Everything You Need to Know About GSA Contracts

by Joshua Ladick, President - GSA Focus, Inc.

History and General Details

The General Services Administration (GSA) was established by Harry Truman in 1949 and was originally a consolidation of six sub-agencies to streamline federal procurement. Since then, the GSA has taken on important directives such as Emergency Preparedness, Real Property Management, Policy Oversight, Government Charge Cards, many electronic government initiatives, and more recently the GSA has put a heavy focus on sustainability.

There are currently 40 GSA and VA/FSS Schedules, which are industry-based and include a variety of product offerings such as Medical Equipment, Security, Information Technology, Construction and Vehicles. GSA Contracts also offer services to federal buyers such as Accounting, Engineering, Environmental and Scientific Services, just to name a few. There are nine Acquisition Centers located across the country; each one oversees the award and administration of a group of GSA Schedules.

All Federal Agencies use the GSA to purchase products and services. Although the military has other contracting mechanisms, the GSA is among the most used and is growing rapidly in popularity. In addition to the Federal Government, some Indian reservations, non-profits, and a few other entities have authorization to buy from the GSA. State, County and even City entities can purchase select items from the GSA, including Security and IT products and services through the Cooperative Purchasing program. A GSA Contractor enjoys the benefits of access to a private bidding system called E-Buy, posting of products and services to a federal e-commerce website entitled GSA Advantage, and a large advantage over non-GSA companies in any competitive bidding process.

Acquiring a GSA Contract

A GSA Contract is a long-term mechanism for federal buyers to purchase directly from contractors, while cutting out a large portion of the bidding process and paperwork involved. Contractor requirements to get a GSA Contract include at least 2 years of corporate experience, adequate financial systems to track GSA sales, experience and past sales related to the GSA Schedule, Financial solvency, Compliance with the Trade Agreement Act, and Wage Determination factors.

There is an intensive process to get a GSA Contract which involves schedule placement, registrations, document preparation, Terms and Conditions considerations, past performance reviews, a financial review, and pricing negotiations. Document preparation is a very technical part of the process, and there are many hidden details involved. Somewhere around 90% of document submissions are rejected because of major deficiencies.
Even though the process to submit and acquire a GSA Contract is nearly free, many companies opt to consult or hire a specialist to complete the process on their behalf. The prices for these services generally range from $5,000 to $15,000 (and sometimes higher). This may seem like a large expense, but the cost of doing it in-house will likely be more and without an adequate understanding of the legal aspects of the contract you are opening your company up to the liability of non-compliance. Additionally, many companies are manhandled in pricing negotiations, leaving them with a GSA Contract that binds them to prices with a razor-thin margin.

Maintaining a GSA Contract

After a GSA Contract is awarded, a contractor will have a 5 year “License to Hunt” in the federal market, with 3 options to renew – so, in effect a 20 year contract. Every GSA Contract holder has an assigned Contracting Officer (CO) to review the offer package. This CO will be the long-term point of contact once a GSA Contract is awarded. After a contractor is awarded a GSA Contract, they must meet a minimum sales requirement of $25,000 annually and comply with the terms of the contract, or their contract may be in danger of revocation.

Maintaining a GSA Contract is very important. As prices change or products become discontinued a GSA Contract must adjust accordingly. This is because products and prices are posted publicly, and federal buyers can buy directly from GSA Advantage. There is a quick and easy process to modify a GSA Contract, where a small document package is submitted to a Contracting Officer, outlining the updates and changes to be made, which usually only takes a couple of weeks for final approval.

Acquiring and maintaining a GSA Contract is no simple feat, but the rewards most often outweigh the costs. Any company willing to work hard and learn to navigate the bidding process can benefit from a GSA Contract, and will gain access to the largest customer on the planet, the United States Government.

Author Bio

Josh Ladick is the President of GSA Focus, Inc. and has over 6 years of experience acquiring and maintaining GSA Contracts daily. GSA Focus works on GSA Contracts exclusively, and has proven processes to get a GSA Contract quickly, effectively, and affordably, offering their GSA Contract services for a flat fee. Josh can be reached at (760) 550-9320 or josh@gsafocus.com.