

GSA Multiple Award Schedules (MAS) Order-Level Materials (OLM) FAQs

1. Background/General

1.1. How will the OLM final rule benefit industry?

Greater use of the MAS program will allow Schedule contractors to compete for more orders and reduce the need to incur additional bid and proposal costs to be awarded these other commercial indefinite delivery/indefinite quantity (IDIQ) contracts. Additionally, the reduction in duplicative and inefficient contracts also removes barriers to entry into the federal marketplace, especially for small businesses.

1.2. How will the OLM final rule benefit federal agencies?

Providing clear and comprehensive implementation of this authority will result in creating parity on the ability to acquire order-level materials from the MAS program and other commercial IDIQs. Agencies will be able to further utilize the MAS program to meet their requirements rather than conducting separate open market procurements or further contributing to contract duplication through creating new commercial IDIQs that have a similar scope to existing MAS offerors, but that allow for order-level materials.

1.3. How will GSA implement this new final rule?

The FAS Office of Policy and Compliance (OPC) will issue internal policy to the FAS acquisition workforce to properly implement the Order-Level Materials authority within the Schedules program. FAS has issued 30-day advance solicitation notices for the participating Schedules to begin implementation of the Order-Level Materials authority.

Industry partners through this advance solicitation notice posted on GSA's Interact website will be provided the opportunity and encouraged to comment on FAS implementation of OLM. During the comment period, FAS will also hold a webinar with industry partners to review the implementation and provide an opportunity for comment and feedback. GSA encourages comments on whether additional Schedules should be authorized to provide OLMs. Commenters are encouraged to provide specific examples of how individual task or delivery order requirements would be better met by authorizing OLMs under that specific Schedule. Comments should be submitted to olmquestions@gsa.gov by **May 10, 2018**.

The FAS Officer of Customer Accounts and Stakeholder Engagement will develop training material to ensure customer agencies know how to properly take advantage of this new

authority. This will include live webinars, on-demand training, updates to GSA.gov and the MAS Desk Reference Ordering Guide, targeted customer outreach, and more. After reconciliation of comments from the advance solicitation notice, FAS plans to refresh the applicable Schedule solicitations to include the Special Item Number for OLM and the OLM special ordering procedures. Mass modifications will be issued to bi-laterally modify contracts to include the OLM Special Item Number (SIN) and the special ordering procedures into the applicable Schedule contracts. FAS will execute training to customer agencies, industry partners, and the FAS acquisition workforce to ensure effective implementation of the OLM authority.

1.4. Why doesn't this rule apply to all Schedules? Will GSA revisit applying the OLM final rule to all Schedules in the future?

Based on feedback from industry and ordering activities, GSA has identified the Schedules below as those that would most significantly benefit from the authority to acquire OLMs.

- 03FAC - Facilities Maintenance and Management
- 56 - Buildings and Building Materials/Industrial Services and Supplies
- 70 - General Purpose Commercial Information Technology Equipment, Software and Services
- 71 - Furniture
- 84 - Total Solutions for Law Enforcement, Security, Facilities, Fire, Rescue, Clothing, Marine Craft, and Emergency/Disaster Response
- 00CORP - The Professional Services Schedule
- 738X - Human Capital Management and Administrative Support Services

GSA will consider applying the OLM authority to additional Schedules in the future, as the rule provides the authority to add additional Schedules during implementation. Industry partners are encouraged to comment on FAS implementation of OLM, including the list of authorized Schedules, through the advance solicitation notice posted on GSA's Interact website. Please provide a brief justification for any additional Schedules that would benefit from the OLM authority.

1.5. How does the final rule differ from the proposed rule GSA published in September 2016? Did GSA incorporate the feedback it heard from industry and federal agencies?

GSA made changes to the final rule based on the public comments received on the proposed rule to include:

- Flexibility for contractors to recover indirect costs

- Clarification that travel OLMs are exempt from certain requirements including the 33.33% order threshold, price reasonableness determination requirement, and GSAR clause 552.238-74 Industrial Funding Fee and Sales Reporting
- Three quote requirement for price reasonableness was revised and narrowed

Please refer to the [final rule](#) for full details.

1.6. Doesn't the GSAR change only apply to GSA? How can other agencies use the OLM authority if the FAR wasn't updated?

GSA has the authority to set special ordering procedures for the Schedules program (See FAR [8.403\(b\)](#)). GSA is implementing these special ordering procedures through GSAR clause [552.538-82](#) that will go in Schedule contracts which authorize agencies to buy order-level materials on a Schedules order. GSA also plans to add a link to the special ordering procedures in [acquisition.gov](#), where the FAR is located, to increase the visibility of the OLM authority to customer agencies.

1.7. Where can I find more information on OLMs?

Please refer to <https://www.gsa.gov/olm> for additional information on OLMs. GSA will update this website with frequently asked questions, ordering guidance, training information, etc. throughout the implementation process.

2. Federal Supply Schedule (FSS) Contract Level Implementation

2.1. What do I need to do in order to begin offering OLMs under my FSS contract?

In order to add the OLM authority to your existing FSS contract, you must:

1. Accept the Commercial Supplier Agreement (CSA) mass modification that adds GSAR clause 552.212-4 *Contract Terms and Conditions Commercial Items* (JAN 2017) (DEVIATION - FEB 2018) (ALTERNATE I - JAN 2017) (DEVIATION - FEB 2007) to your contract.
2. Accept the OLM mass modification that adds the OLM SIN and GSAR clause [552.538-82](#) *Special Ordering Procedures for the Acquisition of Order-Level Materials* to your contract.

By accepting the modification, the OLM SIN and GSAR clause 552.238-82 will automatically be added to your existing contract and applicable GSA eTools, such as [GSA eLibrary](#). Contractors

may begin to propose OLMs in response to customer requirements following acceptance of the modification.

2.2. Do I need to accept the CSA mass modification before I will be invited to accept the Order Level Materials (OLMs) mass modification?

Yes, for applicable OLM Schedules only. GSA is requiring acceptance of the CSA mass modification before issuance of the OLM mass modification. This will ensure that, where OLMs have associated CSAs, both government and industry benefit from the protections against conflicts with Federal law provided by the CSA final rule.

2.3. How are Commercial Supplier Agreements (CSAs) related to OLMs?

Both regulatory changes require changes to clause 552.212-4 Contract Terms and Conditions Commercial Items (JAN 2017) (DEVIATION - FEB 2018) (ALTERNATE I - JAN 2017) (DEVIATION - FEB 2007) in order to be implemented. OLMs in many instances may involve CSAs. To ensure applicability of the CSA protections to OLMs for our customers and to limit multiple changes to this clause, the mass modification issued to implement the [CSA changes](#) in existing FSS contracts will *also* include the fill-in language required to implement the OLM authority. Once affected Schedules have been refreshed to fully implement the OLM authority, GSA will issue a second mass modification to implement the OLM authority on existing, applicable FSS contracts.

2.4. Is it possible to have an FSS contract with both Other Direct Costs (ODCs)/Ancillary Items and OLMs?

Yes. ODC and Ancillary SINs are for incidental items that are known and can be awarded at the FSS contract level. If a contractor is able to define and price incidental items at the FSS contract level under the Ancillary and ODC SINs (i.e., they are routinely provided), it should do so. The Order-Level Materials SIN is only for incidental items that are *unknown* at the time of FSS contract award and, therefore, must be defined and established at the order level.

2.5. Do the terms and conditions of my FSS contract apply to OLMs acquired in support of individual orders?

Yes, with a few exceptions. GSAR [552.538-82\(d\)\(10\)](#) states that OLMs are **exempt** from the following clauses:

- [552.216-70](#) Economic Price Adjustment - FSS Multiple Award Schedule Contracts
- [552.238-71](#) Submission and Distribution of Authorized FSS Schedule Pricelists
- [552.238-75](#) Price Reductions

Aside from these exemptions, the terms and conditions that apply to the FSS contract also

apply to the OLM SIN.

2.6. Does the Industrial Funding Fee (IFF) apply to OLMs?

Yes. The OLM SIN is subject to clause [552.238-74](#) *Industrial Funding Fee and Sales Reporting*. Contractors are required to report sales and remit the IFF for all sales under the OLM SIN. Contractors must include the IFF in proposed OLM pricing.

2.7. For contractors participating in the Transactional Data Reporting (TDR) pilot, do TDR requirements apply to OLMs?

Yes. Except as noted above, the FSS contract terms and conditions apply to OLMs. The OLM SIN is subject to any transactional data reporting requirements in effect under the FSS contract.

3. Order/BPA Level Implementation

3.1. What special ordering procedures apply to the acquisition of OLMs?

Refer to GSAR clause [552.538-82](#), which establishes procedures for including OLMs when placing an individual task or delivery order against an FSS contract or FSS BPA.

3.2. Can OLMs be included on a fixed price order?

OLMs are only authorized for inclusion under a time-and-materials (T&M) or labor-hour order Contract Line Item Number (CLIN). However, ordering activities should structure requirements to maximize the use of fixed price elements. This may result in a “hybrid” order that, despite having T&M or labor-hour elements, is classified as fixed price for reporting purposes. For example, an order may include several fixed price CLINs totaling \$200,000, plus a T&M CLIN for OLMs with a not-to-exceed threshold of \$25,000. Since the majority of the order dollar value is awarded on a fixed price basis, the order may be classified as fixed price for reporting purposes.

3.3. GSAR [552.538-82](#) (d)(4) states, “The cumulative value of order-level materials in an individual task or delivery order awarded under a FSS contract or FSS BPA shall not exceed 33.33% of the total value of the individual task or delivery order.” What is considered the total value of the order?

The total value is the anticipated or recorded dollar value of contract items (including the Industrial Funding Fee) at time of order award, inclusive of option periods. Travel costs and open market items are *excluded* from the total value calculation.

3.4. Why is travel being called an OLM? Travel is an other direct cost (ODC).

Travel is covered within the definition of “materials” and, therefore, considered a subcategory of OLMs (see clause 552.212-4 Alt I (e)(iii)(C)). While considered an OLM by definition, travel is exempt from the three-quotes requirement, does not count toward the 33.33% cap, and is exempt from the IFF clause (see (d)(11) of clause [552.238-82](#)). Travel costs are governed by FAR [31.205-46](#), which addresses Federal Travel Regulations, Joint Travel Regulation, and Standardized Regulations (Government Civilians, Foreign Areas). Since travel is handled differently than other OLMs, the ordering activity CO should consider establishing a separate CLIN for travel.

3.5. How will G&A expenses be covered?

OLM authority includes the flexibility to reimburse the contractor for indirect costs, which can include, for example, material handling and subcontract administration costs. Specifically, GSAR clause 552.212-4 Alt I (i)(1)(ii)(D)(2) includes the following fill-in language addressing indirect costs:

Each order must list separately the fixed amount for the indirect costs and payment schedule; if no indirect costs are approved, insert “None.”

The ordering activity contracting officer must make a determination that all indirect costs approved for payment are fair and reasonable (see GSAR clause [552.238-82](#) (d)(7)(iii)).

3.6. Will GSA eBuy be updated to allow inclusion of OLMs in quotes?

Yes, for authorized Schedules only. After selecting the Special Item Number(s) that represents the primary purpose of the requirement, buyers will have the option to allow OLMs in quotes if the selected SIN is included on an authorized Schedule. When OLMs are allowed, contractors (i.e., sellers) will be notified that OLMs will be considered when viewing the Request for Quotes (RFQ) in eBuy. A contractor must be awarded the OLM SIN to propose OLMs in its quote.

3.7. How do OLMs differ from “open market items”?

Open Market Items (i.e., items not on the Federal Supply Schedule), are supplies and/or services added by the ordering activity to a Schedule order or BPA for administrative convenience in accordance with [FAR 8.402\(f\)](#). Open market items are purchased *outside the authority of the FSS program* using open market procedures; therefore, the FSS contract terms and conditions (e.g., IFF) do not apply to these items. The ordering activity CO must ensure that all applicable acquisition regulations pertaining to the purchase of open market items have been followed (e.g., publicizing [Part 5](#)), competition requirements ([Part 6](#)), acquisition of commercial items ([Part 12](#)), contracting methods ([Parts 13, 14, and 15](#)), and small business programs.

OLMs are acquired under the authority of the FSS program (see GSAM Subpart [538.2](#)) in accordance with the special ordering procedures in GSAR clause [552.538-82](#). OLMs are considered FSS contract items and, with a few exceptions, the FSS contract terms and conditions apply to OLMs.