

Developing Business with the Federal Government through the GSA Schedules Program

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When traveling in a foreign country, knowledge of local customs, languages, public transportation systems and laws are essential. Globalization has eased the stress of traveling to unfamiliar lands, but there are still concerns. Reading about a country and its customs, languages and laws are no replacement for visiting and living among the people. Furthermore, a weekend or week long visit hardly qualifies you as an expert on the local culture.

For many companies, the Federal market is a foreign land. A land with an acronym filled language, different transportation (ways to do business) and different rules and “customs.” If you were to get lost in “Federal market land,” you would not understand the language enough to ask for guidance while fearing that you were breaking the rules by what you were currently doing. In short, you would need a local to help you maneuver the landscape.

Sadly, there is no quick way to become a “local” in the Federal market. Integrating your business into the Federal market takes time, commitment, determination, and the ability to take risks. Lastly, having the right “local” guidance can make the world of difference. All of us have been in unfamiliar territory and listened to the wrong advice.

In the Federal market, there are several contracting vehicles, an acronym with three different meanings depending on the context and a lot of unknown. There is one contracting vehicle preferred by Federal government buyers, the GSA Schedule.

The GSA Schedule is the Federal government’s procurement vehicle of choice for purchasing commercial services and products. The GSA Schedule Program simplifies the acquisition process for Federal agencies and government contractors alike. The Federal market as a whole is foreign, but the GSA Schedule is a unique commercial contracting vehicle with its own Federal government dialect and culture.

If you are looking to grow your business, the Federal market should be on your short list of markets to develop. A GSA Schedule contract is the ideal vehicle to start or grow your Federal market business. So, what does GSA Stand for? What is a “Schedule” or GSA “Number”? Do we need a GSA Schedule to enter the Federal market? Does anybody say words or do they just speak in acronyms? Isn’t it just filling out paperwork? What do I do once I have a Schedule contract?

At WMG, we are locals in the GSA Schedule market.

Before you start your journey into a foreign land, it is good to know your starting point. We will get our common bearings and then move on from there.

What is GSA?

GSA is the General Services Administration. GSA is a civilian acquisition agency established in 1949 to “help Federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies.” In short, they streamline the government acquisition process for commercial services and goods through the Federal Acquisition Service (FAS), who manages the Schedules Program. GSA also has a “real estate” division called the Public Buildings Service (PBS), which manages, builds, leases, and sells Federal property.

What is the GSA Schedules Program?

The Federal government’s preferred contracting vehicle for commercial services and products. Just like any organization, the government needs computers, couches, chairs, playgrounds, trophies, IT services, engineering services, office supplies, accounting services, software, facilities maintenance, etc. The Schedules program allows government customers (Federal agencies and other eligible users) the ability to buy commercial services and products that have been approved by GSA. The Schedules program currently includes services and products, and within each Schedule there are SINs (Special Item Numbers), which are narrower classifications of the product or service under that particular schedule.

What is the process for acquiring a GSA Schedule Contract or “Number”?

To correct a common misunderstanding, a GSA Schedule Contract has a number, but it is not “just a number.” Your GSA Schedule is a contract with the Federal government that provides you with preferred vendor status for doing business with the Federal government worldwide and, in some cases, state and local governments plus some commercial entities. It also requires that contractors manage their Schedule contract to insure contract compliance.

The process for getting a GSA Schedule is more than completing a form. The process includes responding to a Schedule solicitation (RFP), negotiating with GSA on pricing and scope, proof of past performance, registering in CCR (Contractor Central Registry) and submitting a CSP (Commercial Sales Practices) matrix, just to name a few of the steps.

How long will it take to get a GSA Schedule Contract?

Generally, from construction of the offer to negotiation to award, the process can take from three to six months. The variables here are you, complexity of the offer, timing and the workload of your GSA Contracting Officer.

What will my GSA Schedule Contract look like?

Contracts are particular to each schedule, but there are some common areas across all 38 schedules.

- **Term** - your initial GSA Schedule Contract Award will last five years. At the end of five years, if you have met minimum sales requirements (see below) GSA may ask you to renew your contract for another five years. This process could happen two more times for a potential total of 20 years.
- **Industrial Funding Fee** - there is an Industrial Funding Fee (IFF) of .75% (.50% for VA Schedule contracts) of your GSA Schedule sales that is to be paid to GSA on a quarterly basis. The IFF funds GSA’s ability to streamline the Federal commercial acquisition process. This “fee” is paid by the buying agency to the contractor, which in turn the contractor remits to GSA.
- **Minimum GSA Schedule Sales** – as a result of obtaining a GSA Schedule, there are minimum requirements for annual sales. It is \$25,000 for the first two years (combined) and \$25,000 per year for year three and beyond.
- **TAA (Trade Agreements Act)** – the GSA Schedules program excludes products from non-TAA compliant countries and no services from countries whose headquarters are in non-TAA compliant countries. A current list of TAA compliant countries can be accessed at www.tradeagreements.gov.

Doesn’t the Government always get the lowest price?

The short answer, no. Your GSA Contracting Officer will try and get the very best (lowest or Most Favored Customer, MFC) price for the government. The policy term as the basis for price negotiations is that your pricing be “fair and reasonable.” Please note that your GSA Schedule price will be the highest price you can charge the Federal government. In addition, Federal buyers are allowed to ask for spot discounts at the task/purchase order level.

Once awarded a GSA Schedule contract, do I wait for agencies to call?

The short answer is no. The Schedules Program is a Multiple Award Schedule (MAS) Program. You are one of several vendors in your industry that the government can now buy directly from without having to go through the “full and open” competition process. As a vendor in the GSA Schedules program, your company gets increased exposure which allows Federal agencies to buy directly from you in a more efficient and time sensitive manner. Growing your business in the Federal market will take time and resources. The same way that your company found commercial success can be applied to the Federal market, hard work, hiring the right team, marketing, persistence and patience.

Are there compliance challenges once awarded?

Yes, but for companies of all sizes, experience and capabilities, the challenges are manageable and are worth entering the \$40 billion (and growing) GSA Schedules market.

Do I need a Schedule contract to win Federal business?

No, you do not need a GSA Schedule contract to win Federal business. However, many agencies request that you have a GSA Schedule contract. The Schedules program streamlines the acquisition process and makes it much easier for Federal agencies and other authorized users to buy from you.

What are some other benefits of having a GSA Schedule?

- **Blanket Purchase Agreement (BPA)** - can be set up between a Federal agency and a contractor or contractors for their services and/or products. The BPA allows the buying agency to buy from you directly bypassing task order competition because you were awarded the BPA after going through the GSA Schedule Process, which fulfills competition in contracting act compliance and through a second round of competition with the individual agency who awarded you the BPA.

- **Contractor Teaming Agreement (CTA)** – is an arrangement between two or more GSA Schedule contractors to work together to meet agency requirements. CTAs satisfy customer agencies with a single solution. CTAs benefit contractors by increasing their competitive edge, market share and visibility. The CTA offers additional opportunities for contractors through building direct relationships with customers (agencies). For small businesses, CTAs give them an opportunity to not only sub-contract, but team with larger companies.

- **State and Local Governments** are permitted to buy off of the GSA Schedules under the following circumstances:

- *Cooperative Purchasing* – State and local governments may buy from GSA's Schedule 70 (Information Technology) and Schedule 84 (Law Enforcement, Security, etc.)

- *Disaster Recovery Purchasing* - Section 833 of the John Warner National Defense Authorization Act for fiscal year 2007 authorized the availability of all GSA Schedules to state and local governments to facilitate recovery from major disasters, terrorism, or nuclear, biological, chemical, or radiological attacks.

Summary

In summary, the GSA Schedules program is an essential component for companies entering the Federal market with the intent on building long term relationships with the largest consumer of services and goods in the world, the US Federal Government. The Federal market does have its own language, dialects and customs. For over 30 years, the Washington Management Group has been the GSA interpreter and guide to thousands of companies of all sizes and industries. We would welcome the opportunity to assist your company as you enter the foreign land known as the GSA Schedules Program. Let us put our knowledge, experience and relationships to work for you.

For more information on how to navigate your way in Federal market through GSA Schedules Program, contact the Washington Management Group now!

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