

ALERT

System for Award Management (SAM) Affidavit Backlog Causing Payment Delays

June 4, 2018

WHAT: In response to an Office of Inspector General investigation into alleged third-party fraudulent activity in the System for Award Management (SAM), the General Services Administration (GSA) has imposed a new requirement that all entities registered in SAM submit an original, notarized affidavit identifying the authorized Entity Administrator who may manage the entity's SAM account. Without an accepted affidavit, entities are unable to register in SAM, or to update or renew an existing SAM registration. Since the imposition of the new requirement, the Federal Service Desk (FSD) – which is tasked with processing the affidavits – has been inundated with thousands of affidavits. The FSD so far has been unable to provide entities with any time table for processing their affidavits, or even where an entity is in line.

WHEN: GSA began requiring all new SAM registrants to submit affidavits starting March 22, 2018. The requirement went into effect on April 27, 2018 for existing SAM registrants seeking to update or renew their SAM registration.

WHAT DOES IT MEAN FOR INDUSTRY: Contractors and grant recipients face payment delays and lost opportunities if their SAM activation or renewal is delayed due to the FSD backlog. Importantly, the Government depends on active SAM registrations to facilitate payments to contractors and grant recipients. Further, FAR 52.204-7 requires entities to have an active SAM registration prior to contract award, during performance, and through final payment. Contractors that submit proposals without an active SAM registration, or with one that might become inactive before an award decision, can be denied contract awards. We therefore encourage all existing SAM registrants to submit their affidavits as soon as possible, even if your annual

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Practice Areas

Government Contracts

renewal deadline is weeks away, to minimize any missed opportunities or payment delays.