

Contract Formation

Activity 7: Required Sources of Supplies and Services

Procedures for acquiring required sources and their order of priority.

Related Flow Charts: [Flow Chart 7](#)

Related Courses: CLM 023: DAU Ability One Training; FCL-A-0025: Ability One

Related Tools: [Acquisition Gateway Hallways](#), [UNICOR](#), [AbilityOne](#), [GSA Advantage](#)

Tasks	FAR Reference(s)	Additional Information
1. Determine whether it is a supply or services being procured.	FAR 2.101 Advisory and assistance services [definitions]. FAR 2.101 Architect-engineer services [definitions]. FAR 2.101 Supplies [definitions]. FAR 37.101 Service contract [definitions].	<p>“Supplies” means all property except land or interest in land. It includes (but is not limited to) public works, buildings and facilities; ships, floating equipment, and vessels of every character, type, and description, together with parts and accessories; aircraft and aircraft parts, accessories, and equipment; machine tools; and the alteration and installation of the foregoing.</p> <p>There are several definitions of “services” throughout the FAR.</p> <p>“Service contract” means a contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply. A service contract may be either a nonpersonal or personal contract. It can also cover services performed by either professional or nonprofessional personnel whether on an individual or organizational basis. Some of the areas in which service contracts are found include the following:</p> <ul style="list-style-type: none">• Maintenance, overhaul, repair, servicing, rehabilitation, salvage, modernization, or modification of supplies, systems, or equipment.• Routine recurring maintenance of real property.• Housekeeping and base services.

Tasks	FAR Reference(s)	Additional Information
		<ul style="list-style-type: none"> • Advisory and assistance services. • Operation of Government-owned equipment, real property, and systems. • Communications services. • Architect-Engineering (see FAR Subpart 36.6). • Transportation and related services (see FAR Part 47). • Research and development (see FAR Part 35).
<p>2. Determine if there is a required source for the supply.</p>	<p>FAR 8.002 Priorities for use of mandatory government sources [required sources of supplies and services].</p> <p>FAR 8.003 Use of other mandatory sources [required sources of supplies and services].</p>	<p>Before considering other sources, determine whether the supply requirement can be satisfied from or through one of the sources listed below in descending order of priority:</p> <ul style="list-style-type: none"> • Inventories of the requiring agency. • Excess from other agencies (see subpart 8.1). • Federal Prison Industries, Inc. (see subpart 8.6). • Supplies which are on the Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled (see subpart 8.7). • Wholesale supply sources, such as stock programs of the General Services Administration (GSA) (see 41 CFR 101-26.3), the Defense Logistics Agency (see 41 CFR 101-26.6), the Department of Veterans Affairs (see 41 CFR 101-26.704), and military inventory control points.

Tasks	FAR Reference(s)	Additional Information
<p>3. Determine whether required services are available from the Committee for Purchase from People Who Are Blind or Severely Disabled.</p>	<p>FAR 8002 Priorities for use of mandatory government sources [required sources of services].</p> <p>FAR 8.703 Procurement list [acquisition from nonprofit agencies employing people who are blind or severely disabled].</p> <p>FAR 8.704 Purchase priorities [acquisition from nonprofit agencies employing people who are blind or severely disabled].</p>	<p>The AbilityOne® Program is the largest Federal source of employment for people who are blind or have significant disabilities. The Program is administered by the U.S. AbilityOne Commission, the operating name for the Committee for Purchase From People Who Are Blind or Severely Disabled. Through a national network of more than 600 nonprofit agencies, the program provides the Federal Government products and services at fair market prices. The procurement of these products and services results in employment of more than 45,000 individuals.</p> <p>Under the Competition in Contracting Act (CICA) AbilityOne procurements are considered “other than competitive” procurements under the Competition in Contracting Act (CICA), which authorizes certain exceptions to full and open competition. The implementing guidance is in FAR 6.302-5, which states that full and open competition need not be provided for when a statute expressly authorizes or requires that the acquisition be made through another agency or from a specified source. Qualified nonprofit agencies employing people who are blind or severely disabled are explicitly listed as an authorized application of this exception in accordance with the JWOD Act and FAR Subpart 8.7.</p>
<p>4. Insert the clause Contractor Use of Mandatory Sources of Supply and Services, in solicitations and contracts that require a contractor to provide supplies or services for Government use.</p>	<p>FAR 8.005 Contract clause [required sources of supplies and services].</p>	<p>The contracting officer must identify in the contract schedule the supplies or services that must be purchased from a mandatory source and the specific source.</p>

Tasks	FAR Reference(s)	Additional Information
<p>5. If the need cannot be satisfied from the required sources of supplies and services, consider satisfying requirements from or through non-mandatory sources.</p>	<p>FAR 8.004 Use of other sources [required sources of supplies and services].</p>	<p>When satisfying requirements from non-mandatory sources, see FAR 7.105 and FAR Part 19 regarding consideration of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business (including 8(a) participants), and women-owned small business concerns.</p> <p>For supplies consider Federal Supply Schedules (FSS), governmentwide acquisition contracts (GWACs), multi-agency contracts, and any other procurement instruments intended for use by multiple agencies, including blanket purchase agreements (BPAs) under FSS contracts. Note that the use of FSS is not required. However, agencies are encouraged to consider using FSS and other existing vehicles before considering sources in the open market. The same holds true for GWACs. Agencies are encouraged to consider existing vehicles prior to awarding new contracts.</p> <p>For services consider Federal Prison Industries, Inc.</p> <p>Also consider commercial sources (including educational and non-profit institutions) in the open market.</p>
<p>6. Verify that use of other mandatory sources is not required.</p>	<p>FAR 8.003 Use of other mandatory sources.</p>	<p>Agencies must satisfy requirements for the following supplies or services from or through specified sources, as applicable:</p> <ul style="list-style-type: none"> • Public utility services (see FAR part 41). • Printing and related supplies (see FAR subpart 8.8). • Leased motor vehicles (see FAR subpart 8.11). • Strategic and critical materials (e.g., metals and ores) from inventories exceeding Defense National Stockpile requirements (detailed information is available from the DLA Strategic Materials, 8725 John J. Kingman Rd., Suite 3229, Fort Belvoir, VA 22060– 6223). • Helium (see FAR subpart 8.5– Acquisition of Helium).