




OCT 26 2005

GSA Office of the Chief Acquisition Officer

MEMORANDUM FOR JERRY ZAFFOS
DIRECTOR
CONTRACT POLICY DIVISION

FROM:  RALPH J. DESTEFANO, DIRECTOR
REGULATORY AND FEDERAL ASSISTANCE
DIVISION

SUBJECT: GSAR Notice 2005-N02, White Paper -- Adding Ancillary Repair and Alteration Services to the GSA Schedules Program

Attached are comments received on the subject GSAR Notice published at 70 FR 48953; August 22, 2005. The comment closing date was October 21, 2005.

<u>Response Number</u>	<u>Date Received</u>	<u>Comment Date</u>	<u>Commenter</u>
2005-N02-1	10/18/05	10/18/05	AIA
2005-N02-2	10/18/05	10/18/05	Global Prevention Services
2005-N02-3	10/21/05	10/21/05	Coalition for Government Procurement
2005-N02-4	10/21/05	10/21/05	The Management Services Center (GSA, FSS, Reg.10)
2005-N02-5	10/21/05	10/21/05	GSA (OIG)
2005-N02-6	10/24/05	10/24/05	Siemens Building Technologies, Inc.
2005-N02-7	10/24/05	10/24/05	GSA,FSS, Center for Facilities Maintenance and Hardware

Attachments

U.S. General Services Administration
1800 F Street, NW
Washington, DC 20405-0002
www.gsa.gov

GSAR-2005-N02-1



October 18, 2005

General Services Administration
Regulatory Secretariat (VIR)
1800 F Street, NW, Room 4035
ATTN: Laurieann Duarte
Washington, DC 20405

**Comments: GSAR 2005-N02
White Paper - Adding Ancillary Repair and Alteration Services to
the GSA Schedules Program**

Dear Ms. Duarte:

The American Institute of Architects (AIA) represents the professional interests of America's architects. As AIA members, more than 75,000 licensed architects and allied design professionals express their commitment to excellence in design and livability in our nation's buildings and cities. Members adhere to a code of ethics and professional conduct that assures the client, the public, and colleagues of an AIA member architect's dedication to the highest standards in professional practice.

The AIA hereby submits comments to the GSA notice GSAR 2005-N02, "White Paper - Adding Ancillary Repair and Alteration Services to the GSA Schedules Program."

Architects are committed to working with the GSA and other federal agencies to design and build facilities that exemplify the dignity and vigor of the government and that protect the health, safety and welfare of the millions of Americans who use federal facilities each day. Architects are uniquely trained to address all issues of a design project's program from its inception, from environmental sustainability to accessibility to safety and security. Some of the greatest examples of civic architecture in this nation are the direct result of a collaborative process between the government and a qualified architect.

The AIA strongly supports the use of qualifications-based selection (QBS) for the procurement of professional architectural and engineering (A/E) services for public

GSA
2005-102-1

projects and fought for enactment of the Brooks Architect/Engineer Act (P.L. 92-582, 40 U.S.C. 1101 et seq.) in 1972. Using qualified architects and engineers ensures that government facilities will be built using the highest design, engineering and construction standards available. Congressional reports have found that price-based selection of A/E services diminished the quality of design received by the Federal government and jeopardizes public health, welfare and safety, and an AIA report found that QBS was more efficient and less costly to state governments than a low-bid process.

In recent years, architects, engineers, surveyors, mapping professionals and others covered by the QBS and P.L. 92-582 have expressed a growing concern that Federal agencies are violating P.L. 92-582 by procuring A/E services through means other than QBS. Examples of these violations include instances of agencies procuring A/E services through GSA multiple award schedules that award contracts based on price and other factors rather than utilizing the statutorily mandated QBS process, and, in turn, allowing contractors to subcontract A/E services to firms without using QBS. In addition, a number of multiple award schedules have invited abuse of P.L. 92-582 without establishing any corresponding enforcement mechanism to prevent statutory violations.

Despite the clear statutory language of P.L. 92-582, the GSA has continued to allow A/E services to be awarded under multiple award schedules, in particular the Professional Engineering (871), Information Technology (70), Environmental Services (899), and the Comprehensive Furniture Management Services (71-II-K) Schedules. The Professional Engineering schedule, for example, lists chemical, civil, electrical, and mechanical engineering, and surveying as services provided under the Schedule. The schedule further identifies numerous services that can be acquired under the Schedule, including performing studies, testing and evaluation, that are clearly defined in 40 U.S.C. 1102 (2) as services subject to P.L. 92-582.

The AIA is also aware of other instances of agencies violating P.L. 92-582 by awarding multiple-year design-build contracts with multiple extension options that involve A/E services based upon price rather than qualifications; and by awarding indefinite delivery-indefinite quantity (IDIQ) contracts to multiple firms and then requiring the firms to compete against one another based upon price to perform the actual work.

In addition, although the GSA tacitly recognizes its obligation to comply with P.L. 92-582 by providing disclaimers on its schedules to inform agencies that A/E services must be procured pursuant to the QBS procedures outlined under FAR 36.6, there is no evidence to suggest that agencies are following this information, and there exists no method at this point in time for the GSA to enforce it.

GSA
2005-102-1

The GSA White Paper on Ancillary Services

On August 22, 2005, the GSA published a notice in the Federal Register with a request for comments on its "White Paper" discussing the possibility of adding "ancillary" repair and alteration (R&A) services to its schedules program. In support of its proposed action, the GSA explains that R&A work is often necessary to fully accommodate the acquisition of a number of the commercial supplies and services currently subject to its schedules program. The Federal Acquisition Regulation (FAR), however, identifies R&A as a subset of construction services. As such, the GSA has been unable to include R&A work in the task orders issued for the primary products and services acquired under the schedules program.

The White Paper presents the GSA's case for providing a "fully-integrated solution" to its agency clients and eliminating the need for a separate procurement for R&A work. The GSA contends that if a rule is ultimately adopted, the schedules program would be used only to incorporate extremely minor construction work into the primary procurement of supplies and services. The GSA's White Paper also identifies certain issues presented by the proposed purchase of construction services pursuant to the schedules program.

First, the GSA concedes that it must somehow address the requirements for compliance with statutes not necessary implicated by other procurements under the schedules program, including the Davis Bacon Act, Copeland Act, Contract Work Hours and Safety Standards Act, Miller Act and others. However, it fails to specifically note or seek to address the relationship between an ancillary R&A schedule and P.L. 92-582. This suggests that the authors of this White Paper either do not anticipate that the work to be acquired is not covered by P.L. 92-582 or that they simply did not focus on the applicability of P.L. 92-582 to R&A services. Unfortunately, experience has shown that agencies, through the use of schedules, simply fail to comply with the requirements of P.L. 92-582.

In addition to determining how to address statutory requirements, the GSA is also contemplating various methods for pricing R&A services. Those alternatives include awarding the R&A Schedule contracts without specific pricing and allowing the agency customers to negotiate pricing based on labor rates at the contract level or allow firms to propose various pricing strategies. Again, there is no mention in the White Paper of how the schedule would address services that by statute fall under the qualifications-based selection requirements of P.L. 92-582 and FAR 36.6.

GSA
2005-102-1

The GSA's White Paper implies that the contemplated scope of R&A services that would be the subject of any rule would be extremely limited. For instance, the GSA's example of the need for the authority to add these services is based on a scenario where the primary purchase is for furniture or computers, necessitating minor building alterations to accommodate the equipment. According to the GSA, these alterations may include relocation of walls or installation of network cables and other electrical work necessary to accommodate the purchases.

However, the GSA's rationale for proposing the addition of ancillary R&A services to the schedules program is equally apt for design professionals. For instance, acquisition of substantial quantities of computer equipment could necessitate a major renovation of a building or its HVAC systems. Such renovation would presumably require the expertise of a design professional. To the extent that the GSA is truly striving for a "fully-integrated" solution, design services would be added to the effort.

This expansive reading of the GSA's ability to ultimately use the Schedules Program to procure certain architect and engineer services is indirectly supported by a government memorandum referenced in the GSA's White Paper. The "Memorandum for Agency Senior Procurement Executives from Angela Styles, Former Office of Federal Procurement Policy Administrator," (July 3, 2003) addresses the propriety of procuring certain service acquisitions under FAR Part 12 as opposed to FAR Part 36. Part 36 prescribes policies and procedures applicable to both "construction and architect-engineer contracts." As such, it appears that the GSA's justification for adding certain construction services to the Schedules Program would apply equally to the services of design professionals, to the extent that the services are ancillary to a primary purchase of goods or services under the Schedules Program and are deemed necessary to provide an "integrated solution" to the GSA's customers.

The concern that a repair and alteration schedule may be used by agencies for design work that is supposed to be contracted via FAR 36 is also validated by the White Paper's suggestion that agencies seeking to use an R&A schedule be instructed that "All work shall be in strict accordance with 'Building Standards.' . . . Work shall have no impact on historical preservation elements or historic zones. . . . [and] Work shall meet all applicable building codes, including but not limited to egress and fire safety standards."

The fact that the White Paper suggests that such work may have an impact on health and safety, building codes, and historic properties means that the GSA acknowledges that the schedule could very well be used for projects that require the involvement of a qualified design professional. And yet the White Paper provides no mechanism for enforcing such instructions. Architects are the only professionals who are trained to understand how all

GSA
2005-102-1

elements of the built environment protect the public's health and safety. They have unique understanding of building codes and historic preservation. Any federal design or construction work, including repair and alteration, that impacts building codes, historic properties or the health and safety of building occupants must be performed according to the policies and procedures set forth in FAR 36.6.

Conclusion

The GSA's proposed addition of R&A services to its schedules program, without a detailed plan for ensuring compliance with existing statutory requirements, is deeply troubling. While small general and specialty trade contractors will suffer the most immediate impact of any rule, it is likely that agencies will utilize the new schedule to procure more significant construction and design services through the price-based schedules program rather than rely on P.L. 92-582 mandatory requirements.

The AIA is concerned by GSA's apparent refusal to acknowledge the serious violations of P.L. 92-582 that currently occur under their schedules. This proposal would simply add to the problem by creating yet another schedule that would invite such abuse. The AIA recognizes the need to provide federal agencies with "integrated solutions" to their facility needs and has supported the use of alternative project delivery vehicles that allow for integrated solutions that save time and money without compromising the quality of work. Although there certainly are instances when federal agencies would benefit from an ancillary R&A schedule if they follow the law, without an effective enforcement mechanism such a schedule will become merely another avenue for agencies to avoid compliance with federal statute and the FAR, with the result being a clear diminution in the quality of architectural and engineering services the government acquires.

The AIA therefore believes that before adding new schedules that will invite violations of P.L. 92-582, the GSA must establish procedures to ensure compliance with P.L. 92-582 by taking the following steps:

- The GSA must step up its enforcement efforts to ensure that existing multiple award schedules are not exploited by agencies to bypass QBS procedures.
- All A/E services currently offered under multiple award schedules, in particular the Professional Engineering (871), Information Technology (70), Environmental Services (899), and the Comprehensive Furniture Management Services (71-II-K) Schedules, must be removed from the Schedules.

GSA
2005-102-1

- The GSA must work to end abuses of multi-year IDIQ contracts and design-build contracts that allow agencies to circumvent P.L. 92-582.
- The GSA must provide clear advice and training for all contracting officers across the federal government, via its "Get It Right" program or other vehicles, about current law and the requirement that A/E services be acquired exclusively through the QBS procedures outlined in FAR 36.6.

The AIA stands ready to work with the GSA to ensure that the government continues to acquire architectural and engineering services based upon qualifications, helping to protect the health, safety and welfare of the millions of federal employees and members of the public who use federal facilities.

Sincerely,

Andrew L. Goldberg, Assoc. AIA
Manager, Federal Regulatory Activities



"Lovisa Muldrow"
<lm@nomold.com>
10/18/2005 12:25 PM

To: gsarnotice.2005-n02@gsa.gov
CC:
Subject: GSAR NOTICE 2005 - N02

GSAR

2005-1102-2

Dear Sir or Madam:

Global Prevention Services is a GSA Contract holder (GS-06F-0033R) and appreciates the opportunity to provide you with our collective and professional opinion for your consideration in regards to adding "Repair and Alterations" to your schedule.

Global Prevention Services' position firmly supports this addition as a reasonable and necessary improvement to the schedule. There are consistent needs which our company could fulfill which are directly associated with our already "approved" services within our Contract. These additional services are normal and customary work performed for our current commercial and residential clients and should be made available to the government for consistency and efficiency. Customers continuously look to the O3FAC to provide work that is critical to their missions and in support of their quality of life initiatives. The addition of "Repair and Alterations" will further allow the customer to utilize the schedule fully, thereby producing valuable time that can be spent on other mission essential aspects of their agencies. Inclusion of "Repair and Alterations" to the existing Facilities Maintenance and Management schedule provides the customer with critical solutions to their overall maintenance problems. Since this parallel work is routinely required when facilities are being maintained, it makes great sense to allow for pre-approved, quality vendors to fulfill such requirements.

Sincerely,

Lovisa Muldrow
Assistant to the President
Global Prevention Services
7950 E. Acoma Dr. Ste 100
Scottsdale, AZ 85260
480-951-3600 direct line
480-951-6565 fax line

GSAR
2005-1102-3

COALITION FOR GOVERNMENT PROCUREMENT
1990 M STREET, NW,
SUITE 400
WASHINGTON, D.C. 20036
202-331-0975

October 21, 2005

General Services Administration
Regulatory Secretariat (VIR)
1800 F Street, NW
Room 4035
Washington, D.C 20405
ATTN: Ms. Laurieann Duarte

Reference: GSAR Notice 2005-N02

Dear Ms. Duarte:

The Coalition for Government Procurement (Coalition) appreciates this opportunity to comment on the GSAR Notice 2005-N02 released by the General Services Administration (GSA) Office of the Chief Acquisition Officer (CAO), dated August 22, 2005. This Notice seeks commentary on the addition of Ancillary Repair and Alteration (R&A) services to the Federal Supply Schedules program, and it is rooted in GSA's experience over the past several years. During this time, GSA has become aware of a growing number of agency requirements that fall within the scope of the GSA Schedules Program, but which also require ancillary R&A services. Because the GSA Schedules have not provided a means through which agencies could obtain these combined requirements, consideration is being given to adding ancillary R&A services to the GSA Schedules Program, thereby affording a one-stop, total solution to agencies.

The classification of certain construction activities as a commercial item has been a matter for public debate for several years, and, consistent with the foundational principles of our association, the Coalition has sought to add a collaborative voice to the discussion. The Coalition represents over 300 companies selling commercial services and products to the federal government. Our members include large, medium, and small firms from a wide variety of industry segments, and collectively, they account for over \$20 billion in sales to the US government each year and approximately 70% of the sales made through GSA's Multiple Award Schedule program. Since 1979 we have worked *with* leaders in government to institute common sense procurement practices.

The Coalition generally supports the addition of ancillary R&A services to the Schedules program. From the standpoint of the Coalition's members, GSA's consideration of the addition of ancillary R&A services to the Schedules takes place against the backdrop of

GSAC
2005-102-3

significant, long-standing policy in the area of construction contracts. Under the Brooks Architect-Engineers Act (Brooks A&E Act) (40 USC 1101-1104), it is the long-held policy of the government to procure architecture and engineering services, which are linked virtually inextricably with construction projects, after public announcement of the requirement through contracts negotiated “on the basis of demonstrated competence and qualification for the type of professional services required and at fair and reasonable prices.” 40 USC 1101. The rationale for this type of “best-value,” quality-based procurement process is to avoid creating an environment where firms competing for these unique services felt the need to compromise construction quality in order to meet a “low bid” price. The adherence to this policy, however, is not to say that price is an unimportant factor. The agency still must negotiate “fair and reasonable” pricing, the determination of which must include consideration of the “scope, complexity, professional nature, and estimated value of the services to be rendered.” *Id.* at 1104.

In light of the forgoing, any amendment to the Schedules program to include ancillary R&A services should take care not to run afoul of the express law and public policy in this area. The Coalition understands, respects, and supports the legitimate desire of the government to implement minor ancillary repairs that commonly are provided in the commercial marketplace without the professional expertise of an architect and/or engineer, but the language and process utilized to obtain these services should be formulated in a manner that safeguards the integrity and application of the Brooks A&E Act process. Failure to do so could subject the government to construction calamities that threaten life and infrastructure.

The Brooks A&E Act, itself, provides useful guidance for the government in its endeavor to add ancillary R&A services to the Schedules. The Act defines architecture and engineering services, in relevant part, as:

[P]rofessional services of an architectural or engineering nature, as defined by state law, if applicable, that *are required to be performed or approved by a person licensed, registered, or certified to provide the services...*; professional services of an architectural or engineering nature performed by contract that are associated with research, planning, development, design, construction, alteration, or repair of real property; and ... *other professional services of an architectural or engineering nature, or incidental services, which members of the architectural and engineering professions (and individuals in their employ) may logically or justifiably perform*, including studies, investigations, surveying and mapping, tests, evaluations, consultations, *comprehensive planning*, program management, *conceptual designs, plans and specifications*, value engineering, construction phase services, soils engineering, drawing reviews, preparation of operating and maintenance manuals, and other *related services*.

40 USC 1102(2)(A)-(C). (Emphasis added)

G SAR
2005-102-3

Under this statutory regime, it is clear that any construction activity at any level that requires the services of an architect or engineer must be conducted under the Brooks A&E Act. Under these circumstances, then, it is clear that language adding ancillary R&A services to the Schedules need only expressly distinguish these services from redesign projects and services, in other words, truly “ancillary” to an overarching acquisition of primary supplies or services. This distinction is not unimportant; indeed, without this distinction, the government runs the risk of having one of its most successful programs used as a mechanism to circumvent longstanding law and policy. Abusing the Schedules as such a loophole would conflict with GSA’s significant efforts at reform, such as the “Get It Right” Program.

To further ensure that the policy for acquiring A&E services is safeguarded, the Coalition recommends that the government implement a Special Item Number (SIN) for ancillary R&A services. To begin with, once a clear definition of the scope of these services that respects the Brooks A&E Act regime is crafted, the identification of a SIN would allow for its easy replication throughout the program without any risk of a conflicting interpretation that would violate law and policy. The SIN would exist as a standard independent of the primary supplies or services being acquired, and thus, insulated from misinterpretation and/or abuse based on the context of the acquisition. In short, utilization of a SIN would yield a simple analysis: Whether or not the R&A services are ancillary and require the expertise of an architect and/or engineer.

The Coalition also believes that the implementation of a SIN for ancillary R&A services is preferable to the creation of a separate schedule for these services. The creation of a separate schedule might raise confusion in the agency community as to the exact scope of the Schedules program in this regard and result in primary, not ancillary, R&A acquisitions being procured outside the legitimate statutory framework that exists for the purchase of such services. Indeed, one might argue that these R&A services acquisitions could not truly be ancillary to the primary acquisition of supplies or other services if they are unique enough to warrant a whole, separate schedule unto themselves.

Although the Coalition supports long-standing law that is in place to govern the acquisition of construction services, we ask that you recognize that our discussion herein is not merely a default to process. Certainly, laws must be obeyed, but the Coalition roots its concerns not only in the Brooks A&E Act, but also in the public policy that underlies that Act. Unlike many other acquisitions, a failure to remain faithful to the intent of Congress here implicates the lives of government employees and citizens. We believe that our level of scrupulosity under these circumstances must be heightened.

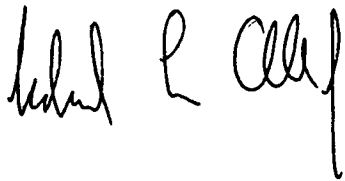
In summary, the Coalition supports the government’s effort to add ancillary R&A services to the Schedules program. In so doing, the government needs to distinguish these services clearly so that they are not confused with redesign services and other construction activities that, for long-standing public policy reasons, must be procured in accordance with the Brooks A&E Act. Likewise, to implement the acquisition of ancillary R&A services on the Schedules, the Coalition believes that the identification of a SIN for these services is the optimal approach. A SIN allows for standardization of the

GSAR
2005-N02-3

services across the primary purchases to which their acquisition would be ancillary, and otherwise avoid the confusion and improper procurement practices that could arise with the creation of a separate schedule for them.

The Coalition appreciates the opportunity to submit these comments on GSAR Notice 2005-N02 and to collaborate with GSA as it continues to bring efficiency to the government procurement process. Should you have any questions or concerns regarding this submission, please contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward L. Allen". The signature is written in a cursive style with a large initial "E" and "A".

Edward L. Allen
Executive Vice President

GSAR
2005-N02-4



Geraldine L. Watson
10/21/2005 09:40 AM

To: gsarnotice.2005-N02@gsa.gov
CC:
Subject: GSAR Notice2005-N02

Respectfully, The Management Services Center, GSA, FSS, Region 10 submits the following comments on subject Federal Register Notice regarding Adding Ancillary Repair and Alteration services to the General Services Administration Schedules Program. Should you have any questions, please let us know. Thank you.

Geraldine L. Watson
Director, Management Services Center
Federal Supply Service, R10
(253) 931-7040

MSC's Comments:

Two Management Services Center Schedules that would benefit most from the addition of Repair and Alteration Services (R&A) to the Schedules Program is the Environmental Services Schedule 899 and the Logistics Worldwide Schedule 874 V. Additionally, having that capability as part of the Consolidated Schedule would also improve the ability to provide Customer focused total solutions.

Overcoming issues and objections related to adding Repair and Alteration to the GSA Schedules is important because it would simplify Agencies use of the schedules for various needs and provide more comprehensive solutions. It would make the schedules more valuable as a contracting tool to the consumers because it would reduce the number of contracts they need to use/create to satisfy a mission requirement.

Statutory/Regulatory Requirements

1. Would it be more advantageous to incorporate and apply the Davis-Bacon Act requirement at the contract level or order level?

The Davis-Bacon Act, Copeland Act, and Contract Work Hours and Safety Standards Act should be incorporated at the contract level to retain the streamlined value of the schedule contracts.

2. To comply with the Miller Act, should contractors be required to obtain the necessary bonds as a condition for contract award or should this be a requirement imposed only at the time of order placement?

Bonds should be handled at the task order level and only required when orders are placed.

GSA
2025-1102-4

3. Other than those addressed above, are there other significant statutory or regulatory requirements that apply to R&A services contracts? No Comment

Contract Scope and Its Impact on Competition

4. Do construction firms typically conduct their business within a specific geographic area? If so, what is the usual scope of that geographic area? No Comment

5. What impact would retaining a worldwide scope when adding R&A services to the Schedules have on the construction industry and on competition among contractors interested in participating in the program? In particular, what would be the impact on current GSA Schedule contractors that are small businesses?

The first question appears to assume that construction firms are going to serve as Schedule prime contractors rather than subcontractors. Since R&A services are defined as ancillary, construction firms should be expected to be used as subcontractors. As for the second question, we already have small businesses doing remediation services (Schedule 899) on a domestic basis, so we do not see the need to add a regional category. Companies that quote on RFQs are expected to be able to perform at the required location, or they should not quote.

6. Would changing the contract scope specifically for R&A services from worldwide to regional (covering major metropolitan areas) afford small firms a better opportunity to compete for business under the GSA Schedules Program?

Schedule contracts are awarded on the basis of domestic (national) or worldwide delivery. We already have small businesses doing remediation services (Schedule 899) on a domestic basis, so we do not see the need to add a regional category. Companies that quote on RFQs are expected to be able to perform at the required location, or they should not quote. We would need some definition of "major metropolitan areas" to evaluate how this would affect our existing contractor base. Is the goal is to get more small businesses as schedule contractors or to open up more Federal work for small businesses? We expect that R&A work will often be best performed by small businesses that are subcontractors for Schedule contractors.

7. R&A services can include various types of work on a particular building or site that is dedicated to and deemed a part of the worksite. Should limitations be included in the SOW contained within the Schedule solicitation? If so, please provide suggested language. No Comment

Pricing

gpa
2015-1102-4

8. Can GSA apply the same pricing methodology of negotiating Most Favored Customer pricing to R&A service contracts? Does the construction industry have different categories of customer for pricing purpose, such as a Most Favored Customer category?

We recommend that separate CSP formats be established for products, services, and R&A.

9. Will the construction industry be able to provide standard commercial pricing, terms and conditions under the Commercial Sales Practices Format so that GSA can determine the price reasonableness of a firm's proposal?

Alternate "c" is based on the idea that construction costs can be categorized in a commercially acceptable manner. There may be variations among firms, but it should be possible to develop a Commercial Sales Practices Format for R&A that will allow GSA to determine price reasonableness.

10. How many different labor categories would typically be involved in a contract for construction services and how are commercial R&A tasks typically priced? No Comment

11. Please comment on the usefulness and applicability of the proposed pricing methods. What pricing alternatives, other than those discussed in the Pricing section above, should be considered?

Our comments address all of the four alternatives in the white paper.

Alternative "a" has the advantage (from a workload perspective) of moving the pricing responsibility to the task order level. We note that this is already being done on SIN 246-51 (Installation..Requiring Construction) of Schedule 84 (Total Solutions). FAS could learn from PBS's experience and practice in this field. Davis-Bacon Act wages change frequently and include significant local variations. Pricing these services at the contract level would add significantly to the COs' workload. In some schedules this would mean addressing both Davis-Bacon and Service Contract Act wages in the same contract.

Alternative "b" does not address how R&A will be priced and performed for locations outside the negotiated geographic areas.

As described in the white paper, having access to commercially-accepted Means Cost Data (Alternative "c") would be helpful for negotiating prices under Alternatives "b" and "d" as well. The data could provide a common structure (categories and adjustment factors) for all R&A negotiations.

Alternative "d" will teach us about commercial practice in the R&A market. Companies

gpdw
2005-1102-4

may have fixed pricing for some services and labor hours for others. Allowing pricing IAW commercial practices gives us the flexibility to obtain the contractor's best rates for a combined effort.

12. Is there any reason why customers would be unable to use a Firm Fixed Price, Time and Materials type order to procure these services from an R&A Schedule? No
Comment

Award Considerations

13. Which of the three alternatives set forth previously do you believe offers maximum benefit and why?

Most of the comments favored Alternative One (adding an R&A SIN to Schedules where it would be required).

It would minimize the risks associated with scope issues for performing R&A services under the schedules program. It would also help prevent abuses that could occur as a stand-alone Schedule, since it would only be approved for work being done in support of services being offered on selected Schedules.

Alternative One would also eliminate the need for customers to conduct a separate acquisition or deal with multiple contractors under a teaming arrangement. Adding a new SIN to each schedule in which R&A services are often required is the best way to support customers' needs. Commercially, most providers of services that require ancillary R&A services have the capability in-house and/or through subcontractors to perform the work. This would be less complex for the customer as well as allowing current contractors to add R&A services by contract modification.

Alternative One leaves the expertise in industry's hands for providing a total solution, while also generating many subcontracting opportunities.

There was one comment in favor of Alternative Three. However, companies only on an R&A schedule could be bypassed for business by firms that were able to provide the primary product or service and provide the R&A work (either in-house or through subcontractors). Contractors that were continually bypassed could become frustrated with the Schedules process.

One comment favored using Alternative One, but allowing contracts to be awarded for the R&A SIN alone. This could result in the problem cited for Alternative Three (companies being bypassed for business). Another commenter alluded to the concern about abuses/misuse under a stand-alone Schedule and this would also be a problem under a stand-alone SIN.

GPAW
2005-1102-4

14. Please suggest any other alternatives. No Comment

Other Considerations

15. Generally, are the GSA Schedule ordering procedures in FAR Subpart 8.4 suitable for R&A services contracts?

In order to use Pricing Alternative "a," FAR 8.404(d) would need to be revised to address R&A services as a separate category of unpriced services. This would be significant departure from past practice. It could have an impact on customer agencies and affect their use of Schedules that involve R&A.

16. Should a maximum order limitation/threshold be established for R&A services?
No Comment

17. Are the items addressed in Section II, a-h appropriate conditions for inclusion in the ordering procedures for Schedule R&A services?

We believe that the \$25,000 construction cap is too low. We could not determine what research was used to determine this figure. A cap this low will continue to prevent many customers from achieving the total solutions that the white paper seeks to address. Our experience with remediation services indicates that, at a minimum, a cap should not be less than \$100,000. The schedule should clearly state that "These type of services would exclude work that results in construction, alteration, or repair of a public building or public work contemplated at that location." We suggest that any cap contain the alternatives of both a specific figure and a percentage of the value of the task order (e.g., \$100,000 or 10% of the value of the order, whichever is larger).

18. What unique criteria, if any, should be established for a buyer of R&A services?
No Comment

General

19. What other issues or concerns need to be addressed? No Comment



U.S. General Services Administration
Office of Inspector General



October 21, 2005

Laurieann Duarte
Regulatory Secretariat (VIR)
Office of the Chief Acquisition Officer
General Services Administration
Room 4035
1800 F Street, NW
Washington, D.C. 20405

GSAR
2005-102-5

Re: Comments on GSAR Notice 2005-N02 (Adding Ancillary R&A Services to the Multiple Award Schedules Program)

Dear Ms. Duarte:

This letter transmits the comments of the General Services Administration Office of Inspector General on the above-captioned White Paper that proposes to add ancillary Repair and Alteration (R&A) services to the GSA's Multiple Award Schedules (MAS) contracting program. Our concerns regarding the addition of R&A services to the schedules center around the scope of services to be added and the method for pricing such services. We also question whether there is a need for such services to be added given the existence of alternate PBS contracting vehicles.

Proposal May Be Duplicative or Unnecessary

PBS currently provides services similar to those proposed to be added under this White Paper through indefinite delivery indefinite quantity (IDIQ) contracts and smaller purchases made by building managers. Given this current mechanism for providing these services -- which we understand can be relatively efficient -- we believe FSS should consider whether the demand for ancillary R&A services justifies establishing another procurement vehicle. Given that R&A services procurements through MAS would still require coordination with building managers and would be limited to those agency contracting officers (COs) with legal authority to engage in construction, it is difficult to see what advantage the proposal would have over currently available PBS IDIQ contracts. We note that our current review of PBS's use of GSA's MAS contracts for facilities maintenance (including buildings maintenance and elevator repair services) has found that usage of these contracts has been low. Although the review is ongoing, it appears that the low usage is attributable in part to the fact that building managers use regional facility maintenance contracts to fulfill their socio-economic goals; in contrast, many of the MAS contracts for these services are awarded to large businesses. In addition, it appears that low usage is due in part to a view by personnel that the PBS

18th and "F" Streets, NW, Washington, DC 20405

1



Revised
10/21/05

QPAW
205-1102-5

IDIQ contracts are easy and fast to use and they would not gain much through use of the MAS contracts.

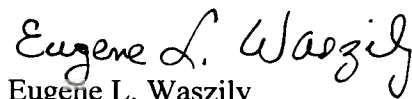
Scope of Services Made Available and Attendant Safeguards; Possible Pricing Difficulties

Assuming a business case can be made for adding R&A services to the MAS program, we would want to see that the services available to be procured are properly limited in scope to those items that are truly ancillary R&A services -- i.e. minor in dollar value terms and related to the principal MAS purchase. In this connection, we believe that that more specific and definitive guidance should be provided regarding what constitutes R&A services and that any dollar threshold (the White Paper proposes \$25,000) be emphasized by having it included in the regulatory ordering procedures. We also believe it may be difficult to ensure that only warranted COs with authority to procure construction use the proposed ancillary R&A services, and would suggest that controls are put in place to ensure appropriate use. Finally, the proposal should emphasize that any R&A work be coordinated with the building manager. We note that even minor R&A work may involve significant risks -- for example when asbestos is uncovered in the course of a routine alteration. We acknowledge that the proposal currently provides that ordering procedures would require coordination with the building manager. We would advocate emphasizing that requirement perhaps by including it in regulation or by providing for some other prominent monitoring mechanism.

Our final set of concerns has to do with the difficulty in pricing such services under the MAS program. We have concerns about overpricing generally in the area of services sold under MAS due in large part to our belief that commercial practice generally is that unique services work is priced wholly on a job or task basis and using a firm-fixed price method. We believe R&A services are too specialized to be priced in any meaningful way by GSA at the contract level. We also believe that pricing for such work varies tremendously by geographic region, and that any pricing method (including at the task order level) adopted take this factor into account.

Please feel free to call me on (202) 501-0374 or Regina O'Brien, Regional Inspector General for Real Property, on (202) 219-0088 with any questions you might have regarding these comments.

Sincerely yours,


Eugene L. Waszily
Assistant Inspector General for Auditing

Pat
2005-102-6



"Alpert Steven"
<steven.alpert@siemens.com>

10/24/2005 05:45 PM

To: gsarnotice.2005-N02@gsa.gov
cc: "Gayhardt Pat" <pat.gayhardt@siemens.com>, "Lynn" <lynn@gsa-schedules.com>, "Augustine Larry" <larry.augustine@siemens.com>, "Hemphill Bill"
Subject: GSAR notice 2005-N02

On behalf of Siemens Building Technologies (SBT) I am pleased to submit (by attachment A) our comments in response to the General Services Administration Acquisition Regulation; White Paper -- Adding Ancillary Repair and Alteration Services to the General Services Administration Schedules Program, request for comment (response to 19 questions posed in section III) as listed in the Federal Register: August 22, 2005 (Volume 70, NUMBER 161) .

As a holder of 2 GSA Contract Schedules (GS-06F-0033P, and GSA-07F-8728D), SBT is highly interested and supportive of the GSA Program. As a world leader in building and construction services Siemens welcomes the opportunity to extend the building and construction services we can offer the Federal Government under GSA Schedules.

Steven M. Alpert
GSA Program Manager
Federal Solutions

SIEMENS Building Technologies, Inc.
Office (973) 593-2878
Cell (201) 693-8238
8 Fernwood Road
Florham Park, NJ 07932
www.sbt.siemens.com



WP response_R&A 10-20-05.doc

gpa
2005-N02-6

1. Siemens feels that the application of the Davis-Bacon Act (when required) is best handled by the agency contracting officer (at the order level), rather than as a broad overriding imposition at the contract level.
2. Once again, Siemens believes that flexibility needs to be extended to the agency contracting officer to include the provisions of the Miller Act in the order, if local conditions necessitate its imposition; the Miller Act should not be imposed at the contract level.
3. Not that Siemens envisions.
4. Construction firms fall into two gross geographic categories: those whose owners have decided to limit their firms to geographic area, and those who have chosen to expand to offer their services more broadly. The former may make this decision due to fiscal or resource limitations, span of control, retention of management control, or just the heuristic desire to serve their communities. Similarly, they may take different views of their "community" some may chose to limit themselves to a municipality or city, some to a county or parish, some to a state, and others to a multiple state region. Those few that offer construction services nationally and internationally are incorporated and traded publicly and thus have greater access to funding capital. According to the Department of Commerce, there are 2,777 firms engaged in commercial and institutional building construction as of the 2002 Economic Census. Of those about 97.5% are small (less than 249 employees) and therefore probably geographically limited, and only 2.5% have the workforce sufficient to support a nation-wide and/or world-wide market.
5. Expanding the prerequisite to support a world-wide basis may reduce the number of competing companies; however, Siemens believes small businesses could still participate in a Mentor-Protégée basis, or other teaming mechanism with the larger firms. The bottom line is that the Federal Government requires support on a world-wide basis, so to leave that out of the R&A services would limit the agencies' use of the R&A SINs. The government may consider stratifying the SINs, in terms of geographic segmentation: state, regional, national, and world-wide, with firms qualifying for the level that they can best support. For example, Siemens, an international firm could successfully support a SIN calling for world-wide support. Conversely, an SDB located in Baltimore might only qualify for support of a SIN in the Maryland area.
6. Siemens believes that changing the scope to regional would allow more participation by small businesses, but compromising the agencies' needs. We recommend a stratified series of SINs as outlined above.
7. While Siemens agrees that such limitations need to be identified to insure contractor performance and Government oversight, especially in terms of liability assignment, we have no recommendation as to how this might be verbally approached other than a definitive and mutually agreed-to SOW for each task set.
8. Siemens does not believe that the method of establishing a "most favored customer" benchmark would be a workable solution, because of the difficulty in establishing a parallel situation. In the commercial world, R&A is an afterthought, and handled on a very informal basis; seldom is a formalized long term contract, with specified discounts detailed, entered into by the two parties. Herein lays the advantage of creating new SINs rather than a new schedule. A

Open
205-1402-6

new SIN can refer to other GSA instruments that do establish a discount schedule. For example, a contractor who has an FSS multiple award schedule for installation of hardware can have it referenced in the new SIN as the basis for associated R&A hardware price discounting.

9. We are unable to answer this with any degree of certainty.
10. We are unable to answer this with any degree of certainty.
11. We are unable to answer this with any degree of certainty.
12. Siemens believes that an FFP T&M type order would be the preferred method of contracting. This is especially pertinent since the contractor may not know the full extent of the R&A scope until arrival on the worksite, and beginning work. Undiscovered mold, asbestos, or rotting wood are but a few of the surprises that might confront the contractor once work begins.
13. Creating new SINs is the method preferred by Siemens; because this can tie the R&A work into the original installation, under the originally used schedule, if that is desirable. The alternative is to create a new contractor vehicle in all cases, with a contractor who may be unfamiliar or unqualified with the existing equipment and/or work. Liability ownership must be considered as well, in the creation of the new SINs versus schedules. If firm XYZ does some electrical conduit work, or installs a fire sprinkler system, it would be to the Government's benefit to have XYZ bid on the subsequent, related R&A work package.
14. See 5 and 13 above.
15. Yes, we believe that to be true.
16. Yes, and for the same rationale that they are established for other schedules' SINs: the government cannot expect a contractor to hold to prices applicable for a medium valued contract (say \$100,000), when the job is valued at \$1,000,000. The MOT allows the Government to negotiate downward if economy of scale is the determining factor, or the contractor to negotiate upward if there are other variable costs dictated by a larger job.
17. Siemens believes that the maximum of \$25,000 (II.h.) is very low, and should be replaced by an MOT of \$250,000.
18. Siemens believes that the only delimiting criteria that should be applied to an R&A buyer is that they represent an agency that has ownership of the building (s) that require R&A work packages, and that they have the fiscal authority to commit the Government for that work.

gpm
205-402-6

19. Siemens feels strongly that the mutual concerns of the Government and the contractors would be best served by creating new special item numbers (SINs) under multiple schedules to insure ownership of the original work by previous tasks, or generic type of work. Thus the Government would be assured that the contractor has the requisite permits, licenses, and qualifications to perform the R&A work package.

GSA, FSS, CENTER FOR FACILITIES MAINTENANCE
AND HARDWARE

gpa
2005-102-7

COMMENTS
FEDERAL REGISTER -
GSAR NOTICE 2005-N02

GENERAL SERVICES ADMINISTRATION
ACQUISITION REGULATION;

White Paper--Adding Ancillary Repair and Alteration Services to the General
Services Administration Schedules Program

1500 E BANNISTER ROAD
KANSAS CITY, MO 64131

gpa
2005-102-7

COMMENTS FEDERAL REGISTER - GSAR NOTICE 2005-N02

General Services Administration Acquisition Regulation; White
Paper--Adding Ancillary Repair and Alteration Services to the General
Services Administration Schedules Program

INTRODUCTION

The following comments are submitted on behalf of the Center for Facilities Maintenance and Hardware (CFMH). Currently we have two Multiple Award Schedules. This paper will only discuss one of those Schedules, Schedule 03FAC - Facilities Maintenance and Management which is for procuring services related to the Maintenance and Management of a building.

FACILITIES MAINTENANCE AND MANAGEMENT

Our focus will be on Schedule 03FAC - Facilities Maintenance and Management and what impact the inclusion of Repair and Alterations will have on this Schedule.

Inclusion of Repair and Alterations to the existing Facilities Maintenance and Management schedule provides the customers with critical solutions to their overall Maintenance problems. Repair and Alterations work is routinely required when Facilities are being maintained.

Industry views Repair and Alterations as complimentary to Facilities Maintenance considering the same firms have the capability to do both. In addition, there is an overall assumption in industry that if they are currently doing Facilities Maintenance in an open market environment then Repair and Alterations is a part of the procurement. Repair and Alterations is currently not permitted under the Schedules program. Therefore, it would be easier for industry and the customers if this was on a level playing field.

Customers continuously look to the 03FAC to provide work that is critical to their missions and in support of their quality of life initiatives. The addition of Repair and Alterations will further allow the customer to choose the schedule, thereby, reducing valuable time that can be spent on mission essential aspects of their agencies. The CFMH recognizes that this aspect alone makes it essential that Schedule 03FAC include Repair and Alterations which is critical to the continuing operations of buildings. In addition, it is crucial that Repair and Alterations not be just ancillary to products as proposed, but be included under individual SIN's such as 03FAC, in its full content as described in FAR 22.401.

In addition, when performing routine Maintenance, it is not unusual for other problems to surface that require more extensive repair or replacement. Our schedule is currently limited as to the extent of repairs that can be done. Customers either must do an open market buy with our

Jan
2005-102-7

contractors or separate orders with another firm. Our customers are looking for a total solution. Below is a list we have had compiled from customers for particular services they have requested:

What our Customers are looking for:

- Roof Replacement
- Painting (Inside and Out)
- Re-stripping the Runway/Road
- Moving walls for space reconfiguration
- Window Replacement
- Painter
- Tenant Alterations
- Dirt Moving for Repair and Maintenance of Drainage System
- Painting Buildings
- Repair and Alterations of Existing Space
- Ditch Digging to Lay Pipe
- Base wide Painting
- Replacing Cabinets and Countertops

Because the schedule does not currently allow these services, the customer has had to use other contract vehicles to fulfill these needs. The majority of the time the customer will do a full competitive contract which takes additional time.

Currently, 03FAC is not included as one of the samples listed in the White Paper that could have an impact from the inclusion of Repair and Alterations. However, we feel it would have the greatest impact based on scope and intent of 03FAC. Below is a list of Special Item Numbers (SINs) and descriptions that are included in our schedule. As can be seen by this list, Repair and Alterations should be a large part of what we offer. For example, SIN 811-001 Elevator and Escalator is limited to just the repair of the Elevator; if the Cab should have to be replaced it currently could not be done; SIN 811-002 - Complete Facilities Maintenance; if someone needed to have a whole room painted, carpet replaced, a window glazed, currently it could not be done under 03FAC. This Schedule unquestionably needs to be included in the determination to add Repair and Alterations to the Schedules Program. It is critical that Repair and Alterations not be just ancillary to products as proposed, but be included under individual SIN's such as 03FAC, in its full content as described in FAR 22.401.

Our services include the complete Maintenance and Management of buildings including the following:

811 001 Elevator and Escalator Preventative Maintenance - Services consist of, but are not limited to, the performance of full repair and Maintenance services including Maintenance or repair of all mechanical devices and lighting, fixtures, ballast, bulbs, lamps, tubes, intercoms, telephone devices, wiring, appurtenances mounted in or on the car, fans, air conditioning units, security systems, lenses switches, lens plates, push buttons, and doors.

Enhancement of this SIN would be modernization of elevators including replace or repair the cab of the elevators.

811 002 Complete Facilities Maintenance - Services related to the complete operations, Maintenance and repair of military and government Facilities. These services could include but are not limited to a combination of painting, pest control, grounds Maintenance, landscaping, tree trimming, snow removal, elevator inspection and Maintenance service, fire alarm Maintenance and protection systems, locksmith services, collection, and disposal of refuse, roofing repair, plumbing and pipefitting, electrical including high/low voltage systems and utility service, Energy Management Control Services (EMCS), paving, telephone Maintenance, janitorial, all mechanical, operations, Maintenance and repair of building systems, heating/ventilation/Air Conditioning (HVAC), and rental of Facilities Maintenance equipment. Also includes Maintenance of Facilities and systems to include instruments, carpentry, masonry, and refrigeration services; Maintenance and repair of exterior electrical distribution system; operation and Maintenance of HVAC; operation and Maintenance of water distribution system; Maintenance of the septic field and Maintenance and repair of surface areas; cemetery Maintenance. [For Facilities Maintenance services associated with logistics Management and support refer to Schedule 874-V SIN 874-507.]

Enhancement of this SIN would include interior painting, floor covering replacement, roof replacement, window glazing, and any other services that would insure that the buildings remain fully functioning and operational.

811 003 Complete Facilities Management - Services include Management of Facilities in support of SIN 811-002 and associated with Complete Facilities Management services and to assure fully adequate and timely completion of all services. Included this service will be a full range of Management duties including, but not limited to, planning, scheduling and quality control, including software support services, computer and/or Facilities Management systems, and upgrade. The service will include adequate staff of personnel and alternates as required, with the necessary Management expertise to assure performance of the work in accordance with sound and efficient Management practices. [For separate SIN requirements not part of integrated facility Management systems support such as independent energy Management systems, fire/intrusion alarm systems, and guard services, see schedule 84]

50 ar
2005-102-7

Enhancement of this SIN would include complete Management of the facility instead of just managing pieces.

811 004 Electrical, and all Utility Services limited to Facility Maintenance - Service includes all labor, materials, tools, equipment and supervision necessary to supply and deliver firm uninterrupted electrical energy, and Utility Services necessary to meet the Government's needs, resulting contracts could be responsible for the operation, Maintenance, repair, future upgrades, and future utility system replacements labor, materials, tools, and equipment necessary to own, maintain and operate the utility system(s) shall manage the Maintenance, repairs, replacement, etc., of the system(s) to ensure continuous, adequate, and dependable service for each Government or tenant. Including, Electrical, Telephone, Gas and Water Utility Service, Drinking water and Waste Water Services. Procurement of natural gas and/or electricity and other energy related services refer to the Energy Management Schedule.

Enhancement of this SIN would include replacement of electrical wiring, which could include repairing walls after the replacement of the wiring has accrued.

811 005 Refrigeration, Heating, Ventilation and Air Condition HVAC Maintenance - Services related to providing heating and ventilation services. Service could include, but are not limited to any combination of providing plant equipment, materials, tools, transportation, supervision, and labor to perform all repairs, periodic preventative Maintenance (PPM) and emergency service work calls to ensure continual operations of refrigeration, heating, ventilation, and air conditions systems.

Enhancement of this SIN would include actual replacement of HVAC units, and the associated efforts to replace the units.

541 099 Introduction of New Products/Services (INPS)

Enhancement of this SIN would be as new technologies arrive in the market and the ability to take advantages of those enhancements.

561 001 Fire Alarm Systems Preventive Maintenance & Repair Services

Enhancement of this SIN would include repair and replacement of wiring, which could present the need to repair or replace ceilings and or walls.

561 002 Fire Suppression Systems Preventive Maintenance & Repair Services

Enhancement of this SIN would include repair and replacement of wiring and or pipes, which could present the need to repair or replace ceilings and or walls.

371 001 Grounds Maintenance - Services include but are not limited to the planning, development, Maintenance, Management and operations, for grounds Maintenance at or on Federal Facilities and/or properties. These services involve mowing, planting, seeding, fertilizing, raking, mulching, watering, pruning, weeding, aerating, and all services related to grounds Maintenance. This can include cemetery Maintenance, but this is limited to grounds Maintenance only.

Enhancement of this SIN would include repair and replacement of sidewalks, sprinklers, irrigation systems, or the moving of dirt, small pavement repairs.

To summarize, we can affirm that the addition of Repair and Alterations could have a huge impact on not only our Center but our customers. As mentioned previously, we have had numerous requests from our customers to add Repair and Alterations to the Schedule. Since Repair and Alterations is generally considered a part of Facilities Maintenance, most of our customers believe it to be included in the 03FAC Schedule. When we inform our customers that it is not part of the Schedule, some find other sources to procure these services. The customer wants a total solution; they do not want to buy Facilities Maintenance under one contract and then do Repair and Alterations separately. Therefore, it is a losing proposition for both us and the customer. As such, the GSA Schedules Program has not been able to provide fully-integrated solutions that often involve Repair and Alterations.

WHAT NEEDS TO BE INCLUDED

The CFMH believes that the White Paper is too limiting in its approach to adding Repair and Alteration as only ancillary to products. We feel that we need to remove the word Ancillary. Most GSA Multiple Award Schedules already include Ancillary services that include minor Repair and Alterations. In addition, subsequent guidance should include a completed concise description of what constitutes Repair and Alteration and how it is considered different from major construction.

As for the inclusion of the \$25,000 limit, we conclude it limits the customer and should not be incorporated as such and should be based on the agencies own guidelines. If we are going to include Repair and Alterations on the Schedule, the customer should have the ability to determine what their limits are based on funding and their own internal policies. Most Repair and Alterations cannot be done for \$25,000 and in limiting the procurements to this amount, we are once again cutting out the customer from another source of supply.

In addition, we feel that there should be a limit on the amount of Repair and Alterations that can be done as ancillary to a product. If the Repair and Alterations is more than the product then you are basically purchasing the service and the product becomes ancillary to the service. There

GSA
 2005-102-7

should be a percentage limitation, (e.g. ancillary services for Repair and Alterations should not exceed 50% of the cost of the product.)

Currently, we can do ancillary Repair and Alterations under the schedule which includes, i.e. spot painting, patching of walls and patching of roofs. However, this is limited in the way it helps our customer. For instance, we currently have customers that have said if they cannot do Repair and Alterations under the Schedule then they cannot utilize our Schedule. When they purchase those services, their intent is to ensure that the building is kept in a normal operating condition, and if they have to do additional contracts for Repair and Alterations then there is no benefit to use the schedule.

There are other services, which are not listed as construction or service that could be defined as both service and construction.

Repair and Alterations should encompass as a minimum the following disciplines:

DISCIPLINE	DISCIPLINE
Asphalt Coating and Sealing	HVAC Maintenance
Asphalt Paving	Masonry Construction
Caulking	Masonry Maintenance
Chain link fence installation	Masonry Renovation-Complete
Chimney Cleaning	Masonry Renovation-Patching
Concrete Coating and Sealing	Painting-Bridges, Dams, Pipelines
Concrete Paving	Painting-Complete interior or exterior
Drain Cleaning	Painting-Patching or small % of bldg interior (ex. Room)
Drain System Installation	Plumbing Installation
Drywall and Insulation Installation	Plumbing Maintenance
Duct Cleaning	Power Wash Building exteriors
Elevator Construction	Roofing-Complete
Elevator Maintenance	Roofing-Patching
Elevator Renovation	Sandblasting building exteriors
Excavating	Steam Cleaning Building exteriors
Excavating-Landscaping	Swimming Pool Cleaning

Foundation Damproofing	Swimming Pool Maintenance
Flagpole Installation	Trenching
Flooring Installation	Ventilation Duct Cleaning
Flooring Maintenance	Weather Stripping Maintenance & Installation
Gutter Cleaning	Wood Preservation (Fencing)
HVAC Installation	

In addition, in order to give the customers the optimal advantage of Schedules the following should also be included:

FAR 22.401, Definitions, Construction, alteration, or repair” means all types of work done by laborers and mechanics employed by the construction contractor or construction subcontractor on a particular building or work at the site thereof, including without limitations—

- (1) Altering, remodeling, installation (if appropriate) on the site of the work of items fabricated off-site;
- (2) Painting and decorating;
- (3) Manufacturing or furnishing of materials, articles, supplies, or equipment on the site of the building or work;
- (4) Transportation of materials and supplies between the site of the work within the meaning of paragraphs (1)(i) and (ii) of the “site of the work” definition of this section, and a facility which is dedicated to the construction of the building or work and is deemed part of the site of the work within the meaning of paragraph (2) of the “site of work” definition of this section; and
- (5) Transportation of portions of the building or work between a secondary site where a significant portion of the building or work is constructed, which is part of the “site of the work” definition in paragraph (1)(ii) of this section, and the physical place or places where the building or work will remain (paragraph (1)(i) in the “site of the work” definition of this section)

RESPONSES TO QUESTIONS AND ADDITIONAL COMMENTS

Statutory/Regulatory Requirements

1. Would it be more advantageous to incorporate and apply the Davis-Bacon Act requirement at the contract level or order level?

It would be more advantageous to us and our customers to include Davis Bacon Clauses at the Basic Contract Level and to have the Davis Bacon Wage Determinations to be included at the task order level.

QAR
205-402-1

2. To comply with the Miller Act, should contractors be required to obtain the necessary bonds as a condition for contract award or should this be a requirement imposed only at the time of order placement?

This should not be included; we recommend that we provide a way for the offeror to certify that they have the capability of getting the necessary Bonding. There would be no way for the offeror to know what size or type of Bonding would be needed.

3. Other than those addressed above, are there other significant statutory or regulatory requirements that apply to R&A services contracts?

All require construction clauses need to be included in the basic solicitation.

Contract Scope and Its Impact on Competition

4. Do construction firms typically conduct their business within a specific geographic area? If so, what is the usual scope of that geographic area?

Construction companies do have a tendency to stay within their geographical areas, however, Facilities Maintenance companies that do Repair and Alterations are nationally available companies.

5. What impact would retaining a worldwide scope when adding R&A services to the Schedules have on the construction industry and on competition among contractors interested in participating in the program? In particular, what would be the impact on current GSA Schedule contractors that are small businesses?

None, we recommend keeping it worldwide and allowing each contractor to quote in the areas they wish to perform. This is the intent of the Schedules program and allows both large and small businesses to compete.

6. Would changing the contract scope specifically for R&A services from worldwide to regional (covering major metropolitan areas) afford small firms a better opportunity to compete for business under the GSA Schedules Program?

Recommend keeping it worldwide and allowing each contractor to quote in the areas they wish to perform. This is the intent of the Schedules program and allows both large and small businesses to compete.

7. R&A services can include various types of work on a particular building or site that is dedicated to and deemed a part of the worksite. Should limitations be included in the SOW contained within the Schedule solicitation? If so, please provide suggested language.

We recommend developing a clear and concise description as to what R&A is and including that in the Schedules.

Pricing

8. Can GSA apply the same pricing methodology of negotiating Most Favored Customer pricing to R&A service contracts? Does the construction industry have different categories of customer for pricing purpose, such as a Most Favored Customer category?

Construction customer pricing is more job specific and not overall customer specific. Most construction companies do not have Most Favored Customers. They do a site visit to determine what needs to be done and submit their quote. The majority of the time they are trying to win that particular bid and try to bid it as low as possible.

- 9. Will the construction industry be able to provide standard commercial pricing, terms and conditions under the Commercial Sales Practices Format so that GSA can determine the price reasonableness of a firm's proposal?

Yes, as long as pricing is based on things like Labor hours or commercially available pricing standards such as the BOMA exchange or RS Means. BOMA exchange and RS Means are based on Facilities Maintenance and Repair and Alterations. They are set up by square footage or labor hours. RS Means has expanded the pricing to include specific disciplines to account for Repair and Alterations (e.g. Painting: Trim, Wood, incl. puttying, and then they provide a total multiplier for the Labor Hour, Materials, and Equipment)

- 10. How many different labor categories would typically be involved in a contract for construction services and how are commercial R&A tasks typically priced?

The Davis Bacon website would be able to provide job specific labor categories.

- 11. Please comment on the usefulness and applicability of the proposed pricing methods. What pricing alternatives, other than those discussed in the Pricing section above, should be considered?

Consideration should be given to labor hours or commercially available pricing standards such as the BOMA exchange or RS Means. BOMA exchange and RS Means are based on Facilities Maintenance and Repair and Alterations. They are set up by square footage or labor hours. RS Means has expanded the pricing to include specific disciplines to account for Repair and Alterations (e.g. Painting: Trim, Wood, incl. puttying, and then they provide a total multiplier for the Labor Hour, Materials, and Equipment)

- 12. Is there any reason why customers would be unable to use a Firm Fixed Price, Time and Materials type order to procure these services from an R&A Schedule?

No

Award Considerations

- 13. Which of the three alternatives set forth previously do you believe offers maximum benefit and why?

Recommend using Alternative 1 (below) and Alternative 4 (as outlined below) as appropriate.

Alternative One--Add an R&A services SIN to those GSA Schedules where the purchase of the supply/service often requires ancillary R&A services be performed. An issue associated with this alternative is whether to restrict award of such a SIN to only contractors who provide the primary supply/service or to allow all responsible offerors to be considered for award under the ancillary R&A SIN regardless of whether they are under contract to provide the related supplies and services. This decision may impact access to small businesses and it may also require customers to deal with multiple contractors under teaming arrangements.

Opau
2005-102-7

14. Please suggest any other alternatives.

Recommend adding an alternative 4 – Add R&A services to existing SIN's. This would allow contractors to do the work that they are already providing and include R&A as a natural fit to that work.

Other Considerations

15. Generally, are the GSA Schedule ordering procedures in FAR Subpart 8.4 suitable for R&A services contracts?

Yes

16. Should a maximum order limitation/threshold be established for R&A services?

No these should remain on based on the appropriate SIN. For example, under 03FAC, SIN 811-002, the maximum order limitation is \$750,000. R&A should be included in the specific SINs and the maximum order limitation should be adjusted if necessary.

17. Are the items addressed in Section II, a-h appropriate conditions for inclusion in the ordering procedures for Schedule R&A services?

No, recommend adding the following condition "PBS Owned and/or Operated Buildings Only". GSA would be mandating how other agencies run their buildings, if it is not a GSA PBS Owned and/or Operated building they should not have any control over how, why, or when the work is done.

18. What unique criteria, if any, should be established for a buyer of R&A services?

None, each individual warrant outlines its own specific buying authority.

General

19. What other issues or concerns need to be addressed?

See Below

- Remove the word Ancillary, currently Repair and Alterations are already done as ancillary services under the schedule.
- Recommend that we add Repair and Alterations as an inclusion in individual SIN's such as Schedule 03FAC, SIN 811-003, Complete Facilities Maintenance. It is critical that Repair and Alterations not be just ancillary to products as proposed.
- Recommend added a check box for the offeror to certify they can obtain bonding. This would allow the offeror to certify that they can obtain bonding without the upfront expenses. Most bonding is job specific and would not be known to the contractor until a Statement of Work is issued.
- Recommend adding an alternative 4 – Add R&A services to existing SIN's. This would allow contractors to do the work that they are already providing and include R&A as a natural fit to that work.

- Recommend that the section titled “Other Considerations” should include a statement that this is only for “PBS Owned and/or Operated Buildings Only”
- Recommend that the section titled “Other Considerations”, paragraph 1; remove the word “Construction” from “Construction Contracting Officer” each individual warrant outlines their buying authority.
- Recommend that the section titled “Other Considerations”, paragraph h; remove the \$25,000 dollar limited. This should be based on the customers need as designated in each individual contracting office and each individual agency regulations or guidelines.
- We can not stress enough the importance of adding Repair and Alterations to the existing 03FAC Schedule. For instance, with BRAC approval, the addition of Repair and Alterations will greatly help facilitate the transition of bases, either to accommodate the growth or to transfer the facility. Adding Repair and Alterations to the Schedules is a natural fit and solution and is in the best interest of the Government.