MEMORANDUM FOR DISTRIBUTION

SUBJECT: Memorandum of Understanding for Using the General Services Administration’s Reverse Auction eTool

Enclosure: (1) Memorandum of Understanding (MOU) Between General Services Administration (GSA) Federal Acquisition Service and the Naval Supply Systems Command (NAVSUP) for the Use of GSA Reverse Auction eTool dated 18 JAN 2017

The purpose of this memorandum is to advise of an option for the Department of the Navy (DoN) acquisition community to obtain Reverse Auction services. This memorandum does not seek to advocate or restrict the Department’s use of the any Reverse Auction tool.

Enclosure (1) contains the details for use of the GSA eTool. GSA will provide training and best practices related to use of the GSA Reverse Auction eTool, if needed, by the Department. Contact the Navy’s Strategic Sourcing Program Management Office (SSPMO) for assistance in obtaining training.

The DASN(AP) point of contact is Mr. Roger Ferreira, who can be reached at (703) 614-9642 or via email at roger.ferreira@navy.mil. The Navy’s SSPMO point of contact is Dr. Walt Brown, who can be reached at (717) 605-7656 or via email at walter.w.brown@navy.mil.

L. Dwayne Weaver
Executive Director
Deputy Assistant Secretary of the Navy
(Acquisition and Procurement)

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MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN GENERAL SERVICES ADMINISTRATION (GSA) FEDERAL
ACQUISITION SERVICE AND THE NAVAL SUPPLY SYSTEMS COMMAND
(NAVSUP) FOR THE USE OF GSA REVERSE AUCTION eTOOL

1. Purpose

The purpose of this agreement is to establish an associate fee structure between GSA Federal Acquisition Service (FAS) and the Department of the Navy (DoN) including the US Marine Corps for use of GSA’s Reverse Auction eTool in conducting reverse auctions on GSA and Department of Veterans Affairs (VA) Schedule Contracts, Blanket Purchase Agreements issued by DoN against a GSA Schedule, Non-GSA Contracts and Open Market procurements.

2. Authority

The parties’ authorities to enter into this MOU are 40 U.S.C. § 501 – Services for Executive Agencies and 40 U.S.C. § 321 – Acquisition Services Fund(b)(2).

3. Responsibilities

The Navy Strategic Sourcing Program Office (SSPMO) will serve as the Navy’s Program Office for this MOU and will partner with GSA in monitoring and tracking DoN’s usage of the GSA Reverse Auction eTool. The Navy SSPMO, in accordance with its internal practices, will identify the GSA Reverse Auction eTool as an available reverse auction platform for use by DoN. The Navy SSPMO point of contact is Dr. Walt Brown, Procurement Analyst, Navy SSPMO. Dr. Brown can be contacted at (717) 605-7656 or by email at walter.w.brown@navy.mil.

GSA is responsible for the management of the GSA Reverse Auction eTool including uploading Non-GSA contracts and/or Blanket Purchase Agreements (BPAs) as requested by DoN on a timely basis. GSA shall provide training and best practices related to use of the GSA Reverse Auction eTool as requested by DoN Activities. Training may be “in person,” “virtual,” or online through a continuous learning FAC - 035 module hosted by the Defense Acquisition University (DAU). Additionally, the GSA Reverse Auction eTool program manager and/or support staff will support meetings, conduct reviews and provide auction posting assistance as requested by DoN Activities. It is requested that notifications of meetings be provided to GSA as early in advance as possible. GSA will provide or make agency reports available through the GSA.
Reverse Auction eTool. GSA will post synopsis notice to FedBizOpps.Gov for open market purchasing.

4. Data

GSA intends to compare data and information from Federal agencies using GSA Reverse Auction eTool in support of acquisition analysis and reporting as well as accessibility. GSA’s Reverse Auctions prices paid data is shared with government customers via the Acquisition Gateway (Enterprise Data Warehouse, Prices Paid Portal, “P3”). The data details include products and services descriptions, part numbers, quantities, and prices paid for the items purchased. GSA uses and provides the data to its customers for them to conduct more effective acquisitions. GSA and customers can use the data to form Independent Government Cost Estimates, conduct market research, and evaluate quotations and offers. GSA will not disclose the purchasing agency and vendor name in agency prices paid data outside the Federal government. The data may be used in acquisition evaluation, pricing, comparison analytics, visualization, reporting, market research, and associated methods. This data will provide value to the federal agency community including DoN in forecasting, planning, budgeting, cost containment and effective acquisition management. Data will be retained, stored, and utilized in government owned and managed systems under government oversight and authority.

5. Costs

The following Fee structure will be utilized for the use of the GSA Reverse Auction eTool.

Schedules: There is no cost for the use of GSA’s Reverse Auction eTool when used to place orders against GSA and VA Schedules or Schedule Based BPAs whether awarded by GSA or DoN.

DoN Contracts: To post DoN (Non-GSA) Contracts not awarded against a GSA Schedule there will be an annual cost of $1,000.00 per vendor contract or BPA posted. For example, the cost for posting a Multiple Award Contract (MAC) consisting of six vendor contracts will be $6,000 annually. GSA offers two Payment Options for paying the cost for posting a group of MAC contracts or BPAs. The terms of the two Payment Options are as follows:

**Payment Option 1:** DoN submits a one-time lump sum payment for the total annual (12 months from the date of posting) costs to GSA. When using this payment option, no additional fees are charged for individual reverse auction transactions. (Example: Six DoN MAC contracts for a product or service will be uploaded by GSA for a total cost of $6,000 for a twelve month period. There will be no additional transaction fees assessed on the use of these six contracts during the 12-month period.)

**Payment Option 2:** DoN does not submit an upfront payment. GSA bears the upfront costs to load the DoN MAC contracts or BPAs. A reverse auction fee of 0.75% will be applied on all transactions placed against these DoN contract vehicles until GSA collects an annual total amount of $6,000 for the six MAC contracts addressed above in Option 1. After GSA recovers the $6,000, no transaction fee will be applied to any additional
transactions during the remaining twelve month period. If the sales on the posted DoN MAC contracts or BPAs fail to generate an amount of $6,000 in fees there will be no additional payment due from DoN.

The DoN Contracting Activity desiring to post a group of MAC contracts or BPAs shall coordinate this posting with the Navy SSPMO.

**Open Market Transactions:** GSA will assess a transaction fee for the use of GSA of 0.75% capped at $1,500 per line item for open market transactions.

**Lowest Fee Guarantee:** GSA guarantees that DoN will always be provided its lowest fees offered to any Federal Agency for the use of the GSA Reverse Auction eTool. If at any time the fees extended to another Federal Agency are lower than the fees provided in this MOU, this MOU will be revised to reflect the lower fees.

6. Agreement and Administration

This MOU shall be in effect from the date of the last signature and will apply until rescinded by NAVSUP or GSA, or is bilaterally modified by both parties. Any amendments to the terms and conditions in this MOU shall be made in writing and signed by both GSA and DoN. This MOU may be terminated with sixty (60) calendar days written notice by either party. If this MOU is terminated, any uploaded agency contracts or BPAs may be removed from the GSA Reverse Auction eTool. By signing this MOU, NAVSUP certifies that the individual signing has responsibility for developing and identifying strategic sourcing contract solutions and planning for the organization. GSA understands that actual obligations may vary based upon unanticipated events and/or factors outside the control of the Navy SSPMO.

ERVILLE KOEHLER, SES  
Regional Commissioner  
Southeast Sunbelt Region  
Federal Acquisition Service  
General Services Administration  

Date  
11/13/17

MARK D. BENNINGTON, SES  
Assistant Commander for Contracts, N7  
Naval Supply Systems Command  
Department of the Navy  

Date  
18 Jan 2017

Enclosure (1)