

## **GSA Takes Next Step Towards Consolidating Its Multiple Award Schedules, But Much Work Lies Ahead**

After receiving more than one thousand comments from industry and other stakeholders, on October 1, 2019, the General Services Administration (GSA) will issue a solicitation for a single, consolidated Schedule as part of its project to combine its 24 existing Multiple Award Schedules (MAS), also referred to as Federal Supply Schedules (FSS), into one. It is an important step towards the agency's goal of simplifying and reducing duplication in its Schedules program, through which more than \$30 billion is spent annually on commercial goods and services. However, much work remains before such a goal can be realized.

This update provides an overview of GSA Schedules consolidation, the timeline for its implementation, and key areas that Schedule contractors should be prepared to track in the coming months.

### **GSA Schedules**

GSA Schedules are long-term, government-wide contracts with commercial companies that enable contractors to provide millions of products and services at volume discount pricing. GSA Schedules use streamlined ordering procedures that allow agencies to buy supplies and services faster than through typical competitive procurements. As such, the GSA Schedule contract is one of the most widely used government contracting vehicles.

### **Schedule Consolidation and Timeline**

In November 2018, GSA announced plans to consolidate its Schedules as part of the agency's Federal Marketplace Strategy, which aims to modernize and simplify acquisitions. GSA will consolidate all of the Schedule contracts it manages, including GSA's Schedule 70 (IT Equipment, Software, and Services) and 00CORP (Professional Services Schedule). The Department of Veterans Affairs (VA) will not consolidate its separate Schedules at this time.

According to GSA, the Schedules Consolidation will provide consistency in the Schedules program, making it easier for federal, state, or local government agencies to find solutions under one contract vehicle, ensuring consistent terms, and eliminating duplicative contracts. The agency also maintains that having a "single entry point" to Schedules will benefit industry by enabling contractors to avoid having to manage multiple Schedule contracts.

Schedule Consolidation is broken into three distinct phases:

- In Phase 1, which is about to end, GSA created a new solicitation for a single Schedule. GSA issued a draft solicitation and related information in August 2019 and invited comments from industry and others. Now, after consulting with agencies and industry stakeholders, GSA will release the solicitation on FedBizOpps tomorrow, October 1, 2019.
- In Phase 2, to begin in January 2020, GSA will issue a "mass modification" to transition existing Schedule contract holders with one Schedule to the new Schedule. Contractors will have until July 2020 to accept the mass modification. The mass modification will update contract terms and conditions and Special Item Numbers (SINs) to conform with the new Schedule. After the Schedule is consolidated, current Schedule

holders will keep their current contract numbers.

- In Phase 3, scheduled for the latter half of fiscal year 2020, GSA will work with companies with multiple GSA Schedule contracts to consolidate them into a single contract.

The consolidated Schedule will be organized into large categories, which will be broken down further into subcategories and further into SINS. For example, Information Technology will be broken down into subcategories including IT Hardware, IT Software, Telecommunications, and IT Solutions. Within subcategories will be SINS, each mapped to one or more North American Industry Classification System (NAICS) codes describing the principal nature of each product or service being offered. GSA has indicated that it reviewed each of the available SINS, rewrote certain category descriptions, and reorganized SINS, where appropriate. According to GSA, the new structure will simplify the process of locating products and services on the Schedule because the same products and services will fall under one category at a time. As stated by GSA, it will be "easier for agencies to find the appropriate group of industry partners to meet their missions."

### **Impact and Next Steps**

Schedule Consolidation is a significant undertaking with laudable goals. Although it is too early to draw conclusions, the project has the potential to benefit both the government and contractors to the extent that it simplifies the program, reduces duplication in the existing Schedules, and eliminates the administrative burdens associated with managing multiple Schedule contracts. That said, much work remains before the program's impact can be fully understood, and contractors will want to track the agency's implementation process closely.

Schedule Consolidation has been generally well received by industry. According to GSA, almost 94 percent of contractors responding to the agency's requests for feedback on the project indicated that the proposed solicitation format is clear, and 88 percent of respondents agreed that the change will be a benefit to industry.

Here are the next steps in the process:

- As of October 1, 2019, GSA will no longer be accepting offers under any of its 24 existing Schedules. Rather, contractors that do not already have a GSA Schedule contract will be able to submit an offer under the new GSA Schedule to join the program.
- Customer agencies will be able to place orders without interruption throughout the Schedule Consolidation process. Contractors with existing Schedule contracts can process modifications and accept orders before entering into a new consolidated contract. In the meantime, they are still required to maintain compliance with the terms and conditions of their current contracts.
- For existing Schedule contracts to transition automatically to the new consolidated Schedule, current Schedule contractors must accept the updated terms and conditions in the mass modification after it is issued early next year. In the meantime, contractors can prepare by carefully considering any differences between their existing contracts and the new Schedule solicitation. GSA sought to update existing terms and conditions "so they are current, accurate, complete, and consistent for all contractors." The solicitation divides terms and conditions into two categories: (1) terms related to contract administration and (2) clauses related to the performance of an order. Common terms, such as delivery, price reduction, and trade agreements provisions, will remain in the consolidated Schedule.
- One issue that will generate discussion is the Price Reductions clause, which is included in GSA's consolidated schedule. Viewed by many as burdensome, this clause requires contractors to report to the government price reductions for identified Basis of Award (BOA) customers and mandates downward price adjustments when price reductions are made by the contractor to certain customers. *See* GSAR 552.238-81. Contractors that participate in GSA's recently extended Transactional Data Reporting (TDR) pilot program are relieved from having to comply with the cumbersome Commercial Sales Practices and Price Reductions clause requirements, but GSA has indicated that it will not be expanding the TDR pilot

to additional categories.

- Among the unresolved issues is the extent to which terms and conditions that existing Schedule contractors may have negotiated into their contracts, such as BOA customers, will be available to them in the future. GSA has indicated it plans to work with contractors with multiple Schedule contracts with different BOA customers to find solutions on a case-by-case basis.
- GSA also must prepare its workforce to administer contracts under the consolidated Schedule. According to GSA, internal training of contracting officers and specialists was to begin in September 2019.

Companies interested in GSA Schedules will want to track further developments between now and January 2020. GSA's [website](#) includes a blog with information specifically about schedule consolidation.

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