



**Welcome to**  
***“Dissecting the***  
***GSA Schedule Program”***

# What is the GSA Program?

- Contracts to provide supplies and/or services directly with customers at stated prices for given periods of time.
- National (worldwide) account agreement to sell products and/or services at pre-negotiated fair and reasonable prices, along with specific terms and conditions.
- Volume discount pricing on a direct delivery basis.
- Best value selection to meet government needs at the lowest overall cost (the price of the item plus administrative costs).

# Why have one?

- Preferred government purchasing program
  - Has terms/conditions/clauses incorporated.
  - Most-favored customer status pre-negotiated.
  - Products are Trade Compliant.
  - Satisfactory Customer Satisfaction Survey.
  - Satisfactory Financial status.
  - Makes them feel good.
  - Easier to document their contract files.

# Sampling of GSA Schedules

- Document Conversion Services
- Energy Management Services
- Human Resources Services
- Information Technology (HW, SW, Maint, Repair, Leasing, Rental, Services, Training, EC, Telecomm, etc)
- Logistics Management (LOGWORLD)
- Management and Organizational Business Improvement Services (MOBIS)
- Professional Engineering Services
- Publications.
- Law Enforcement/Fire Fighting.
- Clothing.
- Temporary Services.

# Where to start?

- Determine which schedule group best suits your products/services by searching by key words at <http://www.gsaelibrary.gsa.gov/elib/eLibrary.jsp>
- Download the solicitation and attachments.
- Read the basic requirements and see if you can provide/document past performance (for services) and/or price reasonableness and obtain Letters of Supply.

Decide if your firm is willing to commit resources, time and money with the federal government and if they have patience for results.

# GSA Letters of Supply (LOS)

- Set of documents needed from any MFG that you intend to sell as a separately price items.
- No standard LOS document but includes:
  - Guarantee source of supply for the base contract and/or extensions.
  - Guarantees that products are Trade compliant.
  - Establishes commerciality with a dated commercial price list.
  - Provides the MFG's Commercial Sales Practices to their class of customers with base discounts and concessions.
  - Your cost basis.
  - Warranty/support/maintenance/508 compliance

# Ways to sell on GSA

1. Direct LOS from MFG or authorized MFG distributor.
2. Authorized Dealer-Agent of MFG GSA contract.
3. Teaming Partner (team with other GSA holders for unlike but complimentary products/services).
4. Open Market (OM items can be sold on a GSA PO but need to be clearly identified as such).
5. Bundles (does not require LOS from MFG).

# Basic GSA Requirements

- Need to be registered in [www.ccr.gov](http://www.ccr.gov)
- Need to complete Vets-100 compliance form.
- Many schedules require Customer Satisfaction Survey by Open Ratings (D&B).
- Products/services are commercially available.
- Provide standard commercial sales practices by Special Item Number (SIN).
- Feds need to be your most-favored customer that you sell direct to.
- Products need to be trade compliant.
- Need to accept credit cards under the micro-purchase threshold (\$2,500) and encouraged to accept credit cards over \$2,500.

# SBA/Agency Annual Goals

Each year, our government spends billions of dollars in goods and services purchases from private firms. To foster an equitable federal procurement policy, government-wide small business goals, in terms of a percentage of annual expenditure, are established for federal agencies. SBA negotiates the goals annually with each federal agency on an individual basis.

Currently, the overall small business goal is 23%.

This includes the specific goals of 5% to Women-Owned Small Businesses (WOSB).

1. 3% to service disabled veterans.
2. 5% to small disadvantaged businesses, and
3. the HUBZone goal which is 2 percent in FY-2001, 2.5 percent in FY-2002, and 3 percent in FY-2003.

# Submission Process

- Submit an original and a copy of the offer.
- Request a bid receipt.
- Present as requested and not a sentence more.
- Some schedules are a go/no-go decision, while others you can still receive an award, although your offer was incomplete.
- Find out who your Contracting Officer/Contract Specialist is.
- Usually have to wait 4-6 months, before an award is made.

# Clarification Stage

- Your GSA CO/Specialist usually will contact you in writing with clarifications to your offer with a suspense date of 10-14 days.
- Some CO's/Specialists will have multiple rounds of clarifications.
- After clarifications concluded, GSA will negotiate, so be prepared to offer more than proposed, even though the feds were offered most-favored customer status.
- CO/Specialist will then issue you their Final Proposal Revision, which outlines your offer and basis for award.
- Upon receipt of your FPR, you should have a contract number assigned in 24-72 hours.
- CO/Specialist will select your most-favored non-federal customer for the class of customer(s) to be monitored for automatic price matching to GSA orders.

# Industrial Funding Fee (IFF)

- GSA is a non-appropriated agency and is supported by the IFF.
- The IFF is 1% usually added to your agreed to markup over cost/discount from SRP and applies to spot pricing and Blanket Purchase Agreements (BPA's).
- Do not agree to absorb the IFF.
- GSA has received an excess of \$150 million in operating income from the IFF program.
- You need to identify the person who will be reporting the GSA quarterly sales and also who will be remitting the funds.
- IFF to be lowered to .075% in Jan 2004.

# Upon Award

- CO/Specialist will mail you a copy of all of your GSA offer and all correspondence.
- Need to be on GSA Advantage in 45 days.
- Send CO/Specialist two copies of your GSA price list.
- Send two copies of your GSA price list to GSA Library.
- CO/Specialist will also provide post award instructions.
  - 72a (Industrial Funding Fee Registration)
  - Schedule Input Program/EDI Registration
    - Required for your products services to be posted on GSA Advantage

# GSA PAST & PRESENT

## Past

**1-3 year contracts**  
**Lowest responsive, responsible bidder**  
**Maximum Order Limitations (\$500k)**  
**Blanket Purchase Agreements not emphasized**

**30-day protection match**  
**Synopsis required in CBD for orders over \$50k**

**Cost and pricing data required**  
**Open market item limitations**  
**S&L Gov't limited to Drug Enforcement**

## Present

**5-20 year contracts**  
**Best Value**  
**Maximum Order Limitations eliminated**  
**Blanket Purchase Agreements encouraged**

**Allows Spot Pricing**  
**CBD requirement (eps.gov) removed**

**Cost and pricing data not required**  
**Open market (incidental items allowed)**  
**Open to all State and Local Gov't**

# FY 02 GSA MARKET REVIEW

	ITS	MOBIS	PES	MMPR	A&F
FY 01/FY02	\$9.2 B/\$13.2B	\$1.1 B/\$1.3B	\$457 M/\$1.3B	\$49 M/\$92M	\$143 M FY01
% Growth FY01/FY02	21.30/15.81	41.50/19.26	818/65	403/46	87% FY01
# of Contractors FY01/FY02	3,099/3,649	771/1,002	398/514	189/302	106 FY01
Top 50 % Market Share FY01/FY02	52/53	76/69	85/75	95/90	91% FY01
% Rec'd less than \$25k FY01/FY02	30/39	36/45	41% FY 02	43/55	38% FY01

# Determine your Best Value

- Best Value is not Black and White.
- Maximum competition, lowest bidder out.
- BV can be: price, delivery, life-cycle cost, warranty, extended tech support, trade-ins, special features, maintenance, past performance, environmental and energy efficiency, 508, etc.
- Agencies need help “documenting” their justification. Research your agency and your competition – determine competitive advantage.

# SADBU Contacts

- **Small & Disadvantaged Business Utilization Specialists.**
- **Should be your first agency contact - will tell you how, what and from whom they purchase.**
- **23% small business goal.**

<http://www.sba.gov/GC/osdbu.html>

# Blanket Purchase Agreements

- Ordering activities to fill “repetitive ” requirements. BPA provisions are contained in all Federal Supply Schedule contracts - do your homework.
- Does not obligate funds nor commit the agency.
- Effectively avoids/limits traditional competition requirements.
- Make BPA period the end of your five-year schedule vs. 9-30-XX.
- Saves agency, time, money and requirement to solicit three bids.
- Can discount by product class, SIN, or manufacturer.
- New proposed legislation to encourage rule of three for BPA’s but has no teeth.

# Create Solution Bundles

- Any combination of HW, SW or Services.
- Name each MFG and part # and provide cost basis to determine price reasonableness.
- Generally receive 1-2% better markups.
- Position as a solutions-provider.
- Eliminates competitors.
- Keep # of items to a minimum.
- Anyone can sell products for the lowest price.

# Spot Pricing

- “Spot Reductions“ allows contractors to be more competitive by offering higher discounts to a single ordering activity without offering the same higher discounts to all other federal ordering activities.
- Allows contractors to react more immediately to the commercial market place; move inventory, respond to technological advancements, etc.
- Any item, any day, any price, for any reason.

# Teaming Agreements

- **Permitted when using Federal Supply Schedules.**
- **All participants of the Team Arrangement must have a FSS contract.**
- **Schedule contractors may incorporate the Team Arrangement into a BPA.**
- **Ordering activities should follow FAR 9.6 & FAR 8.4 and make a Best Value selection.**
- **Benefit to the Agency: convenience & integration solutions**
- **Each GSA contractor reports own GSA revenues.**
- **Parties determine who will be the “Prime”-won’t get rich as a Prime – perhaps 1-2 pts from sub-GSA partners.**

# MFG Mods

If you are the manufacturer of your goods on GSA schedule, you can submit a modification to add any new products 30-days prior to the product availability or effective date, in hopes of having the products added to your schedule on or about the commercial release date rather than not having them available for 30-45 days after the effective date.

## **Seed your Competition-E-Library**

- **Determine which suppliers have a contract, and what's covered under our Federal Supply Schedules**
- **Search by schedule contractor's name, contract number, special item number, schedule number, or keyword.**
- **Great tool for contractors to find Team Partners when responding to a customer's requirement.**

**<http://www.gsaelibrary.gsa.gov/elib/eLibrary.jsp>**

# Expand Scope to OCONUS

- Expand your “Geographic Scope” to Outside Continental United States (OCONUS), that includes NATO, United Nations, US Embassies and Consulates, US Military Bases, etc and other authorized by statute.
- Eliminate cost to ship overseas and export packing by stating that OCONUS orders will be FOB Destination to Port of Embarkation.

# Sell Services

- A-76 Legalization requires fed to outsource to private-sector if they can't prove they can perform function more effectively.
- Can subcontract out services.

## Information Technology Services GSA Sales

FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03 YTD
\$96 M	\$1.9 B	\$3.5 B	\$4.9 B	\$6.3 B	\$7.7B	\$2.6B



## DoD MENTOR-PROTEGE (MP) PROGRAM

DoD Mentor-Protégé (MP) Program was enacted in 1990 (Public Law 101-510). This program was established to provide incentives for (major) DoD prime contractors (Mentors) to help small disadvantaged businesses (SDBs) qualified organizations that employ the severely disabled, and Women Owned Small Business (Protégés) develop technical and business capabilities. The goal of the program is to assist protégés to successfully compete for prime contract and subcontract awards. Successful Mentor-Protégé agreements provide a winning relationship for the protégé, the mentor and the DoD.

The first act of participation for either party, Mentor or Protégé, is to find a counterpart. Protégés must keep in mind that a smaller Mentor might be more responsive to a Protégé's needs. More importantly is that the Mentor and the Protégé must be compatible.

A mentor firm must have at least one active subcontracting plan and be eligible for federal contracts. As of 1 October 1999 a protégé firm must be either a small disadvantaged business (SDB) certified by the Small Business Administration (Office of Small Disadvantaged Business Certification & Eligibility) a self-certified qualifying organization that employs the severely disabled or a WOSB (as defined in Section 8064A of Public Law 102-172).

**DoD Mentor-Protégé Hotline at 1-800-553-1858.**

**Application [http://www.acq.osd.mil/sadbu/mentor\\_protege/participate/aaat.html](http://www.acq.osd.mil/sadbu/mentor_protege/participate/aaat.html)**

**MB Program Participates:**

**[http://www.acq.osd.mil/sadbu/mentor\\_protege/participants/ActiveFrame.htm](http://www.acq.osd.mil/sadbu/mentor_protege/participants/ActiveFrame.htm)**

# SMALL BUSINESS MARKETING ASSISTANCE

([www.sba.gov](http://www.sba.gov))

## Subcontracting Opportunities Directory

A listing prime contractor doing business with the federal government.

## Procurement Technical Assistance Centers (PTACs)

A listing of Department of Defense Procurement Technical Assistance Centers.

SBA's Procurement Center Representatives (PCR's), located in area offices, review and evaluate the small business programs of federal agencies and assist small businesses in obtaining federal contracts and subcontracts.

SBA's Commercial Market Representatives (CMR's), located in area offices, conduct compliance reviews of prime contractors, counsel small businesses on how to obtain subcontracts, conduct matchmaking activities to facilitate subcontracting to small business, and provide orientation and training on the Subcontracting Assistance Program for both large and small businesses.

SBA's Certificate of Competency Representative (CoC), certifies that one or more small business concerns possess the responsibility to perform a specific government procurement contract.

Offices of Small & Disadvantaged Business Utilization (OSDBU) OSDBU's were established under the authority of Public Law 95-507. They are responsible for promoting the use of small, small disadvantaged, (8a), HUBZone, veteran-owned, service disabled veteran-owned small firms, and women-owned small businesses in compliance with federal laws, regulations, and policies. They also assist such firms in obtaining contracts and subcontracts with federal agencies and their prime contractors.

# Determine Section 508 Applicability

<http://www.section508.gov/>

# Cooperative Purchasing

(began May 8<sup>th</sup>, 2003)

- A landmark piece of legislation passed last December, the **E-Government Act of 2002**, opens a new and significant channel for selling to states and localities. Section 211 of the Act authorizes the General Services Administration (GSA) to provide use of its Federal Supply Schedule for information technology or Schedule 70 to state and local governments.
- Eligible users would include all 50 states, 3,139 counties, 19,365 incorporated municipalities, 30,386 minor subdivisions, 3,200 public housing authorities, 14,178 school districts, 1,625 public educational institutions of higher learning and 550 Indian Tribal governments.
- The updated proposed rules that would govern this new arrangement were posted to the Federal Register for comments, which are due on or before July 7<sup>th</sup>, 2003.

# GSA “1122 Counterdrug Program”

- Section 1122 of the Fiscal Year 1994 National Defense Authorization Act established the authority for state and local governments to purchase law enforcement equipment through federal procurement channels, provided that the equipment is used in the performance of counterdrug activities. The authority for the "1122 Program" resides with the Department of Defense. The U.S. Army, as the Executive Agent of the program, has formed a steering committee consisting of representatives from the General Services Administration (GSA), the Defense Logistics Agency (DLA), and the Department of Justice (DOJ).
- Each state participating in the 1122 Program designates a State Point Of Contact (SPOC) to administer the state's activities under the program, by validating the counterdrug mission of each procurement request, and ensuring the availability of funds. To date, forty-five (45) states have elected to participate in the 1122 Program.

## SPOC's for 1122 Program:

[http://www.gsa.gov/Portal/content/offerings\\_content.jsp?contentOID=117385&contentType=1004&P=1&S=1](http://www.gsa.gov/Portal/content/offerings_content.jsp?contentOID=117385&contentType=1004&P=1&S=1)

## Procurement Technical Assistance Centers

- **Provide assistance to businesses in marketing products and services to Federal, state and local governments.**

<http://www.dla.mil/db/>

## Advertise in GSA's MarkeTips Magazine

- GSA's *MarkeTips* Magazine is your key to the Federal Marketplace. With a mailing list of over 100,000 Federal buyers, *MarkeTips* provides an opportunity for GSA contract holders to promote products to Federal agencies.
- 
- Advertising space in *MarkeTips* is **FREE OF CHARGE**, and is offered on a first come, first served basis. Because of limited ad space, vendors are limited to 2 ads per Fiscal Year (Oct-Sep).
- 
- This Media Kit contains a number of documents including ad specifications and instructions, logos required for *MarkeTips* advertisements, Style Sheet, Style Guide, GSA points of contact, and a glossary of terms. The kit is also available on the web at <http://apps.fss.gsa.gov/partnership>.

## **Federal Supply Schedule** **Contractor Guide**

- **The FSS Contractor Guide is intended to help vendors understand how to participate in the GSA Federal Supply Service Multiple Award Schedules program.**

**View @ <http://apps.fss.gsa.gov/contractorguide/>**

## GSA Customer/Vendor Relations Directors and Marketing Managers

- To make your dealings with GSA as easy as possible, GSA maintains a network of commodity specialists.

<http://www.gsa.gov/Portal/contact.jsp?query=contact&to pic=customer+service+directors>

# The Steps to Success – How to be a Successful GSA Contractor

Download @ <http://vsc.fss.gsa.gov/>

# SBA Sub-Contracting Search

- Prime contractors use SUB-Net to post subcontracting opportunities.
- Small businesses can review this web site to identify opportunities in their areas of expertise.

[http://web.sba.gov/subnet/dsp\\_search\\_bid\\_form.cfm](http://web.sba.gov/subnet/dsp_search_bid_form.cfm)

# Central Contractor Registration

- To do business with most federal agencies, you need to be registered on Central Contractor Registration

[www.ccr.gov](http://www.ccr.gov)

- Many agencies use this list to search for bid candidates; you must also be on this list, so you can be paid by the federal government.

# Electronic Posting Service

- Single Point for all government solicitations, awards, notices, etc
  - Go to [www.eps.gov](http://www.eps.gov) and search or you select to receive specific categories of bids (general purpose IT equipment, furniture, maps, etc) by agency by going to [www.eps.gov/servlet/VendorReg](http://www.eps.gov/servlet/VendorReg)

# GSA Compliance

- Need to update [www.ccr.com](http://www.ccr.com) profile annually.
- Need to submit Vets-100 by Sept 30<sup>th</sup> each year.
- Need to submit quarterly IFF reports.
- Need to submit adds, deletes, price reductions (within 15 days of effective or notification date) and administrative changes (nothing worse than having an out dated schedule).
- Mod requests can take 30-60 days to be approved.
- Can submit for an annual Economic Price Adjustment (EPA) every 12 months not to exceed 10%.
- Need to complete Sub-Contracting Plans SF294/SF295.
- Generally, need to sell \$25,000 a year.

# IFF Reporting

- Reporting 30 days after end of each quarter (due April 30<sup>th</sup> for Jan, Feb, Mar).
- Need to report, even if you had no sales.
- Can report based upon:
  - Purchase Order date (worst),
  - Ship Date/Services Rendered date (better) or
  - Date Paid (best).
  - Pick one of the above and stick with it – need not disclose to GSA but need to have documented.

# Renewal Options

- Most GSA contracts offer three (3) Five-Year Extensions.
- Generally requires,
  - Annually sales of \$25,000.
  - Products/services current on GSA Advantage.
  - IFF reporting and payments up to date.
  - Happy customers –few complaints or none.
  - Re-certify your commercial sales practices.
  - Need updated Letters of Supply.
  - Recertify your business status (size).

# Business Status

- Old rule allowed a business to retain their original business status, upon award, regardless of their change.
- Proposed rule requires firms to recertify their small-business status annually on the anniversary date of the contract award.
- The rule is intended to prevent a company continuing to receive benefits, such as small-business set-asides, if it outgrows its eligibility. Also, ensure that a large company does not get credit for subcontracting to a "small" business that is no longer small.

<http://a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/2003/03-10286.htm>

# Audits

- Subject to audit up to three-years after your last payment, after your GSA schedule has expired.
- Generally audit for:
  - Report of all GSA related sales (they want their IFF).
  - Violation of most-favored customer monitoring for automatic price reduction matching (feds want to be your MFC upon GSA award and throughout the life of your contract).
  - Timely notice (15 days) of a permanent price reduction.
  - Unauthorized substitution of professional experience or education for services.

# Summary

- Get on a contract vehicle - keep it current (mods for adds, deletes, increases).
- Determine what makes you unique “Best Value”
- Seek Blanket Purchase Agreements.
- Seek Teaming Agreements (for products/services you do not offer).
- Seed your competition – know your competition.

# Summary (continued)

- Know agency budget, mission, use of your services, procurement preferences.
- Sell “Solutions” not products.
- Spend monies on advertising (email marketing, direct mail, trade shows, publications).
- Know the rules and regulations (Federal Acquisition Regulations).
- Stay contractually compliant.
- Have lots of patience - need staying power.

## Questions???

- Visit [www.capitalreps.com](http://www.capitalreps.com)
- Call us @ 703-715-2677 or
- E-mail us @ [capsales@capitalreps.com](mailto:capsales@capitalreps.com)
- Sign up for Free weekly [Fed E-Newsletter](#)