

December 17, 2008

FAS INSTRUCTIONAL LETTER 2008-02

MEMORANDUM FOR ALL FAS ACQUISITION ACTIVITIES (QV DISTRIBUTION LIST)

FROM: STEVEN J. KEMPF
ASSISTANT COMMISSIONER
OFFICE OF ACQUISITION MANAGEMENT (QV)

SUBJECT: Multiple Award Schedules (MAS) Program: Modification Receipt Dates and Types

1. Purpose. The purpose of this Instructional Letter (IL) is to establish an improved acquisition process and provide guidance for the receipt and categorization of modification types under the Multiple Award Schedules (MAS) Program. This acquisition process improvement will enhance both the quality of contract modification data and our ability to process contract modifications electronically. This new process calls for the establishment of a Central Intake Desk (CID) at each MAS Acquisition Center to receive incoming paper modification requests. The process will also address certain recommendations provided by GSA's Inspector General (IG) in its Management Audit Report entitled, "Review of MAS Program Contract Workload Management."

2. Background. In January 2008, as part of the MAS Modification Transformation Project, GSA/FAS conducted a workshop (Kaizen Event) focusing on the receipt and classification of MAS modification types. During the workshop, participants identified the following specific drivers of poor modification processing performance:

- Inconsistent modification receipt and award dates;
- Ambiguous modification action types;
- Inconsistent modification processing;
- Inconsistent application of award dates;
- Inaccurate data on modifications; and
- Insufficient data entry controls.

The workshop participants then developed the following acquisition process improvement recommendations to address these shortcomings:

- Establish a Central Intake Desk (CID) at each MAS Acquisition Center to receive all incoming paper modification requests;
- Facilitate the ability of contractors to submit modification requests electronically through enhancements to eMod;

- Update modification types and subtypes;
- Standardize definitions and required entry of modification process steps of receipt, award, rejection, and withdrawals;
- Standardize modification clarification, rejection, and withdrawal reasons;
- Create an automated generation of standardized clarification, rejection, and withdrawal letters; and
- Standardize definitions and measurement of Procurement Action Lead Times (PALT).

The Instructions/Procedures section describes the modification process changes in further detail.

The implementation of these recommendations has followed an approach that combines acquisition process improvement, policy changes, enhancements to key shared Information Technology (IT) applications supporting the MAS Program, acquisition workforce training and education, and external communication and outreach.

By implementing the workshop participants' recommendations, GSA/FAS seeks to realize the following benefits:

- Improve cycle time measurements;
- Improve workload visibility and management capabilities;
- Achieve greater consistency and standardization in modification processing;
- Improve electronic contract file documentation capabilities; and
- Increase customer and Schedule contractor satisfaction.

3. Effective Date. Date of signature.

4. Termination Date. This Instructional Letter expires one year from the effective date unless cancelled, extended, or incorporated into a handbook.

5. Applicability. This Instructional Letter applies to all FAS contracting activities awarding and administering MAS contracts.

6. Reference to Regulations. FAR Part 43, Contract Modifications, prescribes general policies for all contract modifications. FAR Subpart 4.5, Electronic Commerce in Contracting, prescribes general policies for electronic contracting. GSAM Part 543, Contract Modifications, and GSAM Subpart 538.2, Establishing and Administering Federal Supply Schedules, outline policies for establishing and administering Federal Supply Schedule contracts. GSAM Subpart 504.5, Electronic Commerce in Contracting, prescribes general policies and procedures for electronic contracting within GSA.

7. Instructions/Procedures.

A. New Procedures for Contractor Submission of Paper Modifications—Central Intake Desk (CID)

Beginning November 17, 2008, MAS contractors submitting paper modification requests, via e-mail or mail, shall submit their requests directly to the dedicated e-mail or mail

address created by each MAS Acquisition Center for its Central Intake Desk (CID).

There will be approximately a 90-day ramp-up period for MAS Acquisition Centers and MAS contractors to adjust to this new procedure. During this period, MAS Contracting Officers and Contract Specialists may load new modification requests into FSS Online through the CID functionality. After the 90-day ramp-up period, Contracting Officers/Contract Specialists shall forward all paper modification requests directly to the CID staff for loading into FSS Online.

While the workload of each CID staff will vary by MAS Acquisition Center, it is estimated that CID activities will consume no more than 10 – 15 minutes per day.

B. Central Intake Desk (CID) Process

- Registration. Within two business days of receipt of a modification request, the CID staff shall access FSS Online, enter the receipt date, and assign the modification. The date the modification is received by the MAS Acquisition Center, either in hard copy, via e-mail, or fax, is considered to be the receipt date of the modification. All paper modifications must be date-stamped by the CID staff and delivered to the appropriate party, as determined by the MAS Acquisition Center.

Enhanced functionality in FSS Online provides the ability for the CID staff to upload modification documents and attachments received via e-mail to FSS Online. MAS Acquisition Centers may require their CID staffs to upload modification requests received via e-mail, or scan paper documents and then upload them into FSS Online. MAS Acquisition Centers that choose to upload modifications into FSS Online in such manner must attach all documentation electronically throughout the entire modification process, in order to store a complete electronic record of the modification as part of the electronic contract file.

- Assignment/Reassignment. MAS Acquisition Centers may choose to have their CID staffs assign or reassign modifications to Supervisory Contract Specialists or directly to Contracting Officers/Contract Specialists. When receiving modification requests from their CID staff, Supervisors will have the ability to review workload and assign modifications based upon Contracting Officer/Contract Specialist availability, rather than automatically assigning modifications to the Contracting Officer/Contract Specialist who has ownership of the base contract.

This new flexibility will help ensure that modifications do not suffer processing delays resulting from the absence of a Contracting Officer/Contract Specialist, and will enhance the ability for MAS Acquisition Centers to manage workload. Supervisors will then be required to assign modifications to appropriate Contracting Officers/Contract Specialists and record those assignments in FSS Online.

At any time throughout the process, a Supervisor may reassign a modification to another Contracting Officer/Contract Specialist through FSS Online. This functionality is available for both paper modifications and eMods.

C. Contracting Officer/Contract Specialist Modification Processing

Upon receipt of the modification request, the Contracting Officer/Contract Specialist must access the contract in FSS Online and record the applicable modification types and subtypes. (See Appendix A for a listing and definitions of the new MAS modification types and subtypes.) In conjunction with its initial tasks, the CID staff may include notes that will aid the Contracting Officer/Contract Specialist in selecting the correct modification types

and subtypes. The Contracting Officer/Contract Specialist should, however, review the entire modification prior to making selections. The Contracting Officer/Contract Specialist will then record all modification types and subtypes as a single modification.

The Contracting Officer/Contract Specialist will also have the ability to separate the modification between modification types and subtypes. This capability will allow the Contracting Officer/Contract Specialist to award certain modification types and subtypes without delay.

For eMods, the contractor will populate the modification types and subtypes. (See Appendix A for MAS modification types and subtypes available through eMod). If the contractor incorrectly classifies its modification request, the Contracting Officer/Contract Specialist can correct the coding, which will automatically generate an e-mail notification to the contractor. The Contracting Officer/Contract Specialist also has the ability to separate modification types and subtypes with eMods.

Throughout the processing of the modification request, FSS Online will capture certain process steps electronically and facilitate auto-generation of standardized letters to be sent to the contractor. (See Appendix B for content of standardized letters.)

For paper modifications, the system will send the letters via e-mail. For eMods, the contractor will receive an e-mail notification to review the letter in the eMod application. In both cases, all letters will be stored electronically in attached documents as part of the electronic contract file. While the goal of utilizing standardized letters (Appendix B) is to ensure consistency throughout the MAS Program, the Contracting Officer/Contract Specialist may change the content of these letters, as circumstances warrant.

The Contracting Officer/Contract Specialist shall perform the following modification processing steps in FSS Online:

- Clarifications: Provide a standard clarification reason, enter clarification letter content, and generate clarification letter in FSS Online.
- Awards: For paper modifications, enter the award date into FSS Online. For eMods, once the modification is signed by the Contracting Officer, the award date will be captured automatically.
- Rejections: Provide a standard rejection reason, enter rejection letter content, and generate rejection letter in FSS Online.
- Withdrawals: For paper modifications, enter withdrawal reason, withdrawal letter content, and generate withdrawal letter in FSS Online. For eMods, withdrawals will be generated by the MAS contractor.

The Procurement Action Lead Time (PALT) clock stops in FSS Online when the modification processing steps of award, rejection, or withdrawal have been taken. FSS Online will track PALT by user role and process steps; e.g., CID, Supervisor, Contracting Officer/Contract Specialist, and MAS contractor.

D. Training and Education

These modification process changes require that the acquisition workforce and the MAS contractor community receive training. The following training will be implemented in support of this effort:

- Acquisition Workforce Training: The implementation team has developed a

standardized presentation on the new process and system enhancements. Each Business Portfolio will ensure that all Contracting Officers/Contract Specialists in each MAS Acquisition Center receive this training. The training presentation has been made available to the FAS Supplier Management Division to provide to Administrative Contracting Officers (ACOs) and Industrial Operations Analysts (IOAs). A step-by-step user guide that outlines all process steps for both FSS Online and eMod has also been developed for the MAS acquisition workforce.

- Pre-award Training Update: The FAS Socio-Economic Program Division will update the "Pathway to Success" vendor pre-offer training during its next scheduled refresh to include new information on the revised modification submission process.
- Postaward Training Update: The FAS Supplier Management Division will update contractor postaward training, such as the New Contractor Orientation (NCO) webcast and the Steps to Success brochure, during its next scheduled refresh to inform MAS contractors regarding the new process.

E. Communication/Outreach

This new modification process is being communicated to the MAS contractor community via multiple outreach vehicles, as noted below:

- Contractor Notification: An e-mail has been sent to all MAS contractors informing them of the new modification procedures.
- Vendor Support Center (VSC) Website: New modification instructions have been posted on the VSC.
- Contractor Assistance Visits (CAVs): FAS Supplier Management Division IOAs will provide information on the new modification process as part of their CAVs to MAS contractors.

Appendix A: New MAS Modification Types and Subtypes

Primary Classification	Subclassification	Definition	Example	Clause Reference	Available in eMod (Yes/No)
Administrative	Contract Administrator/ Point of Contact (POC)	A change or update to the individuals responsible for the overall compliance with the contract terms and conditions.	The contractor replaces Jane Doe with John Smith.	G-FSS-900-C	Yes
	Authorized Negotiator	A change or update to the individuals authorized to negotiate with the Government.	The contractor replaces Jane Doe with John Smith.	K-FSS-1	Yes
	Address Change	A change or update to any physical address in the contract file.	The contractor moves from Suite A to Suite 101.	52.215-6, 552.232-82, G-FSS-900-C	Yes

Telephone Change	A change or update to any telephone number in the contract file.	The contractor changes the area code from 703 to 571.	52.215-6, 552.232-82, G-FSS-900-C	Yes
E-mail Address Change	A change or update to any e-mail address in the contract file.	The contractor changes its e-mail provider from yahoo to g-mail.	52.215-6, 552.232-82, G-FSS-900-C	Yes
Website Address Change	A change or update to any website address in the contract file.	The contractor changes its website address from .com to .org.	52.215-6, 552.232-82, G-FSS-900-C	Yes
Fax Change	A change or update to any fax information in the contract file.	The contractor changes its fax area code from 703 to 571.	52.215-6, 552.232-82, G-FSS-900-C	Yes
Correct Contract End Date	A correction to an existing contract end date.	Base Contract Period of Performance in FSS Online reflects: March 1, 2000 through March 1, 2005 (five years, one day).		No
		Contract Period of Performance is modified to reflect five years: March 1, 2000 through February 28, 2005.		
Incorporate Subcontracting Plan (Sub K)	A review of subcontracting plan for incorporation in existing contract, when required.	The contractor's commercial subcontracting plan expires December 31, 2007. The new approved commercial subcontracting plan is effective January 1, 2008.		Yes

	DUNS (Data Universal Numbering System) Change	A change or update to the DUNS number associated with an existing contract.	The contractor changes contracting responsibility from its central office to a branch office.	52.212-4 (c)	Yes
Primary Classification	Subclassification	Definition	Example	Clause Reference	Available in eMod (Yes/No)
Technical	Product Description Change	A change in product features or characteristics.	The contractor updates the color of the paint from Redskins gold to old gold.	52.212-4 (c)	Yes
	Service Description Change	A change or update to a description that more accurately describes attributes/details of the awarded labor categories. Does not change price or add a new labor category offering.	Original Description: Senior Consultant 3 analyzed a Performance Measurement System (PMS). Revised Description: Senior Consultant 3 analyzed Performance Management Program (formally known as PMS).	52.212-4 (c)	Yes
	Part Number Change	A change or update to an existing part number.	Part Number 5668877 changes to Part Number 33455877.	52.212-4 (c)	Yes
	Change in geographic coverage (scope)	A change to overseas delivery, domestic delivery, or overseas and domestic delivery.	The geographic coverage changes from domestic delivery to overseas and domestic delivery.	I-FSS-103	Yes
Primary Classification	Subclassification	Definition	Example	Clause Reference	Available in eMod (Yes/No)
Additions	Add Labor Category	An addition of a new labor category to an existing SIN.	Add Subject Matter Expert I to SIN 132-51.	552.243-72	Yes
	Add Products	An addition of a	Add Dell	552.243-72	Yes

		new product to an existing SIN.	Latitude 600 to SIN 132-8.		
	Add Special Item Number (SIN).	An addition of a new SIN to an existing contract.	Add SIN 132-8 to contract GS-35F-121S.	552.243-72	Yes
Primary Classification	Subclassification	Definition	Example	Clause Reference	Available in eMod (Yes/No)
Deletions	Delete Labor Category	A deletion of an existing labor category from a SIN.	Delete Subject Matter Expert I from SIN 132-51.	552.243-72	Yes
	Delete Products	A deletion of an existing product from a SIN.	Delete Part Number 1290 from SIN 132-8.	552.243-72	Yes
	Delete Special Item Number (SIN)	A deletion of an existing SIN. (This action will result in the deletion of all products and services associated with the deleted SIN.)	Delete SIN 132-8 from contract GS-35F-121S.	552.243-72	Yes
Primary Classification	Subclassification	Definition	Example	Clause Reference	Available in eMod (Yes/No)
Cancellations/ Terminations	Cancel Contract	The cancellation of an existing contract 30 calendar days after receipt of the notice of cancellation.	The notice of cancellation is received November 1, 2007 and the cancellation is effective December 1, 2007.	552.238-73	No
	Termination for Cause	The termination of a commercial contract for the following reasons: 1. Any default of the contractor. 2. Failure to comply with the contract terms and conditions.	The contractor failed to deliver Trade Agreement Act compliant items.	52.212-4 (m)	No
	Termination for Government's Convenience	The termination of a commercial contract by the Government for	The Government requirements change and	52.212-4 (l)	No

		its sole convenience.	delivery is no longer required.		
Primary Classification	Subclassification	Definition	Example	Clause Reference	Available in eMod (Yes/No)
Pricing	Temporary Price Reduction	The contractor reduces the price of an item for a specified period of time.	The contractor reduces the price from \$100 to \$90 for seasonal sales effective December 1-31, 2007.	552.238-75, 552.243-72	Yes
	Permanent Price Reduction (Based on Basis of Award Customer)	A reduction in price triggered by a change in the relationship between the contractor and the agreed upon Basis of Award Class of Customer.	<p>The price of the Dell laptop is \$100 to Microsoft (Basis of Award Customer).</p> <p>The price of the Dell laptop is \$90 to Government.</p> <p>Dell reduces the laptop price 10% to Microsoft (from \$100 to \$90).</p> <p>In order to maintain the negotiated pricing relationship, Dell reduces the laptop price 10% to the Government (from \$90 to \$81).</p>	552.238-75, 552.216-70	Yes
	Permanent Price Reduction (Change in Commercial Pricelist)	Due to a revised commercial pricelist or contractor request, the price of an existing item is reduced for the remainder of the current contract period.	Due to a revised commercial pricelist, the contractor reduces the Dell laptop price from \$90 to \$80.	552.238-75, 552.243-72, 552.216-70	Yes
	Voluntary Price Reduction	The contractor voluntarily	Dell voluntarily reduces the	552.238-75, 552.243-72,	Yes

		reduces the price of an existing item for the remainder of the current contract period.	Government price of a laptop from \$90 to \$75.	552.216-70	
	Economic Price Adjustment (EPA) with Commercial Pricelist (Increase)	The price increases as a result of the reissuance or other modification of the contractor's commercial catalog or pricelist that was used as the basis for contract award.	The contractor replaces its January 1, 2007 pricelist with its May 30, 2008 pricelist.	552.216-70	Yes
	Economic Price Adjustment (EPA) without Commercial Pricelist (Increase)	The price increases as a result of a pre-negotiated and agreed upon escalation rate or a pre-negotiated and agreed upon market indicator.	Escalation rate: Labor rates automatically increase 3% every 12 months. Market indicator: Annual price increases based upon Table 8 of the Consumer Price Index.	I-FSS-969	Yes
	Wage Determinations	For existing contracts where the Service Contract Act applies, the most current wage determinations need to be incorporated every two years.	ABC Company was awarded a contract in January 2006 for which the Service Contract Act was applicable. The current prevailing Department of Labor wage determination, dated January 2008, is incorporated into the contract.	52.222-41	Yes
Primary Classification	Subclassification	Definition	Example	Clause Reference	Available in eMod (Yes/No)
Option/Extension	Exercise an Option	The continued performance of the contract for a defined period	The award of a second five-year option period to	I-FSS-163, 52.217-9 52.217-8	No

		of time.	contract GS-5F-0121S.		
	Temporary Extension at the Multiple Award Schedule (MAS) Contract Level	The continued performance of the contract for a limited, definite period of time, to allow for completion of the option package review.	The award of a 60-day contract extension to contract GS-5F-0121S.	52.217-8	No
Primary Classification	Subclassification	Definition	Example	Clause Reference	Available in eMod (Yes/No)
Legal	Novation Agreement	The legal recognition of the transfer of all assets or the entire portion of the assets involved in performing the contract owned by an existing contractor to a new business entity.	XYZ company purchases the assets of ABC company; the Government recognizes XYZ company as the contractor.	42.12, 42.1204	No
	Change of Name Agreement	The change in contractor name with no change in the contract terms and conditions.	The contractor changes its name from EJB to Liz.	42.1205, 42.12	No
	Reinstate Expired Contract	Due to Government error, the contract reached its scheduled expiration date. With proper approval, the contract is reinstated.	A Government error resulted in the unwanted expiration of the contract.	52.212-4	No
	Reinstate Cancelled Contract	Upon proper approval, the cancelled contract is reinstated.	ABC Company's contract is cancelled due to low sales. The contract is reinstated three days later, after award of million dollar task order.	52.212-4	No
Primary Classification	Subclassification	Definition	Example	Clause Reference	Available in eMod (Yes/No)

Terms and Conditions	Revise terms and conditions	A change or update to existing contract terms and conditions.	The payment term is changed from 30 days to 20 days.	52.212-4 (c)	Yes
----------------------	-----------------------------	---	--	--------------	-----

Appendix B: Sample Standardized Letters

Letter #1–Clarification Letter



GSA Federal Acquisition Service

DATE

**CONTRACTOR NAME
CONTRACT ADMINISTRATOR'S NAME
CONTRACTOR COMPANY
CONTRACTOR ADDRESS
CITY, STATE, ZIP CODE**

Dear **CONTRACT ADMINISTRATOR'S NAME**:

This letter is in reference to your modification request dated **DATE** referencing contract number **XX-XXX-XXXXX**, under **SCHEDULE NAME**.

In accordance with the above referenced contract, please provide the following additional information needed to evaluate your proposed modification request:

EXPLANATION CAPTURED IN FSS ONLINE

Please provide the requested information no later than five calendar days from your receipt of this request. If you do not respond within the time frame specified, your modification request may be returned unprocessed. If have any questions concerning the above, please contact me on (###) ###-#### or via e-mail: **CO/CS FIRST NAME.LAST NAME@gsa.gov**.

Sincerely,

**CO/CS NAME
TITLE
GSA/FAS/ACQUISITION CENTER NAME
ADDRESS
CITY, STATE, ZIP CODE**

Letter #2–Rejection Letter



GSA Federal Acquisition Service

DATE

CONTRACTOR NAME

**CONTRACT ADMINISTRATOR'S NAME
CONTRACTOR COMPANY
CONTRACTOR ADDRESS
CITY, STATE, ZIP CODE**

Dear **CONTRACT ADMINISTRATOR'S NAME:**

This letter is in reference to your modification request(s) dated **DATE** referencing contract number **XX-XXX-XXXXX**, under **SCHEDULE NAME**.

Your request to modify your existing contract is being denied because: **INSERT REJECTION REASON FIELD FROM FSS Online** (*Incomplete/missing information; Incorrect information; Outside the scope of the contract; Proposed price too high; Administrative modification needed; Other*).

The following specifies why your modification request did not meet the necessary requirements for award:

EXPLANATION CAPTURED IN FSS ONLINE

Your modification request is being returned without further contractual action. Please address the above outlined modification request deficiencies before resubmitting your modification request for potential award.

If you should have any questions concerning the above, please contact me on **(###) ###-####** or via e-mail: **CO/CS FIRST NAME.LAST NAME@gsa.gov**.

Sincerely,

**CO/CS NAME
TITLE
GSA/FAS/ACQUISITION CENTER NAME
ADDRESS
CITY, STATE, ZIP CODE**

Letter #3–Withdrawal Letter



GSA Federal Acquisition Service

DATE

**CONTRACTOR NAME
CONTRACT ADMINISTRATOR'S NAME
CONTRACTOR COMPANY**

**CONTRACTOR ADDRESS
CITY, STATE, ZIP CODE**

Dear **CONTRACT ADMINISTRATOR'S NAME:**

This letter is in reference to your modification request dated **DATE** referencing contract number **XX-XXX-XXXXX**, under **SCHEDULE NAME**.

Your request to modify your existing contract was withdrawn because: **INSERT SELECTION FROM WITHDRAWN REASON FIELD FROM FSS Online** (*Incomplete information; Incorrect information; Pricing change; Other*).

The following specifies the reasons why your modification request was withdrawn:

EXPLANATION CAPTURED IN FSS ONLINE

Your modification request is being returned without further contractual action.

If you should have any questions concerning the above, please contact me on (###) ###-#### or via e-mail: **CO/CS FIRST NAME.LAST NAME@gsa.gov**.

Sincerely,

**CO/CS NAME
TITLE
GSA/FAS/ACQUISITION CENTER NAME
ADDRESS
CITY, STATE, ZIP CODE**