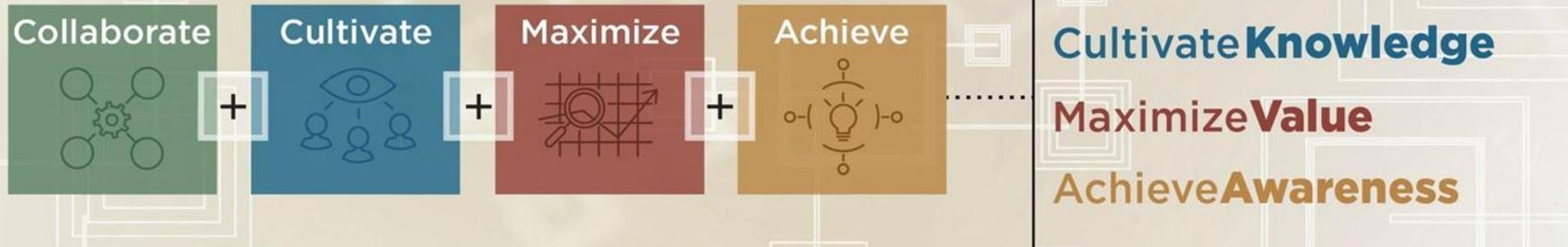


# Professional Services & Human Capital Symposium

June 6-8, 2017 | Tacoma, WA



## Understanding GSA Multiple Award Schedule (MAS) Blanket Purchase Agreements (BPAs)

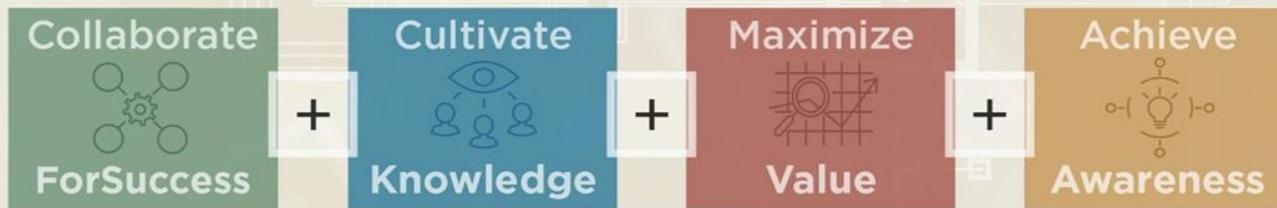
Brad deMers

Senior Contracting Officer/Procurement Analyst

GSA/FAS/PSHC Office of Program Operations

Program Management Division

June 08, 2017

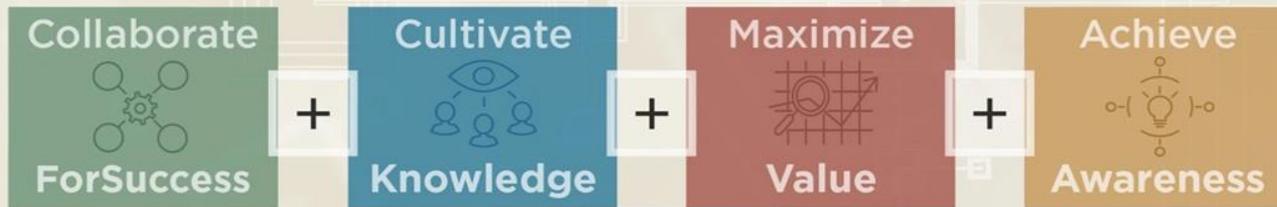


## Learning Objectives

Upon completion of this course, you should be able to:

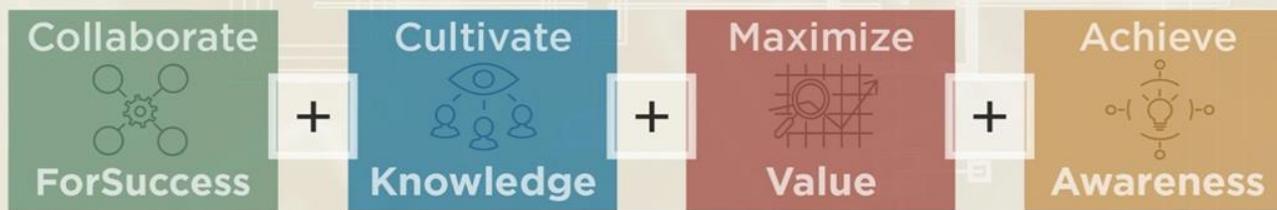
- Describe the role of a Blanket Purchase Agreement (BPA) in the MAS program
- Describe the process and requirements used to establish BPAs
- Recognize the ordering procedures for BPAs





# What is a Blanket Purchase Agreement?

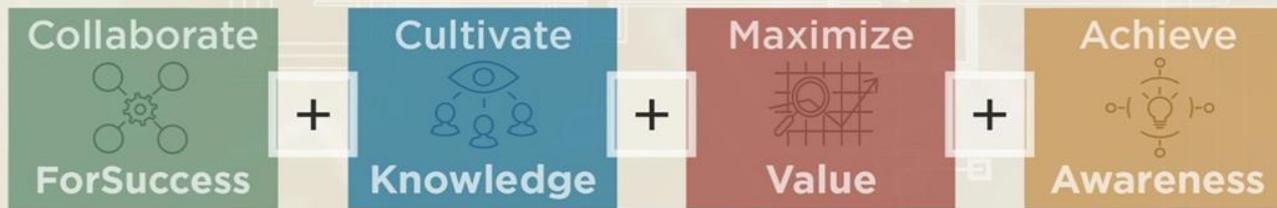
## INTRODUCTION TO BPA



## Blanket Purchase Agreements (BPAs)

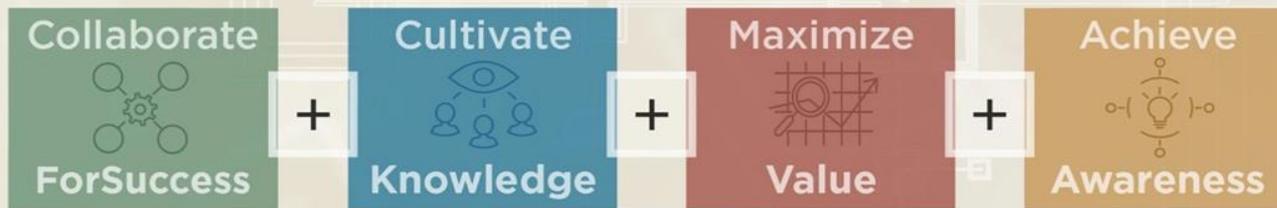
- A BPA is a simplified method of filling anticipated repetitive needs for supplies or services by establishing “charge accounts” with qualified sources of supply.
- Establishes terms applicable to future orders
- Does not obligate funds





## MAS BPA Characteristics

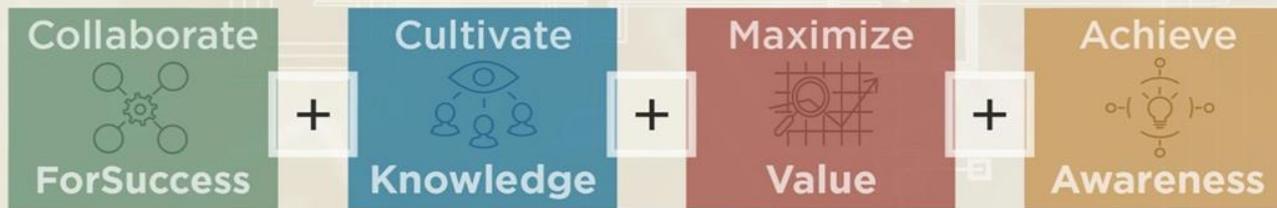
- MAS BPAs are issued against established MAS contracts that have been negotiated by the GSA Contracting Officer and contractor at the time of award.
- Terms and conditions for the BPA, including contract type and clauses, must comply with the underlying MAS contract.
- MAS BPAs are based on MAS Contract prices already determined to be fair and reasonable by GSA.
- MAS BPAs are subject to FAR Subpart 8.4 procedures, not Part 13 procedures.



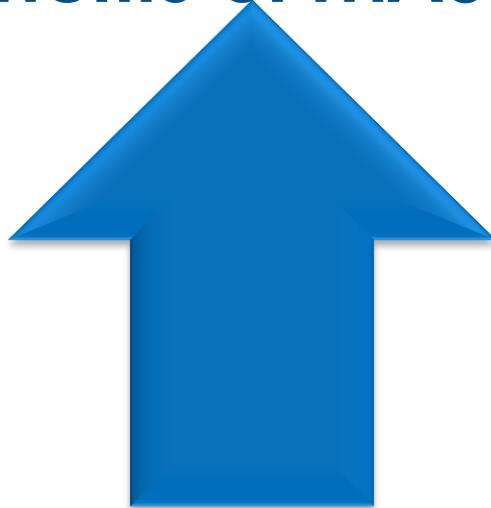
## MAS BPAs and Acquisition

- Simplifies ordering process for repetitive orders
- BPAs are competitively established
- No guaranteed minimum or maximum
- Subject to annual reviews





## Benefits of MAS BPA

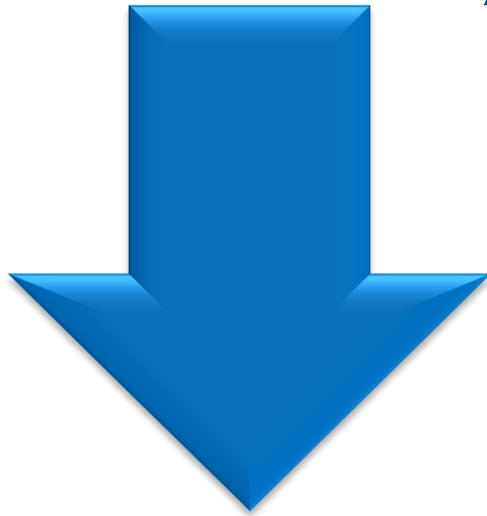


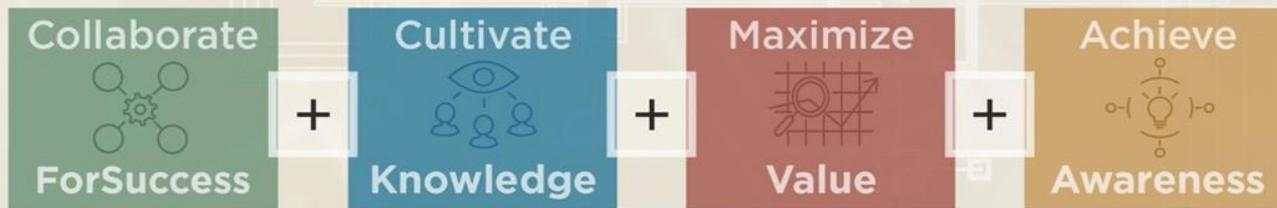
### Increases

- Buying power through volume and substantial discounts
- Order process is more efficient
- Ordering level terms and conditions
- Use of Contractor Teaming Arrangements (CTAs)

### Decreases

- Procurement Costs
- Acquisition lead time
- Administrative efforts



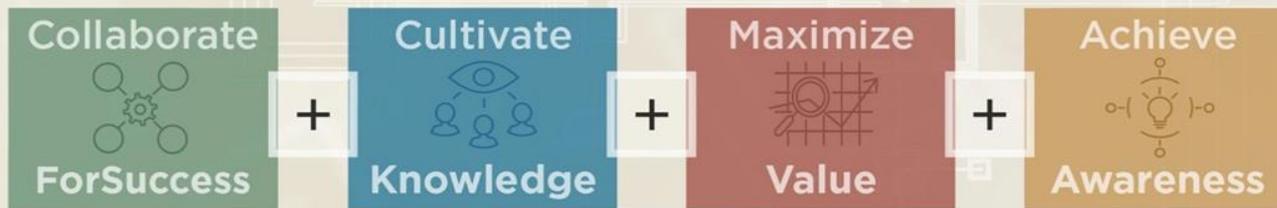


## Additional Benefits

### Government Benefits:

- Negotiate improved discounts
- Satisfy recurring requirements
- Leverage agency requirements
- Effect quicker turnaround on orders
- **No Guaranteed minimum**
- **No ceiling as only an estimated value required**
- **Funding isn't required until a BPA order is initiated.**
- May use small business set-aside procedures in BPA awards or orders to help meet socioeconomic goals



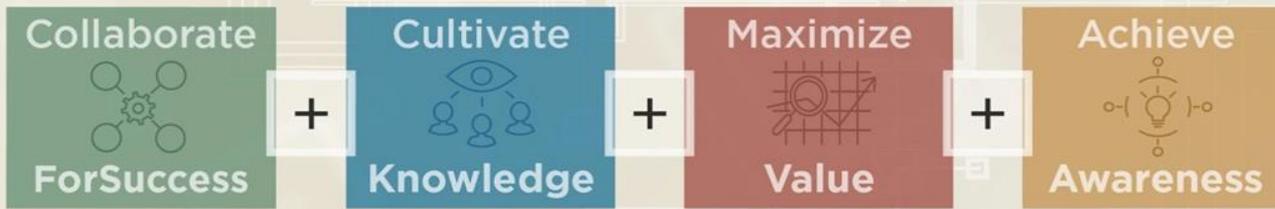


## Additional Benefits, Cont.

### Contractor Benefits:

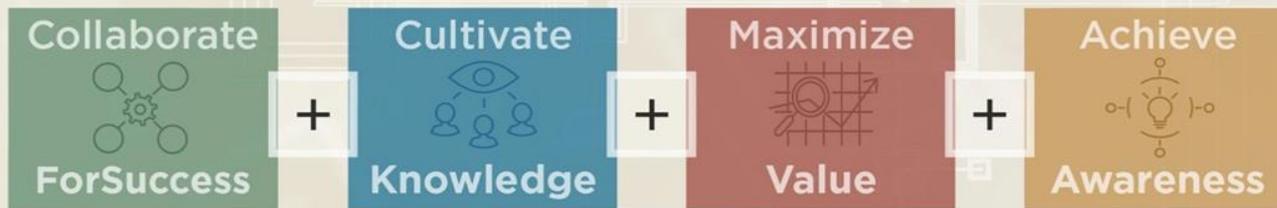
- Simplifies production and revenue planning
- Potential for increased revenue through volume sales
- Quicker turnaround on orders and improved cash flow





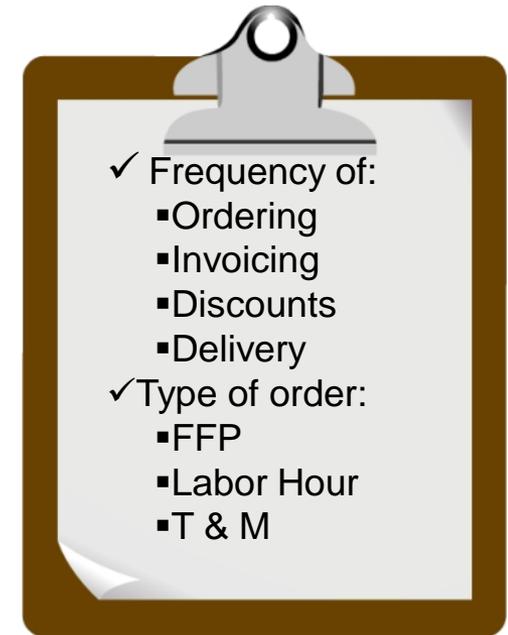
## How are BPAs Established?

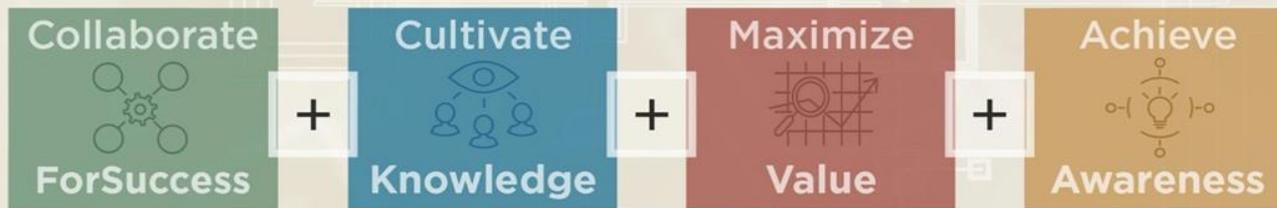
### ESTABLISHING A BPA



## Single-Award BPAs

- FAR stated preference is for multiple- award BPAs.
- Single-award BPA limited to 1 year, no more than 4 option years; documented justification and approvals required
  - Initial award >\$112M must be approved by the head of the agency (See 8.405-3(a)(3))
- Benefits:
  - Simplified ordering process
  - Improved pricing and terms

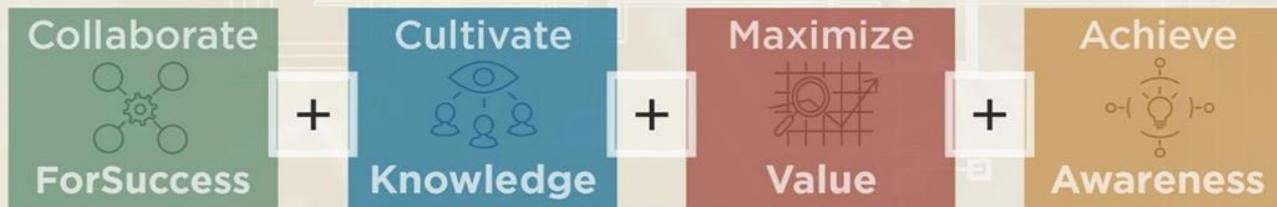




## Multiple-Award BPAs

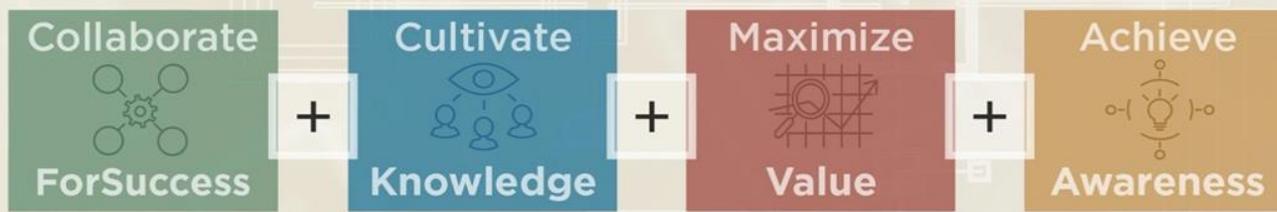
- All purchases are competed among a prequalified pool of contractors.
- Duration generally does not exceed 5 years, but may do so to meet program requirements.
- For orders over the Simplified Acquisition threshold and for hourly-rate services, RFQs must be sent to all BPA holders at the order level.
- Benefits:
  - Simplified ordering process
  - Improved pricing and terms via competitive orders





## The “Multi-Agency” BPA

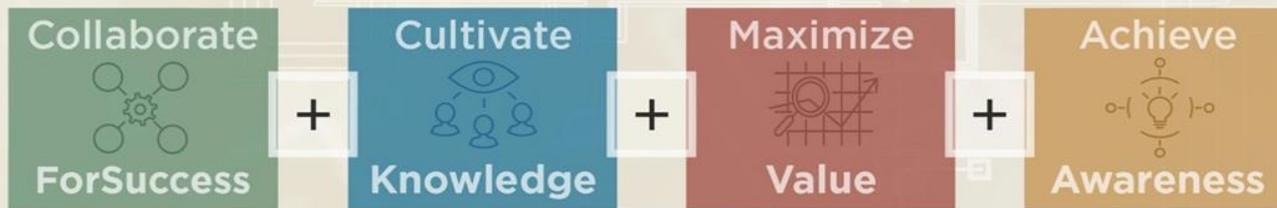
- The ordering activity may set up a Schedule BPA so that the multiple agencies may order against the BPA directly with the Schedule contractor(s).
- The ordering activities eligible to use the BPA(s) should be clearly identified in the original BPA document, and each should define and consolidate its estimated requirements to obtain greater discounts.
- For “Best Value,” the BPA must reflect the requirements of all users with an estimate of the total quantity.
- Continuous competition benefits the Government.



## Basis for Establishment

- BPAs are established using best value evaluation considering price and non-price factors
  
- Typical best value factors for products:
  - Item characteristics, Warranty, Maintenance availability
  - Useful life, Environmental and energy efficiency, Technical qualifications, Transportation costs, Administrative costs
  - Delivery and performance terms, etc.
  
- Typical Best value factors for Professional Services
  - Technical approach
  - Past Performance
  - Relevant Project Experience



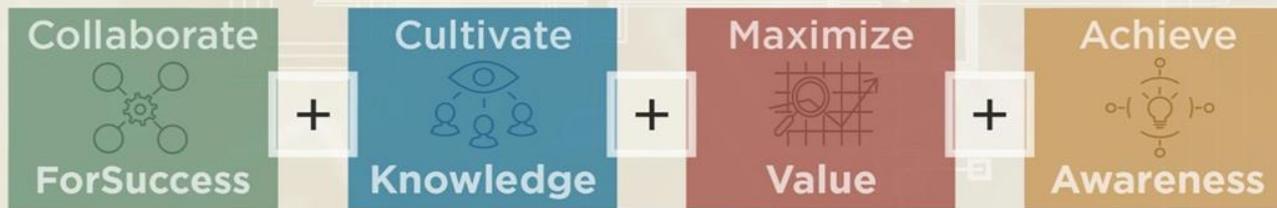


## Number of BPAs to Establish in a Multiple-Award Environment

Factors to consider:

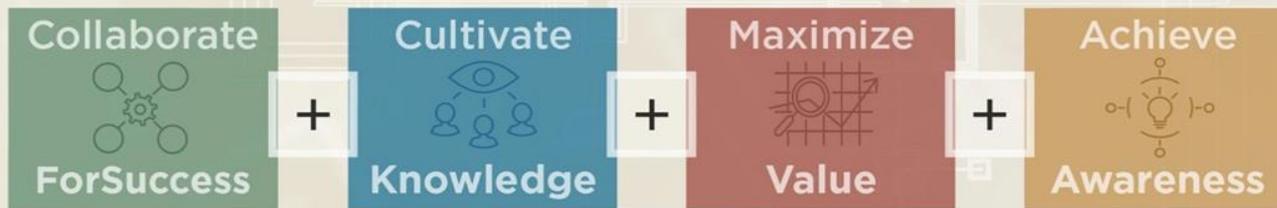
- Scope and complexity
- Benefits of ongoing competition
- Administrative costs
- Technical qualifications

Document the rationale in the acquisition plan or file.



## Establishing a Schedule BPA: Basic Information

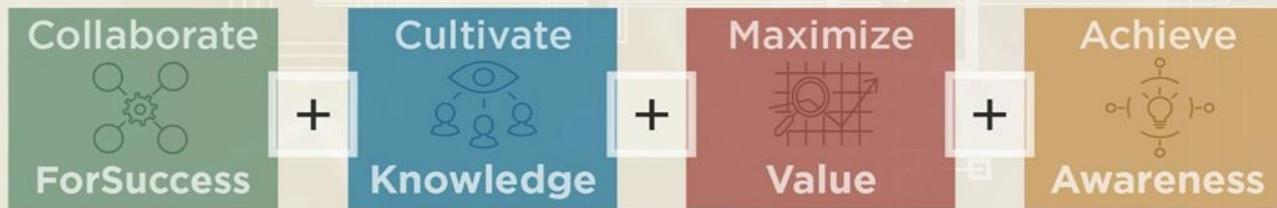
- Statement that it is a Schedule BPA
- Statement that it is issued under authority of the Schedule contract BPA clause (I-FSS-646)
- Identification of the issuing organization
- Identification of the contractor
- BPA award period shall not exceed the period of the Schedule contract including option year period(s)



## BPA and Small Business

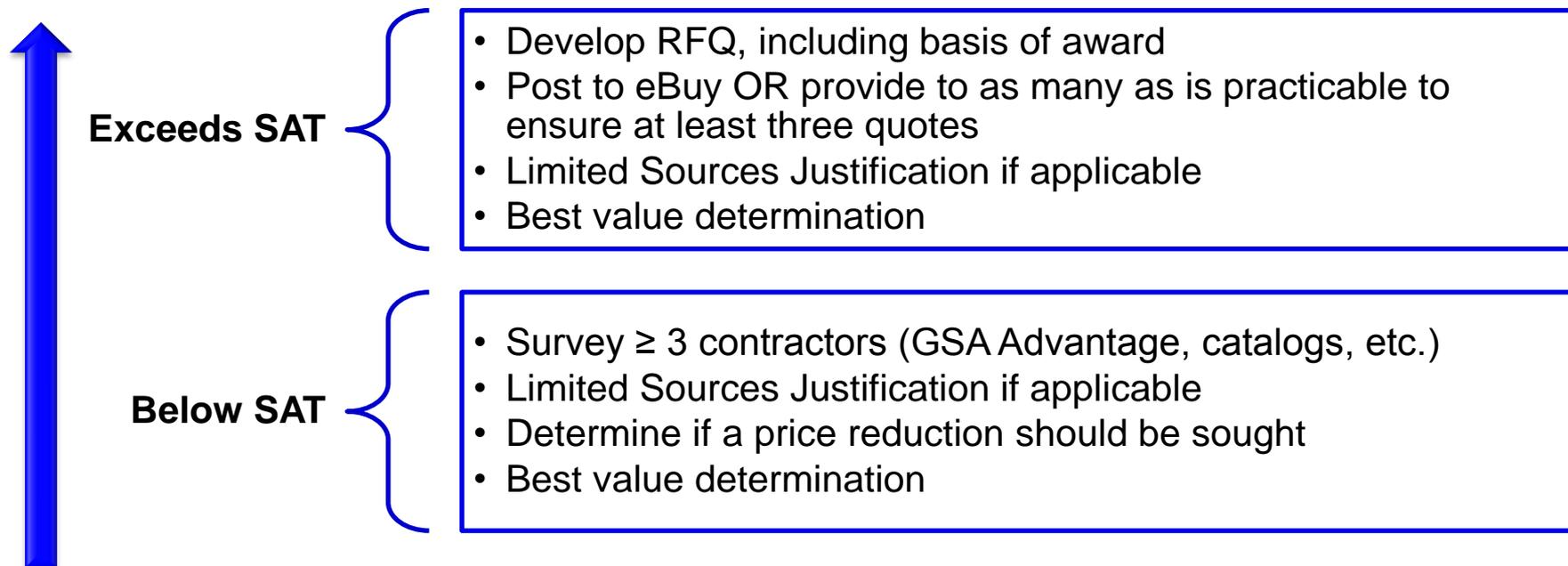
- Set-asides may be conducted at the BPA or order level.
- Must establish ordering procedures at the BPA level
  - Do not conduct order level set-asides without prior notice.

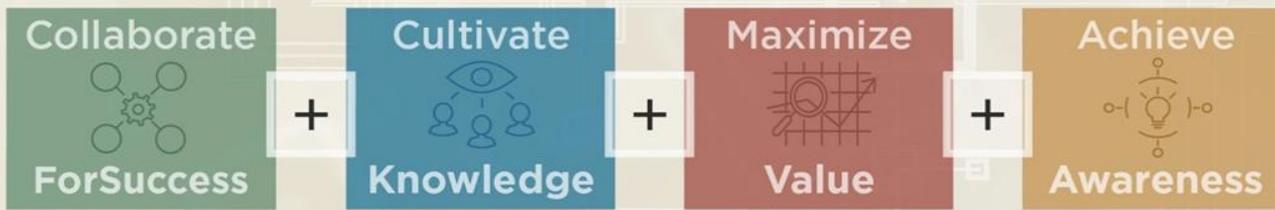




# MAS BPA Establishment Procedures – FAR Subpart 8.405-3(b)(1)

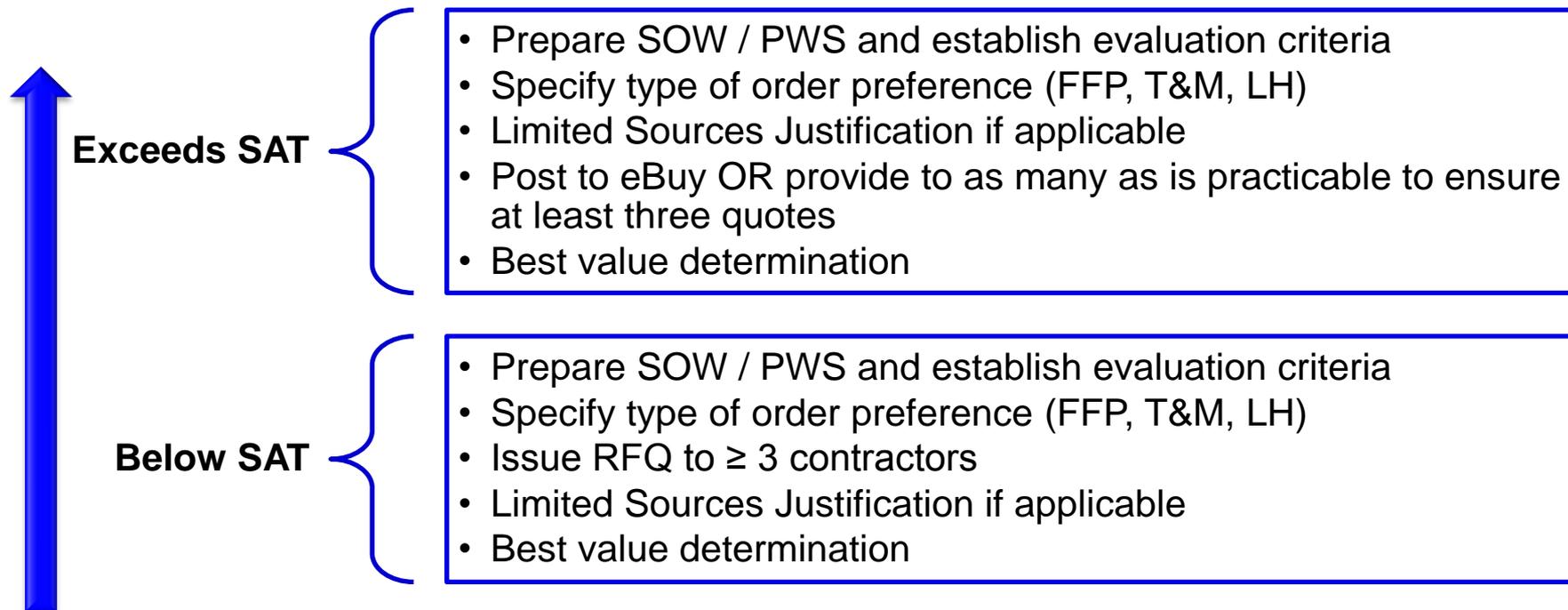
When Establishing BPAs for supplies or fixed-price services w/out SOW

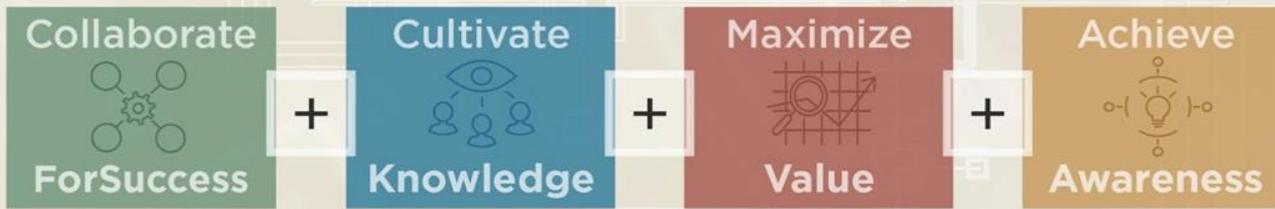




# MAS BPA Establishment Procedures – FAR Subpart 8.405-3(b)(2)

When Establishing BPAs for services requiring an SOW





# BPA Specifications: Who and When



Multi-Agency Schedule BPAs



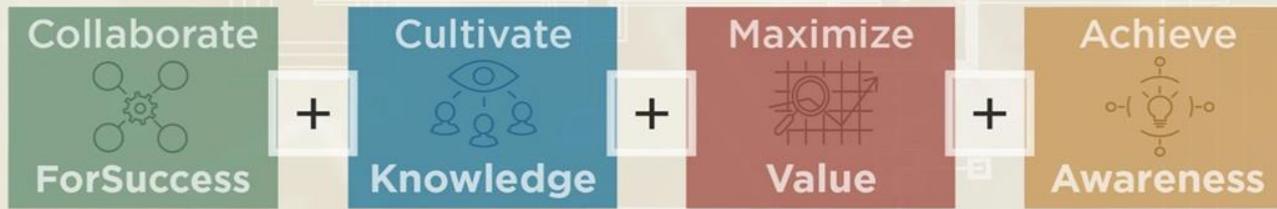
Ordering Frequency

January	February	March
April	May	June
July	August	September
October	November	December

BPA Period



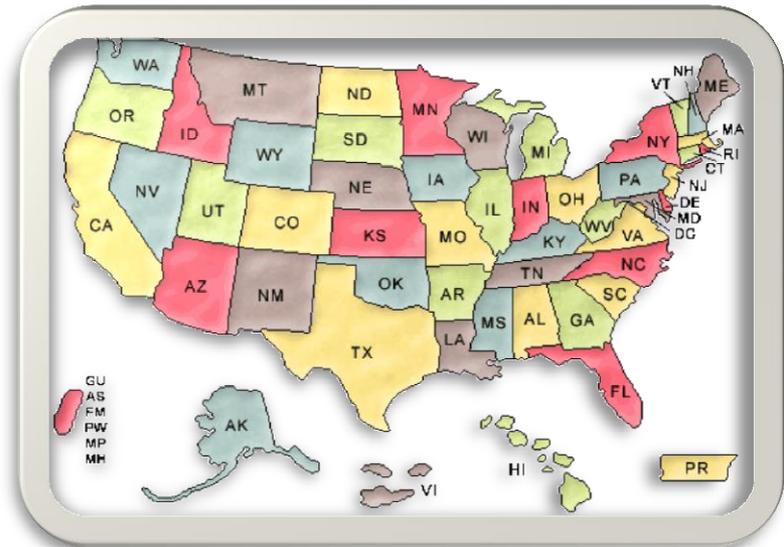
Delivery/Performance Period



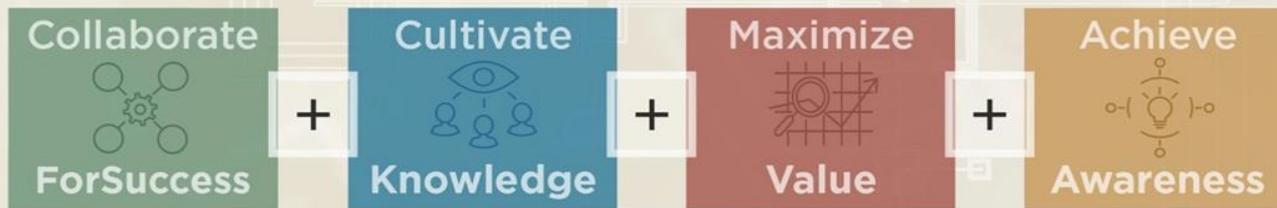
# BPA Specifications: What and Where



Estimated Requirements



Delivery/Performance Locations

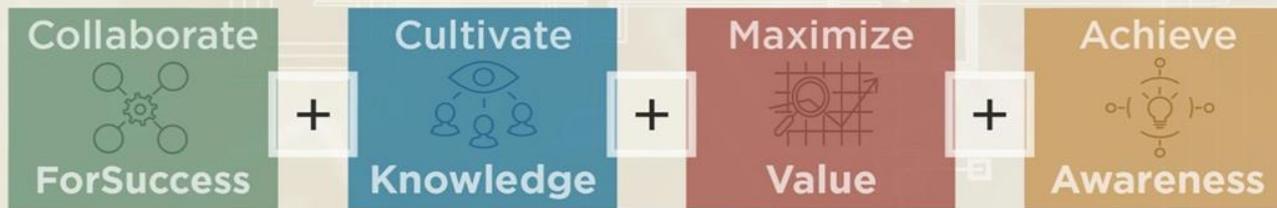


## BPA Specifications: Price Reductions

Seek price reductions:

- Before placing any order that exceeds the SAT
- When establishing a BPA to fulfill requirements
- In conjunction with annual BPA review



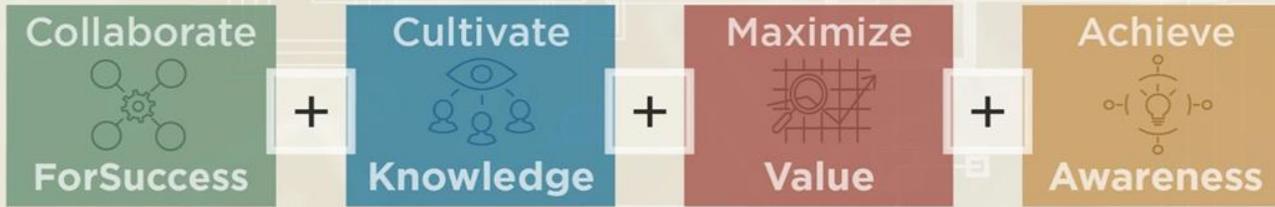


## BPA Specifications: Invoicing

When invoicing, keep in mind:

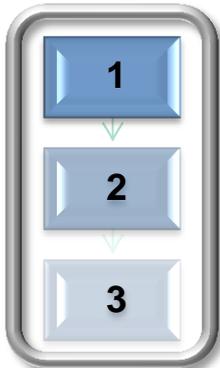
- The invoice address for the order
- The opportunity to consolidate billing





# Evaluations and Rationales

FAR 8.405



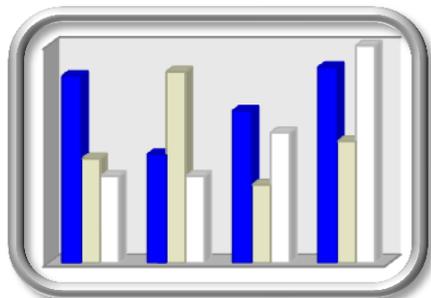
Evaluation methodology



Tradeoff rationale



Price reasonableness



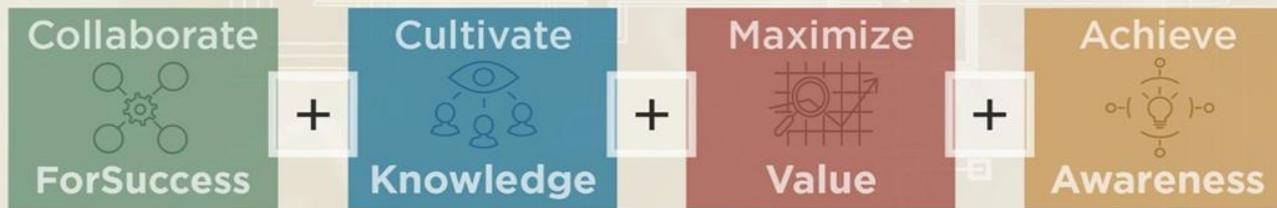
Annual review results



Limited sources rationale

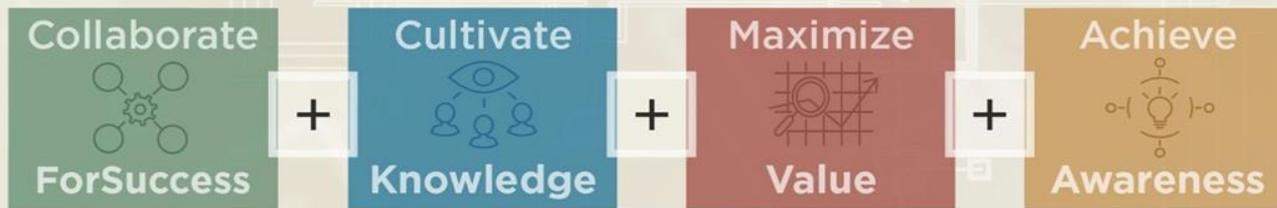


Hourly basis labor mix rationale



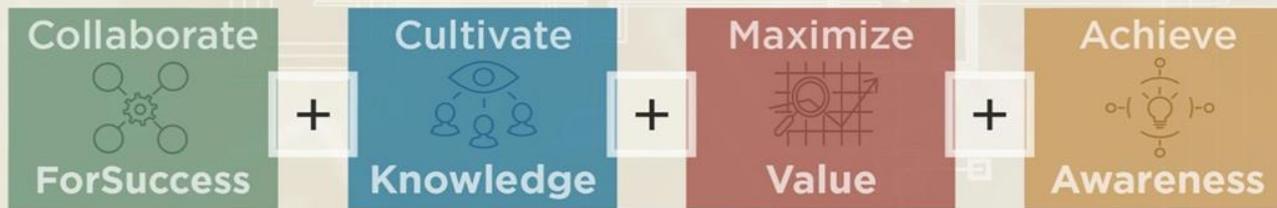
# BPA Documentation Requirements

Minimum BPA Documentation Requirements – (8.405-3(a)(7))	
Schedule contracts considered, noting the awardee	✓
Description of the supply or service purchased	✓
Price	✓
Limited Source Justification, if applicable (See 8.405-6)	✓
Justification for Single-Award BPA, if applicable	✓
Determination by head of agency for a single-award BPA exceeding \$112 million, if applicable	✓
Documentation supporting the decision for multiple or single award BPAs	✓
Evidence of compliance with competitive procedures - see 8.405-3(b)	✓
<i>Basis for the award decision.</i> This should include the <u>evaluation methodology</u> used in selecting the contractor, the <u>rationale for any tradeoffs</u> in making the selection, and a <u>price reasonableness determination for services requiring a statement of work</u>	✓



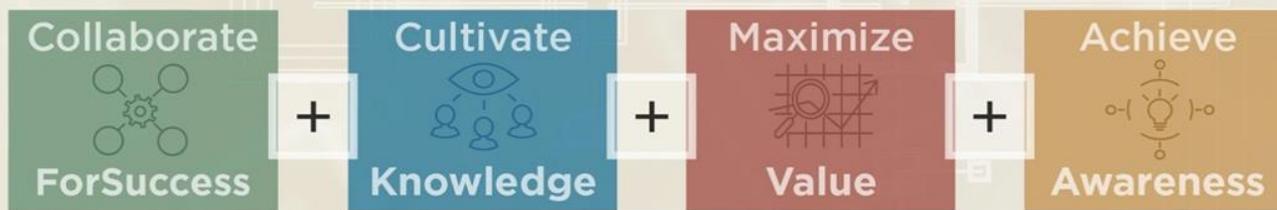
## Notifying Unsuccessful Offerors

- Agencies should provide timely notification to unsuccessful MAS contractors for BPAs over the SAT IAW FAR 8.405-3(b)(3).
- If an unsuccessful offeror requests information on an award that was based on factors other than price alone, a brief explanation of the basis for the award decision shall be provided.



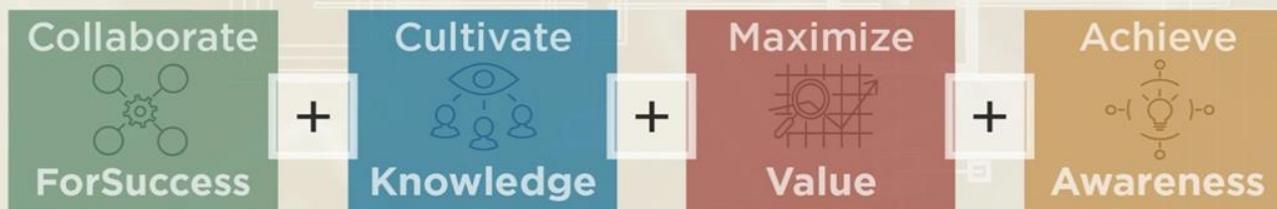
## BPA Annual Review

- Schedule BPAs require an annual review. (8.405-3(e))
- The ordering activity Contracting Officer shall review the BPA and determine in writing, at least once a year (e.g., at option exercise), whether—
  - The Schedule contract, upon which the BPA was established, is still in effect;
  - The BPA still represents the best value (see 8.404(d)); and
  - Estimated quantities/amounts have been exceeded, and additional price reductions can be obtained.
- The determination shall be included in the BPA file documentation.



## Pro Tips on Establishing BPAs for Professional Services (PS)

- Greatest challenge is evaluating price when establishing a BPA for PS
- Two typical price evaluation methods
  - Build a standard labor category list contractors map into
    - **Benefit:** Promotes standardization across submissions for apples to apples comparison of hourly rates
    - **Challenge:** Potential for mapping problems
  - Establish a sample Task Order
    - **Benefit:** Use for apples to apples price evaluation
    - **Challenge:** May be time consuming to create and evaluate

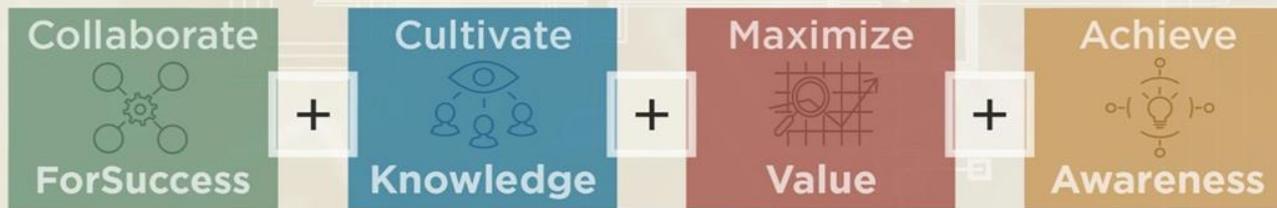


## Pro Tips on Establishing BPAs for PS continued

- Third method for price evaluation when establishing a multiple-award BPA for Professional Services
  - Make price a Go/No Go (not used as a trade off)
  - Only appropriate if price is the least important factor

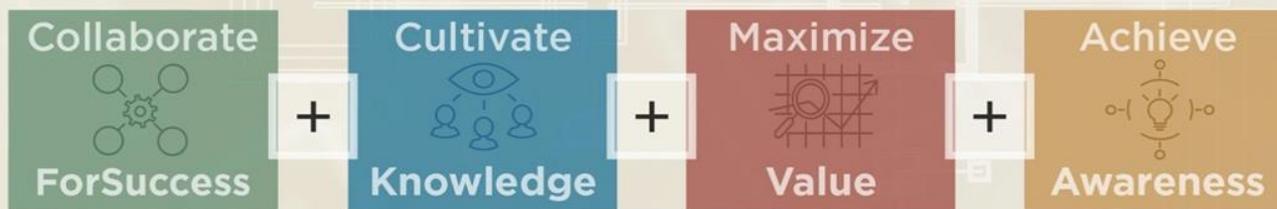
“The Contracting Officer will determine best value to the government based on the highest technically rated companies whose prices are found to be fair and reasonable including discounts offered. Companies who offer no discounts may result in a determination that the prices quoted are not fair and reasonable for BPA establishment purposes”

- *Disclaimer: The above method is not without some risk because it has not been tested in GAO or the courts, thus we cannot be certain of how it would be ruled upon if protested.*



## Pro Tips on Establishing BPAs for PS continued

- Award minimum discount percentages (not prices) in the BPA (see [www.gsa.gov/pmcpibpa](http://www.gsa.gov/pmcpibpa) for an example)
  - BPA order prices are simply discounted from the MAS contract prices that exist at time of BPA order
  - BPA can take advantage of labor category additions and price reductions in the MAS contract without the burden of modifying the BPA
  - Employs the **S**trategic **N**on-value **A**dded **T**ask **A**voidance (SNATA) principle by eliminating labor category and price administration in the BPA



## Pro Tip on Eliminating BPA Option Exercise Administrative Burden

Regarding Multiple-Award BPAs

### ➤ [FAR 8.405-3\(d\)\(1\)](#)

- (1) Multiple-award BPAs generally should not exceed five years in length, but may do so to meet program requirements

### ➤ No need for Option Periods.

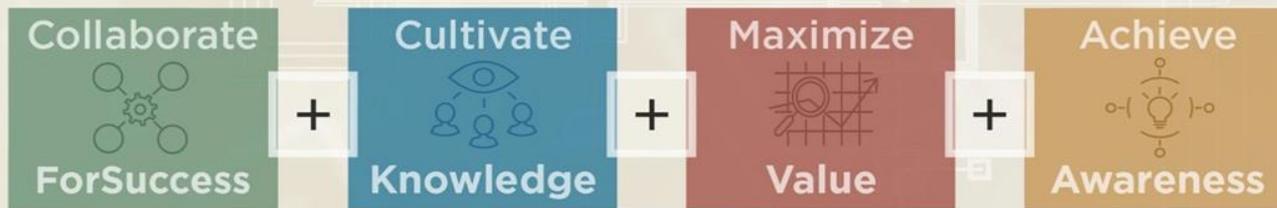
- If your BPA is 3 years make the ordering period 3 years
- If it is 5 years make it 5 years

### ➤ Concerned about poor performers ?

- Simply include cancellation language in the BPA

### ➤ Always employ the **Strategic Non-value Added Task Avoidance (SNATA)** principle whenever possible

- Eliminating the administrative burden of option exercise determinations and documentation saves time!



## Pro Tip on Duration for Maximizing Competition

Regarding Multiple-Award BPAs

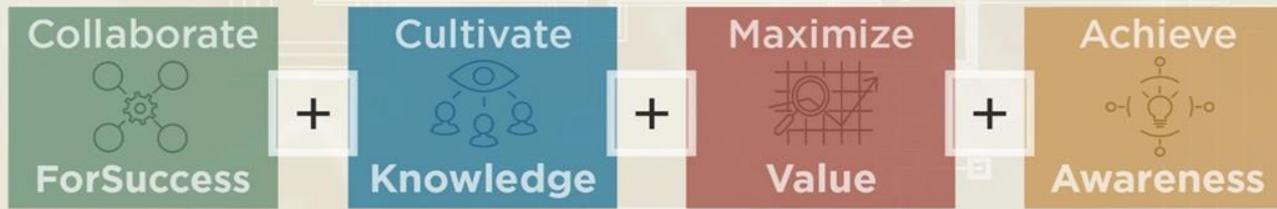
### ➤ [FAR 8.405-3\(d\)\(3\)](#)

- (3) Contractors may be awarded BPAs that extend beyond the current term of their GSA Schedule contract, so long as there are option periods in their GSA Schedule contract that, if exercised, **will cover the BPA's period of performance.**

### ➤ Simply make the BPA period Five Years “or less”

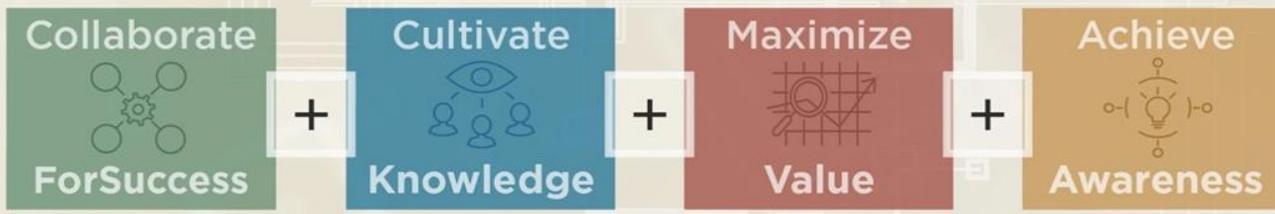
*The duration of the BPA is from the date of award to five (5) years thereafter unless the BPA is cancelled or expires. A BPA expires when the Contractor's GSA MAS contract, which the BPA is predicated upon, expires.*

*Orders can be issued only against active BPAs. Orders issued will have their own period of performance. Orders issued prior to but not completed before the BPA expires shall be completed (including any order options) in accordance with the BPA Contractor's GSA Schedule contract FAR Clause 52.216-22.*



# How do I order against a BPA?

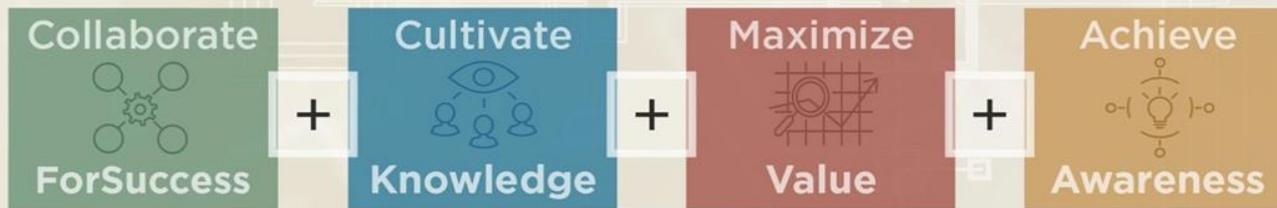
## ORDERING PROCEDURES



## BPA Ordering Procedures – FAR Subpart 8.405-3(c)(2)

### Procedures for Ordering from Multiple-Award Schedule BPAs (FAR 8.405-3(c))

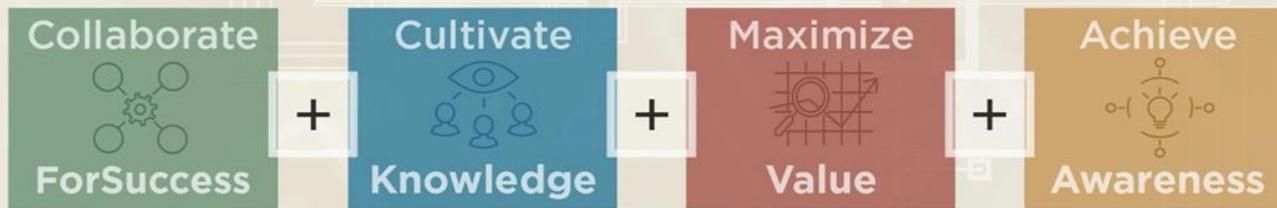




## BPA Ordering Procedures, Cont.

### Additional Procedures for Hourly-Rate Services - FAR 8.405-3(c)(3)

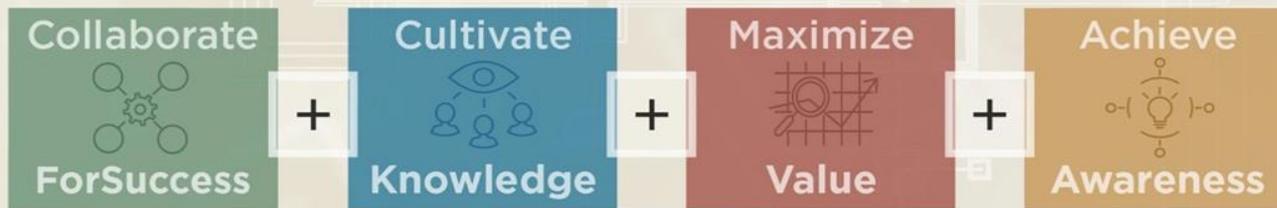
- Ordering activity shall develop a statement of work for each order.
- Ordering activities should place these orders on a Firm Fixed-Price basis.
- For T&M and LH orders, the Contracting Officer shall follow the procedures at FAR 8.404(h). (Requires D&F)
- All orders under the BPA shall specify a price for the performance of the tasks identified in the statement of work.
- Ordering activity is responsible for considering the level of effort and the mix of labor to determine overall price reasonableness.



## Limiting Sources (8.405-6)

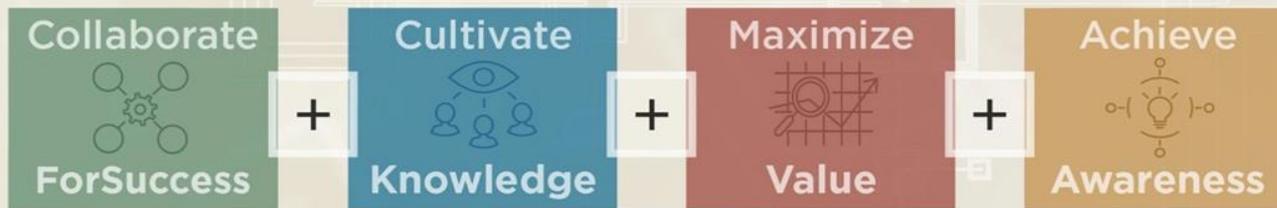
### Questions to Determine if Competition is Restricted

- Is the SOW or PWS narrowly defined with overly restrictive specifications or performance standards?
- Is the order written in such a way as to create a continuous arrangement with the same contractor?
- Does one of the conditions in FAR 8.405-6 apply, and is the reason well documented?
- Is it a brand name only requirement ?



## Exceptions Allowing Limited Source Orders

- An urgent and compelling need exists.
- Only one source is capable of providing the supplies or services.
- The new work is logical follow-on work to an original Schedule order.



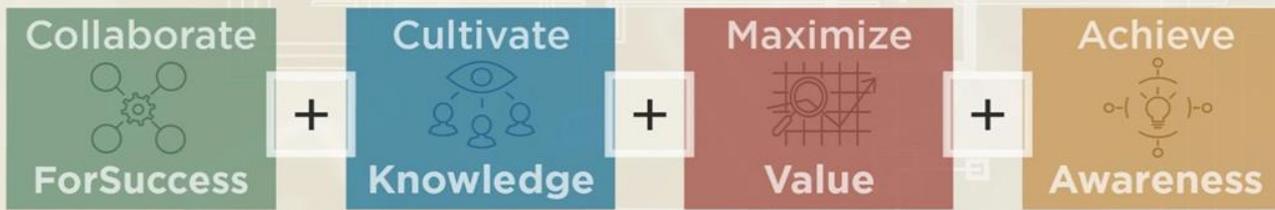
# Limited Sources Justification (LSJ) Requirements

## Limited Source Order/BPA (8.405-6(a)) (Sole Source)

Threshold	LSJ Required	FBO Posting Required
Exceeds SAT	Yes	Yes
Micro – SAT	Document Circumstances – not a full blown LSJ	No
Below Micro-Purchase	No	No

Posting requirements: Within 14 days\* after placing an order or establishing a BPA exceeding the simplified acquisition threshold that is supported by a limited-sources justification the ordering activity shall: \*30 days for urgent buys

- ❑ Publish a notice in accordance with FAR Subpart 5.301 and
- ❑ Post the justification:
  - At [www.fedbizopps.gov](http://www.fedbizopps.gov) and
  - On the website of the ordering activity agency, which may provide access to the justification by linking to FedBizOpps, and
  - For a minimum of 30 days.



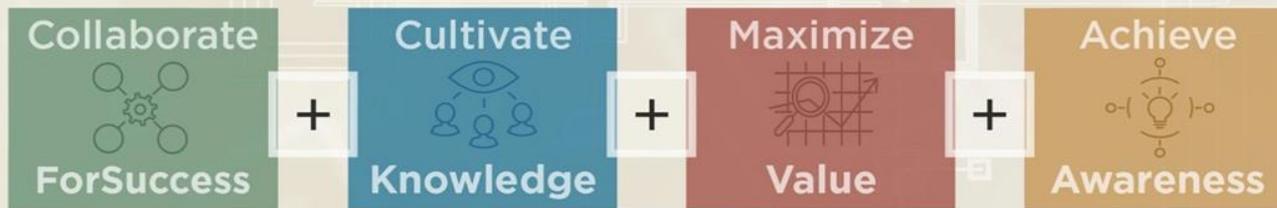
# Limited Sources Justification (LSJ) Requirements, Cont.

## Brand Name Only (8.405-6(b))

Threshold	LSJ Required	eBuy Posting Required
Exceeds SAT	Yes	Yes - eBuy
\$25k – SAT	Document Circumstances – not a full blown LSJ	Yes - eBuy
Micro - \$25k	Document Circumstances – not a full blown LSJ	No
Below Micro-purchase	No	No

Posting requirements: The ordering activity shall post the following information along with the Request for Quotation (RFQ) to e-Buy (NOT FBO):

- ❑ For proposed orders or BPAs with an estimated value exceeding \$25,000, but not exceeding the simplified acquisition threshold, Contracting Officer shall document the file.
- ❑ For proposed orders or BPAs with an estimated value exceeding the simplified acquisition threshold, Limited Sources Justification.



## Exceptions to Posting of Limited Sources Justifications



Justification for limited source orders must be published with the RFQ on eBuy unless:

- Disclosure would compromise the national security or create other security risks.
- The file size or format does not make it cost-effective or practicable for eBuy.
- Agency Senior Procurement Executive makes a written determination that access through eBuy is not in the Government's interest.



# Limited Sources Justification Approval Requirements

Exceeding \$68 Million  
(\$90M NASA, DOD, USCG)

- Approval of Agency senior procurement executive

\$13.5 Million - \$68 Million  
(\$90M NASA, DOD, USCG)

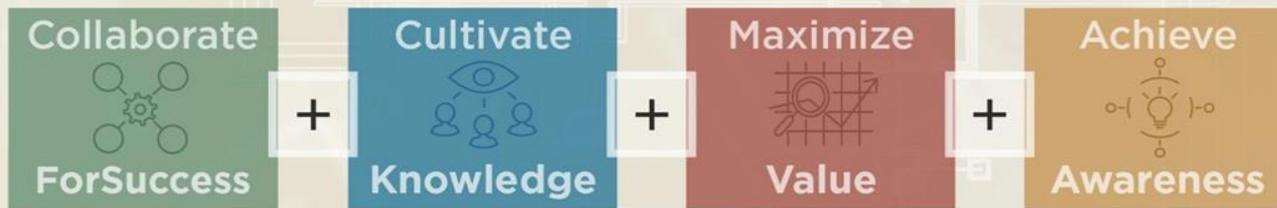
- Head of the ordering activity
- (or his designee above the grade of GS-15 or a military flag officer)

\$700,000 - \$13.5 Million

- Approval of OA competition advocate or head of the ordering activity
- (or his designee above the grade of GS-15 or a military flag officer)

Up to \$700,000

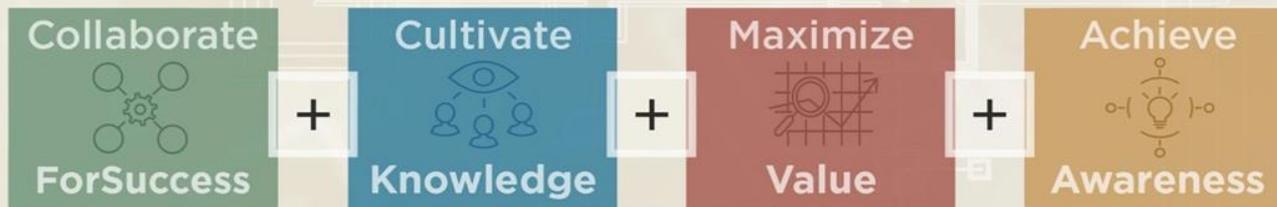
- Ordering activity (OA) Contracting Officer certification that justification is accurate and complete to best of their knowledge and belief.



## Summary

You should now be able to:

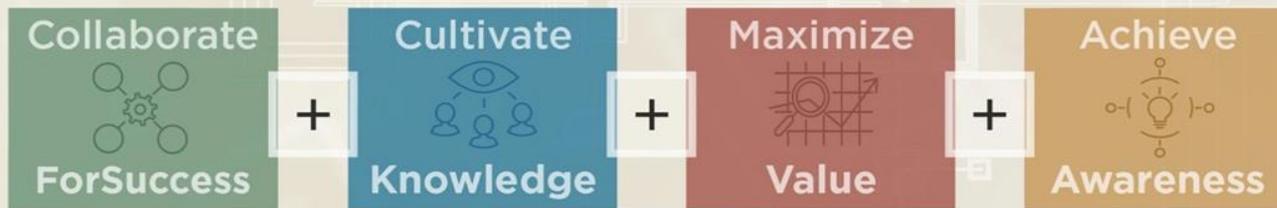
- Describe the role of a Blanket Purchase Agreement (BPA) in the MAS program
- Describe the process and requirements used to establish BPAs
- Recognize the ordering procedures for BPAs



## BPA Web Resources



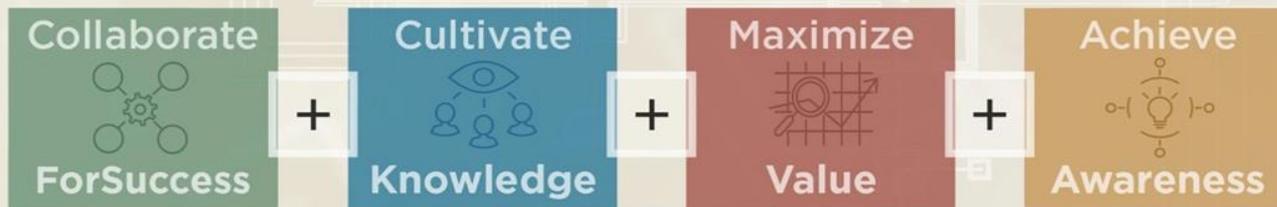
- Blanket Purchase Agreements: <http://www.gsa.gov/bpa>
- Sample BPA Format:  
[http://www.gsa.gov/graphics/fas/BPA\\_Sample\\_Format.doc](http://www.gsa.gov/graphics/fas/BPA_Sample_Format.doc)
- Establishment of BPAs: <http://www.gsa.gov/bpaestablishment>
- Ordering from BPAs: <http://www.gsa.gov/bpaordering>
- Price Reductions: <http://www.gsa.gov/portal/content/200397>
- Documentation: <http://www.gsa.gov/bpadocumentation>
- BPA Frequently Asked Questions:  
<http://www.gsa.gov/portal/content/200549>
- Example Government-wide BPA: [www.gsa.gov/pmcpibpa](http://www.gsa.gov/pmcpibpa)



## MAS Web Resources



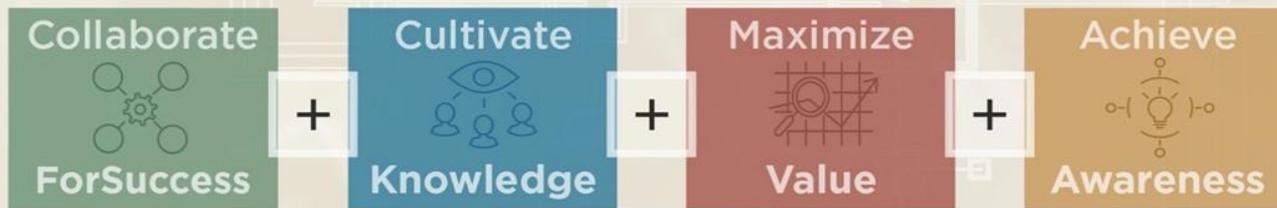
- Multiple Award Schedules [www.gsa.gov/schedules](http://www.gsa.gov/schedules)
- eLibrary [www.gsaelibrary.gsa.gov](http://www.gsaelibrary.gsa.gov)
- GSA *Advantage!* [www.gsaadvantage.gov](http://www.gsaadvantage.gov)
- eBuy [www.ebuy.gsa.gov](http://www.ebuy.gsa.gov)
- MAS News & Training [www.gsa.gov/masnews](http://www.gsa.gov/masnews)
- MAS Training Student Guides <https://www.gsa.gov/portal/content/141427>
- MAS Small Business Utilization [www.gsa.gov/schedulesandsbgoals](http://www.gsa.gov/schedulesandsbgoals)



## MAS Webinars and Online Training

- Monthly Webinars sponsored by the MAS Program Office [www.gsa.gov/masnews](http://www.gsa.gov/masnews) (scroll toward bottom)
- Training Videos - <http://www.gsa.gov/portal/content/210517>
- Continuous Learning Modules
  - Federal Acquisition Institute
  - Defense Acquisition University
    - <http://icatalog.dau.mil/> Search for continuous learning modules with FAC prefix (e.g. [FAC 048 The GSA MAS Program: Buying Services Through GSA Schedules](#) )





# MAS Desk Reference

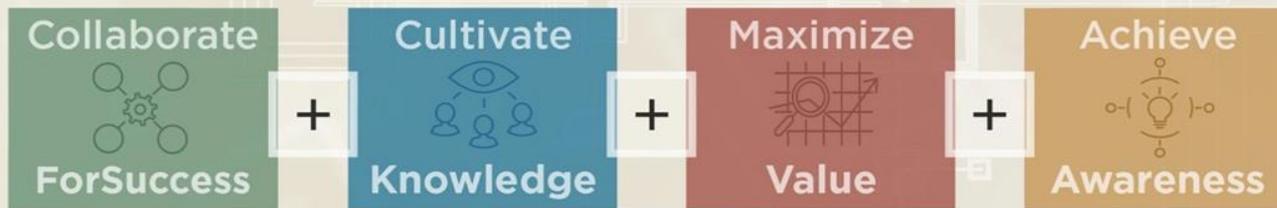


## MAS Desk Reference

Online at  
[www.gsa.gov/masdeskreference](http://www.gsa.gov/masdeskreference)

Hard copy available  
through CMLS

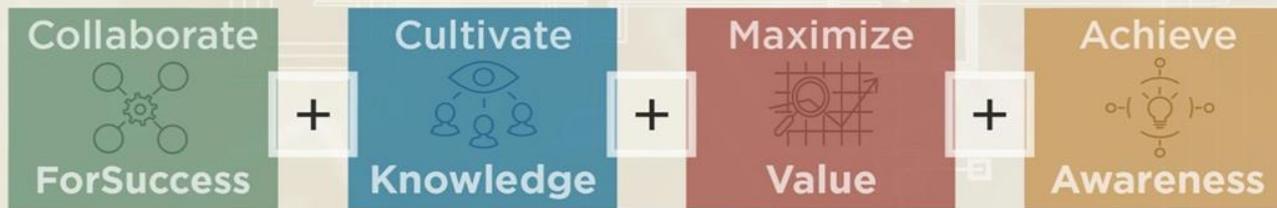
[www.gsa.gov/cmls](http://www.gsa.gov/cmls)



## Additional Web Resources



- Acquisition Gateway <https://hallways.cap.gsa.gov/login-information>
- Professional Services Schedule [www.gsa.gov/psschedule](http://www.gsa.gov/psschedule)
- CALC Pricing Tool <https://calc.gsa.gov>
- Interagency Contract Directory <https://contractdirectory.gov/contractdirectory/>
- Professional Services Category (PSC) Interact Community <https://interact.gsa.gov/groups/professionalservicescategory>



## Interact Blog Post Highlights



- Services Ordering Solutions-Table of Contents <https://interact.gsa.gov/blog/services-ordering-solutions-table-contents#h.xhq22pjvx01n>
- Catalog of Sample Terminology for RFQs/Orders <https://interact.gsa.gov/blog/catalogue-sample-terminology-rfqorders>
- RFQ not RFP for FSS orders <https://interact.gsa.gov/wiki/its-rfq-quote-rather-rfp-offer-when-talking-about-orders-against-schedules-far-84>
- Avoid using FAR 15 Terminology <https://interact.gsa.gov/blog/avoid-far-part-15-terminology-just-say-no-%E2%80%9Cdiscussions%E2%80%9D-and-follow-suggested-rfq-language>
- FAR 12 Vs FAR Subpart 8.4. Who wins? <https://interact.gsa.gov/node/454788>
- PSS Order NAICS codes and set-asides <https://interact.gsa.gov/document/pss-order-naics-codes-and-set-asides>

