broader fundamental changes needed and we have chosen to use these comments to elaborate on these larger and directly related issues in addition to commenting specifically on the proposed rule.

[1] "Awards and Recognition." immixGroup. http://www.immixgroup.com/company/awards-and-recognition/

immixGroup is generally encouraged by many of GSA's realizations used to support the proposed rule. Specifically, we applaud GSA for officially recognizing the Price Reductions Clause ("PRC") is complicated, burdensome and ineffective and also for admitting that order-level competition drives and keeps government prices low, just like it does commercially. Given the realization that competition at the order level drives pricing, we question the need to replace one burdensome framework (the PRC) with a new one (transactional data reporting).

While the PRC is problematic for all the reasons stated, GSA overlooks the root problem, namely its insistence on believing it can negotiate government-wide best pricing at the contract (catalog) level by continuing to require commercial sales practice disclosures.

If GSA wants a contracting program that results in the lowest overall cost at the order level, then it should give up the idea of touting price at the catalog level. Rather, it should adopt processes that keep catalogs current with commercial price lists - to the day - while making it easier to compete on price for those approved items from approved suppliers at the order level.

Imposing new burdens such as transactional data reporting on top of Commercial Sales Practice (CSP) disclosures – neither of which are found in the commercial world – and neither of which are required for GSA to meet its statutory obligation to deliver the lowest overall cost alternative at the order level, do not serve industry, GSA or the mutual government customer. These requirements only add administrative and potential contractual liability costs to all parties.

Summary of the Proposed Rule

GSA proposes to amend the GSAR to include a clause requiring contractors to report transactional data or, in other words, prices paid by ordering activities for products sold. At the same time, GSA proposes to remove the Basis of Award ("BOA") monitoring requirement of the existing PRC.[2]

The new transactional data reporting clause would require GSA Schedule contractors to report on a monthly basis prices paid by ordering activities for products and services delivered during the performance of the contract, including those under orders and blanket purchase agreements ("BPAs") through a "user-friendly, online reporting system." According to GSA, "the report would include transactional data elements such as unit measures, quantity of item sold, universal product code, if applicable, price paid per unit, and total price."[3]

The new rule would be phased in for Schedule contractors "beginning with a pilot for select products and commoditized services." The Schedule pilot would encompass select "commercial products and commoditized services that experience high volume of repetitive purchasing under identical or substantially similar terms and conditions."[4] The proposed rule would not apply to the Department of Veterans' Affairs Schedules.

[2] 80 Fed. Reg. 11619
[3] 80 Fed. Reg. 11621
[4] 80 Fed. Reg. 11624

GSA intends to use the resulting data from the new "user-friendly" system to perform "horizontal pricing" analyses – that is, to compare one contractor's federal prices to another's to provide the information necessary to negotiate lower prices.

Statutory Authority for GSA

Title III of the *Federal Property and Administrative Services Act of 1949* (41 U.S.C. 251 *et seq*.) and Title 40, U.S.C. 501, *Services for Executive Agencies*, authorize the Multiple Award Schedules ("MAS") Program. The GSA Administrator has statutory authority to procure and supply personal property and non-personal services for use by the executive agencies through the former statute.

GSA Schedules (and the ordering procedures established by the GSA Administrator) are considered competitive only if: 1) Participation is open to all responsible prospective contractors, and 2) Orders ***and*** contracts under those procedures result in the "lowest overall cost alternative" to meet the government's needs.[5]

We believe this statutory foundation creates the problem from which all other issues related to the PRC and CSP disclosures spring. Specifically, GSA's authority requires both orders and contracts to result in the lowest overall cost alternative. In other words, the clause contains an "and" where it should contain an "or" in the new age of multiple award contract vehicles where competitive pricing occurs at the order level.

1. Contract Level Pricing

For decades, GSA has tried to meet its statutory burden by attempting to negotiate pricing up-front, before awarding an item on contract. Once awarded, "GSA has already determined the prices of supplies . . . under schedule contracts to be fair and reasonable."[6] Therefore, nothing further is required by an ordering activity, except for a price evaluation as required by FAR 8.405-2(d).[7]

"By placing an order against a schedule contract using the procedures in 8.405, the ordering activity has concluded that the order represents the best value . . . and results in the lowest overall cost alternative (considering price, special features, administrative costs, etc.) to meet the Government's needs."[8] "Best value" means the expected outcome of an acquisition that, in the Government's estimation, provides the greatest overall benefit in response to the requirement.[9]

The problem with the government trying to negotiate multiple award, multi-year contract level discounts is that there is no commitment on the part of an actual buyer.[10] Multi-year, quantity-

[5] 41 U.S.C. § 152 (emphasis added)
[6] FAR 8.404(d)
[7] *Id*.
[8] *Id.*
[9] FAR 2.101
[10] Per I-FSS-106, GSA guarantees a new Schedule contractor $2,500 in sales.

one discounts published on the Internet cannot be very deep. Why would they be? Items are always cheaper when bought in bulk. But it's more than buying power alone. Pricing varies at any point in time, because of variables and circumstances outside any one supply chain entity's control. The only way a customer can take advantage of this dynamic is to be in the market with precise requirements.

Schedule contract negotiations continue to be based on the old notion that somehow GSA can guarantee - and maintain - best pricing as if the government were one buying entity, buying predictable volumes. The reality is that GSA can make no such promises.

This continued insistence on trying to negotiate a government-wide best price posted on a public-facing website, by scrutinizing commercial sales practices is painful, inefficient and time consuming. Thus, GSA's catalogs are seldom current. In our experience, it can take up to six (6) months or longer to add new products on contract through expensive, labor-intensive pricing justifications and negotiations that add no value. As a result of the time delays, GSA Advantage routinely communicates costly disinformation to government buyers resulting in more time delays during the actual procurement process.

Imagine this in a commercial context. There is not a single original equipment manufacturer ("OEM"), which would even talk to a "potential" buyer who comes to the negotiating table with no future commitment and no funds in hand for a current purchase. Every buyer knows that to get the best deal, you must bring money to the table, be prepared to buy (and walk away), and make potential vendors compete against one another for the business. We bet any contracting officer buying a personal car would follow these common sense practices.

Statutory language notwithstanding, we believe GSA must disavow the notion that competitive pricing occurs at the contract level. Instead, the goal with respect to contract pricing is to ensure the products and pricing in the catalog are easily refreshed and the latest technology is available for order-level competitive purchase by ordering activities. OEMs generally refresh their catalogs and pricing once a month. If it takes GSA six (6) months or more to justify these updates with its Schedule vendors, it is easy to see the disservice it does to the government customer.

This must be fixed. We suggest GSA rely on the manufacturer's suggested retail price ("MSRP") as the catalog price because this is how the market operates in the commercial context. No one pays MSRP for a new car; rather it is only the starting point for negotiation. Using MSRP would also allow for real-time updates to products and catalog pricing. GSA should then use its contracting officers and auditors to make sure the catalog reflects current MSRP <u>within hours,</u> available from authorized sources, consistent with government terms, so the catalog plays a legitimate and valuable role as the prerequisite to order level competition.[11]

[11] In our experience, anything other than true commodities such as paper, pens, pencils, calculators, monitors, cables, etc. should not be available for ordering directly off GSA Advantage. Purchasing complex technology, for example, is much more involved and complicated than dropping items in a cart and placing an order.

2. Order Level Pricing

Order level pricing, not contract catalog pricing, is where buyers realize the lowest overall cost. GSA recognizes in the proposed rule that actual competition drives prices down. This cannot be a new revelation. Indeed, in 2011, GSA added competitive procedures to be introduced at the ordering level. These procedures were designed to drive (and keep) prices low. We have included a chart setting out these competitive ordering requirements as Appendix A.

For example, for orders exceeding the Simplified Acquisition Threshold (without an SOW), Ordering Activities are required to:

1. Develop an RFQ
2. Provide to as many contractors as practicable
3. Receive three or more quotes or post on eBuy
4. Seek a price reduction
5. Select best value[12]

It is this (order level) competition that results in the lowest overall cost alternative consistent with GSA's statutory authority, not the PRC, CSPs or transactional pricing. This is no different than how things operate commercially. Procurement groups in Fortune 500 companies routinely follow similar steps in order to secure the items they need at the lowest possible prices.

Of course, we do acknowledge there may be an issue for purchases at or below the Micro-Purchase threshold of $3,000 where no competition is required or perhaps where less than three quotes are received.

In these cases, we would suggest, however, to better train the acquisition workforce. Even when buying simple office supplies like staplers, ordering activities can always seek additional discounts or reductions.[13] In fact, we suggest they <u>should</u> always seek them. We acknowledge the problems DoD has had with the variability of GSA pricing, and agree that ordering activities should not be paying GSA catalog price but, rather, should be asking for discounts at the delivery order level or establishing Blanket Purchase Agreements they control.

The Price Reductions Clause

Since the 1980s, most GSA Schedule contracts have incorporated the concept of price benchmarking combined with the "Price Reductions Clause"[14] to maintain and enforce the price relationship throughout the term of the contract. It is a clause premised on an extremely confusing, burdensome, expensive, and in the end, arbitrary, process to establish each contract's basis of award.

[12] FAR 8.405-1
[13] See, FAR 8.405-4
[14] GSAR 552.238-75

The clause requires the Government and a potential contractor, prior to contract award, to agree on 1) a defined customer or category of customer (called the "Basis of Award" or "Tracking" customer) and, 2) the Government's price or discount relationship to that customer or category of customers. The clause defines a "price reduction" as "any change in the contractor's commercial pricing or discount arrangement" applicable to the Basis of Award that "disturbs" the Government's price or discount relationship to the Basis of Award.[15]

After award, it requires a contractor to monitor its commercial sales to its Basis of Award customer(s). In the event a commercial sale to such customer(s) has a lower price or discount than agreed, the contractor must report the price reduction to the Contracting Officer and "offer the price reduction to the Government with the same effective date, and for the same time period, as extended to the commercial customer (or category of customers)."[16]

Price reductions are also triggered when the Contractor: 1) Revises the commercial catalog, pricelist, schedule or other document upon which contract award was predicated to reduce prices; or 2) Grants more favorable discounts or terms and conditions than those contained in the commercial catalog, pricelist, schedule or other documents upon which contract award was predicated.[17]

There are also several exceptions to price reductions such as sales to federal agencies, errors in quotations and sales to commercial customers under firm, fixed-price definite quantity contracts with specified delivery in excess of the maximum order threshold specified in the contract.[18]

The Price Reduction Clause is Ineffective, Unduly Complicated, and Burdensome

We agree that the current PRC is a huge and unnecessary burden on Schedule contractors. Given that the market operates at the order level to ensure lowest overall cost, there is no need for an artificial and onerous mechanism.

The Government Electronics Information Technology Association, a prominent industry group, pushed the Office of Federal Procurement Policy to drastically restructure the PRC back in the late 1990s due, in part, to its burdensome, non-commercial nature. More recently, in 2008, the ABA's Public Contract Law Section revitalized that push, informing GSA's MAS Advisory Panel that the PRC has "created significant burden . . . for contractors and government officials alike." GSA's FAS Commissioner Tom Sharpe described the PRC as imposing a "burdensome tracking and reporting requirement." Indeed, according to GSA's own analysis, Schedule contractors spend over 860,000 hours a year (at a cost of approximately $58.5 million) on compliance with the Price Reductions Clause, and that eliminating the PRC "could reduce the annual burden on contractors by more than 85 percent . . . ."[19]

[15] *Id.*
[16] *Id.*
[17] *Id.*
[18] *Id.*
[19] 80 Fed. Reg. 11622

And, it should go without saying that burdens imposed on Schedule contractors leads directly to increased costs for the government and taxpayer. This on top of the huge administrative burden borne by GSA to implement these schemes.

Competition Drives Prices – Not the PRC or Commercial Sales Practice Disclosures

1. Competition

We agree with GSA that prices are reduced as a result of market forces and the "intense competition" that forces contractors to voluntarily lower their prices and not as a result of the "mandatory tracking customer provisions." Indeed, we have been saying this for years. We are not surprised that GSA found "that only 3 percent of the total price reductions received under the price reduction clause were tied to the 'tracking customer' feature." Instead, the "vast majority" were the result of the market forces and competition.[20]

To be sure, as discussed above, GSA's ordering procedures require competition at the task/delivery order level.[21] Again, although slightly different depending on the amount of the potential order, ordering activities are required (for purchases greater than $150,000) to develop a Request for Quotation (RFQ), provide to as many contractors as possible and receive three or more quotes (or document why less than three received), or buyers can post the RFQ on e-Buy for wider distribution. [22]

It is this order level competition, orchestrated by actual buyers with real, funded requirements that will continue to ensure the government receives the "lowest overall cost alternative," not an artificial mechanism like the PRC, the CSP disclosures and a basis of award negotiation.

As a result, we must question the decision to replace one costly and burdensome obligation with another one like transactional pricing that is also based on the idea that a future buy is somehow related to a prior buy, as opposed to simply having real-time competition as the rules currently require.

We also question why the responsibility for providing transactional data must fall upon the contracting community? If the government wants to see how well buyers are doing, doesn't it already have this data? Is it really possible ordering activities have no idea what they actually have paid for things? Is this perhaps something Congress should ask the Government Accountability Office ("GAO") to look into as part of reviewing GSA's statutory authority and requirements for this program?

Most government purchase orders we receive are generated from a system that appears to already have this transactional data. Specifically, the purchase orders contain the contract number, purchase order number, date of issue, item, description, unit of measure, quantity, unit price and extended price. The government should not be wasting its money to build another system, nor

[20] 80 Fed. Reg. 11623
[21] See Appendix A
[22] *See*, FAR 8.405-2(c)

should it require vendors to expend their resources to populate it with data the government already has.

2. Commercial Sales Practices Disclosures

While we support the removal of the PRC, GSA is missing an important opportunity to address what is arguably the larger, more systemic issue for GSA and its industry partners.

GSA makes clear the proposed rule does not do away with Commercial Sales Practices ("CSP") disclosures. In fact, not only is GSA maintaining its CSP disclosure requirements but the new rule makes clear GSA will "maintain the right throughout the life of the Schedule contract to ask a vendor for updates to the disclosures on its commercial sales format . . . where commercial benchmarks or other available data on commercial pricing is insufficient to establish price reasonableness."[23]

We recognize GSA is in a precarious position. As discussed previously, GSA's statutory authority requires both contract and order level pricing to be the lowest available cost alternative. This is not a mandate that is practical or achievable. It may have been at one point in our history, but no longer. It is illogical for contract catalog pricing on multiple award, non-mandatory contracts with ordering procedures that require competition at the order level to be the lowest available cost alternative.

The obligation to provide CSP disclosures goes toward justifying and negotiating fair and reasonable pricing at the catalog level. And, again, this is the fundamental problem and current bottleneck of the GSA Schedules program. Vendors cannot and will not provide anyone (the U.S. Government included) their best pricing for a quantity of one with no purchase commitment that is then also visible to the entire world via the Internet.

CSPs do not serve either government or industry well in establishing catalog pricing and are not necessary for GSA to deliver the "lowest overall cost alternative," because the real savings, indeed the lowest overall cost alternative (as GSA acknowledges), comes from order level competition. The obligation to disclose CSPs results in undue confusion and burden for both parties and delay in making available the cutting edge technology ordering activities desire.[24]

GSA must evolve its thinking and processes from an antiquated notion of the importance of contract level pricing to a modern framework of ensuring intense order level competition among carefully vetted suppliers based on catalogs that are current to the day. It should also involve the Office of Inspector General and the relevant Congressional oversight committees in this conversation as this approach represents a real departure from the status quo.

If the CSP "vertical pricing practice" disclosure requirement remains, contractors will still be required to track and analyze all sales to its commercial customers, perhaps the most time consuming, onerous and risk intensive tasks of all the Schedule requirements. And, contractors

[23] 80 Fed. Reg. 11621

[24] In our experience it could take six (6) months or more to get items on our GSA Schedule compared to two days on other GWACs, which are not hindered by the same statutory mandate.

will now be required to track both their commercial sales and all their government sales, increasing the burden on contractors, but doing nothing to improve competition at the order level.

We suggest if the government analyzes its transactional data, there would be no need for CSPs. Indeed, if the government evaluated its horizontal prices paid data, then vertical pricing (i.e., prices paid by commercial customers) would be irrelevant because the government will ultimately base its negotiations and determine fair and reasonable pricing at the order level based on the current competition and what other agencies have paid, not on discounts extended to a contractor's commercial customers.

This is especially true in the IT industry, where many contractors are resellers with no commercial sales, or at least none to a category of customers which look at all like the government (i.e., end users). In other words the information provided in the CSP disclosures is not at all instructive or informative relative to prices paid in an order level competition.

Yet, removing this obligation and replacing it with MSRP would be a huge benefit to industry, GSA and its government customers because it would allow for the quick and efficient addition of products to the GSA Schedules. Instead of providing, explaining and arguing about complicated vertical sales data, products would be quickly added to Schedule contracts. These are the real benefits of the GSA Schedules program – having an always current catalog of IT products and services available to the government, with pre-negotiated, favorable terms—vetted for everything the government cares about, posted at MSRP, and located within a system able to facilitate competition easily at the order level.

We suggest GSA work to amend the relevant statutory language to allow for the lowest cost alternative either at the contract level or ordering level. This would provide GSA the authority to rely exclusively on order level competition to ensure fair and reasonable pricing and the ability to discard the inefficient and burdensome CSP disclosure requirement in favor of a more nimble method of adding and updating products and pricing to its catalogs.

3. Transactional Data

If GSA were to acknowledge the burden and ineffectiveness of both the PRC and CSP disclosure requirements and work to fix the issues with catalog pricing, immixGroup is not entirely opposed to providing the government transactional data as called for in the proposed rule. We do acknowledge transactional data would help the government buyers see across agency lines in cases where agencies are unwilling or unable to allow such transactional data to be pooled in a central repository. But then, we ask, if agencies are unwilling to share their transactional data with GSA, how is it that we, as contractors, should feel comfortable doing so? We also suggest that, in the name of transparency, contractors should have the same access as the government to all of the transactional data being reported and not just the contractors' own data.

Administrative Burden

According to the proposed rule, the new transactional data requirement will impose upon contractors "a one-time initial set-up burden of 6 hours," and a subsequent burden of 31 minutes per month.[25] We strongly disagree.

For example, it takes us approximately 16 hours (two business days) to report our Industrial Funding Fee ("IFF") each quarter. The rule as currently proposed requires vendors to track and report on many more data elements than sales per SIN. An estimate of 31 minutes a month, or roughly 10 percent of the time it takes to report IFF is way off.

Further, to understand the magnitude of the burden on a contractor the size of immixGroup, in 2014 we handled over 17,000 orders on a contract that has over 850,000 line items.

We also believe this burden will be directly related to the "user friendly" system being proposed. The rule includes no details about this system and it is unclear to us at this point whether such system will have the ability to import/upload data in a format in which we (or other contractors) currently keep it or whether we will need to change our systems or software in order to comply. Until the government further discloses details around its proposed system, we are unable to even hazard a guess about the amount of time it will take us to initially set up a compliant system and how many hours per month it will take to report.

In our experience, though, there is no such thing as "user friendly" when it comes to a government system being able to easily and cleanly accept data from our systems and in our standard formats without us having to take the time to manipulate it in some way.

And, this new requirement just adds to all the other reporting obligations imposed by the government on contractors such as FFATA, ARRA, and FAR Service Contract Reporting ("SCR"). Plus, there will then no doubt be some kind of auditing scheme under which we will then need to prove that our data is true against government data we can't control.

Finally, GSA argues the transactional reporting clause could reduce the burden on contractors by more than 85 percent when compared to the burden associated with monitoring pricing under the current PRC.[26] We are not convinced. Price monitoring associated with tracking sales to a single commercial customer or a category of customers is limited in scope when compared to tracking and reporting on every GSA sale to the government. We suspect the time burden will be at least equivalent if not greater under the proposed rule. Further, under the current PRC the obligation to report occurs only when a price reduction is triggered. Under the transactional pricing clause, contractors will be required to report on a monthly basis.

Practical Effect of the Proposed Rule

We believe contractor supplied transactional data will be misused or misunderstood by ordering activities. The likely result being a contracting officer simply finding, pointing to and

[25] 80 Fed. Reg. 11625
[26] 80 Fed. Reg. 11623

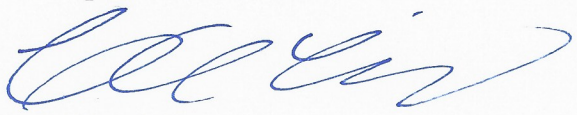
demanding the lowest price for the particular part number desired, without regard to the transaction date, quantity, terms, value, or conditions. Further, we believe this will put a judgment burden on contracting officers that will add time and ambiguity to their price reasonableness determination when compared with simply maximizing competition in the moment. And finally, there will be risk to the ordering contracting officer. What happens if a contracting officer conducts a competition according to the rules but doesn't get as low a price as they see someone else got in the past?

Conclusion

immixGroup applauds GSA's recognitions that: 1) the market and competition drive pricing, and 2) the Price Reductions Clause is confusing, burdensome and ineffective. However, GSA does not go far enough in recognizing the current problems with the Schedules program and the power of the marketplace to guarantee it meets its statutory mandate relative to pricing.

From a legal perspective, a simple modification to the language granting GSA's statutory authority would remove the practically impossible burden for both GSA and industry to establish the lowest overall cost alternative at the contract level and allow for GSA to finally abandon the antiquated, onerous and ineffective PRC and CSP disclosures in favor of order level competition to meet its statutory obligation.

Respectfully submitted,



Jeffrey Ellinport
Senior Director & Deputy General Counsel
immixGroup, Inc.

Appendix A

MAS ORDERING RULES EFFECTIVE MAY 16, 2011 (FAR 8.4)

ORDER AMOUNT	ORDERS WITHOUT AN SOW	ORDERS WITH AN SOW	ORDERS UNDER A BLANKET PURCHASE AGREEMENT[i]
Up to $3,000 (Micro-Purchase Threshold) *(No change from prior rules)*	➢ No competition requirements ➢ Agency can buy from any MAS Contractor	➢ No competition requirements ➢ Agency can buy from any MAS Contractor	➢ No competition requirements ➢ Agency can buy from any MAS Contractor
> $3,000 and up to $150,000 (Simplified Acquisition Threshold)	➢ Survey prices of (or obtain quotes from) at least 3 MAS contractors ➢ Select best value ➢ If applicable document why less than 3 MAS contractors examined[ii]	➢ Develop SOW and evaluation criteria ➢ Provide RFQ to at least 3 MAS contractors (or justify why less) ➢ Select best value	➢ Provide each BPA holder a fair opportunity to be considered ➢ Document why Agency restricted the number of BPA holders contacted, if applicable
> $150,000	➢ Develop RFQ ➢ Provide to as many contractors as practicable, receive ≥ 3 quotes (or document why less than 3 quotes received) **OR** ➢ Post on e-Buy[iii] ➢ Seek price reduction ➢ Select best value	➢ Develop SOW and evaluation criteria ➢ Provide RFQ (w/SOW & evaluation criteria) to as many contractors as practicable, receive ≥ 3 quotes (or document why less than 3 quotes received) **OR** ➢ Post on e-Buy ➢ Select best value	➢ Provide RFQ to all BPA holders (incl. description of supplies/services & selection criteria) ➢ Afford all responding contractors an opportunity to submit a quote ➢ Document compliance with process
All Orders over $500,000[iv]	Agencies required to make a formal determination that use of another agency's IDIQ contract vehicle (e.g., GSA MAS contract) is the "best procurement approach." Factors include: 1) Lower prices, number of vendors, reasonable vehicle access fees, administrative cost savings, etc.		

[i] New Ordering Rules do not apply to BPAs awarded prior to May 17, 2011

[ii] "Limited Source Justifications" include: Only one source is capable of providing the supplies, logical follow on to an FSS order, and urgent compelling need (See, FAR 8.405-6(a)(1));
Brand name specifications shall not be used unless the 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. (See, FAR 8.405-6(b)(1))

[iii] See FAR 5.203(b) ("Publicizing and response Time") – No required minimum specified. CO should consider circumstances of the acquisition. But, training for buyers on e-Buy website states the e-Buy system requires that an RFQ be open for a minimum of two (2) days and the system default is five (5) days.
For DOD orders, contract actions must be cancelled and re-advertised for 30-days if only one response was received and the solicitation was posted for less than 30 days. (See, Ashton Carter –Under Secretary for Defense – memo dated April 27, 2011)

[iv] Effective December 13, 2010 (See, Section 865 of the NDAA & FAR 17.5)