

## General Comments on GSA Schedules

1. Generally speaking, who should get a schedule?
  - Firms that have been in business for at least two full years – a minimum requirement
  - Firms that already have some Federal business and some contacts with the Federal Government
  - Firms whose Federal clients tell them it will be easier to get more Federal work if the firm has a GSA Schedule
  
2. Most common challenges in submitting a GSA schedule application
  - Responding accurately and effectively to the GSA Schedule solicitations which are poorly organized and written
  - For really small businesses, identifying two or three directly related and recently completed (less than 2 years old if completed) or ongoing projects that can be used as project summaries that fit the scope of the schedule for which they are applying and are worth at least \$25,000 each, preferably more
  - Producing invoices that adequately support (prove) the labor categories or products the firm wants to have included on their GSA Schedule contract
  - Writing materials that effectively respond to the questions posed by GSA in their solicitations
  - Preparing clients (on the projects used for project summaries) for calls from GSA evaluators when GSA begins reviewing your submission
  - Getting good past performance scores from the mandatory Open Ratings evaluation
  - Some firms submitting schedules are subjected to a financial assessment and review by the GSA office in Kansas City. The review focuses on debt-to-income ratio and is based on completion of a very detailed GSA financial form and several sets of your firm's financial statements. These reviews are made of firms that have had recent losses or generally weak financial statements.
  
3. Once you get a schedule, what basic requirements must you satisfy?
  - You must generate at least \$25,000 in schedule business with the Federal Government during the 1<sup>st</sup> two years of your contract and \$25,000 in business with the Federal Government on your GSA Schedule contract each year thereafter or they can cancel your schedule.
  - You must pay GSA a fee (Industrial Funding Fee or IFF) for using the schedule. The fee is three quarters of one percent. Payment is due within 30 days after each calendar quarter

ends. Payment due is calculated based only on monies paid to you by the federal government on contracts awarded under your schedule.

- Maintain very good records so you can pass “occasional” GSA on-site (in your office) reviews or audits of your contract and payment history. GSA staff will occasionally visit your firm for a review. If you violate any of the terms and conditions in your GSA Schedule contract you can face severe penalties.
  - Stay current with periodic contract modifications. Modifications are typically accomplished electronically.
  - Never offer prices lower to any other client – commercial or government – than you offered to GSA, including the “discount” you gave them on your commercial prices
  - Agree to let GSA see virtually all of your financial records at any time.
4. Passing their “on-site” audits which occur with short notice and may happen annually
- Make sure your schedule task orders are all within scope.
  - Make IFF payments on time, correctly and keeping good records of your IFF payments.
  - Keep good records of modifications to your schedule contract.
  - Meet sales quotas (e.g., at least \$25,000 in annual sales on your GSA Schedule the 1<sup>st</sup> year and each year thereafter).
  - Use all of your labor categories and Special Item Numbers or “SINs.” GSA will likely cancel those labor categories not ever used when your schedule contract is renewed every five years.
  - Spot check that you are not offering lower prices to anyone else. If you are then you can be penalized in several ways including be required to pay money back to GSA.
5. Some general do’s and don’ts
- Be especially careful of scope if you are submitting an application for an Information Technology (IT), Mission Oriented Business Integrated Services (MOBIS), or Professional Engineering Services (PES) Schedule because many firms confuse the requirements and are initially rejected for that reason.
  - Be especially careful when submitting a MOBIS Schedule application because they are the hardest to get.

- Pick your very best past performance references extremely carefully. GSA may call these clients and ask them questions about your work and performance. The work must, first and foremost, be perfectly within scope of the GSA Schedule for which you are applying.
- If you use an outside source to help you, never pay more than \$5,000 for “substantial” support unless there are very special circumstances like they need to help you establish a government-compliant financial system (e.g., chart of accounts). An “advisor” who provides formats and templates, reviews, advises, critiques, and helps with negotiations can and should cost substantially less.
- If you use an outside source always make sure they will help you during the “negotiation phase.”
- Never give GSA any cost build up data as supporting evidence to your pricing, always use only “fully burdened rates.”
- Be careful if a firm offers to help you get a schedule contract by guaranteeing income because GSA already offers a guarantee of \$2,500.00 in revenue if you generate no income over 20 years.