



AUG 24 2007

GSA Acquisition Letter V-07-05

MEMORANDUM FOR ALL GSA CONTRACTING ACTIVITIES

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SUBJECT: Use of GSA Form 300 for the Acquisition of Utility Services

1. Purpose. The purpose of this acquisition letter is to provide guidance for the use of the GSA Form 300 when acquiring utility services.

2. Introduction. GSA is authorized to enter into utility contracts for a period not to exceed 10 years (40 U.S.C. 501.)

3. Effective date. The effective date is the date this letter is issued. Acquisition Letter V-05-23 has expired and is replaced with this Acquisition Letter.

4. Termination Date. This Acquisition Letter will expire one (1) year from issuance unless cancelled or extended, or upon incorporation into the General Services Administration Acquisition Manual, whichever occurs first.

5. Applicability. This Acquisition Letter applies to all GSA contracting activities involved in the acquisition of utility services as defined in FAR 41.101.

6. References. FAR Part 41, GSAM Part 541.

7. Instructions.

541.402 Procedures.

a. "For obligation purposes only", when annotated on the cover page of a Standard or GSA form, means that the document itself is not a contract within the FAR 2.101 definition. This phrase should only be used when the fully-executed authorization exhibit under a GSA areawide contract has been attached, or when the head of the contracting activity has made the determination described in FAR 41.202(c)(2).

b. An open-market purchase order for utilities should only be used when no suitable indefinite-delivery contract is available, or when the conditions at FAR 41.202(c)(1) have been encountered. The total estimated value (includes multiyear and any option periods) shall not exceed the simplified acquisition threshold unless FAR 41.202(c)(1) applies.

c. The GSA Form 300 may be used to acquire utility services in four separate instances. *The contracting officer must attach a copy of the utility's applicable rate schedule whenever the line item data on the GSA Form 300 does not fully describe each pricing element to be used in the calculation of invoices.*

1. When a regulated utility refuses to execute a tendered bilateral contract (see FAR 41.202(c)). The period of performance may be up to 10 years without limitation as to the total estimated dollar value of the acquisition. See FAR 41.202(d) and (e) for documentation and review requirements. A purchase order should be issued pursuant to FAR 41.202(c)(1). If the utility refuses both the tendered bilateral contract and the purchase order, the GSA Form 300 shall be marked "*for obligation purposes only and no contract exists.*"

2. As a purchase order when the estimated aggregate value (includes multiyear and any option periods) of the utility services does not exceed the simplified acquisition threshold. The GSA Form 300 is appropriate for use when the estimated total value of the energy commodity, regulated utility services, and/or connection charges procured does not exceed the simplified acquisition threshold limitation (see FAR 41.201(b)).

3. In conjunction with the authorization form, to order services from a GSA areawide utility contract. When combined with a bilateral areawide authorization form for service that is executed by both the utility company and the contracting officer, the GSA Form 300 may be used as the obligating document for the executed authorization. The authorization exhibit represents the legally binding document and the GSA Form 300 shall be marked "*for obligation purposes only*". The GSA Form 300 shall be issued for the same term as the accompanying authorization form (i.e. up to 10 years).

4. In conjunction with an indefinite-delivery contract for electric or natural gas commodity, to order electric or natural gas supplies. The delivery order must be within the scope (i.e. commodity type and listed property addresses) and cannot exceed the performance period of the parent contract.