

disabled veteran-owned small, HUBZone small business, women-owned small business, or small disadvantaged business schedule contractor(s). Orders placed against the schedules may be credited toward the ordering agency's small business goals. For orders exceeding the micro-purchase threshold, ordering offices should give preference to the items of small business concerns when two or more items at the same delivered price will satisfy the requirement. Ordering offices should survey GSA Advantage! and the Schedules e-Library at <http://www.fss.gsa.gov> for specific size status information for all schedule contractors.

8.404-6 Documentation.

(a) The ordering office shall document, at a minimum—

(1) The number and identity of the contracts reviewed and considered and the contractor from whom the supply or service was purchased;

(2) The supply or service purchased;

(3) The amount paid; and

(4) The circumstances and rationale for restricting consideration of schedule contractors to less than that required in 8.404-1 or 8.404-2, such as—

(i) Only one source is capable of responding due to the unique or specialized nature of the work;

(ii) The new work is a logical follow-on to an existing order provided that the original order was awarded in accordance with 8.404-1 or 8.404-2; or

(iii) An item peculiar to one manufacturer. A brand name item available on various schedule contracts is an item peculiar to one manufacturer.

(5) *Sole source requirements.* (i) Orders placed under the Federal Supply Schedules are exempt from the requirements in Part 6. However, ordering offices shall—

(A) Conduct sole source requirements, as defined in 2.101, under this subpart only if the need to do so is justified in writing and approved at the levels specified in paragraph (a)(5)(ii) of this section; and

(B) Prepare sole source justifications using the format at 6.303-2, modified to reflect an acquisition under the authority of Section 201 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 501).

(ii) Justifications and approvals are required only for sole source requirements.

(A) For proposed orders exceeding \$100,000, but not exceeding \$500,000, the contracting officer's certification that the justification is accurate and complete to the best of the contracting officer's knowledge and belief will serve as approval, unless a higher approval

level is established in accordance with agency procedures.

(B) For a proposed order exceeding \$500,000, but not exceeding \$10,000,000, the competition advocate for the procuring activity, designated pursuant to 6.501, or an official described in 6.304(a)(3) or (a)(4) must approve the justification and approval. This authority is not delegable.

(C) For a proposed order exceeding \$10,000,000 but not exceeding \$50,000,000, the head of the ordering agency or the official described in 6.304(a)(3) and (a)(4) shall approve the justification and approval. This authority is not delegable.

(D) For a proposed order exceeding \$50,000,000, the official described in 6.304(a)(4) shall approve the justification and approval. This authority is not delegable, except as provided in 6.304(a)(4).

(b) Additionally, for services acquired using the procedures at 8.404-2, the ordering office shall also document, at a minimum—

(1) The evaluation methodology used in selecting the contractor for award;

(2) The rationale for any tradeoffs in making the award decision;

(3) The price reasonableness determination required by 8.404-2(c)(3); and

(4) The rationale for using other than—

(i) A firm-fixed price order; or

(ii) A performance-based order.

8.404-7 Payment.

Agencies may make payments for oral or written orders by any authorized means, including the Governmentwide commercial purchase card.

8.404-8 Ordering procedures for mandatory use schedules.

(a) This subsection applies only to orders against schedule contracts with mandatory users. When ordering from multiple-award schedules, mandatory users shall also follow the procedures provided in this section for optional use schedules, as appropriate.

(b) Ordering offices shall not solicit bids, proposals, quotations, or otherwise test the market solely for the purpose of seeking alternative sources to Federal Supply Schedules.

(c) Schedules identify executive agencies required to use them as mandatory sources of supply. The single-award schedule shall be used as a primary source and the multiple-award schedule as a secondary source. Mandatory use of schedules is not a requirement if—

(1) The schedule contractor is unable to satisfy the ordering office's urgent delivery requirement;

(2) The order is below the minimum order thresholds;

(3) The order is above the maximum order limitation;

(4) The consignee is located outside the area of geographical coverage stated in the schedule; and

(5) A lower price for an identical item (*i.e.*, same make and model) is available from another source.

(d) After any consultation required by the schedule, ordering offices are not required to forego or postpone their legitimate needs pending the award or renewal of any schedule contract.

(e)(1) When an ordering office that is a mandatory user under a schedule determines that supplies or services available from the schedule will not meet its specific needs, but similar supplies or services from another source will, it shall submit a request for waiver to the—Commissioner, Federal Supply Service (F), GSA, Washington, DC 20406.

(2) Ordering offices shall not initiate action to acquire similar supplies or services from nonschedule sources until a request for waiver is approved by the Commissioner of the Federal Supply Service, except as otherwise provided in inter-agency agreements. Requests shall contain the following information:

(i) A complete description of the required supply or service, whenever possible; *e.g.*, descriptive literature such as cuts, illustrations, drawings, and brochures that explain the characteristics and/or construction.

(ii) A comparison of prices and the technical differences between the requested supply or service and the schedule supply or service, identifying as a minimum the—

(A) Inadequacies of the schedule supply or service to perform required functions; and

(B) Technical, economic, or other advantages of the supply or service requested.

(iii) Quantity required.

(iv) Estimated annual usage or a statement that the requirement is nonrecurrent or unpredictable.

9. Amend section 8.405-2 by revising the introductory paragraph; and by removing from paragraph (h) "must" and adding "shall" in its place. The revised text reads as follows:

8.405-2 Order placement.

Ordering offices may place orders orally or use Optional Form 347, an agency-prescribed form, or an established electronic communications format to order supplies or services from schedules. The ordering office shall place orders directly with the contractor within the limitations specified in each