OFFICE OF THE UNDER SECRETARY OF DEFENSE

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ACQUISITION AND
TECHNOLOGY

MARCH 6, 1997

DP/CPA

MEMORANDUM FOR DISTRIBUTION

SUBJECT: General Services Administration (GSA) Federal Supply Schedules as Preferred Sources of Supply

I recently met with Mr. Bill Gormley, Assistant Commissioner, Office of Acquisition, for the Federal Supply Service (FSS) at GSA, regarding the many improvements made to FSS Schedule contracts. There have always been many advantages to schedule use. GSA seeks competition, determines price reasonableness, and considers small business set-aside requirements when it solicits and awards contracts. In addition, orders under these schedules comply with the requirements of the Economy Act. Recent innovative changes mirroring commercial practices, to include use of the Internet, have made GSA schedules even more efficient to use. I have attached a listing of these changes.

Among the many improvements, the elimination of schedule maximum order limitations and the new ability to negotiate prices on individual orders without changing the basic schedule price are especially important. Additionally, DoD procurement offices may establish teaming arrangements among more than one schedule contractor to satisfy a requirement allowing even more flexibility and speed in the placement of orders and the delivery of products. GSA Advantage!, an on-line shopping service available over the World Wide Web at http://www.gsa.gov (or through the Defense Procurement homepage - http://www.acq.osd.mil/dp), offers the convenience of on-line ordering, and, in most cases, acceptance of the government credit card.

I also wish to point out the removal of the synopsis requirement on purchases over $50,000 made from FSS Automatic Data Processing or Information Technology contracts.

I urge you to take full advantage of GSA Schedule contracts if you need supplies or services that are covered under them. Use of these contracts meets DoD goals to simplify the acquisition process while at the same time increasing the contracting officer's authority and ability to make sound business judgments.

Eleanor Spector

Eleanor R. Spector
Director, Defense Procurement

Attachment

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GENERAL SERVICES ADMINISTRATION
FEDERAL SUPPLY SCHEDULES (FAR 8.404)
VALUE-ADDED IMPROVEMENTS

- SYNOPSIS NOT REQUIRED

  Customers no longer need to synopsize Information Technology requirements that are over $50,000.

- CREDIT CARD

  Use of the Governmentwide Credit Card is strongly emphasized.

- BEST VALUE

  Item selection is based on "BEST VALUE" - not lowest price.

- REDUCED PAPERWORK

  Justifications/documentation requirements are no longer required by GSA.

- REMOVAL OF MAXIMUM ORDER LIMITATIONS (MOLS)

  Customers can use the schedules for any size order. MOLs have been removed from 90% of the Federal Supply Schedules. MOLs will be removed from all schedules by 11/97.

- BLANKET PURCHASE AGREEMENTS (BPAs)

  BPAs are encouraged strongly. A new suggested BPA format is available.

- CONTRACTOR TEAM ARRANGEMENTS

  Federal Supply Schedule Contractors can form "Teams" to meet a customer's needs.

- PRICE REDUCTIONS

  Customers are strongly encouraged to seek reductions when orders are above the new maximum order threshold. Contractors can give "spot reductions" to individual agencies without passing them on to the entire government under a schedule order.

- IMPROVED DELIVERY

  Expedited delivery is now available with Schedule contractors.

Federal Supply Schedule Program Website: http://pub.fss.gsa.gov/fcoc/sched.htm

Attachment