

Alert | Government Contracts



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Dramatic Changes to the GSA Schedules

Overview

The General Services Administration (GSA) recently announced that it will be overhauling its Multiple Award Schedules (MAS) Program by consolidating its 24 schedules (also known as Federal Supply Schedules (FSS)) into a single schedule.¹ The transformation of GSA's MAS Program is part of the agency's broader Federal Marketplace strategy, which comprises 30 connected projects. The strategy is "an integrated set of policy, process and technology improvements that help [GSA's Federal Acquisition Service] establish a seamless people-centric buying and selling experience that enables mission-driven acquisition across government."² GSA believes that this strategy will improve the buying and selling process for federal customers and current and potential vendors.³

Current Structure

GSA schedule contracts are long-term, government-wide indefinite delivery, indefinite quantity (IDIQ) contracts with commercial entities that are administered under GSA's MAS Program. Through the MAS

¹ GSA Press Release, "GSA Announces Transformation of Multiple Award Schedules" (Nov. 27, 2018) available at <https://www.gsa.gov/about-us/newsroom/news-releases/gsa-announces-transformation-of-multiple-awards-schedules>. (Hereinafter, "GSA Press Release.")

² Remarks of Crystal Philcox, Assistant Commissioner, Office of Enterprise Strategy Management, GSA Federal Marketplace Industry Day (Dec. 12, 2018), Transcript at pg. 21.

³ GSA Press Release.

Program, federal, state, and local governments can purchase commercial supplies and services at pre-negotiated, volume-discounted pricing. Approximately \$31 billion is spent through MAS annually.

The 24 schedules are organized by types of products and services (e.g., Schedule 70- Information Technology (IT); Schedule 23 V- Automotive Superstore; 00CORP- Professional Services Schedule).⁴ Each schedule is subdivided into subcategories known as Special Item Numbers (SINs). The division of supplies and services across the schedules often makes it challenging for government customer agencies to locate and acquire the appropriate solutions.

Under this disparate structure, many vendors choose not to obtain multiple MAS contracts, which would enable them to offer more products and services to the government. Such contractors do not want the burdens of obtaining and managing multiple MAS contracts with differing terms and conditions and different contracting officers (which, invariably, have different interpretations of clauses, data requirements, etc.). The complexity of the 24-schedule structure also may be a barrier to entry for some small businesses. GSA believes that the transformation “will also allow industry to come to the federal marketplace with their offerings using a solutions-based approach, which more closely aligns with the way agencies are buying.”⁵

New Structure

The new, single-schedule contract will have subdivisions or “categories.” These categories, as described by Stephanie Shutt, director of GSA’s MAS Program Management Office, will use “real words” to describe the supplies and services sold thereunder. GSA believes that the elimination of redundant SINs and the establishment of categories that are logically organized and named will enable: (1) contactors to appropriately list their products; (2) customer agencies to better select the appropriate supplies and services to fulfill their mission needs; and (3) more and better competition across the categories.⁶ According to GSA, the establishment of logically named and organized categories will increase competition across industry partners because agencies will be able to find the correct industry partner.⁷

Phased Consolidation Into New Schedule Structure

GSA currently plans to consolidate its schedule offerings into a single schedule over the course of Fiscal Years (FY) 2019 and 2020 in a three-phase process:

Phase 1 (FY2019): GSA will develop the new schedule and solicitation, and GSA will release the solicitation and close existing schedules solicitations to new offers later this FY. The solicitation for the single schedule will contain a consolidated, revised set of terms and conditions.

Phase 2 (FY2020): GSA will complete mass modifications for all current GSA schedule contracts to update the contract terms and conditions. Schedule holders will keep their current contract number. Vendors will be able to select categories that were previously on separate schedule(s) not held by the vendor.

⁴ “List of GSA Schedules,” available at <https://www.gsa.gov/buying-selling/purchasing-programs/gsa-schedules/list-of-gsa-schedules>.

⁵ GSA Interact Blog, “GSA Announces Transformation of Multiple Award Schedules” (Nov. 27, 2018), available at <https://interact.gsa.gov/blog/gsa-announces-transformation-multiple-awards-schedules>; See also Remarks of GSA Administrator Emily Murphy, GSA Federal Marketplace Industry Day (Dec. 12, 2018), Transcript at pg. 6.

⁶ GSA Press Release; Federal Times, “GSA to consolidate 24 multiple award schedules into one” (Nov. 27, 2018), available at <https://www.federaltimes.com/acquisition/2018/11/27/gsa-to-consolidate-24-multiple-award-schedules-into-one/>.

⁷ Stephanie Shutt, GSA Federal Marketplace Industry Day (Dec. 12, 2018), Transcript at pgs. 91-92.

Phase 3 (FY2020): GSA will work with vendors that hold more than one contract to consolidate their schedule contracts. GSA estimates that 1,500 contractors hold more than one schedule.⁸ GSA emphasized that the transition process for vendors that hold multiple schedules will be a tailored process that is based on the nature of the industry partner's participation in the MAS Program. The consolidation approach will vary depending on the number of schedule contracts the vendor holds, where the contracts are in their life-cycles, etc.⁹

Impact to Prospective and Current GSA Schedule Holders

Prospective and current GSA schedule holders can continue business as usual in terms of obtaining GSA schedule contract(s) and selling products through current schedule contract(s). GSA emphasized, during its Dec. 12, 2018, Federal Marketplace Industry Day, that companies desiring to get: (1) a new schedule contract or (2) their first schedule contract should not wait for the consolidation process. Contractors should utilize the current processes for obtaining a schedule contract. For now, this means that prospective vendors will need to review the various GSA schedules, identify the appropriate schedule(s) for their products and services, and follow the requirements for the schedule-specific solicitations.

Current contract holders will continue to sell as usual and work with their assigned contracting officer(s) on contract administration matters. The MAS consolidation will not affect the Department of Veterans Affairs FSS. GSA will assist all contractors throughout the consolidation process. Going forward, this may necessitate becoming familiar with the new, standardized terms and conditions and how these obligations vary from the current terms and conditions, as well as the potential for changes in assigned acquisition personnel. For those schedules or SINs on a schedule that are participating in the Transactional Data Reporting (TDR) Pilot, the TDR Pilot will apply to specific categories on the new schedule.

The consolidation initially may result in confusion and challenges for both contractors and the government as GSA refines the categories within the single schedule, aligns its workforce to administer this schedule, migrates contractors holding multiple schedules, and as government purchasers acclimate to the new categories. In the long term, however, the consolidation should benefit contractors through managing only one contract (one offer, one set of terms, one contracting officer, etc.), and enable contractors to offer more products and services through the schedule.

GT continues to monitor this major reform, how industry can assist GSA in shaping this reform, and the reform's impact on prospective and current GSA schedule holders.

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⁸ Remarks of GSA Administrator Emily Murphy, GSA Federal Marketplace Industry Day (Dec. 12, 2018), Transcript at pg. 18.

⁹ GSA described the phased-in approach during its Dec. 12, 2018, Federal Marketplace Industry Day.

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