



How GSA Orders Are Placed & Purchased

GSA Schedules are unique in that purchases are transacted directly between the federal agency requiring a product or service and the contractor. Any federal agency, anywhere in the world, can place an order using the prices, ordering procedures, and terms and conditions specified in the Schedule contract. Once a need is identified, the contracting officer of the ordering agency simply places the order.

You and your sales force need to keep in mind that GSA contracting officers and the contracting officer within an agency placing an order have very different roles. GSA contracting officers evaluate your proposal, negotiate pricing, award, and administer contracts; they are not involved in the ordering process. Their job is to set up contracts with the best price possible and a nice thick file demonstrating that all federal procurement rules have been followed. After contract award, GSA contracting officers focus on administering Schedule contracts.

Although the contracting officer with the ordering agency is following the same rule book as the GSA contracting officer, the two have fundamentally different roles, and it is important for your sales force to understand the difference. The GSA contracting officer wants to ensure that procurement policy has been followed to the letter and, somewhat secondarily, that purchasing goes smoothly. The contracting officer for the ordering agency wants to place an order quickly and receive products and services as soon as possible. That's why the order was placed using a GSA Schedule in the first place. If an open item--one not on your Schedule--sneaks into the order, so be it.

Making a purchase through a Schedule contract is relatively easy. A federal buyer interested in a particular product or service sends a Request for Quote to companies holding a GSA Schedule contract for the desired product or service. In response, each company's GSA point person prepares a quote using its approved GSA Schedule contract prices. The buyer makes a final decision as to which vendor to use, and then places a purchase order against the vendor's GSA Schedule contract. The purchase order is then sent directly to the vendor.

There is significantly less competition in the GSA Schedule arena than there is for a bid put out as a public procurement because buyers only need to procure three quotes from GSA Schedule holders prior to making a purchase, and the three prospective vendors' pricing was determined during negotiations prior to contract award.

This illusion of reduced competition can be deceptive though. Many vendors new to the system assume that once awarded a contract, purchase orders will begin to roll in without the necessity of any further action on their part. This expectation is unrealistic. Schedule contract holders must actively sell their company's capabilities to prospective federal buyers. Schedule vendors should not expect to make sales under their Schedule contracts without focused and tenacious agency-based sales efforts.

If you have any questions about this article or would like more information on this topic please contact us at (888) 661 – 4094, Ext.2. Or call the author of this article, Richard White, directly at (301) 908 – 0546, or at rwhite@fedmarket.com.