



POLICY FLASH 2010-77

DATE: August 20, 2010

TO: Procurement Directors

FROM: Office of Procurement and Assistance Policy, MA-61
Office of Procurement and Assistance Management

SUBJECT: Class Deviation by General Services Administration (GSA) to Federal Acquisition Regulation (FAR) 51.1, Contractor Use of Government Supply Sources, for Time and Material or Labor Hour Procurements

SUMMARY: The attached GSA class deviation to FAR Part 51, Contractor Use of Government Supply Sources, dated October 8, 2009, permits contracting officers to authorize all GSA contractors, who are performing an order on a time and material (T&M) or labor-hour (LH) basis, to purchase supplies and ~~service from~~ other schedule contractors or process requisitions through the GSA Supply Program. This deviation is effective for five years to October 7, 2014, unless otherwise revised or rescinded.

There is a FAR Part 51 Deviation Ordering Guide that provides the details on how to comply with the deviation at the GSA website at www.gsa.gov/far51deviation. In addition to complying with the Ordering Guide, the contracting officers shall comply with FAR Part 51, Department of Energy Acquisition Regulation Part 951 and any local policy and procedures when implementing this class deviation.

In summary, the ordering agency Contracting Officer needs to:

- Include Clause 52.251-1 Government Supply Sources, in applicable Request for Quotes (RFQs) or Request for Proposals (RFP). The RFQ or RFP should also specifically state that items may be proposed on a T&M/LH basis using the FAR Part 51 authority. However, the Federal Government may not mandate that the ~~quote/proposal~~ include items under FAR 51.
- Issue a written authorization to the buying contractor in accordance with FAR Subpart 51.102. A copy of the authorization template is attached.

- Ensure that the buying contractor is in compliance with the written authorization and has followed the ordering procedures in FAR 8.405-1 to promote competition if ordering through the Schedules Program. Compliance with FAR 8.405-1 can be verified by requesting evidence that competition has been conducted, e.g. RFQ, quotes received, etc.
- Assign the contractor an Activity Address Code if the contractor will be using the GSA Global Supply Program.

Additional information on the FAR Part 51 Deviation Memorandum, FAR Part 51 Deviation Ordering Guide, as well as a template for the authorization, is posted at www.gsa.gov/far51deviation.

This flash may be viewed at http://management.energy.gov/policy_guidance/policy_flashes.htm. Questions concerning this policy flash should be directed to Barbara Binney at (202) 287-1340.



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Attachment