

# Subpart 538.72 - Order-level Materials

**Parent topic:** [Part 538 - Federal Supply Schedule Contracting](#)

## 538.7200 Definitions.

As used in this subpart—

“Order-level materials” means supplies and/or services acquired in direct support of an individual task or delivery order placed against an authorized (see GSAR 538.7201(b)) Federal Supply Schedule (FSS) contract or FSS Blanket Purchase Agreement (BPA)), when the supplies and/or services are not known at the time of Schedule contract or FSS BPA award. The prices of order-level materials are not established in the FSS contract or FSS BPA. However, order-level materials are purchased under the authority of the FSS program, pursuant to [41 U.S.C. 152\(3\)](#), and are not open market items, which are discussed in FAR 8.402(f).

## 538.7201 General.

(a) *Authority.* In accordance with GSA's authority under FAR 8.403(b), GSA has established special ordering procedures for the incorporation of order-level materials into the Federal Supply Schedule program.

(b) *List.* The list of Federal Supply Schedule subcategories authorized to allow for order-level materials is available at <https://www.gsa.gov/olm>.

(c) *Changes.* HCAs may request changes to the list in paragraph (b) by submitting GSA Form 1649, Notification of Federal Supply Schedule Improvement, for approval by the Assistant Commissioner of the FAS Office of Policy and Compliance. Requests, submitted via GSA Form 1649 or otherwise, to add this authority to a Federal Supply Schedule must address the need for the authority, including why it is impractical to price the items at the contract level, and a description of the market research conducted (see FAR 10.002(e)). The FAS Office of Policy and Compliance should notify the SPE of changes to the list in paragraph (b) via email sent to [spe.request@gsa.gov](mailto:spe.request@gsa.gov).

## 538.7202 Awarding Order-Level Materials in FSS contracts.

(a) Federal Supply Schedules authorizing order-level materials must include a separate Special Item Number (SIN) with the following scope:

(1) Order-level materials are supplies or services acquired in direct support of a contractor's offerings and which are unknown before a task or delivery order is placed against the FSS contract or FSS BPA); including, direct materials, subcontracts for supplies and incidental services for which there is not a labor category specified in the FSS contract, other direct costs, and indirect costs. Order-level materials are subject to a negotiated price ceiling that the contractor exceeds at its own risk.

(2) Items awarded under ancillary supplies or other direct cost (ODC) SINs are not order-level

materials.

(b) The order-level materials SIN cannot be the only awarded SIN on a FSS contract or FSS BPA.

(c) Price Pricing analysis for order-level materials is not conducted when awarding the Federal Supply Schedule FSS contract or FSS BPA; therefore, sections [538.270](#) and [538.271](#) do not apply to order-level materials.

## **538.7203 Administering Order-Level Materials in FSS contracts.**

(a) Federal Supply Schedule Contracting Officers should consider requesting the assistance of members of the acquisition team responsible for contract administration functions (e.g., Administrative Contracting Officers, Industrial Operations Analysts) when evaluating the use of order-level materials at the FSS contract-level. Task or delivery orders including order-level materials placed against FSS contracts should be monitored to ensure special ordering procedures are being followed at GSAR [552.238-115\(d\)](#).

(b) Except as stated in [552.238-115\(d\)\(10\)](#), all terms and conditions that otherwise apply to the FSS contract also apply to order-level materials. For example, order-level materials must comply with the Trade Agreements Act clauses, the Environmental Attributes clause, and the Industrial Funding Fee and Sales Reporting clauses.

## **538.7204 Contract clauses.**

(a) Use FAR clause 52.212-4 Alternate I in all Federal Supply Schedules authorized for the acquisition of order-level materials (see [538.7201\(b\)](#)). Use the following language for the clause fill-in—

(1) Insert “Each order must list separately subcontracts for services excluded from the FSS Hourly Rates” in paragraph (e)(1)(iii)(D).

(2) Insert “Each order must list separately the elements of other direct costs for that order” in paragraph (i)(1)(ii)(D)(1).

(3) Insert “Each order must list separately the fixed amount for the indirect costs and payment schedule; if no indirect costs are approved,” insert “None” in (i)(1)(ii)(D)(2).

(b) Insert the clause at [552.238-115](#), Special Ordering Procedures for the Acquisition of Order-Level Materials, in FSS solicitations and contracts authorized to allow for order-level materials.