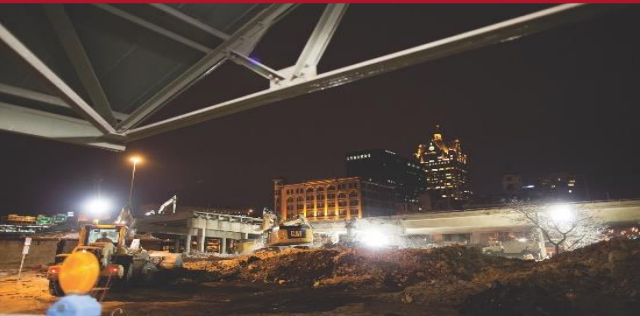




**SERVICE CONTRACTS WITH FEDERAL
AGENCIES
ACQUISITION HOUR WEBINAR**

NOVEMBER 5, 2019



WEBINAR ETIQUETTE

PLEASE

- Log into the GoToMeeting session with the name that you registered with online
- Place your phone or computer on MUTE
- Use the CHAT option to ask your question(s).
 - We will share the questions with our guest speaker who will respond to the group

THANK YOU!

ABOUT WPI SUPPORTING THE MISSION

**Celebrating 32 Years of
serving Wisconsin Business!**

Assist businesses in creating, developing and growing their sales, revenue and jobs through Federal, state and local government contracts.

- **INDIVIDUAL CONSELING** – At our offices, at clients facility or via telephone/GoToMeeting
- **SMALL GROUP TRAINING** – Workshops and webinars
- **CONFERENCES** to include one on one or roundtable sessions

Last year WPI provided training at over 100 events and provided service to over 1,200 companies

WPI is a Procurement Technical Assistance Center (PTAC) funded in part by the Defense Logistics Agency (DLA), WEDC and other funding sources.

WPI OFFICE LOCATIONS

▪ MILWAUKEE

- *Technology Innovation Center*

▪ MADISON

- *FEED Kitchens*
- *Dane County Latino Chamber of Commerce*
- *Wisconsin Manufacturing Extension Partnership (WMEP)*
- *Madison Area Technical College (MATC)*

▪ CAMP DOUGLAS

- *Juneau County Economic Development Corporation (JCEDC)*

▪ STEVENS POINT

- *IDEA Center*

▪ APPLETON

- *Fox Valley Technical College*

▪ OSHKOSH

- *Fox Valley Technical College*
- *Greater Oshkosh Economic Development Corporation*

▪ EAU CLAIRE

- *Western Dairyland*

▪ MENOMONIE

- *Dunn County Economic Development Corporation*

▪ LADYSMITH

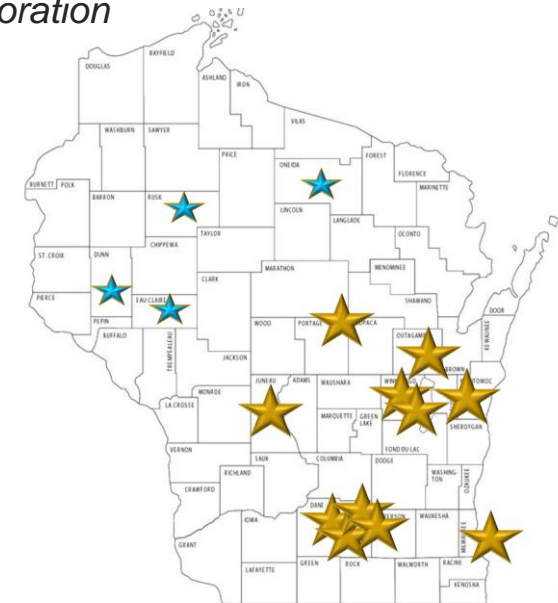
- *Indianhead Community Action Agency*

▪ RHINELANDER

- *Nicolet Area Technical College*

▪ GREEN BAY

- *Advance Business & Manufacturing Center*





Search ...

BLOG SERVICES ABOUT **CLIENT PORTAL** SPONSORSHIP CONTACT



- EVENT CALENDAR
- FEDERAL GOVERNMENT
- STATE & LOCAL GOVERNMENT
- GRANTS
- SUCCESS & AWARDS
- FAQS



www.wispro.org

UPCOMING EVENTS

- WED 21** Acquisition Hour: Government Property Management for Federal Contractors and Subcontractors
August 21 @ 12:00 pm - 1:00 pm
- THU 22** Advancing Cybersecurity in the Industry, Energy, Water Nexus – Oshkosh, WI
August 22 @ 9:00 am - 3:00 pm
Oshkosh WI
- THU 22** NDIA Great Lakes Chapter 10th Anniversary – Milwaukee, WI
August 22 @ 12:30 pm - 7:30 pm
Brookfield Wisconsin
- SEP 11** Acquisition Hour: The End of the Fiscal Year is Here – What is Hot and What is Not
September 11 @ 12:00 pm - 1:00 pm

[View More...](#)

CURRENT OPPORTUNITIES (1)

GET STARTED WITH THE BASICS

Questions & answers on how to get started.

[GET STARTED](#)

SIGN-UP FOR OUR NEWSLETTER

Stay up-to-date with the latest WPI news.

[SIGN UP](#)

HAVE A QUESTION? WE'RE HERE TO HELP.

One of our staff of experts is available to answer your questions.

[GET HELP](#)

WHAT WE WILL COVER TODAY

- General Information
- Performance Based Acquisitions
- Statement of Work
- Service Contract Labor Standards Act
- DOL Wage Determinations

GENERAL INFORMATION

SERVICE CONTRACT DEFINITION

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

- Nonpersonal or personal contract
- By professional or nonprofessional personnel
- Individual or organizational basis
- May not exceed 5 years.
- Prime contractor held responsible for subcontractor

EXAMPLES

- Transportation
- Janitorial
- Catering – Food Service
- Advisory and Assistance Services
- Training
- Window Washing
- Repair – Maintenance Services
- Architect - Engineering
- Research and Development

NONPERSONAL OR PERSONAL

Nonpersonal

- Personnel rendering the services are not subject to Government supervision and control that is prevailing in relationships between the Government and its employees.

Personal

- Contractor personnel are subject to the supervision of and control of a government officer or employee with an employer-employee relationship
- Agencies must have specific authorization by statute to award personal service contracts

PERSONAL SERVICES ASSESSMENT

Elements to consider whether a contract is personal in nature:

- Performance on site
- Principal tools and equipment furnished by the Government
- Services apply directly to the integral effort of agencies assigned function or mission
- Comparable services are performed in the same or similar agencies using civil service employees
- Service is expected to last beyond 1 year
- Inherent nature of service reasonably requires direct or indirect Government direction or supervision in order to protect the Government's interest and retain control of the function involved.

HOW SERVICE CONTRACTS ARE AWARDED

- Competition is required
- Method of contracting used may vary with type of service being acquired and government's cost estimate
- May consider price, technical capability and past performance
- Cost technical trade off is allowed

TEMPORARY HELP

- Government may award contracts for the brief or intermittent use of the skills of private sector temporaries.
- Are not regarded as personal services
- Should not be used in lieu of regular recruitment or displace a Federal employee

OTHER TYPES OF SERVICE CONTRACTS

Advisory and Assistance Services

- Does not include IT services, architect/engineering services, or research services
- Used to obtain outside points of view on critical issues; advice on developments in industry, university, or foundation research; opinions special knowledge, or skills of noted experts; enhance understanding and developing alternative solutions to complex issues

Dismantling, Demolition or Removal of Improvements

- Solely for dismantling, demolition, or removal of improvements
- If further construction, alteration or repair will result then subject to Davis-Bacon Act instead

OTHER TYPES OF SERVICE CONTRACTS

Nonpersonal Health Care Services

- Includes physicians, dentists, and other health care providers
- Independent contractor retains control over medical and professional aspects of services provided
- Requires medical liability insurance

PERFORMANCE BASED ACQUISITIONS

PERFORMANCE BASED CONTRACTING

- Contract that defines what is to be achieved not how it is done
- Preferred method for acquiring services
- To be used to the maximum extent practicable

COMMERCIAL ITEM SERVICES

- Services offered and sold competitively in the commercial marketplace based on established catalog or market prices
- Examples include:
 - Installation services
 - Maintenance services
 - Repair services
 - Training services
- Does not include services sold based on hourly rates without an established catalog or market price

STATEMENT OF WORK

DESCRIBING GOVERNMENT'S NEEDS

Performance Based Acquisitions generally use one of two ways to describe the Government's needs:

- Performance Work Statement (PWS)
- Statement of Objectives (SOO)

PERFORMANCE WORK STATEMENT (PWS)

- May provide introduction, background information and scope
- Captures conclusions arrived at during the needs assessment process such as job analysis, performance objectives, performance standards
- Identifies requirement in clear, specific and objective terms
- Three key elements
 - Statement of required services in terms of output
 - Measurable performance standard for the output
 - Acceptable quality level or error rate
- Specifies standard of performance and quality level government expects

SERVICE CONTRACT LABOR STANDARDS ACT

GENERAL RULES

- Applies to every service contract in excess of \$2,500 performed in US.
- Specifies minimum wages and fringe benefits contractors must pay employees working on the contract
- Specifies safety and health standards contractors must provide for sanitary work conditions
- Specifies certain records contractors must maintain
- If former contractor had a collective bargaining agreement, new contractor must pay wages as outlined in the agreement

ADDITIONAL RULES

- Contractors must pay minimum wage under Executive Order 13658
 - \$10.60 – 2019
 - \$10.80 – January 1, 2020
- Paid sick leave – earn 1 hour of paid sick leave for every 30 hours worked

STATUTORY AND SECRETARY OF LABOR EXEMPTIONS

Does not apply to:

- Construction, alteration, or repair of public buildings including painting and decorating
- Supply or Material contracts
- Freight or personnel transportation by vessel, aircraft, bus, truck, railroad where published tariff rates are in effect
- Radio, telephone or cable companies subject to the Communications Act
- Public Utility Services
- Employment contract for direct services by an individual or individuals
- Operation of postal contract stations for US Postal Service and common carriers of mail by rail, air, bus, and ocean vessel where on established routes and insubstantial portion of their revenue,
- Individual owner-operator for mail service with no employees

ADDITIONAL EXEMPTIONS

Maintenance, calibration or repair of equipment provided at established catalog or market prices and contractor uses same compensation plan for all employees

- Automated data processing equipment and office information/word processing systems
- Scientific equipment and medical apparatus if application of micro-electronic circuitry is an essential element
- Office/business machines not otherwise exempt if services are performed by manufacturer or supplier of equipment

ADDITIONAL EXEMPTIONS

- Automobile or other vehicle maintenance services
- Financial services for credit and debit cards
- Hotel/motel services for conferences including lodging and/or meals
- Maintenance, calibration, repair, and/or installation of all types of equipment where manufacturer or supplier provides services under a sole source basis
- Common carrier transportation of persons
- Real estate services
- Relocation services – not including actual moving or storage of household goods

PROFESSIONAL EMPLOYEE COMPENSATION

Service Contract Labor Standards was enacted to ensure contractors compensate blue-collar service workers and some white-collar service workers fairly, but does not cover professional employees such as

Accountants, Actuaries, architects, dentists, engineers, lawyers, doctors, nurses, pharmacists, biologists, chemists, or teachers

To be a professional employee, a person must not only be a professional but must be involved essentially in discharging professional duties.

NONDISPLACEMENT OF QUALIFIED WORKERS UNDER SERVICE CONTRACTS

Employees under current contract have a right of first refusal of employment under new contract in positions for which they are qualified

Does not apply to contracts under simplified acquisition threshold (SAT), contracts employing severely handicapped, vending facilities, and where employees are working for both government and non-government contracts.

President Trump signed an executive order on November 1, 2019 rescinding this policy.

ADDITIONAL LABOR LAWS

Some include

- Equal Opportunity
- Equal Opportunity for Veterans
- Employment of Workers with Disabilities
- Employment Eligibility Verification

POSTERS

There are a number of posters that contractors may be required to post for service contracts. Some common ones include

- WH1313 Employee Rights on Government Contracts
 - Wage Determination is posted as an attachment
- WH1503 Displaced Employee Rights on Successor Contracts
- WH1090 Worker Rights under Executive Order 13706
- EEOC-P/E-1 Equal Employment Opportunity is The Law
- WH1088 Employee Rights under the Fair Labor Standards Act
- OSHA Job Safety and Health It's the Law!

DOL WAGE DETERMINATIONS

WAGE DETERMINATIONS

- A listing of wage rates and fringe benefit rates for each labor category of workers which US Department of Labor has determined to be prevailing in a given area
- Wage Determinations are currently located at beta.sam.gov
<https://beta.sam.gov/>
- Odd and Even Wage Determinations
 - Odd – requires health and welfare payment “per employee” for all hours compensated (maximum 40 hours per week)
 - Even – requires health and welfare payment by “average cost” for all hours worked by service employees (no maximum, but excluding paid time off)

INFORMATION ON WAGE DETERMINATIONS

- Wage Determination Number, Revision Number, Date
- State and Counties covered (Milwaukee, Ozaukee, Washington, and Waukesha are on same wage determination)
- 5 digit occupational code – job description job and wage rate
- Paid sick leave requirement
- Health and Welfare benefit – includes life, accident, and health insurance, sick leave over minimum requirement, pension plans, personal leave
- Vacation pay requirements and 10 paid Holidays
- Hazardous pay, uniform allowance
- Computer employees, air traffic controllers and weather observers

ADDITIONAL INFORMATION

- If contract term is more than 1 year, wages are to be adjusted after 1 year and not less often than once every 2 years
- Maintain records for a minimum of 3 years, note claims can be filed up to 6 years after contract final payment
- Apprentices and student-learners may be employed at wages lower than the minimum wages in the wage determination – understand all requirements involved
- County where work is to be performed determines what wage determination is applicable

CONTRACT OPTION PERIODS

- For option periods, contract adjustments can be made if the revised Wage Determination rates are higher than the contractor is currently paying. Contractor will submit documentation to the contracting officer with the request for contract modification

ADDITIONAL INFORMATION

CONTRACT REQUIREMENTS

- Can you meet all contract requirements outlined in solicitation document?
- Can you ramp up with required staff, equipment, and supplies by official start date?
- How much time do you have to take over from incumbent?
- Is there a phase in phase out time outlined?
- What happens if during the contract you are unable to meet government's requirements?

PRICING SERVICE CONTRACTS

- Review bid schedule – how do they want you to price the services
- If it is by the job determine how long it will take
- Factor in wage determination requirements including fringe benefits
- Consider and factor in worse case scenarios
- Include indirect costs
- Include profit – do not bid if you cannot make money on the contract
- Determine how you are going to price option years

PAYMENTS

How will you be paid?

- Routine services are usually paid monthly in arrears
- A one time job is usually paid in arrears at the end of the completed job
 - Can you wait until the job is complete for payment?
 - What if the job takes 5 months?
 - Are there milestones that may trigger a partial payment for services provided?
- Can you cover start up costs?

RESOURCES

RESOURCES

- FAR: <https://www.acquisition.gov/?q=browsefar>
- Federal Business Opportunities – FedBizOpps: <https://www.fbo.gov/>
- Beta.sam.gov: <https://beta.sam.gov/>
- Wisconsin Procurement Institute
Phone: 414-270-3600 www.wispro.org

UPCOMING TRAINING - EVENTS

ACQUISITION HOUR LIVE WEBINARS SERIES

- November 6, 2019
Key Ideas Associated with CUI Requirements and DFARS 232.204-7012
[CLICK HERE](#) for additional information – presented by Marc Violante, Wisconsin Procurement Institute (WPI)
- November 12, 2019
Procurement Methods
[CLICK HERE](#) for additional information – presented by Helen Henningsen, Wisconsin Procurement Institute (WPI)
- November 19, 2019
The Future of SAM.gov
[CLICK HERE](#) for additional information – presented by Kim Garber, Wisconsin Procurement Institute (WPI)
- December 3, 2019
Types of Federal Contracts
[CLICK HERE](#) for additional information
Presented by Marc Violante, Wisconsin Procurement Institute (WPI)
- December 10, 2019
Cyber Trends, Threats and the Evolving Hacker’s Marketplace
[CLICK HERE](#) for additional information
Presented by Marc Violante, Wisconsin Procurement Institute (WPI)

« All Events

12TH ANNUAL END OF YEAR FEDERAL CONTRACTOR UPDATE – OSHKOSH, WI

January 23, 2020

Details

Date:
January 23, 2020
Event Categories:
Conference, WPI Events

Organizer

Cassie Hutzler
Phone:
[\(414\) 270-3600](tel:(414)270-3600)
Email:
cassieh@wispro.org

Additional Information

Presented By
National Contract Management
Association (NCMA) WI Chapter
Wisconsin Procurement Institute (WPI)

SAVE THE DATE!

Join Wisconsin's Federal contractors for a series of briefings focusing on changes and challenges!

Topics this year will include:

- Contract Management Update
- Federal Case Law Updates
- FAR and DFAR Updates
- Security and Cyber Updates
- Small Business Program Updates
- And more!

Registration coming soon

Venue

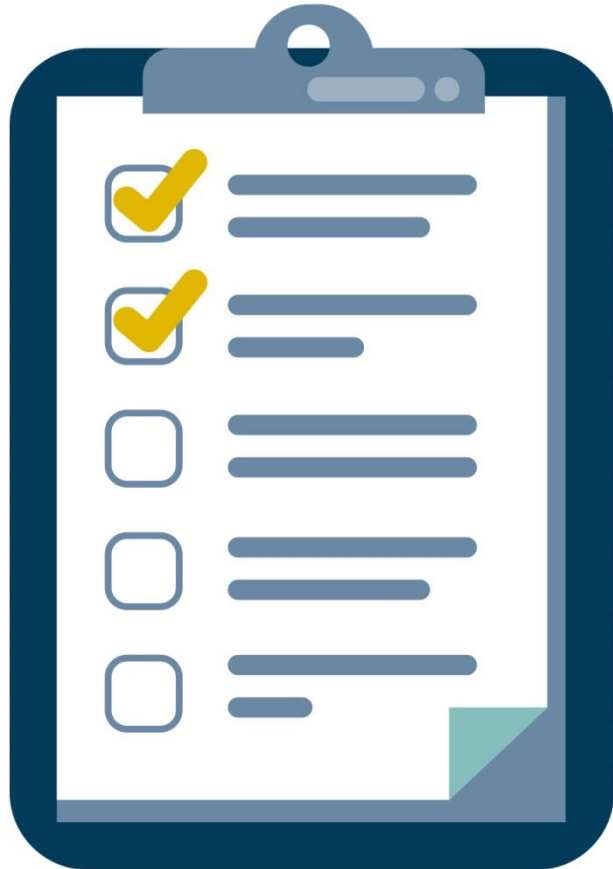
La Sure's Hall Banquets & Catering
3125 S Washburn St
Oshkosh, WI 54904 United States
[+ Google Map](#)



QUESTIONS?



SURVEY



CONTINUING PROFESSIONAL EDUCATION



CPE Certificate available, please contact:

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