

May 5, 2011

FAS INSTRUCTIONAL LETTER 2011-02

Supplement No.

2

MEMORANDUM FOR ALL FAS ACQUISITION ACTIVITIES

FROM:


HOUSTON W. TAYLOR
ACTING ASSISTANT COMMISSIONER
OFFICE OF ACQUISITION MANAGEMENT (QV)

SUBJECT:

Mandating the Use of Pre-Negotiation, Price Negotiation and Final Proposal Revision Templates for the Federal Supply Schedules Program

1. Purpose. This supplement updates the guidance on the use of the pre-negotiation memorandum, price negotiation memorandum (PNM), Final Proposal Revision (FPR) for Federal Supply Schedule (FSS) contract awards to include the new requirements in Instruction Letter (IL) 2011-06, Implementation of the Requirement for Federal Awardee Performance and Integrity Information System (FAPIIS). This supplement also clarifies the guidance on the use of pre-negotiation memorandum, PNM, FPR, and memorandum to file templates for modification actions on FSS contracts.
2. Background. IL 2011-02 mandated the use of pre-negotiation memorandum, PNM and FPR templates for FSS contract awards. Supplement No. 1 to this IL mandated similar templates for certain modification actions on FSS contracts. This supplement updates Appendix A of 2011-02 to include the new FAPIIS requirements in (IL) 2011-06.

This supplement also clarifies Supplement No. 1 to clearly identify which template should be used for each modification action in the Instruction/Procedures. Minor edits have also been made to the templates (Appendices D-G). Appendices D-G replaces Appendices A-D from Supplement No. 1. Questions and answers have been added in paragraph 8 of this supplement to address frequently asked questions related to the use of these templates for modification actions.

The Instructions/Procedures in paragraph 7 of this supplement override the Instructions/Procedures in paragraph 7 of the original IL and Supplement No. 1. All templates from IL 2011-02 and Supplement No. 1 have been consolidated and included in this supplement for convenience.

3. Effective Date. Date of signature.
4. Termination Date. This IL expires one year from the effective date unless cancelled, extended, or incorporated into a handbook.
5. Applicability. This IL applies to all GSA/FAS acquisition activities awarding Federal

6/27/2011

Supply Schedule contracts.

6. Reference to Regulations. This IL references Federal Acquisition Regulations (FAR) [8.404, Use of Federal Supply Schedules](#); [12.209, Determination of Price Reasonableness](#); [15.307, Proposal Revisions](#); [15.402, Pricing Policy](#); [15.406-1, Pre-Negotiation Objectives](#); and [15.406-3, Documenting the Negotiation, IL 2001-02, Mandating the Use of Pre-Negotiation, Price Negotiation and Final Proposal Revision Templates for the Federal Supply Schedules Program, IL 201102 Supplement No. 1, IL 2011-06, Implementation of the Requirement for Federal Awardee Performance and Integrity Information System \(FASPIIS\)](#).

7. Instructions/Procedures.

I. FSS Contract Awards: The pre-negotiation memorandum, PNM and FPR templates contained in Attachments A, B, C are mandated for use in all FSS contract awards.

II. FSS Contract Modifications: The pre-negotiation memorandum, PNM, FPR, and memorandum to file templates contained in Appendices D, E, and G are mandated for use in FSS contract modifications. However, not all documents are required for every modification action. The following guidance outlines circumstances that may warrant each document's use:

- Pre-negotiation memorandum : If applicable, a pre-negotiation memorandum should be used to establish negotiation objectives for a price-related modification(s) where negotiations are conducted, the Basis of Award (BOA) discount relationship is disturbed, or a new BOA is established.
- Price-negotiation memorandum (PNM): If applicable, a PNM should be used to document negotiations for a price-related modification where negotiations are conducted, the BOA relationship is disturbed, or a new BOA is established.
- Final Proposal Revision (FPR): If applicable, a FPR should be used to document a change in a contractor's modification request as a result of negotiations.
- Memorandum to file: A memo to the file should be used to document all other modification actions that do not involve negotiations.

The Contracting Officer should provide the relevant narrative in each respective section of the template that applies to the modification being processed. If a section of the template is not applicable, insert N/A. Also please note additional approval signature lines may be added, if necessary, dependent on the type of modification being processed, such as a Pre-Negotiation Clearance Panel (PNCP).

8. Questions and Answers.

Should the pre-negotiation memorandum, price-negotiation memorandum, and final proposal revision templates be used if a contractor requests to add a labor category or item, Special item Number (SIN), or an Economic Price Adjustment (EPA)?

If the modification request does not require negotiations, the BOA discount relationship is not disturbed, or a new BOA is not established, these templates are not required, and a memo to file should be used. If negotiations are required, the Basis of Award (BOA) discount relationship is disturbed, or a new BOA is established, then the pre-negotiation memorandum, price-negotiation memorandum, and final proposal revision templates should be used.

When a pre-negotiation memorandum, price-negotiation memorandum, and final proposal revision are required, should all sections in the templates be addressed for all modifications?

No, only the applicable sections of the templates that apply to the modification request are required. For example, if the contractor is requesting the addition of an item only (and negotiations are required, the BOA discount relationship is disturbed, or a new BOA is established) and a technical evaluation is not applicable, the technical evaluation section may be removed from the pre-negotiation memorandum or it may be marked "not applicable."

Is a pre-negotiation memorandum, price-negotiation memorandum, and final proposal revision required if I am negotiating an issue that is not price-related?

No, while a Contracting Officer may negotiate areas that are not price-related (e.g. technical areas), pre-negotiation objectives are only required to be documented for price-related actions (see FAR 15.406-1); therefore, while the Contracting Officer may elect to use the pre-negotiation memorandum to establish negotiation objectives, it is not required. The contracting officer may also use a memo to file (Appendix G) to establish their objectives.

Author: Nicholas West

Appendix A

<p>For Enterprise Acquisition Solution (EAS) Implementation</p>
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Pre-Negotiation Memorandum Multiple Award Schedule

Schedule # – Schedule Name
Solicitation Number (Refresh # dated Date)

I. EXECUTIVE SUMMARY

This acquisition will result in a non-mandatory, indefinite delivery/indefinite quantity, firm-fixed-price, multiple award schedule contract. The products and/or services offered herein will be procured from responsible sources at fair and reasonable prices in accordance with Federal Acquisition Regulation (FAR) Subpart 15.402

The purpose of this memorandum is to make an affirmation as to whether or not the offeror is responsible and responsive in accordance with FAR 9.104 and to establish prenegotiation objectives. The Government has performed an administrative review, technical evaluation, and a price analysis of the offer. The Contracting Officer's evaluation and determination is discussed in the subsequent sections.

[text box]

II. OFFEROR

Name

Street Address

Suite (if applicable)

City, State Zip

Phone:

Fax:

DUNS:

TIN:

Parent Company [if applicable]

NAICS: [Ensure NAICS of the offeror matches the NAICS to the SIN, and if not, provide an explanation]

Business Size: Large Small Women Owned Veteran Owned Small Disadvantaged 8a Service-Disabled Veteran Owned HUBZone

Category: Manufacturer Dealer/Reseller Retailer Other _____[specify]

Estimated Contract Value: [\$\$] (five-year base period)
 [\$\$] (five-year base period and all option periods)

The estimated contract value will be reviewed at option period and adjusted accordingly.

Contract Period: Date of award through five years
 Three five-year option periods
 Standing solicitation - no closing date

Type of Contract: Indefinite Delivery Indefinite Quantity (IDIQ)
 Multiple Award Schedule
 Firm-Fixed-Price with Economic Price Adjustment

Authorized Negotiators:

[List all authorized negotiators](#)

Contact for Contract Administration:

[List all contract administrators](#)

Scope of Contract: [Domestic / Worldwide](#)

III. DESCRIPTION OF THE ACQUISITION

[Company](#) submitted a proposal dated [offer date](#). The following Special Item Numbers (SINs) were offered:

[INSERT SIN\(S\) AND SIN DESCRIPTIONS](#)

IV. KEY DOCUMENTS

- Small Business Subcontracting Plan (IAW FAR 19.702): [N/A / Pending Review by SBTA. This will be discussed in negotiations / Approved by SBTA on ____]
- EEO Clearance: N/A Required (IAW FAR 22.805) [A request was submitted to the Department of Labor on [date]. Clearance granted on [date]. This will be discussed in negotiations.]
- [Representations and Certifications Completed \(IAW FAR 4.12\)](#): Yes No
- [ORCA \(orca.bpn.gov\)](#): Registration valid until Date
- [CCR \(www.ccr.gov\)](#) (IAW FAR 4.11): Registration valid until Date
- Pathway to Success Certificate: [*Person completed by and date*]
- Agent Authorization Letter: N/A Yes
- [Recovery Purchasing \(IAW FAR 4.15\)](#): Yes No

- **Cooperative Purchasing:** N/A Yes No
- **Pre-Award Audit:** The company has has not been selected for a pre-award audit.

[If company has been selected, discuss the findings of the pre-award audit and how each finding was addressed. If recommendations from the pre-award audit were not adopted, the file must explain why.]

- **Notice of Substantial Award:** N/A Yes
- **Trade Agreements Act:** In accordance with FAR Part 52.225-5, all solicitations over the Trade Agreements Act (TAA) threshold are subject to compliance with the Trade Agreements Act. Therefore, all offers submitted under the MAS Program are subject to the TAA. The offeror identified did not identify foreign end products. The country(ies) of origin for foreign end products is/are [_____].
- **If other than the manufacturer, the offeror has or has not submitted prior to award of a contract, either (1) a letter of commitment from the manufacturer which will assure the Offeror of a source of supply sufficient to satisfy the Government's requirements for the contract period, OR (2) evidence that the offeror will have an uninterrupted source of supply from which to satisfy the Government's requirements for the contract period.**
- **If marketing through dealers, the offeror has indicated whether those dealers will be participating in the proposed contract: Yes No N/A**

V. RESPONSIBILITY DETERMINATION

Based on the fact that this is a Multiple Award Schedule contract that can be cancelled by either party within 30 days, the firm is determined to:

a.) Have adequate financial resources to perform the contract or the ability to obtain them.

A financial review was conducted on [date], where it was determined that the company has does not have adequate financial resources, or the ability to obtain them, to perform the anticipated work (FAR 9.104-1).

[If an internal financial analysis is conducted, discuss how it was determined the company was financially responsible – may include analysis of a company's financial statements, reference to a Certificate of Competency (small business), etc. If after conducting the financial review the CO is unable to determine financial capability, then use of other means may be justified.]

FAPIS was checked on [date]. The system did did not reflect any information that could be used to determine that the company does not have adequate financial resources to perform the anticipated work.

[If FAPIS reflects relevant information on the company that may result in a determination of

non-responsibility, discuss how it was determined the company was financially responsible – may include any additional information the company submitted to demonstrate its responsibility, reference to a Certificate of Competency (small business), etc.]

b.) Be able to comply with the required or proposed performance schedule taking into consideration all existing commercial and government business commitments.

[Discuss the company's personnel, facilities, quality control plan, past performance information, etc.]

c.) Have a satisfactory performance record.

[Discuss past performance results obtained from FAPIIS (specifically PPIRS), Dun & Bradstreet Past Performance Report, other past performance surveys/questionnaires, performance on other FSS contracts, CAV reports, etc. Sample language includes the following: 1) PPIRS includes a total of [#] performance evaluation reports on the company. [#] of the reports are from acquisitions of similar scope and complexity to the present acquisition, from the past year. [Summary of the reports – positive, neutral, negative]. Based on the information in PPIRS, company's past performance is is not satisfactory. 2) Open Ratings has completed a Past Performance Evaluation on [company] as of [date]. A total of [# of respondents] references were surveyed and the evaluation determined that the summary performance rating was [%] which is satisfactory to the Contracting Officer. Past performance is is not satisfactory. Address performance reported. 3) Reference Checks: Reference checks were conducted on [date] and based on the feedback, the company has does not have satisfactory performance]

d.) Have a satisfactory record of integrity and business ethics.

[Include FAPIIS (i.e.EPLS) and references to other supporting documentation.]

In accordance with [FAR 9.404 and clause 52.203-13](#), Company has a written code of business ethics and is not presently debarred, suspended, proposed for debarment or declared ineligible for the award of contracts by any Federal agency. They have not been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state, or local government contract or subcontract; violating a Federal, state, or local antitrust statute relating to the submission of offers; committing embezzlement, theft, forgery, bribery, falsification, or destruction of records; making false statements; tax evasions, or receiving stolen property. They are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with commission of any of the aforementioned offenses.

e.) Have the necessary organization, experience, accounting and operational controls, and technical skills or the ability to obtain them.

[Discuss organizational structure, key personnel, accounting controls, marketing strategy, etc.]

f.) Have the necessary production, technical equipment and facilities or the ability to obtain them.

[Discuss production schedules, equipment, etc.]

g.) Be otherwise qualified and eligible to receive an award under applicable laws and regulations.

[Discuss completed ORCA, FAPIIS EPLS and CCR) check, etc.]

In accordance with FAR Part 9.104-6, the debarred bidders list was reviewed via FAPIIS, the Internet at address www.ppirs.gov on [date]. The offeror does does not appear in Excluded Parties List System for Federal Procurement and Non-procurement Programs. This database will be reviewed again prior to recommendation for award.

Based on the elements of responsibility reviewed above, **Company** is is not determined to be responsible in accordance with FAR 9.104.

VI. TECHNICAL EVALUATION

An overall evaluation of **Company's** technical proposal has been performed. The firm's previous experience and past performance were assessed in order to determine the depth of its understanding of **Schedule Name's** requirements. Factors may or may not include the Factors listed below. Each Multiple Award Schedule has the flexibility to conform the evaluation factors to each Schedule's needs.

Factor I – Corporate Experience:

[Discuss years in business, experience, number of employees, parent/subsidiary information, etc. and a statement that the company was rated "acceptable", "partially acceptable", or "not acceptable" for Factor I.]

Factor II – Relevant Project Experience (if applicable):

[May include language, such as, "The submitted projects (or substitution of relevant projects of predecessor companies or the company's key personnel that will be performing major aspects of the work as applicable) demonstrate that the offeror has successful experience in performing projects within the general scope of this contract. The work described also demonstrates that the offeror has performed tasks, which are of similar complexity to those contemplated under the proposed SIN(s). For a complete description of submitted projects/key personnel descriptions, refer to Tab 17. Narrative should also include a statement that the company was rated "acceptable", "partially acceptable", or "not acceptable" for Factor II.]

Factor III – Past Performance:

[Must include reference to PPIRS – may include references to Dun & Bradstreet Report, other performance survey/questionnaires, etc. and a statement that the company was rated "acceptable", "partially acceptable", or "not acceptable" for Factor III.]

Factor IV – Quality Control:

[Discuss quality control plan and a statement that the company was rated "acceptable",

"partially acceptable", or "not acceptable" for Factor IV.]

Each technical factor was defined and standards written so that all proposals would be objectively and impartially evaluated against those standards and not against one another. The Government determined that each technical proposal would be evaluated and rated on an "acceptable/unacceptable" basis. Pursuant to an in-depth assessment of technical factors described herein, **Company** is is not determined to be technically acceptable.

VII. PRICING ANALYSIS

Solicitation [number] seeks products/services that are commercial in nature. FAR Part 15.403-1(c)(3)(i) exempts commercial items from the requirement of cost and pricing data. Therefore, cost and pricing data are not required.

Prices are based on:

- Commercial pricelist/catalog
- Market pricing/cost buildup

The following chart displays the offeror's proposed prices, in addition to a comparison of those prices to Most Favored Customer prices, GSA Advantage! prices (for products only), and any other external market-based research as input by the CO/CS.

INSERT PRICE COMPARISON CHART

[text box]

The prices offered to GSA are equal to better than not comparable to the MFC.

The terms and conditions offered to GSA are equal to better than not comparable to the MFC.

[Fully explain how the price offered is equal to, better than or not comparable to the MFC. Fully explain how the terms and conditions offered are equal to, better than or not comparable to the MFC. If MFC pricing isn't offered, explain why not.]

Most Favored Customer pricing is the Government's negotiation objective and is used to perform price analysis and determine fair and reasonable pricing; however, the Most Favored Customer pricing is not necessarily synonymous with Basis of Award. Basis of Award may be discussed during negotiations and will be determined prior to contract award.

Economic Price Adjustment:

[If future price increases are based on an Economic Price Adjustment (EPA), fully describe the EPA selected.

Quantity discounts were offered. Yes No

[If quantity discounts were offered, address what they are]

Service Contract Act: The Service Contract Act is is not applicable. In accordance

with FAR Part 22, service contracts over \$2,500 shall contain mandatory provisions regarding minimum wages and fringe benefits, safe and sanitary working conditions, notification to employees of the minimum allowable compensation, and equivalent Federal employee classifications and wage rates. The following Wage Determination numbers were reviewed: [complete table]

Wage Determination No.	Locality	Offered Prices Compliant?

VIII. Basis of Negotiations

By submission of the modification request, [Company](#) has certified that all information is current, complete and accurate.

The Government has developed the following negotiation objectives:

INSERT NEGOTIATION OBJECTIVES CHART

[Discuss the following areas where applicable: What prices should the government get and why? How did you arrive at your negotiation objectives? What additional discounts or concessions are you seeking? What is your basis? How does the proposed pricing compare to the Most Favored Customer pricing and the company's established commercial practices?]

In order to fulfill Clause 552.238-75 Price Reductions, the Government will seek to establish the following Basis of Award:

[text box]

Additional Points of Negotiation:

[text box]

IX. Negotiations

Upon approval of the Pre-Negotiation Memorandum, negotiations will be initiated.

Once negotiations have concluded, the Government will request a Final Proposal Revision to confirm all agreed upon changes in its initial offer. Upon review of the Final Proposal Revision, the Government intends to make award without obtaining further revisions. Any revisions submitted after the noted due date will not be considered, unless it is determined to be in the best interest of the Government.

The contract value is *[insert estimated value]* and is is not subject to a Pre-Negotiation Clearance Panel (PNCP).

[If subject to a PNCP, address the following: Date PNCP occurred, PNCP participants, summary of PNCP comments, and whether or not PNCP approval was attained.]

Prepared By:

Name
Contract Specialist
Acquisition Center

Date

Approved By:

Name
Contracting Officer
Acquisition Center

Date

Appendix B

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Price Negotiation Memorandum Multiple Award Schedule

Schedule # – Schedule Name
Solicitation Number (Refresh # dated Date)

Company Name

FAR 15-406-3 Negotiation Documentation

1. Purpose of the Negotiation:

Having determined that the modification request was complete, the information from the modification request was consolidated into a pre-negotiation memorandum with recommended negotiation objectives. The pre-negotiation memorandum was approved on **date**. The purpose of the negotiations was to negotiate the terms and conditions of the modification request and to obtain pricing that is equal to or better than the contractor's Most Favored Customer pricing.

2. Description of the Acquisition:

This Price Negotiation Memorandum is for a non-mandatory, IDIQ, Multiple Award Schedule, contract.

Company submitted a proposal dated **offer date**. The following Special Item Numbers (SINs) were offered:

INSERT SIN(S)

NAICS:

INSERT NAICS

[Address any discrepancies that exist between SIN(s) and NAICS]

3. Negotiators:

List all negotiators

[Discuss when negotiations were held and any other pertinent information.]

4. Current status of contractor systems to the extent they affected and were considered in the negotiation:

[text box]

5. Cost or pricing data not required in the case of any price negotiation exceeding the cost or pricing data threshold, the exception used and the basis for it:

This solicitation is for commercial items as defined by FAR Subpart 2.101 and is exempt from the requirement for cost or pricing data (FAR Subpart 15-403-1(b)(3)).

6. Cost or pricing data required: N/A (See #5 above)

7. Summary of Contractor's proposal, field pricing assistance recommendations including reasons for any pertinent variances from the Government's negotiation objective, and the negotiated position. When determination of price reasonableness is based on price analysis, the summary shall include the source and type of data used to support the determination:

See Pre-Negotiation Memorandum (Tab 14)

[text box]

8. The most significant facts and considerations controlling the establishment of pre-negotiation objectives and the negotiated agreement including explanation of any significant differences between the two positions.

- (1) *Summarize the Contractor's proposal. Identify the product/services offered and initial price offered. Discuss the analysis of the proposed pricing, Most Favored Customer pricing, market pricing, etc.*
- (2) *Discuss the Government's negotiation objectives*
- (3) *Discuss the Government's negotiated position. Were the objectives met? Is the agreed upon pricing better than or equal to the offeror's MFC? Discuss any differences between the pre-negotiation objectives and the negotiated position*
- (4) *Were there significant issues that developed during negotiations that the reader of the price negotiation memorandum should be aware of?*
- (5) *Discuss any changes from the initial proposal.*
- (6) *Indicate whether the company has provided quantity or prompt payment discounts or other concessions*

9. To the extent such direction has a significant effect on the action, a discussion and quantification on the impact of direction given by Congress, other agencies, and higher-level officials:

[If applicable, clarify the impact or direction given by Congress, other agencies, and higher-level officials]

10. The basis for the profit or fee pre-negotiation objective and the profit or fee negotiated:

[text box]

11. Fair and reasonable price:

Discuss price reasonableness based on price analysis including the source and type of data used to determine price reasonableness.

Final Pricing:**INSERT PRICE LIST**

In order to fulfill Clause 552.238-75 Price Reductions, the Government established [*customer or class of customer*] as Company's Basis of Award.

It is recommended that a contract be awarded to **Company** under **Schedule / Title, Solicitation Number for SIN(s)**.

[*text box. If award without discussions is made, provide rationale.*]

Prepared By:

Name
Contract Specialist
Acquisition Center

Date

Approved By:

Name
Contracting Officer
Acquisition Center

Date

Appendix C

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Date
Company
Address

Re: **Company's** Final Proposal Revision

Dear **Ms./Mr. Name**:

1. **Company** takes the following exceptions to the terms and conditions of the contract:

List exceptions taken or "None"

Check box for confirmation

2. The following Special Item Numbers (SINs) were proposed:

List SIN(s)

Check box for confirmation

3. State the negotiated method for price escalation for the base period and option periods of the resulting contract.

[text box]

4. The following chart reflects all agreed upon pricing, whether accepted as proposed or negotiated. The data also includes other proposed or negotiated discounts, e.g. volume discounts, prompt payment terms, etc. **Company** understands that the Industrial Funding Fee must be set aside for remittance to GSA on a quarterly basis.

Insert pricelist as a link or appendix.

[text box]

Check box for confirmation

5. Please state the Basis of Award. **Company** understands that should it deviate from the established pricing policies disclosed in this offer and disturb the discount relationship with the established Basis of Award, the terms of **GSAM clause 552.238-75 PRICE REDUCTIONS** apply.

[text box]

6. Any contractor travel required in the performance of this contract and orders placed

hereunder must comply with the Joint Travel Regulations, as applicable, in effect on the date(s) the travel is performed. Established Federal Government per diem rates will apply to all contractor travel. Contractors cannot use GSA city pair contracts. The contractor shall not add the Industrial Funding Fee onto travel costs.

Check box for confirmation

7. All commercial business practices have been fully disclosed and are current, accurate and complete as of the conclusion of negotiations.

Check box for confirmation

8. Please note that the contract administrator is responsible for overall compliance with contract clauses. The contractor's designation of representatives to handle certain functions under this contract does not relieve the contract administrator of responsibility for compliance in these areas. Therefore, any contract compliance issues, including those concerning compliance with contract clauses, may be addressed directly to the contract administrator.

List contract administrator(s)

9. **Company** has an adequate and auditable recording system capable of sales tracking and submission of the IFF.

Check box for confirmation

[Include any other relevant information, such as Trade Agreements Act compliance, licensing agreements, etc.]

Provide **Company's** Final Proposal Revision by the close of business, [date]. The General Services Administration intends to make award without obtaining further revisions. Any revisions submitted after the noted due date will not be considered unless an extension was granted.

Sincerely,

Contracting Officer/Contract Specialist Name
Center Name

Appendix D

For EAS Implementation
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Pre-Negotiation Memorandum for Modification Multiple Award Schedule **Schedule # – Schedule Name**

Contract Number _____
Modification number _____

I. CONTRACTOR

Name
 Street Address
 Suite (if applicable)
 City, State Zip
 Phone:
 Fax:
 DUNS:
 TIN:

Authorized Negotiators:

List all authorized negotiators

Contact for Contract Administration:

List all contract administrators

II. DESCRIPTION OF THE MODIFICATION REQUEST

Company submitted a modification request dated **modification request date** to modify contract **contract number** as follows:

[Insert description of modification request]

III. KEY DOCUMENTS

- Agent Authorization Letter: N/A Yes
- Did the contractor propose any exceptions Yes No
- Add SIN(s). The modification request is requesting to add SIN(s) N/A Yes, and for each SIN, the contractor submitted:

- Commercial Sales Practices Format Yes No
- Updated GSA *Advantage!*® Price List Yes No
- Delivery time(s) for the item(s) under the new SIN(s) N/A Yes

No

- Production point(s) for the item(s) under the new SIN(s) N/A Yes No
- Hazardous Material information N/A Yes

No

- Any information requested by 52.212-3, Contractor Representations and Certifications—Commercial Items, that may be necessary to assure compliance with Foreign, FTA, Canadian, Israeli, and other end products N/A Yes No
- The contractor identified did not identify foreign end products.
- The country of origin for foreign end products is/are [_____].
- If other than the manufacturer, the Contractor has has not submitted prior to award of a contract, either (1) a letter of commitment from the manufacturer, which will assure the Contractor of a source of supply sufficient to satisfy the Government's requirements for the contract period, OR (2) evidence that the Contractor will have an uninterrupted source of supply from which to satisfy the Government's requirements for the contract period.
- If marketing through dealers, the contractor has indicated whether those dealers will be participating in the proposed contract Yes No N/A. If yes, did the contractor provide:
 - o Letter(s) of supply Yes No N/A
 - o Letter(s) of commitment Yes No N/A
 - o List of dealer(s)/reseller(s) Yes No N/A
 - o Warranty information Yes No N/A
 - o Licensing agreement(s) Yes No N/A

- Add items. The modification request is requesting to add item(s) N/A Yes, and the contractor submitted the following:

- Commercial Sales Practices Format Yes
- Updated GSA *Advantage!*® Price List Yes
- Delivery time(s) for the new item(s) N/A Yes
- Production point(s) for the new item(s) N/A Yes
- Hazardous Material information N/A Yes
- Any information requested by 52.212-3, Contractor Representations and Certifications—Commercial Items, that may be necessary to assure compliance with Foreign, FTA, Canadian, Israeli, and other end products N/A Yes No
- The contractor identified did not identify foreign end products.
- The country of origin for foreign end products is/are [_____].
- If other than the manufacturer, the Contractor has has not submitted prior to award of a contract, either (1) a letter of commitment from the manufacturer, which will assure the Contractor of a source of supply sufficient to satisfy the Government's requirements for the contract period, OR (2) evidence that the Contractor will have an uninterrupted source of supply from which to satisfy the Government's requirements for the contract period.
- If marketing through dealers, the contractor has indicated whether those dealers will be participating in the proposed contract Yes No N/A. If yes, did the contractor provide:

- | | | | |
|---|------------------------------|-----------------------------|------------------------------|
| <input type="radio"/> Letter(s) of supply | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <input type="radio"/> Letter(s) of commitment | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <input type="radio"/> List of dealer(s)/reseller(s) | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <input type="radio"/> Warranty information | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <input type="radio"/> Licensing agreement(s) | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
- Deletion. The modification request is requesting to delete item(s)/SIN(s) and the contractor provided an explanation for the deletion N/A Yes No
 - Price Reductions. The modification request is requesting a price reduction and the Contractor indicated whether the price reduction falls under the item (i), (ii), or (iii) of paragraph (c)(1) of the Price Reductions clause at 552.238-75. N/A Yes No
 - If the price reduction falls under item (i), the Contractor submitted a copy of the dated commercial price list. N/A Yes No
 - If the price reduction falls under item (ii) or (iii), the Contractor submitted a copy of the applicable price list(s), bulletins or letters or customer agreements which outline the effective date, duration, terms and conditions of the price reduction. N/A Yes No

IV. TECHNICAL CAPABILITY EVALUATION

An overall evaluation of **Company's** technical proposal has been performed. The firm's previous experience and past performance were assessed in order to determine the depth of its understanding of **Schedule Name's** requirements. Factors may or may not include the Factors listed below. Each Multiple Award Schedule has the flexibility to conform the evaluation factors to each Schedule's needs.

Factor I – Corporate Experience:

[Discuss years in business, experience, number of employees, parent/subsidiary information, etc. and a statement that the company was rated "acceptable", "partially acceptable", or "not acceptable" for Factor I. If modification is not requesting the addition of SINs, enter "N/A."]

Factor II – Relevant Project Experience:

[May include language, such as, "The submitted projects (or substitution of relevant projects of predecessor companies or the company's key personnel that will be performing major aspects of the work as applicable) demonstrate that the contractor has successful experience in performing projects within the general scope of this contract. The work described also demonstrates that the contractor has performed tasks, which are of similar complexity to those contemplated under the proposed SIN(s). For a complete description of submitted projects/key personnel descriptions, refer to Tab 17. Narrative should also include a statement that the company was rated "acceptable", "partially acceptable", or "not acceptable" for Factor II." If modification is not requesting the addition of SINs, enter "N/A."]

Each technical factor was defined and standards written so that all proposals would be objectively and impartially evaluated against those standards and not against one another. The Government determined that each technical proposal would be evaluated and rated on an "acceptable/unacceptable" basis. Pursuant to an in-depth assessment of technical

factors described herein, **Company** is determined to be technically acceptable.

V. PRICING ANALYSIS

Solicitation [number] seeks products/services that are commercial in nature. FAR Part 15.403-1(c)(3)(i) exempts commercial items from the requirement of cost and pricing data. Therefore, cost and pricing data are not required.

The following chart displays the contractor’s proposed prices, in addition to a comparison of those prices to Most Favored Customer prices, GSA *Advantage!*® prices (for products only), and any other external market-based research as input by the CO/CS.

INSERT PRICE COMPARISON CHART

Prices offered are are not based on a commercial catalog or pricelist. If prices are based on a commercial catalog or price list, the catalog or price list is dated [*insert date*].

[If future price increases are based on an Economic Price Adjustment (EPA), fully describe the EPA selected and provide a mathematical example of how prices would be adjusted.

Quantity discounts were offered. Yes No *[If quantity discounts were offered, address what they are]*

The Company’s Most Favored Customer (MFC) pricing is disclosed on the Commercial Sales Practice Sheet (CSP) is [*insert company’s Most Favored Customer or class of customer*]. The prices offered to GSA are equal to better than not comparable to the MFC. *[Fully explain how the price offered is equal to, better than or not comparable to the MFC. Include how MFC purchase volumes compare to the maximum order threshold of the schedule.]*

The terms and conditions offered to GSA are equal to better than not comparable to the MFC. *[Fully explain how the terms and conditions offered are equal to, better than or not comparable to the MFC. If MFC pricing isn’t offered, explain why not]*

Most Favored Customer pricing is used to perform price analysis and to determine fair and reasonable pricing; however, the Most Favored Customer pricing is not necessarily synonymous with Basis of Award. The customer or class of customer identified as the Basis of Award is addressed below.

[text box]

Service Contract Act: The Service Contract Act is is not applicable. In accordance with FAR Part 22, service contracts over \$2,500 shall contain mandatory provisions regarding minimum wages and fringe benefits, safe and sanitary working conditions, notification to employees of the minimum allowable compensation, and equivalent Federal employee classifications and wage rates. The following Wage Determination numbers were reviewed: [complete table]

Wage Determination No.	Locality	Offered Prices Compliant?

The prices proposed are are not in compliance with the applicable wage determination for the offered locality(ies).

VI. Basis of Negotiations

By submission of the modification request, **Company** has certified that all information is current, complete and accurate.

The Government has developed the following negotiation objectives:

INSERT NEGOTIATION OBJECTIVES CHART

[Discuss the following areas where applicable: What prices should the government get and why? How did you arrive at your negotiation objectives? What additional discounts or concessions are you seeking? What is your basis? How does the proposed pricing compare to the Most Favored Customer pricing and the company's established commercial practices?]

In order to fulfill Clause 552.238-75 Price Reductions, the Government will establish [*customer or class of customer*] as **Company's** Basis of Award for the new item(s).

VII. Negotiations

Once negotiations have concluded, the Government will request a Final Proposal Revision to confirm all agreed upon changes in its initial modification request. Upon review of the Final Proposal Revision, the Government intends to make award without obtaining further revisions. Any revisions submitted after the noted due date will not be considered, unless it is determined to be in the best interest of the Government.

Prepared By:

Name

Contract Specialist
Acquisition Center

Date

Approved By:

Name

Contracting Officer
Acquisition Center

Date

Appendix E

For EAS Implementation
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**Price Negotiation Memorandum
Multiple Award Schedule
Schedule # – Schedule Name**

Company Name
Contract Number _____
Modification number _____

FAR 15-406-3 Negotiation Documentation

1. Purpose of the Negotiation:

Having determined that the modification request was complete, the information from the modification request was consolidated into a pre-negotiation memorandum with recommended negotiation objectives. The pre-negotiation memorandum was approved on **date**. The purpose of the negotiations was to negotiate the terms and conditions of the modification request and to obtain pricing that is equal to or better than the contractor's Most Favored Customer pricing.

2. Description of the Acquisition:

This Price Negotiation Memorandum is for a non-mandatory/mandatory, indefinite delivery indefinite quantity/definite delivery, multiple award schedule, contract. The Contracting Officer who places task/delivery orders against the contract shall purchase products and services at fair and reasonable prices in accordance with Federal Acquisition Regulation (FAR) Clause 15.402.

Company submitted a modification request dated **date** to modify contract **contract number** as follows:

[Insert description of modification request]

3. Negotiators:

List all negotiators

[Discuss when negotiations were held and any other pertinent information.]

4. Current status of contractor systems to the extent they affected and were considered in the negotiation:

[text box]

5. Cost or pricing data not required in the case of any price negotiation exceeding the cost

or pricing data threshold, the exception used and the basis for it:

This solicitation is for commercial items as defined by FAR Subpart 2.101 and is exempt from the requirement for cost or pricing data (FAR Subpart 15-403-1(b)(3)).

6. Cost or pricing data required: N/A (See #5 above)

7. Summary of Contractor's proposal, field pricing assistance recommendations including reasons for any pertinent variances from the Government's negotiation objective, and the negotiated position. When determination of price reasonableness is based on price analysis, the summary shall include the source and type of data used to support the determination:

See Pre-Negotiation Memorandum

[text box]

8. The most significant facts and considerations controlling the establishment of pre-negotiation objectives and the negotiated agreement including explanation of any significant differences between the two positions.

- (1) *Summarize the Contractor's request. Identify the product/services offered and initial price offered. Discuss the analysis of the proposed pricing, Most Favored Customer pricing, market pricing, etc.*
- (2) *Discuss the Government's negotiation objectives.*
- (3) *Discuss the Government's negotiated position. Were the objectives met? For MAS, is the agreed upon pricing better than or equal to the offeror's MFC? Discuss any differences between the pre-negotiation objectives and the negotiated position.*
- (4) *Were there significant issues that developed during negotiations that the reader of the price negotiation memorandum should be aware of?*
- (5) *Discuss any changes from the initial proposal.*
- (6) *Indicate whether the company has provided quantity or prompt payment discounts or other concessions*

9. To the extent such direction has a significant effect on the action, a discussion and quantification on the impact of direction given by Congress, other agencies, and higher-level officials:

[If applicable, clarify the impact or direction given by Congress, other agencies, and higher-level officials]

10. The basis for the profit or fee pre-negotiation objective and the profit or fee negotiated:

[N/A]

11. Fair and reasonable price:

Discuss price reasonableness based on price analysis including the source and type of data used to determine price reasonableness.

Final Pricing:

INSERT PRICE LIST

In order to fulfill Clause 552.238-75 Price Reductions, the Government established [*customer or class of customer*] as Company's Basis of Award.

It is recommended that the modification **modification request** be awarded to **Company**.

[*text box. If award without discussions is made, provide rationale.*]

Prepared By:

Name
Contract Specialist
Acquisition Center

Date

Approved By:

Name
Contracting Officer
Acquisition Center

Date

Appendix F

For EAS Implementation
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Date
 Company
 Address

Re: **Company's** Final Proposal Revision for modification number _____ under contract number _____

Dear **Ms./Mr. Name:**

Discussions between the General Services Administration (GSA) and **Company** regarding the modification request to contract number _____, have concluded. Please submit your company's Final Proposal Revision (FPR) to include:

- Company** takes the following exceptions to the terms and conditions of the contract:

List exceptions taken or "None"

Check box for confirmation

- The following Special Item Numbers (SINs) were proposed:

List SIN(s) or "N/A"

Check box for confirmation

- State the negotiated method for price escalation for the base period and option periods of additional product(s)/service(s).

[text box]

- The following chart reflects all agreed upon pricing, whether accepted as proposed or negotiated. The data also includes other proposed or negotiated discounts, e.g. volume discounts, prompt payment terms, etc. **Company** understands that the Industrial Funding Fee must be set aside for remittance to GSA on a quarterly basis.

Insert pricelist as a link or appendix.

[text box]

Check box for confirmation

- Please state the Basis of Award. **Company** understands that should it deviate from the

established pricing policies disclosed in this offer and disturb the discount relationship with the established Basis of Award, the terms of [GSAM clause 552.238-75 PRICE REDUCTIONS](#) apply.

[text box]

6. All commercial business practices have been fully disclosed and are current, accurate and complete as of the conclusion of negotiations.

[Check box for confirmation](#)

Provide [Company's](#) Final Proposal Revision by the close of business, [\[date\]](#). The General Services Administration intends to make award without obtaining further revisions. Any revisions submitted after the noted due date will not be considered unless an extension was granted.

[Sincerely,](#)

[Contracting Officer/Contract Specialist Name](#)
[Center Name](#)

Appendix G

<p>For EAS Implementation Blue text – system generated <i>[italics]</i> – CO/CS insert text box</p>

MEMO TO FILE

Contractor: *Company*
Contract Number: *Contract Number*
Subject: *[text box]*

[text box]

Prepared By:

_____	_____
<i>Name</i>	<i>Date</i>
<i>Contract Specialist</i>	
<i>Acquisition Center</i>	

Approved By:

_____	_____
<i>Name</i>	<i>Date</i>
<i>Contracting Officer</i>	
<i>Acquisition Center</i>	