

## APTAC Body of Knowledge Competency Guide

### D. Specialized Knowledge

#### D.10 GSA Schedule Contracting

##### Description

The General Services Administration, through its entity the Federal Acquisition Service, manages the Federal Supply Service Multiple Award Schedule contracting program. This is a special form of an Indefinite Delivery Indefinite Quantity (IDIQ) contract. Each Schedule is oriented to one or more Federal Supply Group(s) and contains a list of products and/or services, with accompanying provisions, clauses, instructions, and procedures. Each Schedule is published as an "open season" or "evergreen" Solicitation which is updated periodically in revisions called "Refresh". Occasionally, after numerous "Refresh" updates have been issued, the entire Solicitation might be revised and re-issued. The entire Solicitation document, including text of all provisions and clauses "incorporated by reference" from FAR and other regulations, and all attachments, often exceeds 150 pages.

Each of GSA's Acquisition Centers (see link to list in References section below) is responsible for certain commodity groups, and therefore they are responsible for the corresponding Schedule contracts. Thus there may be variations in appearance of the solicitation documents, process of evaluation and negotiation, and pricing. These variations have diminished in recent years as GSA has more nearly standardized its methods. Some of the Schedules have the commodity listing incorporated into the main document, others have the list in attachments.

Prospective contractors may compile and submit proposals at any time because "open season" means there is no specified due date or bidding calendar. The solicitation documents are more complex than traditional solicitations, and proposals responding to the solicitations are more difficult than what most contractors are accustomed to, often taking several months or a year or more to compile. Once submitted, the proposal is evaluated by GSA contracting officials, clarifications are requested and submitted, terms are negotiated, and each contract is tailored to each individual contractor's proposal. Thus, many contractors respond to the same solicitation, and many awards result but each is unique. Contracts are issued throughout the year whenever GSA achieves a successfully negotiated agreement with any one company. The negotiation is not based on competition, so the GSA contracting officials are following the regulations for negotiated procurement.

Upon award, contractors are required to post the GSA Price List online in GSA Advantage, for which instructions are provided, and also are required to distribute their GSA Price List to a list provided by GSA. Contractors must market their Schedule to federal agencies, although GSA provides some assistance in this regard. Agencies purchase their requirements directly from the contractor at the specified prices, usually via e-commerce on GSA Advantage. The GSA eLibrary is also an excellent resource for market research. The contractor reports all sales in a quarterly report to GSA accompanied by payment of the Industrial Funding Fee that is included in the price paid by the customers to the contractor. For bookkeeping purposes, contractors

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typically handle this fee the same way they handle state sales tax, for example, but it is not a tax. Contractors may request economic price adjustment annually, and sometimes more often upon GSA's permission. The contracts are typically awarded for five years, with options to renew for three more 5-year periods, for a total of twenty years, at which time the contractor must compile a whole new proposal.

Some Schedules are offered to state and local governments under a cooperative arrangement with GSA, commonly known as Cooperative Purchasing. Clients should be aware that not all state and local governments participate in this program, and not all Schedules are available to this program. Also, GSA has delegated its medical supply and services Schedules to the Department of Veterans Affairs for convenience, since VA is the largest user of those commodities. In these contracts, VA acts as GSA for both procurement and administration. Many of the clauses have GSA reference numbers. Any federal agency can issue orders against these numbers which can be confusing. Some Schedule transactions are "Set Aside" for small or other socio-economic groups, either in whole or in part.

There is an enormous amount of information available about the GSA Schedules, and people can find them confusing, sometimes conflicting, and often overwhelming. There is a "Fast Track" version of some of them, which has been successful for some people and more difficult for others, so each client should decide individually whether to use it or not.

There are many For-Profit entities that sell their GSA Proposal Preparation services. Their fees are generally substantial. Prospective contractors that choose to use these "for fee" services should understand there can never be a guarantee of contract award or any subsequent sales revenue from the resultant GSA Schedule Contract.

To be eligible for a GSA Schedule contract, a company should have a successful business operation for at least two years with a favorable past performance. The client should focus on its primary line of business for the contract since this program is intended for high-volume items which would be considered "commercial items" under FAR Part 12. The client must promise GSA to generate at least \$25,000 annual sales under the contract, so this is not for small clients that only dabble in federal sales. The client should carefully review FAR Part 9 to ensure they meet the "contractor responsibility" determination criteria before attempting the GSA Schedule.

#### **References:**

GSA Schedules home page <http://www.gsa.gov/portal/category/100611> especially the menu item on the left "For Vendors"

Acquisition Centers listing and other resources at <http://www.gsa.gov/portal/content/100020>

FAR Part 8.404-Use of Federal Supply Schedules

FAR Part 12-Acquisition of Commercial Items