

## **An In-Depth Look at GSA Cooperative Purchasing: The Benefits and Issues Surrounding State Usage of Schedule Contracts**

### **Introduction/Background**

The acquisition goal of public procurement – state, local and federal – is the same: to obtain high quality commodities and services at a reasonable cost and under terms that meet the needs of the government entities served.<sup>1</sup> Cooperative procurement and cooperation generally among the procurement offices of different governments is one major tool available to promote this objective. The term “cooperative procurement” covers several different sharing arrangements and any number of governmental relationships; however, this brief will focus solely on the federal government’s cooperative procurement program, known as the Multiple Award Schedules (MAS) program (also known as the Federal Supply Schedule), which the federal government has made available for state and local governments to purchase limited items.

The MAS program is administered by the U.S. General Services Administration (GSA) via the Federal Supply Service. GSA awards and administers the MAS program pursuant to Section 201 of the Federal Property and Administrative Services Act of 1949.<sup>2</sup> Section 211 of the E-Government Act of 2002 amended the Federal Property and Administrative Services Act to allow states and local governments access to “cooperative purchasing”. The General Services Administration Acquisition Manual (GSAM), Part 538.7001, Definitions, offers the following definition of state and local governments: “The States of the United States, counties, municipalities, cities, towns, townships, tribal governments, public authorities (including public or Indian housing agencies under the United States Housing Act of 1937), school districts, colleges, and other institutions of higher education, council of governments (incorporated or not), regional or interstate government entities, or any agency or instrumentality of the preceding entities (including any local educational agency or institution of higher education), and including legislative and judicial departments. The term does not include contractors, or grantees, of state or local governments.”<sup>3</sup>

<sup>1</sup> NASPO State and Local Government Purchasing Principles and Practices, 1997.

<sup>2</sup> General Federal Supply Service Multiple Award Schedules Program Owner’s Manual, page 7.

<sup>3</sup> Federal Acquisition Regulation, <http://www.amet.gov/far>

In January 2003, to implement the provisions of the E-Government Act, GSA published a proposed rule to amend GSA Acquisition Regulation. This rule proposed to allow states and local governments to order supplies via information technology (IT) contracts negotiated and secured by the federal government. The proposed rule outlined the following provisions:

- Limited the scope of access to GSA Schedule 70
- Made participation voluntary for contractors and state/local agencies, and
- Allowed Schedule contractors to decline an offer within five (5) days of receiving an order or twenty-four (24) hours within receipt of a P-Card order.

In May 2003, GSA published an interim rule in the *Federal Register* that incorporated public comments (including comments from NASPO) and made the cooperative purchasing amendments to GSA Acquisition Regulation effective immediately. In total, GSA received twenty-four (24) comments. A summary of the comments and responses from GSA can be found in Table 1.

As a result of the comments submitted, GSA made the following changes to the interim rule:

- Included Schedule IT special item numbers that are also found under IT corporate Schedule contracts
- Removed language regarding dealer sales and impact on price reduction clauses
- Authorized state and local governments to add their terms and conditions as part of the statement of work or statement of objectives required by state and local government statutes or regulations
- Added language to encourage alternative dispute resolution, as allowed by law

**Table 1: Summary of Public Comment to Federal Register Notice January 23, 2003 (2002-G505)**

<b>Comment Category</b>	<b>Summary of GSA Response</b>
<b>Scope of Rule</b>	
Will IT contracts on GSA corporate schedules be available for state/local use?	Yes, however only those contracts with IT special item numbers (SINs) will be available.
Objection to including architect and engineering services as part of the schedule program.	Neither the proposal nor interim rule adds architect and engineering services to the schedule program.
Other vendors outside the IT field would like to participate in cooperative purchasing programs.	"Cooperative Purchasing may only be conducted pursuant to statutory authorization."
Concerns of allowing dealer to sell to state and local governments.	"Disagree. State and local government entities should be able to access the same distribution network for goods and services as all other users of GSA schedules."
<b>Ordering</b>	
Objection to language that prohibits eligible ordering activities from adding additional terms and conditions.	Language was removed. Eligible ordering activities may add terms and conditions required by statutes, ordinances, and regulations, or orders to the extent that they do not conflict with contract terms.
Objection to limiting acceptance or decline of orders to five days when the vendor's contract stipulates longer time frames.	The language of the negotiated contract prevails over the five-day period.
Objection to allow vendors to decline orders.	The E-government Act states that participation is voluntary.
<b>Small Business Involvement</b>	
Request that GSA commit to "establishing a program for awarding schedule contracts to small businesses specializing in doing business with state/local governments".	"This issue is outside the scope of the rule. GSA has existing programs to encourage small businesses to seek schedule contracts."
Inquiry into how Federal Supply Service will be able to monitor the effect of cooperative purchasing.	"To evaluate the effect of cooperative purchasing, GSA intends to monitor changes in access for federal customers and the impact on GSA's ability to negotiate favorable pricing... GSA will also monitor participation from small businesses."
<b>Fees</b>	
Suggestions that the Industrial Funding Fee be waived for cooperative purchasing sales.	GSA uses the fee as a cost recovery mechanism at the direction of Congress and does not intend to waive it.
<b>Dispute Resolution</b>	
Suggests dispute resolution be conducted by the GSA Board of Contract Appeals.	Orders placed by eligible purchasing activities constitute new contracts to which the federal government is not a party.
Call for contract disputes to be resolved through arbitration.	Interim rule encourages alternative dispute resolution to the extent authorized by law.
<b>Other Issues</b>	
Suggests that state and local agencies contribute to past performance history for schedule 70 contractors.	Past performance information is voluntarily submitted to GSA by state and local agencies and will be considered in future negotiations.

Source: *Federal Register*, vol.68, no. 15, pg. 3220-3225.

## **New Interim Rule Change for Disaster Recovery**

In February 2007, GSA filed Amendment 2007-01; GSAR Case 2006-G522 to implement Section 833 of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Pub. L. 109-364). Section 833 amends 40 U.S.C. 502 to authorize the Administrator of General Services to provide to state and local governments the use of Federal Supply Schedules of the GSA for purchase of products and services to be used to facilitate recovery from a major disaster declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 *et seq.*) or to facilitate recovery from terrorism or nuclear, biological, chemical, or radiological attack.<sup>4</sup>

The interim rule establishes a new GSAR Subpart [538.71](#), Recovery Purchasing, and amends associated clauses to address the use of Federal Supply Schedules by eligible non-federal organizations to acquire supplies and services needed to recover from disasters or attacks. This [subpart](#) is patterned after GSAR Subpart [538.70](#), Cooperative Agreement, which permits state and local governments to use Federal Supply Schedule 70 to acquire information technology.<sup>5</sup>

In addition:

- The "state and local government entities" authorized to use this authority are the same as those authorized to use Schedule 70
- Participation in recovery purchasing by Schedule contractors is voluntary in that they have the option of deciding whether they will accept orders placed by state or local governments. Existing Schedule contracts must be modified by mutual agreement of the Schedule contractor and GSA to permit recovery purchasing. To date, 10,971 of 17,955 contractors have accepted the modification
- Even when a Schedule contract is amended to authorize recovery purchasing, a Schedule contractor still has the right to decline orders by state or local governments on a case-by-case basis within five-days (5) of receipt of the order, P-Card orders within twenty-four (24) hours—see new Alternate I to GSAR [552.238-78](#), Scope of Contract (Eligible Ordering Activities). Future Schedule contractors will also be able to decline orders on a case-by-case basis. Similarly, state and local governments are under no obligation to use any Schedule contracts
- State and local governments may use Schedule contracts to purchase products or services in advance of a major disaster or attack. However, the state or local government will be responsible for ensuring the purchased supplies or services are to be used to facilitate recovery
- The federal government will not be liable for the performance or nonperformance of contracts between Schedule contractors and eligible non-federal entities. Disputes that cannot be resolved by the parties to the new

---

<sup>4</sup> *Federal Register*, Vol. 72, No. 21, February 1, 2007, pg. 4649-4655.

<sup>5</sup> *Ibid.*

contract can be litigated in any state or federal court with jurisdiction over the parties, using principles of federal procurement law and the Uniform Commercial Code, as applicable and appropriate (see new GSAR [552.238-80](#), Use of Federal Supply Schedule Contracts by Certain Entities -- Recovery Purchasing)

The last date for public comment on the interim rule (Amendment 2007-01; GSAR Case 2006-G522) was April 2, 2007. A total of ten (10) comments were received. Most comments mirrored remarks received during the comment period for GSA's previous rule change (2002-G505), to allow state and local governments to purchase from Schedule 70.

As of publication, GSA had not responded to any comments received (GSAR Case 2006-G522) nor had the final rule been issued.

### **Examination of the Issues Surrounding State Participation within the GSA Schedule Program**

Despite the potential for lower prices, less administrative burden and shortened procurement lead times, many state and local governments are unable to overcome a number of legal as well as administrative barriers to take advantage of the GSA Schedule contracts. Although GSA did attempt to resolve several key issues within the revised rules relating to Schedule 70, not all critical issues were able to be resolved. As a result, states are reluctant, or in some cases, statutorily incapable to participate within the GSA Cooperative Purchasing Program.

In an effort to better understand the states' reluctance or inability to utilize Schedule contracts, GSA asked NASPO to distribute a brief survey regarding GSA Schedule usage among the states (a copy of the GSA survey is referenced in Appendix I). The survey was administered via email to all fifty (50) states on February 27, 2007. Twenty-eight (28) responses were received. Results of the survey can be viewed by NASPO members under the "Members Only" section of the NASPO website.

Additionally, the 2007 NASPO *Survey of State Government Purchasing Practices* (released in June 2007), contains more detailed information regarding the states' usage of GSA Schedules. According to the *Practices* survey, thirty (30) states indicated that they have the authority to participate in the GSA Cooperative Purchasing Program. However, further examination indicates that only a small percentage actually chooses to participate. The following issues/concerns were identified by the states as areas that impede or restrict participation in GSA's Cooperative Purchasing Program:

#### *Statutory and regulatory limitations*

Of the states that responded to the survey, seven (7) stated that their respective state statutes and/or regulations do not permit the use of GSA Schedule contracts by

state agencies. For these states, participation within the GSA Cooperative Purchasing Program is not an option they may consider.<sup>6</sup>

Of those states who reported that they could utilize GSA Schedule contracts, most do so via a methodology called “piggybacking”. Piggybacking allows other jurisdictions to use the contract by “piggybacking” on the contract terms and prices the originator (in this case GSA) established.<sup>7</sup> For example, the State of New York has statutory authority to piggyback onto a contract led by any department, agency or instrumentality of the U.S. government and/or any department, agency, office, political subdivision or instrumentality of any state(s). If it is determined that New York requires the need for products or services already covered under a GSA Schedule, the Commissioner of the Office of General Services (OGS) has the authority to authorize purchases from a piggyback. The Schedule contracts must be converted into a New York state contract by adding their terms and conditions and deleting conflicting terms, if necessary. In addition, the New York State Comptroller must approve the contracts.<sup>8</sup>

In Virginia, the Director of the Division of Purchases and Supply and the Chief Information Officer can authorize the use of GSA Schedules. Virginia has actually worked with GSA to create electronic punch-out from its eVA electronic procurement system to the GSA Advantage System. This allows Virginia contracting officers to electronically punch-out to the GSA Advantage System IT 70 GSA Schedule and then place orders electronically from the state system. Virginia is currently the only state that is directly linked to the GSA Advantage system electronic punch-out. GSA is being encouraged to add other GSA Schedules for disaster preparedness and recovery purchasing and make this capability available to other states.

### *Competitive Bidding - Negotiation*

Contractors for GSA Schedules are selected through an open and continuous qualification process instead of competitive bids or proposals. GSA users seek competition from multiple GSA contractors at the point of sale by obtaining quotations.<sup>9</sup> When using the schedules, price reductions must be obtained from vendors. At least three (3) vendors are to be given an opportunity to provide pricing reductions.<sup>10</sup>

---

<sup>6</sup> It could be argued that the states’ statutory ability to participate in the GSA Cooperative Purchasing Program is somewhat debatable due to Federal Supremacy Clause: “This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any thing in the Constitution or Laws of any State to the contrary notwithstanding.” U.S. Const. art. VI, Paragraph 2. To the knowledge of NASPO, this has not been challenged.

<sup>7</sup> *Strength in Numbers: An Introduction to Cooperative Procurements*, NASPO, February 2006.

<sup>8</sup> Links to New York’s Purchasing Memorandum and Contract Use Guidelines can be found at <http://www.ogs.state.ny.us/procurecounc/pdfdoc/pgbcl288.pdf> and <http://www.ogs.state.ny.us/procurecounc/pdfdoc/pgbguidelines.pdf>

<sup>9</sup> *Strength in Numbers: An Introduction to Cooperative Procurements*, NASPO, February 2006

<sup>10</sup> Teleconference with David Drabkin, GSA Deputy Chief Acquisition Officer, May 31, 2007.

Some states have indicated that GSA should obtain the best pricing upfront therefore allowing the states to purchase with less administrative effort. Since GSA Schedules are not competitively bid, the states tend to use GSA Schedules as benchmarks and conduct their own competition and establish their own contracts mirroring the GSA Schedules.

### *Industrial Funding Fee*

The Schedule contract price includes an Industrial Funding Fee (IFF), which is represented in the prices paid by ordering activities and passed on to GSA by Schedule contractors. The IFF is designed to reimburse GSA for procurement and administrative costs incurred to operate the GSA Schedule program. The IFF is automatically built into the prices for products and/or services. The current IFF is .75%, which was decreased from 1% in January 2004.<sup>11</sup>

Although GSA decreased the IFF fee, it still can still be a substantial amount for large purchases. Many states view the IFF fee as an additional cost that, in conjunction with the state costs for contract administration, electronic procurement, etc., increases prices. States would prefer to be the direct recipient of any fees rather than pay fees to an outside entity thus leading some states to not use GSA Schedules directly, but rather establish separate contracts using the Schedules as a benchmark. NASPO understands that GSA must recoup costs related to the administration of the GSA Schedules, but believes that GSA should consider capping the fee to encourage greater state use.

### *Ordering Procedures*

Most states who responded to the survey stated that they were unclear or confused regarding ordering policies in relation to GSA Schedule contracts. The main issue cited was related to GSA ordering procedures. Since use of the GSA Schedules is voluntary for state and local governments and contractors doing business with state and local governments, contractors have the option of whether they will accept orders placed by state and local government buyers. Contractors may decline orders issued by state and local entities for any reason within a five (5) day period after receipt of the order. However, credit card orders must be declined with twenty-four (24) hours.<sup>12</sup> State procurement offices are motivated to establish state contracts in parallel to federal contracts to include terms and conditions that assure contractors will accept purchase orders promptly and meet delivery requirements. This issue is of particular concern for emergency preparedness and disaster recovery purchasing.

---

<sup>11</sup> "GSA Federal Supply Schedules". Presentation given by David Drabkin, GSA Deputy Chief Acquisition Officer during the 2005 NASPO Annual Meeting.

<sup>12</sup> Ibid.

## *Contract Terms and Conditions*

Although oftentimes similar, most governments use unique procurement contract terms and conditions, some of which are required by state law. Differences in state requirements are generally addressed in the participating addendum of the cooperative contract (as long as it is stated up front in the solicitation that participants may have their own terms and conditions addressed in it).<sup>13</sup> GSA allows states the ability to incorporate their own terms and conditions to include their own statutory contract requirements; however, the terms and conditions must be included as part of the Statement of Work (SOW) or the Statement of Objectives (SOO) and must not conflict with the terms and conditions of the GSA Schedule contract.<sup>14</sup>

## *Pricing and Most Favored Customer/Price Reduction Clauses*

GSA requires most favored customer pricing, which provides state and local governments with a price advantage based upon federal purchasing economies of sale. In other words, vendors seeking to obtain schedules on the federal government's MAS must generally offer the government the price discounts that the vendor supplies to its best commercial customers. The purpose of this requirement for most favored customer and best customer pricing is to insure the federal government does not pay a higher price for any commodity or service than does a MAS contractor's best "commercial" customer, which includes state and local governments. NASPO opposes the use of most favored customer pricing clauses because they set an artificial floor on prices by requiring vendors to always give the particular public entity using the clause the price it gives its 'most favored customer'. The clause restricts the pricing that other jurisdictions are able to obtain by committing firms to a national price when in fact conditions in different localities justify varying pricing strategies and can often command lower prices.<sup>15</sup>

Although GSA requires most favored pricing for GSA Schedules, GSA recognizes that even deeper discounts can be obtained beyond these thresholds. Below the micro-purchase threshold (\$2,500), GSA demands the most favored pricing and requires no further competition due to the small dollar amount and administrative efficiency.

For larger dollar volume purchases, each GSA Schedule has a maximum order threshold, which will vary by schedule. Again, even though GSA requires the most favored pricing, GSA recognizes that even deeper discounts can be obtained through competition. For purchases that exceed the micro-purchase threshold, but do not exceed each GSA Schedule's maximum order threshold, GSA requires the user to seek additional price reductions from at least three (3) of the contractors on the GSA Schedules.

---

<sup>13</sup> *Strength in Numbers: An Introduction to Cooperative Procurements*, NASPO, February 2006.

<sup>14</sup> Cooperative Purchasing FAQ: [www.gsa.gov/cooperativepurchasing](http://www.gsa.gov/cooperativepurchasing)

<sup>15</sup> *NASPO State and Local Government Purchasing Principles and Practices*, 1997.

For even larger purchases that exceed each GSA Schedule's maximum order threshold, GSA states that request for quotes should be obtained from additional schedule contractors. State and local governments are ultimately responsible for the final negotiations, based upon their own needs and requirements.<sup>16</sup>

#### *Small, Minority and Women-Owned Local Businesses Impact*

Many states have socio-economic programs supporting small, women-owned, and minority-owned businesses (SWaM). Further, states tend to be parochial about state businesses with other states, even establishing in-state preference or set-aside programs. Many states will conduct their own competitions and establish their own contracts using GSA Schedules as a benchmark to enable state businesses, not currently participating on GSA Schedules, to participate. The GSA Schedules do represent approximately 17,951 contractors across the U.S. and many of these businesses are state businesses and SWaM.<sup>17</sup> The GSA E-library identifies these contractors by state and status. This allows states to identify SWaM and other contractors within their state when placing orders off GSA Schedules. Whether GSA Schedules are used or not, the E-Library tool allows states to identify additional sources for meeting state requirements.

#### *Ability to Use P-Cards*

GSA allows state and local governments to place orders using P-Cards. However, these credit card purchases cannot be placed electronically through the GSA Advantage System and the system is not available for use by state and local governments. Some states responded within the survey that GSA needs to provide access to the GSA System and the ability to electronically process P-Card orders.

#### *Federal Emergency Management Agency (FEMA) Requirement for Reimbursement*

Some states responded to the survey that during emergencies they have experienced confusion regarding the FEMA requirement to purchase materials from GSA Schedules first, if available, before other sources are used. One surveyed state advises that FEMA places the GSA Purchase Order and not the state; therefore, if FEMA cannot obtain the material via the GSA Schedule, then FEMA authorizes the state to purchase from other sources. FEMA has refused to reimburse some states if a purchase is made from sources other than GSA Schedule(s) without prior FEMA approval.

---

<sup>16</sup> U.S. General Service Administration, "Cooperative Purchasing for Information Technology" Update 3, Spring 2006.

<sup>17</sup> GSA Fact Sheet on State and Local Disaster Recovery Purchasing Program and GSA E-library

### *Reciprocity with State Contracts*

If the intent of the GSA Cooperative Procurement Program is to secure the best value for the taxpayer, it is NASPO's position that a collaborative versus a "one way" program approach would have the greatest value for all participants and ultimately the taxpayer. As the GSA Cooperative Purchasing Program is currently designed, states and other government entities are allowed to purchase from selected schedules. However, there is no recognition in the authorizing federal legislation or implementation regulations that federal agencies may also benefit from judicious use of appropriate state contracts. As reported by several states, federal agencies have approached them and detailed instances of more advantageous procurement opportunities under state contracts than under the parallel GSA Schedule. States have also reported both denials by GSA of a federal agency's request to use a state contract; and, at least one instance of a federal agency going forward with a state procurement, resulting in better value for the end user.

An example of a contract that NASPO recommends to test the potential value of a two-way cooperative procurement project is a fuel oil contract. States contract for large volumes of fuel oil based on historical requirements and delivery locations. As states have large numbers of using agencies (state facilities, local governments, public schools, etc.) in select delivery areas, it can be assumed that a single federal agency located near the many state contract users would benefit from joining a state contract, especially if no other federal agencies were located in the same vicinity. In fact, both the federal facility and the state's contract customers could benefit from combining their respective volumes.<sup>18</sup>

### *Electronic Ordering*

Survey responses indicate that some states would like GSA to provide the ability to access and punch-out to GSA Schedules from state electronic procurement systems, so orders could be placed electronically. GSA has made electronic catalog punch-out capability available to Virginia for the GSA IT 70 Schedule. It would be advantageous if GSA could expand this capability to all states and include GSA Schedule contracts for disaster preparedness and recovery purchasing. Along with the capability to punch-out to GSA Schedules electronically, the ability to use P-Cards electronically when ordering from GSA Schedules is needed.

### *Liability and Disputes*

The federal government is not liable for the performance or non-performance of contracts established between a Schedule contractor and state and local government. Any dispute under GSA's Cooperative Purchasing Program is to be resolved by the parties of the new contract or it will be litigated in any state or federal court with

---

<sup>18</sup> It should be noted that the ability of federal agencies to purchase from appropriate state contracts was recommended several years ago in NASPO testimony before a Congressional Hearing on Cooperative Purchasing held in Washington D. C.

jurisdiction over the parties using the principles of federal procurement law and the uniform commercial code, as applicable and appropriate. Alternate dispute resolution (ADR) is also encouraged to resolve disputes between the two parties.<sup>19</sup> Many states responded within the survey that they are uncomfortable with this policy and would recommend GSA provide a mechanism for protecting state and local governments if a vendor fails to deliver.

## **Additional Resources for States**

### *Center for Acquisition Excellence*

Cooperative Purchasing Program Course or SCORM training is available free of charge at: [www.fsstraining.gsa.gov](http://www.fsstraining.gsa.gov)

### *GSA Advantage E-Library*

States can use any web browser to log on to the Schedules E-Library. Users can search by product or service category, contract number, contractor name, contractor business or size, contractor state, socio-economic status, or even by a specific equipment/service code. It is also possible to link directly to a contractor's contract price list.<sup>20</sup> A listing of the products and services available in GSA's Schedules E-Library available at <http://www.gsaelibrary.gsa.gov>. A Disaster Recovery Purchasing Icon will display by vendors that are authorized to sell disaster recovery products to state and local governments.

### *Regional GSA Offices/Representatives*

A listing and map of all GSA Regional offices and their contact information can be found at: <http://www.gsa.gov/Portal/gsa/ep/channelView.do?pageTypeId=8199&channelPage=/ep/channel/gsaOverview.jsp&channelId=-13362>

## **Conclusion**

GSA Schedules are one of the many cooperative procurement tools to assist states in meeting their purchasing requirements. GSA Schedule contracts can save duplicate contract administration costs, reduce procurement lead-time, provide ready specifications, identify sources within the fifty (50) states (including SWaM businesses) and are particularly valuable for disaster preparedness and emergency/recovery purchasing.

---

<sup>19</sup> "GSA Federal Supply Schedules". Presentation given by David Drabkin, GSA Deputy Chief Acquisition Officer during the 2005 NASPO Annual Meeting.

<sup>20</sup> U.S. General Services Administration, "Cooperative Purchasing for Information Technology", Update 3, Spring 2006.

There are some impediments to the use of GSA Schedules. If state and local governments are to use these schedules efficiently and effectively, states must be able to place orders electronically (including P-Card orders), use state terms and conditions (or supplement GSA terms and conditions with state terms that take precedence), be assured that GSA contractors will accept purchases promptly and guarantee delivery, and pay a fee that is reasonable and capped for large purchases.

Even with the above limitations, GSA Schedules can be used by most states to their advantage. Further collaboration with GSA can make the Schedules an even more effective tool for states use.

\* \* \* \* \*

### Acknowledgements

This issue brief was prepared under the guidance of NASPO's State and Federal Relations Committee, Ron Bell (VA), Chair. It was written by NASPO Issues Coordinator, Rebecca Randall.

The committee wishes to thank the states who replied to the GSA survey regarding Schedule contract usage as well as various officials at GSA who provided resources and information in preparing this document.

***NASPO is the National Association of State Procurement Officials and represents the directors of the central purchasing offices in all 50 states, the District of Columbia, and the territories of the United States. For more information on NASPO, please visit [www.naspo.org](http://www.naspo.org)***

***AMR Management Services, Inc. provides NASPO with full management services. For more information on AMR, please visit [www.AMRms.com](http://www.AMRms.com)***

### **Disclaimer**

NASPO makes no endorsement, express or implied, of any products, services, or websites contained herein, nor is NASPO responsible for the content or the activities of any linked websites. Any questions should be directed to the administrators of the specific sites to which this publication provides links. All critical information should be independently verified.

## **Appendix I: GSA Survey Regarding State Participation of Schedule Contracts**

### **Interview Guide: States' Use of GSA Schedules**

With the adoption of a new Section 833 Rule, the Federal government will now allow state and local governments to use the GSA Schedules to purchase items useful to disaster recovery. This provision expands the use of cooperative purchasing between the states and federal government. Previously, state and local governments could only use the GSA schedules to purchase information technology products and services (Schedule 70) and law enforcement support (1122 Counter Drug Program).

GSA is now exploring the possibilities of expanding state and local use of GSA Schedules. It would be useful to know more specifics about how the states use/want to use GSA Schedules for IT, law enforcement, disaster recovery and other purposes.

This effort is to learn from the State procurement officials whether they are permitted to use the schedules, how they use the schedules, and how GSA can improve the services offered to the states and help break down any barriers to state and local use of the schedules.

#### **A. General information:**

1. Name, title, and contact information of the respondent.
2. Do you work in the state's central procurement office?
3. Do you or your office develop acquisition policy?
4. Does your state currently use the GSA Schedules to purchase information technology products and services, law enforcement support items, or other items?
5. Does your state offer e-procurement?
6. Is there a separate office responsible for technology procurement? If so, please ask them to respond to these questions as well.

#### **B. In states that currently use the Schedules:**

1. When was the last time you used a GSA schedule contract? What was it used for?
2. Generally speaking, which schedule contracts do you use? What do you buy?

3. Approximately how much money do you spend annually using GSA contracts?
4. How satisfied are you with them? Explain.
5. How could GSA make them easier to use?
6. What are the most important factors to you in deciding to use GSA's procurement vehicles?
7. Do local governments in the state use GSA schedules?
8. If so, is this via the state procurement office or independently?

**C. In states that don't currently use the Schedules:**

1. Why don't you use the GSA schedules?
2. Do you feel you are sufficiently informed about the GSA schedules?
3. Do you see any benefits to you in using the schedules?
4. If there is a legal prohibition against the use of the Schedules, is it the result of direct statutory language or the interpretation of statute by your State Attorney General (AG)?

Please provide a copy of the state statutory provision or the State Attorney General's opinion where applicable.

5. Assuming there are no legal barriers, what would persuade you to use the schedules?
6. What can GSA do to help your state use the Schedule contracts?

**D. Any comments about GSA contract support for the states?**

**E. Would you be interested in meeting face-to-face with a GSA representative to discuss these issues?**

If you have any questions or need clarification on this process, contact Darlene Meskell at 202-501-1092 or [darlene.meskell@gsa.gov](mailto:darlene.meskell@gsa.gov).