

May 26, 2011

FAS INSTRUCTIONAL LETTER 2011-12

MEMORANDUM FOR ALL FAS AND VA ACQUISITION ACTIVITIES

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

SUBJECT: Implementation of the Initial Phase of the Point of
Sale/Transactional Data (PoST) Initiative Pilot

1. Purpose. The purpose of this Instructional Letter (IL) is to provide guidance on the implementation of the initial phase of the pilot Point of Sale/Transactional Data (PoST) initiative.
2. Background.
 - A. Point of Sale Discounts - GSA Federal Supply Schedules (FSS) contracting officers spend a substantial amount of time negotiating pricing for products and services with the objective of obtaining pricing equal to or better than the vendor's commercial pricing. However, in many commodity groups, government customers approach vendors directly to make micro-purchases outside of the FSS program. This is contrary to priorities set in FAR Part 8.002 for use of Government supply sources. The office supply industry is a good example where Government customers spent \$1.6 billion in office supplies in fiscal year 2009. Fifty percent of the total office supply sales were for retail micro-purchases where customers paid a price premium between 80% - 100% above awarded FSS prices. Through changes to Schedule terms and conditions, FSS contractors will be contractually obligated to automatically provide the GSA FSS price for all orders placed through designated ordering channels when the GSA SmartPay purchase card is presented to purchase items on that vendor's Schedule contract. This change will allow GSA SmartPay purchase card-holders to achieve substantial savings over commercial pricing.
 - B. Transactional Data - A June 2010 Government Accountability Office (GAO) report recommended that GSA take steps to

collect transactional data on FSS orders and prices paid. The PoST initiative is the first step to implementing the pilot data collection initiative recommended by GAO. Collecting level-3 data, which FSS customers have been requesting from GSA for years, will provide customers with a means to analyze and accurately track spending and provide full line-item detail. This will also allow MAS customers to analyze spending patterns and develop new acquisition strategies to fully leverage the government's spend. In addition, it will potentially enable GSA to negotiate better pricing at the Schedule level in the future.

C. PoST Team Goal – This pilot initiative will focus on limited product-centric Schedules that have the potential for large volume micro purchases where alternate ordering channels may exist. The Schedules were selected after extensive outreach to industry, from which FAS received feedback on the pilot initiative from MAS contractors. None of the feedback received was negative.

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 only those GSA/FAS acquisition activities awarding the Schedule contracts that have been selected for the pilot of the PoST initiative. The Schedules that are part of the pilot are: Schedule 67 SINs 19 100 and 20 316; Schedule 51 V SINs 105 001 and 105 002; and, Schedule 58 I all SINs.
6. Reference Regulations. No new references to regulation.
7. Instructions / Procedures.
 - A. The Schedules participating in the pilot shall add the requirements of PoST (found in Appendix I) to the SIN descriptions within the solicitation. This addition shall occur through the GSA Form 1649 process. Refer to IL [2011-08](#) for guidance on how to complete the Form.
 - B. Solicitation Refresh: Refresh the applicable Federal Supply Schedule solicitations to incorporate the updated SIN descriptions in the next refresh cycle.

Author: Mahruba Uddowla

APPENDIX I

1) Point of Sale Program: The Contractor shall automatically provide the GSA Schedule price or lower sale price (unless a lower price was separately negotiated by the ordering agency) and tax exemption (where applicable) when presented with a GSA SmartPay purchase card in the following ordering channels:

- Mail order
- Telephone order
- E-mail
- Vendor Commercial Website
- Retail sales in physical storefront

The Contractor shall recognize the GSA SmartPay purchase card from the 4-digit prefix in the charge card numbers (called Bank Identification Numbers or BINs). The current GSA SmartPay BIN numbers are:

Visa: 4614, 4716 and 4486
 MasterCard: 5565 and 5568

The sales draft, receipt or invoice generated as a result of the transaction shall show the final price charged. The final price may represent the GSA Schedule price or a lower sales price, if applicable.

2) Transactional Data Program: The Contractor must have the capability to capture and provide Level III data (sales data at line-item level) at point of sale to its order processor (e.g., merchant bank) for all purchases made with the GSA SmartPay purchase card. All Level III data must also be available for reporting to the Government. At a minimum, fields must include:

- Unit cost
- Quantities
- Unit of measure
- Manufacturer's name
- Manufacturer's part number
- Product codes
- Product descriptions
- Ship-to zip code
- Ship-from zip code
- Payment date
- Merchant's name, city, and state
- Date contractor processed the charge/credit
- Contractor processing/transaction reference number for each charge/credit
- Merchant category code
- Merchant business code
- Customer
- Merchant taxpayer identification number (TIN)

- Freight amount
- Order date
- Discount amount
- Order number
- Debit/credit indicator
- Total purchase amount
- Minority/women-owned, Service-Disabled Veteran-Owned Small Business codes
- 1099 status and merchant zip code
- Transaction number