



**Selling to the US Government
Using a GSA Schedule Contract**

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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**

Marketing Strategy

The government is too large to think of as a whole, so:

- **Target Specific Agencies**
- **Target Specific Functions**
- **Target Geographic Regions (only 20% of procurement is done in the Washington, DC area)**

Distribution Strategy

- **The government frequently buys through channels**
- **Government channels *may* be different from your commercial channels**
- **Let your marketing and channel strategy drive your contracts**

Contracts for Commercial Products and Services

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

GSA Schedule Contracts

- **GSA: US General Services Administration; www.gsa.gov**
- **Schedule Contracts:**
 - ⊙ **A government-wide master contract**
 - ⊙ **A “fishing license” – no guaranteed \$\$\$**
 - ⊙ **Many different schedule groups**
 - ⊙ **\$13.9 billion in Fiscal Year 2000**
 - ⊙ **Highly streamlined ordering procedures**

Scope of the Group 70 IT Schedule

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

**Over 2,550 IT companies hold Group 70
contracts:**

www.govt-contracts.com/currentgsa.txt

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**
- **No further negotiation once in place**
- **No maximum order limit (EX: Dell \$6 million purchase order for laptop leasing)**

Accepting A GSA Schedule Purchase Order

- **Sell to the government like a commercial customer**
- **Government needs to review 3 GSA Schedules before awarding PO**
- **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**

Canadian Companies and GSA

- **The Buy American Act clause is not in the GSA Schedule**
- **\$2,500 - \$100,000 sales are otherwise restricted to small US firms**

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.**

Contact Information

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www.govt-contracts.com/presentations.htm

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Additional Resources

Periodicals

Government Computer News – www.gcn.com

Federal Computer Week – www.fcw.com

Washington Technology – www.wtonline.com

Government Technology – www.govtech.net

Electronic Posting System (EPS) – www.eps.gov

CBD - cbdnet.access.gpo.gov/search1.html

GSA Advantage – www.gsaadvantage.gov

Rozycki Associates newsletter – www.govt-contracts.com

Glossary

Blanket Purchase 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 small fee on sales that GSA Schedule contractors must pay to the government on a quarterly basis. GSA usually allows contractors to raise their price by a certain amount 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.