



**GSA Schedules and
U.S. Government Sales Strategies**

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What the US Government Buys

- **Exactly what your commercial customers buy**
- **Over \$200 billion in products and services**
- **IT spending:**
 - \$22 billion – civilian agencies**
 - \$18 billion – Department of Defense**

Approaching the Government: The Three Prongs

Marketing Strategy

Distribution Channels

Contracts

Contracts for Commercial Off The Shelf (COTS) Products and Services

- **Competitive Procurements: formal RFPs and solicitations; traditional method.**
- **IDIQ (indefinite delivery, indefinite quantity) Contracts: pre-negotiated centralized contracts; EX: GSA Schedules.**
- **Sole Source: very rare.**
- **Under \$2,500: micropurchase threshold; very little regulation.**

GSA Schedule Contracts

- **GSA: US General Services Administration; www.gsa.gov**
- **Schedule Contracts: *government-wide***
 - ◉ **Many different schedule groups**
 - ◉ **\$13.9 billion in Fiscal Year 2000**
 - ◉ **Generally not publicized for full & open competition**
 - ◉ **Simplified buying procedures**
 - ◉ **IT Schedule (“Group 70”)**

Scope of the Group 70 IT Schedule

- **Hardware: \$3.056 billion**
- **Software: \$832 million**
- **Professional IT services: \$4.965 billion**
- **IT classroom training: \$8.970 million**
- **Other (leasing, ISPs, etc.): \$446 million**

How The IT Schedule Works

- **Negotiated by GSA but used by many agencies:**

www.govt-contracts.com/buyers.htm

- **5 year term plus extensions**
- **Adapts your commercial price list**
- **Aggressively negotiated pricing**
- **Fulfills government's need to determine "fair and reasonable pricing"**

Issuing A GSA Schedule Purchase Order

- **Sell to the government like a commercial customer**
- **Government needs to review 2 competing GSA Schedules**
- **Contacting Officer makes a determination of “best value”**

Other GSA Schedule Opportunities

- **Blanket Purchase Agreements (BPA)**
- **Teaming Agreements**
- **Establish pricing benchmarks for subcontracts to integrators**
- **State and local governments often adapt GSA pricing**

Contractor Responsibilities

- **Monitor commercial pricing and change GSA pricing accordingly**
- **Quarterly reporting/Industrial Funding Fee (IFF)**
- **Compliance with other regulations**
- **Maintain records in case of audit**

Conclusions

- **GSA Schedules are the preferred contract for many IT purchases.**
- **GSA Schedules adapt your commercial products, pricing and sales practices.**
- **With effective marketing and distribution, a GSA Schedule is a powerful tool in your sales arsenal.**
- **Government sales are a stable market.**

Glossary

Blanket Purchasing Agreement – An agreement with a federal agency that rides on top of a GSA Schedule, it establishes the terms for repeat purchases from the same contractor without price analysis each time.

Contracting Officer - aka "C.O." - The equivalent of purchasing manager in a commercial account. Only contracting officers can issue purchase orders, although non-contracting officers may buy supplies with the IMPAC VISA card.

Crystal City – The office complex in Arlington, Virginia where GSA IT Schedules are negotiated and managed.

FAR – Federal Acquisition Regulations; the rules on which all US Government procurement is based, replacing commercial sales law.

Final Proposal Revision (FPR) – The final written negotiation agreement between GSA and a contractor, it outlines discounts, concessions, and establishes the pricing relationship between GSA and your commercial customers.

GSA – US General Services Administration; acts as the government’s contract negotiator, landlord and telecommunications manager.

GSA Advantage – the government e-commerce site that GSA Schedule contractors must upload their pricing information onto; government customers can issue secure purchase orders on Advantage. Located at www.gsaadvantage.com

Industrial Funding Fee (IFF) – a 1% fee on sales that GSA Schedule contractors must pay to the government on a quarterly basis. GSA allows contractors to raise their price by 1% to compensate for the fee.

IDIQ – Indefinite Delivery, Indefinite Quantity; a type of federal contract in which the government does not guarantee any sales but provides a contract framework for companies to approach government agencies with pre-negotiated pricing and terms.

Schedule Contract – A type of master contract managed by GSA. It is negotiated with commercial companies and can be used by any government agency and many other organizations.

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