



APR 27 2005

MEMORANDUM FOR ALL GSA CONTRACTING ACTIVITIES

FROM:

DAVID A. DRABKIN
SENIOR PROCUREMENT EXECUTIVE
OFFICE OF THE CHIEF ACQUISITION OFFICER

SUBJECT: Purchases on Behalf of Other Agencies

1. Purpose. This Acquisition Letter directs GSA Contracting Officers who award contracts and place orders on behalf of other agencies (Requiring Agencies) to ensure that the contract or order file contains information from the Requiring Agency concerning special or agency specific restrictions applicable to the funds made available for the acquisition and special or agency specific restrictions associated with the requirement itself.

2. Background. Efficient and effective operation of the federal acquisition process is critical to the performance of each agency's mission. It is GSA's goal to provide client agencies with best value solutions in a timely manner that meets their needs and complies with both law and regulation. Proper use of contract vehicles to satisfy these agency needs is critical to providing best value solutions. This Acquisition Letter applies to all GSA contracting activities that award contracts or place orders on behalf of other agencies.

GSA assists other agencies by awarding and placing orders on their behalf. GSA accomplishes this service by utilizing existing GSA contracts as well as undertaking new contracting actions, where necessary. While GSA Contracting Activities are knowledgeable of laws and regulations generally applicable to all government acquisitions, and those specifically applicable to GSA procurements, they may not be familiar with the special requirements of our Requiring Agencies or restrictions applicable to the funding being provided by them. In order to procure the requested goods, services and construction in a manner that complies with applicable laws and regulation, including special requirements of the Requiring Agencies, GSA Contracting Officers must ensure that the contract file reflects whether there are any special funding and procurement laws or regulations of the Requiring Agency that apply to the instant acquisition.

3. Cancellation. Acquisition Letter 04-05 is revoked.

4. Effective Date. Upon issuance.
5. Termination Date. One year unless otherwise revoked.
6. Applicability. This policy applies to all contract actions and orders over the Simplified Acquisition Threshold (SAT) undertaken by GSA associates on behalf of a Requiring Agency, regardless of the manner in which GSA received the request to perform the work (i.e., Reimbursable Work Authorization (RWA), Military Interdepartmental Purchase Request (MIPR), Memorandum of Understanding (MOU), Memorandum of Agreement (MOA), Interagency Agreement (IA), or the Economy Act). The value of the contract action or order is determined by the total contract price, including options. A contract or order that is funded through incremental funding exceeds the SAT if the total value of the contract or order exceeds the SAT even if the amount of any incremental funds provided does not exceed the SAT.
 - a. This policy applies to:
 - i. All new requirements (including supplies, services, construction, and classified projects) in excess of the SAT received after the effective date of this Acquisition Letter, including requests to increase the existing ceiling price of a contract or order;
 - ii. The exercise, after the effective date of this Acquisition Letter, of any options in excess of the SAT;
 - iii. Any requirement over the SAT that was received after October 1, 2004, for which performance of the required work, including award of contracts or orders, has not yet occurred; and
 - iv. Any instance following the effective date of this Acquisition Letter where GSA provides acquisition support services, such as the placing of task orders under existing contracts for products and services, over the SAT.
 - b. This policy does not apply to
 - i. Any contract or order already awarded;
 - ii. Orders electronically processed by the Requiring Agency through any automated ordering system;
 - iii. Utility-like services normally requested from the Federal Technology Service (FTS) where such services are ordered and billed via the FTS telecommunications ordering and billing system—Monthly Online Records and Reports of Information—Technology Service (MORRIS) or the Telecommunications Ordering and Pricing System (TOPS); and

- iv. Any instance prior to the effective date of this Acquisition Letter where the contracting officer obtained verification from the Requiring Agency under either Acquisition Letter 04-04 or 04-05.

c. Each Service should take appropriate steps to inform their client agencies of the policy set forth in paragraph 7.

7. Policy.

a. Before making a purchase in excess of the SAT on behalf of another agency, all GSA Contracting Officers shall ensure that the contract or order file reflects, at a minimum that:

- i. All special funding and procurement requirements of the Requiring Agency, including statutory or regulatory requirements applicable to the funding being provided by the Requiring Agency, have been disclosed to GSA; and
- ii. All internal reviews/approvals required by the Requiring Agency prior to placing the requirement with GSA have been completed.

b. For any requirement over the SAT that was received after the effective date of this Acquisition Letter, GSA contracting officers shall ensure that the contract or order file includes any special requirements applicable to the procurement or a statement to the effect that there are no special requirements associated with the procurement before awarding a contract, placing a delivery or task order; exercising an option, or modifying a contract or order to raise the ceiling price. The method for obtaining this information, and documenting the file, may vary. However, the file must reflect that the Requiring Agency has affirmatively provided GSA with the necessary information. If the Requiring Agency is unable or unwilling to provide the required information, the Contracting Officer may utilize other applicable methods to determine if there are any special requirements applicable to the procurement and will document the file based on the information obtained. Alternatively, the Contracting Officer may request an exception to this policy. However, the Contracting Officer may not undertake performance on behalf of the Requiring Agency without having determined the required information or obtained an exception to this policy.

c. For any requirement over the SAT received after October 1, 2004, but for which performance of the required work, including award of contracts or placement of orders, has not yet occurred, or if the requirement is of an urgent, compelling or emergency nature, the Contracting Officer may obtain verbal confirmation from the Requiring Agency as to the matters identified in paragraph 7a. The contract or order file must include documentation of the telephonic confirmation, including a record of the questions asked, the responses provided, and the identity of the Requiring Agency contact person who provided the responses. If the Requiring Agency contact person cannot answer these questions unequivocally, the procurement cannot proceed, without an exception to this policy.

d. Requiring Agencies must be specific in their responses since they understand their authorities, rules and restrictions better than GSA. Care should be taken to distinguish between requirements/restrictions applicable to procurement authorities versus those applicable to funding being provided by the Requiring Agency to GSA. Since the majority of acquisition activities undertaken on behalf of Requiring Agencies will be accomplished using GSA authority, GSA will normally follow its customary processes and procedures. However, where the Requiring Agency identifies a specific restriction on use of its funding or a specific statutory acquisition restriction, GSA must incorporate that restriction into its acquisition planning for the product, service or construction to be provided.

e. A copy of the Requiring Agency's incoming requirement, together with a record of the information discussed above, shall be placed in the GSA contract or order file.

f. The Contracting Officer is entitled to rely on the accuracy and validity of the information being provided by a Requiring Agency in response to the requirements of paragraph 7a. However, the Contracting Officer also retains discretion to inquire of the Requiring Agency regarding matters beyond those specifically set forth in paragraph 7a of the policy. For example, the Contracting Officer may seek information that the requirements of the Requiring Agency represent *bona fide* needs of that agency in that fiscal year; additional information regarding the authorization of the signatory official of the Requiring Agency providing the necessary verification; or, any time limitations on the availability of the Requiring Agency's funding for obligation. Contracting Officers are encouraged to consult with the Chief Financial Officer, the Office of the General Counsel or the Office of the Chief Acquisition Officer where they have doubts concerning the adequacy of the information provided by the Requiring Agency.

8. Waivers. Only GSA's Senior Procurement Executive may grant exceptions to this policy. Any requests for an exception should be forwarded to the Office of the Chief Acquisition Officer and reflect coordination with and concurrence by the local Office of General Counsel and the local Head of Contracting Activity.