



# Cooperative Purchasing for Information Technology

**State and Local Governments**

Leveraging Buying Power  
to Save You Time and Money



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# Cooperative Purchasing

## Cooperative Purchasing Defined

**Section 211 of the E-Government Act of 2002** amended the Federal Property and Administrative Services Act to allow for "Cooperative Purchasing."

Cooperative Purchasing allows for the Administrator of General Services to provide states and localities access to certain items offered through the General Services Administration's Federal Supply Schedule 70 Information Technology (IT) and Consolidated Schedule contracts (formerly Corporate Contracts) containing information technology Special Item Numbers (SINs).

The information technology available to state and local governments includes automated data-processing equipment (including firmware), software, supplies, support equipment, and services.

## Benefits of the Cooperative Purchasing Program

Cooperative Purchasing offers the advantage of a single, safe, centralized source for all of a customer's needs.

The General Services Administration (GSA) is an unprecedented public-sector organization, continually refining its process, based on years of experience and acquisition expertise. Each day GSA is responsible for millions of dollars of acquisitions.

As a result of the pursuit of a better way to buy, government spending on Schedules has increased 24 percent while the use of "open market," do-it-yourself contracts have declined 16 percent. Cooperative Purchasing is simple, perhaps easier than most customers' current processes for acquiring information technology products and services.

The Multiple Award Schedule (MAS) program automatically complies with the Federal Acquisition Regulation (FAR) that governs federal agencies. These rules are extensive and complete and may meet the criteria of state or local practices.

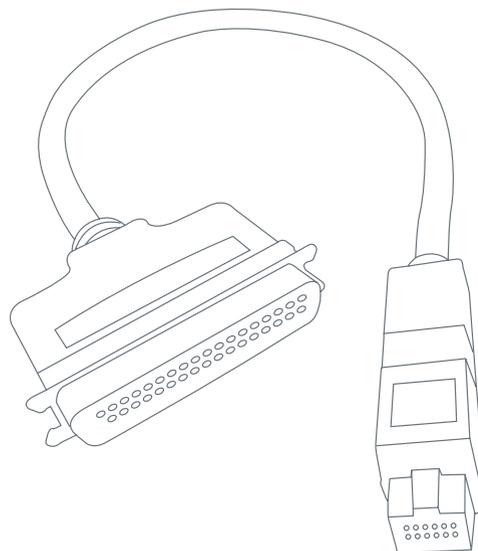
One of the many benefits of Cooperative Purchasing is its ability to help any local small and disadvantaged business. Where socioeconomic goals are a purchasing concern in state regulations, GSA e-Library can locate these businesses in any constituency.



## Eligible State and Local Governments

The General Services Administration Acquisition Manual (GSAM), Part 538.7001, Definitions offers the following definition of state and local governments:

- 50 states of the United States;
- Counties;
- Municipalities;
- Cities;
- Towns and 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 high education) and legislative and judicial departments qualifies. The term does not include contractors of or grantees of state or local governments.





# COOPERATIVE PURCHASING

## Eligible GSA MAS Contracts

Schedule 70 contract terms and conditions allow ordering by state and local government ordering activities.

Consolidated Schedule contract terms and conditions for information technology SINs also allow for ordering by state and local government ordering activities.

However, Cooperative Purchasing users are not authorized to place orders under Schedule 70 or an information technology SIN of the Consolidated Schedule unless the contract indicates the **Schedule contractor's general willingness to accept orders from state or local government ordering activities**.

To indicate willingness to participate in the Cooperative Purchasing program, the **COOP PURCH** symbol is included in the *GSA Advantage!*® e-Library ([www.gsaelibrary.gsa.gov](http://www.gsaelibrary.gsa.gov)) next to the contractor's name.

**COOPERATIVE PURCHASING**

Purchase IT products, services, and support equipment from Federal Supply Schedules. **COOP PURCH**

- ▶ [View authorized vendors](#)
- ▶ [Cooperative Purchase FAQ](#)

The screenshot shows the GSA Schedules e-Library homepage. At the top, there is a navigation bar with 'Home', 'Federal Supply Schedule Catalog', 'View Schedule Ordering Guidelines', and 'Help'. Below this is a 'Welcome to Schedules e-Library' message. A search bar is prominently displayed with a search button and a link to 'View an Alphabetical Listing of available Contractors (A-Z)'. A 'CATEGORY GUIDE' lists various product categories such as Furniture & Furnishings, Laboratory, Scientific, & Medical, Office Solutions, Services, Travel & Transportation Solutions, and Fall Supplies & Services. On the right side, there are several informational boxes: 'GSA NOTICE' with a 'Go to Schedule' dropdown, 'CONTRACTOR INFORMATION' with a 'COOP PURCH' symbol, 'CONTRACTOR ACCOUNTS' with a 'GSA Total Solutions' advertisement, and 'Attention Schedule Partners' with a request for feedback. At the bottom, there are links for 'GSA Federal Supply Schedules' and 'VA Federal Supply Schedules', along with a 'Privacy Statement' link.



*“We were very happy with the cost savings  
from our purchase through GSA Schedules.”  
– A state law-enforcement agency*



# Multiple Award Schedules

## Multiple Award Schedule (MAS) Defined

The Multiple Award Schedule (MAS) program is a listing of contracts awarded by GSA. The MAS – commonly referred to as a “Schedule” – was established in 1949, by the Federal Property and Administrative Services Act to simplify the process of acquiring commonly used supplies and services in varying quantities while obtaining volume discounts. GSA remains the foremost agency to award and administer contracts.

Under the GSA Schedules program, GSA enters into contracts with commercial firms to provide supplies and services at stated prices for given periods of time. Orders are placed directly with the Schedule contractor, and deliveries are made directly to the customer.

The GSA Schedules program mirrors commercial buying practices more than any other procurement process in the federal government today. It provides customers with millions of state-of-the-art, high-quality, commercial supplies and services at volume discount pricing on a direct-delivery basis. All customers, large or small – even those in remote locations – are provided the same services, convenience and pricing. The Schedules program also offers the benefits of shorter lead-times, lower administrative costs, and reduced inventories.

### Features of the GSA MAS program:

- A five-year Indefinite Delivery Indefinite Quantity contract that groups similar products and services negotiated under basic terms and conditions.
- Five-year contracts with three five-year renewal options
- Streamlined acquisition program
- State of the art and latest commercial products and services
- Prices already determined fair and reasonable
- “Most-favored customer pricing” based on the aggregate buying power of the federal government. Thus, all of GSA’s customers receive the “best customer discount,” regardless of the quantity of their individual purchase. GSA encourages state and local purchasers to seek price reductions whenever using Schedule 70, not only for orders that exceed the maximum order threshold, but also when circumstances warrant; for orders below this amount in order to ensure that when using MAS contracts, they receive the best value at the lowest overall cost.
- Continuous opportunity for competitive prices
- Ease of use
- Spot discounts off already-negotiated prices



## Benefits of Using the MAS Program

Contracting officers tasked with information technology purchases probably have their hands full handling internal customers' requests. That's why GSA focuses on improving the acquisition process in three key areas:

- Maintaining a leading edge means understanding of all of the newest technologies, products and services useful to government clients.  
To help agencies maximize their IT expenditures, GSA has expanded and improved its entire Group 70 Multiple Award Schedule (MAS). In fact, the Schedule is now the most comprehensive, convenient IT and telecommunications source anywhere on the Web.
- Identifying the reliable contractors, and negotiating flexible contracts with the best prices. Specific features include:
  - **Best Value Pricing** – All GSA contracts feature “most favored customer” discounts and access to volume discounts; additional price reductions may be obtained on a case-by-case basis
  - **Fair Terms and Conditions** – GSA's contracting professionals pre-negotiate terms and conditions on behalf of GSA customers
  - **Rapid Delivery** – Many items bought on Schedule can be delivered within days, sometimes overnight
- Administering a Web-enabled system to allow customers to shop for and purchase the products and services that best meet their needs. Customers can use any Web browser to log on to Schedules e-Library at [www.gsaelibrary.gsa.gov](http://www.gsaelibrary.gsa.gov). Users can search by product or service category, contract number, contractor name, contractor business size, or even by a specific equipment/service code. It is also possible to link directly to a contractor's contract price list.

GSA's acquisition procedures enable customers to respond quickly to seize new opportunities. What's more, GSA's acquisition solutions deliver measurable benefits. Buying on Schedule helps customers avoid administrative costs often associated with open-market buying. That means no more searching for vendors, developing technical documents, analyzing competitive bids, travel, or contract administration. “Best Value” also means making purchasing easier and less time-consuming for customers.



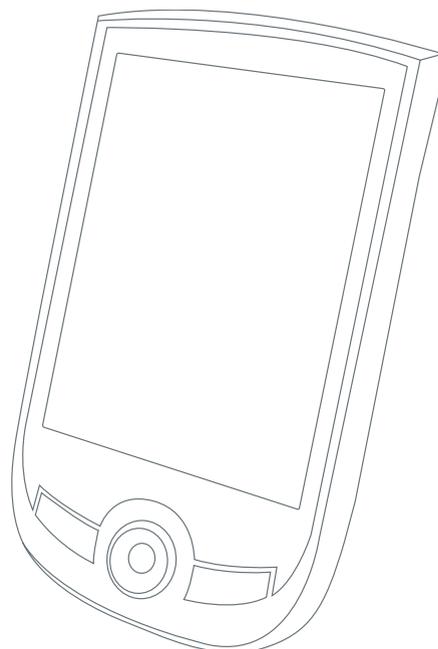
# MULTIPLE AWARD SCHEDULES

## Eligible Schedule Contracts

GSA awards contracts to multiple companies supplying comparable services and products. There are two Schedule contracts – from which information technology-related offerings are available to state and local governments. The two contracts are briefly described below. (Further information about these Schedules can be found on page 10.)

**Schedule 70** is the designator for contracts covering the purchase of IT equipment, software and services. Today, GSA annually enters into contracts with commercial firms to provide more than \$18 billion of information technology products and services to federal, state and local governments. These contracts are available worldwide to all federal agencies and to state and local governments (except where restricted by state and local procurement laws).

**Schedule 00CORP** is the designator for Consolidated Schedule. When a vendor offers products and services under a number of Schedules, the vendor has the option of migrating to a single "Consolidated Schedule." The Consolidated Schedule allows the vendor to offer its entire product line through a single Schedule. This can streamline acquisitions for contractors and buyers alike. The federal government currently purchases more than \$235 million a year in products and services through the Consolidated Schedule.

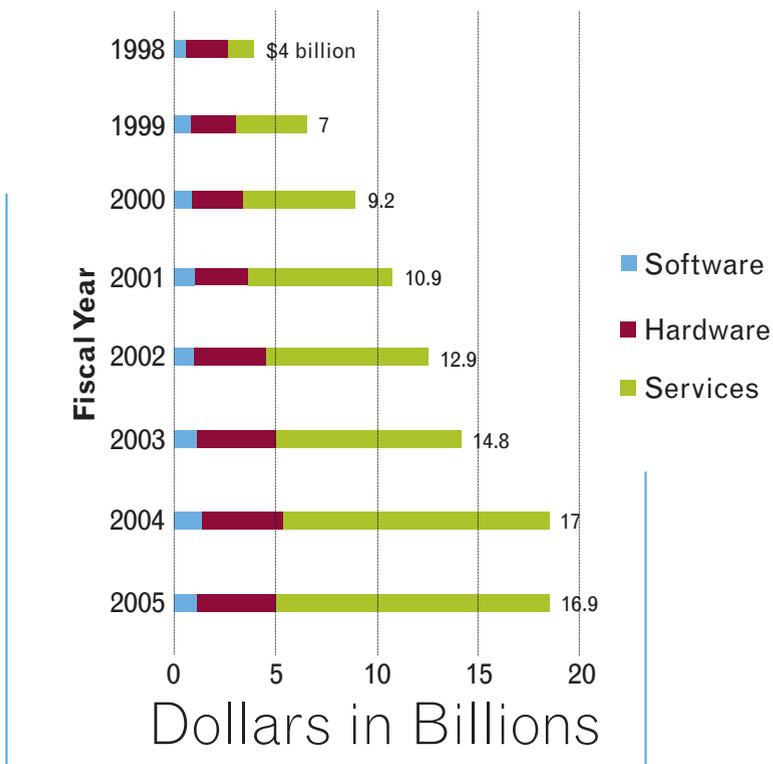




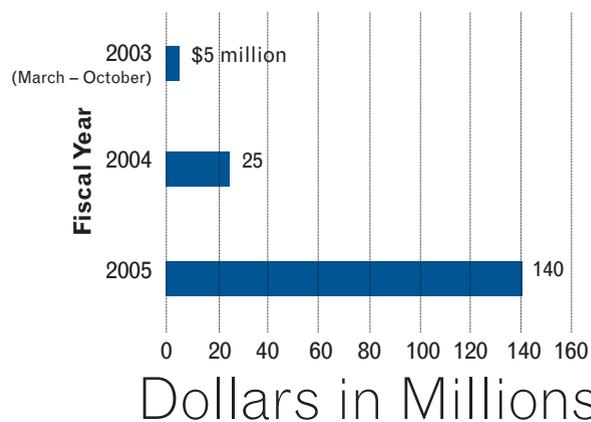
## Use of IT Schedule Contracts Increases

In fiscal year 2005, GSA Schedule 70 was used by contracting officers and project managers to acquire more than \$18 billion in information technology.

### IT Sales From Schedule 70 (federal, state and local)



### Cooperative Purchasing Sales (state and local)





# MULTIPLE AWARD SCHEDULES

## Schedule 70

<b>SIN*</b>	<b>Description</b>	<b>SIN*</b>	<b>Description</b>
132 12	Maintenance of Equipment/Repair	132 50	Training Courses
132 3	Leasing of Product	132 51	IT Professional Services
132 32	Term Software Licenses	132 52	E-Commerce Services
132 33	Perpetual Software Licenses	132 53	Wireless Services
132 34	Maintenance of Software	132 60	Authentication Products and Services
132 4	Daily/Short Term Rental	132 8	Purchase of Equipment

\* Each Schedule is broken down into subcategories referred to as Special Item Numbers (SINs). SINs are descriptions of specific products or service offerings. Vendor contracts are organized and negotiated based on specific terms and conditions relating to these subcategories or SINs.

## Schedule 00CORP

<b>Category</b>	<b>Description</b>	<b>Category</b>	<b>Description</b>
C 5805	Telephone and Telegraph Equipment	C D301	IT Facility Operation and Maintenance Services
C 5810	Communications Security Equipment and Components	C D302	IT Systems Development Services
C 5820C	Radio and Television Communication Equipment	C D304	IT Telecommunications and Transmission Services
C 5821B	Radio and Television Communication Equipment, Airborne	C D306	IT Systems Analysis Services
C 5825	Radio Navigation Equipment, Except Airborne	C D307	Automated Information System Design and Integration Services
C 5826	Radio Navigation Equipment, Airborne	C D308	Programming Services
C 5830	Intercommunication and Public Address Systems	C D310	IT Backup and Security Services
C 5841	Radar Equipment, Airborne	C D311	IT Data Conversion Services
C 5895B	IT Communication Equipment	C D313	Computer Aided Design/Computer Aided Manufacturing (CAD/CAM) Services
C 5995	Cable, Cord, and Wire Assemblies: Communication Equipment	C D316	Telecommunications Network Management Services
C 6015	Fiber Optic Cables	C D317	Automated News Services, Data Services, or Other Information Services
C 6020	Fiber Optic Cable Assemblies and Harnesses	C D399	Other ADP and Telecommunications Services (includes data storage on tapes, compact discs, etc.)
C 6145B	Coaxial Cable for IT	C J070	Information Technology – Maintenance of Equipment, Repair Services and/or Repair/Spare Parts
C 7010	IT Equipment System Configuration	C N070	Information Technology Installation of IT Equipment
C 7025	IT Input/Output and Storage Devices	C U012	IT Software, Equipment and Telecommunications Training
C 7030	IT Software		
C 7035	IT Support Equipment		
C 7042	Mini and Micro Computer Control Devices		
C 7050	IT Components		



*“At state-supported universities, we are constantly looking for opportunities to save money. Our first experience with Schedule 70 pricing was for a software license for more than \$100,000, and we saved more than 20 percent on that contract alone.”*

*—A state university*

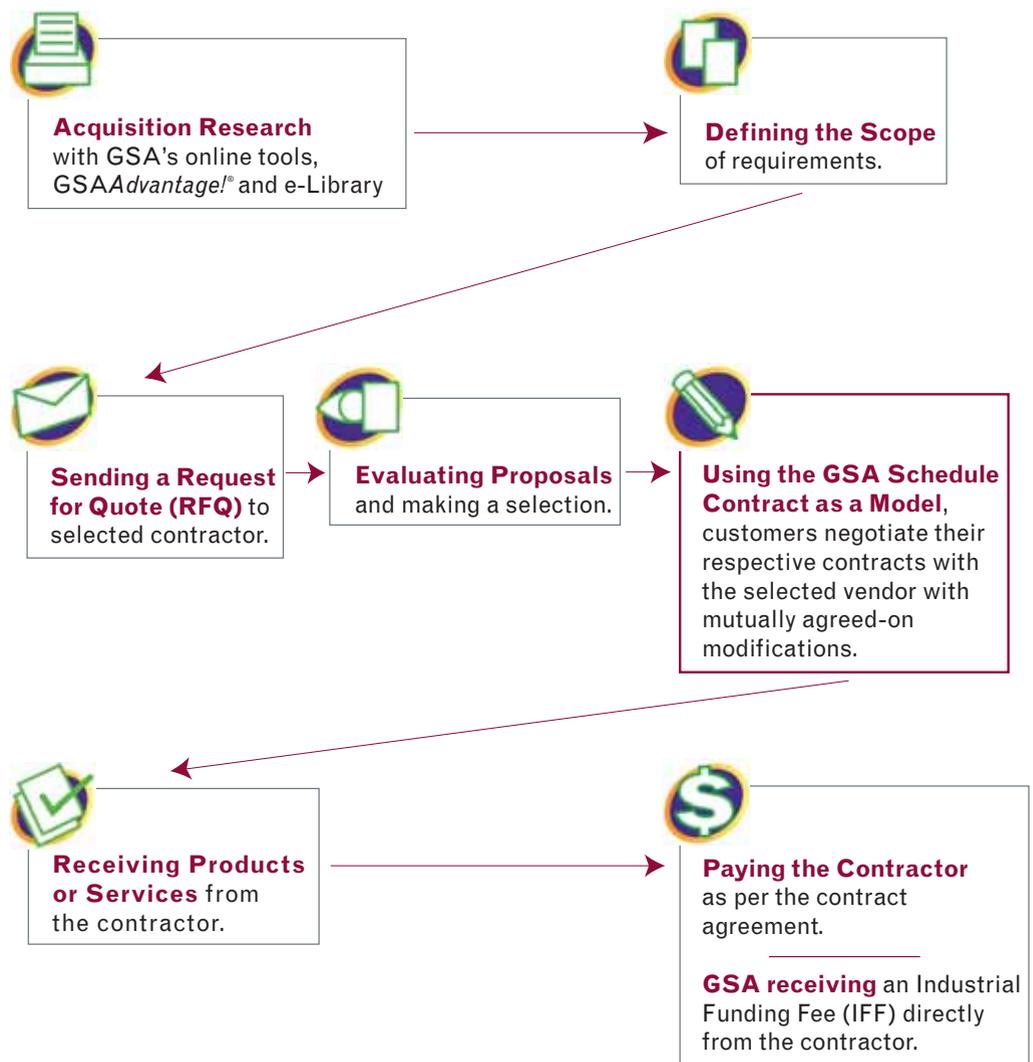


# MAS Contracts

## Integrating the MAS Schedule 70 into a Cooperative Purchase Program Acquisition.

GSA representatives can assist state and local customers in learning how to use Schedule 70. The customer benefits from GSA online research tools and the list of Schedule 70 contractors.

The GSA Schedule contract serves as a model for the customer and the vendor to negotiate their respective contracts with mutually agreed-on modifications. The entire program is voluntary for both the customer and the contractor. The U.S. government is not a party in the contract.





# MAS Contract Terms and Conditions

Cooperative Purchasing Contracting Officers negotiate standard terms and conditions. GSA Schedule 70 vendors may modify their contracts at any time. Products and services can be added or deleted daily in order to make sure that the most current items are available on GSA MAS contracts.

The following contract terms and conditions are not incorporated by reference into Cooperative Purchasing orders:

**Prompt Payment Clause:** Payments by non-federal ordering activities that allow for the terms and conditions of a state's prompt payment law to apply to orders placed by eligible non-federal ordering activities. However, if the ordering activity is not otherwise subject to a state prompt-payment law, the activity will be covered by the federal prompt-payment act in the same manner as all other ordering activities.

**Disputes Clause:** Disputes are an exception from the Cooperative Purchasing agreement. Under Cooperative Purchasing, GSA is not a party within the dispute. The federal government is not liable for the performance or non-performance of contracts established between the Schedule contractor and state and local government. Any dispute under the Cooperative Purchasing program is to be resolved by the parties of the new contract, or if this is not possible, it will be litigated in any state or federal court with 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 parties of this new contract.

**Patent Indemnity Clause:** Another exception to Cooperative Purchasing is the Patent Indemnity Clause and portions of the Commercial Item contract terms and conditions that specify compliance with laws unique to federal government contracts. The Patent Indemnity Clause states that "the contractor will indemnify the government and its officers, executives and agents against liability, including costs, for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark or copyright, arising out of the performance of the contract, provided the contractor is reasonably notified of such claims and proceedings." Because state and local entities are not federal, these terms and conditions would not apply to them.

**Certain commercial item contract terms and conditions are also exceptions.** Portions of the commercial item contract terms and conditions that specify compliance with laws unique to federal government contracts are not applicable to Cooperative Purchasing orders.



# MAS CONTRACTS

## Benefits from GSA MAS Contracts

### **Newest Technology Always Available**

GSA's acquisition experts have tailored Schedule 70 to keep pace with the fast-moving changes in information technology, and the vendors are constantly updating the technologies on the Schedule. GSA writes contracts to allow continuous refreshment with new technologies. As a result, customers are not wasting time and money buying "last year's innovations." Instead, customers get the technology that they want, including the latest computers and fiber-optic, wireless and enterprise networking solutions.

To ensure that customers' contracts represent the latest technologies, GSA's modification process allows contractors to "upgrade" contracts at any time during the contract period. Under a current contract, contractors can add provisions for new items to meet changing needs. Hence, the latest technology will be available for GSA customers' programs. With this flexibility, Cooperative Purchasing can provide the best value in the rapidly changing world of information technology.

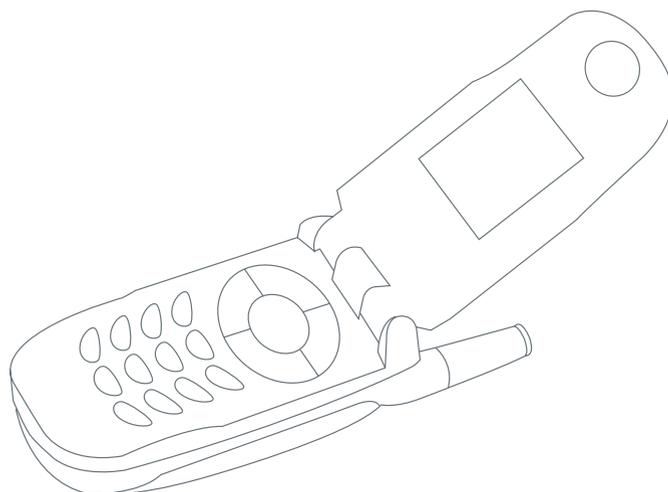
### **Price Negotiation**

The GSA Schedule 70 contract pricing is only a *ceiling* amount. The Schedules program permits and encourages buyers to seek a better price. State and local governments are responsible for doing these final negotiations, based on their own requirements.

### **Total Solutions**

GSA's teaming arrangements save customers time by acquiring multiple offerings through a single contract. Hence a customer can obtain a complex solution with a one-time negotiation, under which multiple contractor partners provide total solutions. Instead of managing complex contractor and subcontractor relationships, customers can simply and efficiently arrange a "customized multi-vendor solution."

Contract language also makes it possible for GSA's customers to buy "total solutions" by allowing the inclusion of related purchases. Buyers can add incidental items to a Schedule order, provided it meets three criteria: (1) the lowest overall price; (2) the appropriate procurement regulations and competition rules have been followed; and (3) a fair and reasonable price.





## MAS Contract Terminology Defined

- Multiple Award Schedule [MAS]:** A listing of contracts awarded by GSA. GSA awards contracts to multiple companies supplying comparable services and products.
- Schedule:** A grouping of GSA contracts with similar traits, awarded under the same set of standard terms and conditions, e.g. Information Technology Schedule 70.
- Solicitation:** Standard set of terms and conditions used by GSA to establish MAS contracts. The Schedule 70 solicitation is a standing solicitation with no closing date.
- Special Item Number [SIN]:** Classification used in GSA MAS contracts to distinguish different categories of products and services under each Schedule.
- Offer:** A proposal by one person to another that is intended of itself to create legal relations on acceptance by the person to whom it is made.
- Blanket Purchase Agreement [BPA]:** A simplified method of filling anticipated repetitive needs for services and supplies. A BPA is an “account” established with Schedule contractor by the customer.
- Request for Quote [RFQ]:** A request for pricing and additional information to fulfill successfully a specific Statement of Work.
- Performance-Based Contracting:** Contracting in which all aspects of an acquisition are structured around the purpose of the work to be performed, with the contract requirements set forth in clear, specific, and objective terms with measurable outcomes as opposed to either the manner by which the work is to be performed or broad and imprecise statements of work. It is the policy of the Federal Government that agencies use performance based contracting methods to the maximum extent practical when acquiring services.
- Best Value:** Process used to select services or products to meet customers' needs. Best Value determinations ensure good business decisions by the use of factors other than price, such as training, technical qualifications, probable life, etc.
- Indefinite Delivery, Indefinite Quantity [IDIQ]:** The total quantity of products or services that will be acquired under the IDIQ contract and the specific time for delivery of those items are not set in the contract. Schedule solicitations include estimated total Schedule acquisition dollars for each SIN. No quantities are automatically acquired by ordering activities when the Schedule contract is awarded.
- Industrial Funding Fee [IFF]:** A .75-percent fee, included in contract pricing, must be reported and remitted quarterly by the vendor to GSA.
- Federal Acquisition Regulation [FAR]:** Series of laws and regulations, regulating all federal acquisitions and procurement
- Minimum Order Threshold:** A Schedule contractor is not obligated to accept any order with a value less than the minimum established in the Schedule contract. However, many Schedule contractors willingly accept such orders. If an order is issued with an amount less than the minimum established in the Schedule contract, the Schedule contractor has one to five days after receipt to reject the order, depending on how the order was placed.
- Maximum Order Threshold:** The maximum order (MO) threshold is not a limit on the order amount. If the Cooperative Purchasing user believes it is advantageous, an order may be placed exceeding the MO threshold. The Schedule contractor may then either accept or reject the order. The MO threshold is set at an amount where experience shows that it is advantageous for the ordering office to seek additional price reductions. Therefore, Cooperative Purchasing users should seek additional price reductions, from the Schedule contractor(s) appearing to provide Best Value, before issuing any order exceeding the MO threshold.



## The Ordering Process

### Ordering Procedure Overview

Customers can utilize GSA's online tools and directly contact the vendor(s) of their choice. Buyers can find contact information on *GSA Advantage!*® and in GSA's e-Library. The eligible vendors, as indicated by the  icon, are knowledgeable about Cooperative Purchasing. Vendors are prepared to be a GSA customer's primary point of contact. Furthermore, customers are free to enter into a Cooperative Purchasing agreement with any Schedule vendor without involving GSA.

### Recommended Ordering Procedures for Micro-Purchases

The source of the following ordering procedures is Federal Acquisition Regulations (FAR) 8.4. This process pertains to acquisitions under the Micro-Purchase Threshold of \$2,500.

- Select any Schedule Contractor
- Transmit Request for Quote (RFQ) and Statement of Work (SOW)
- Evaluate the Quote and Issue a Task Order
- All Schedule 70 vendors are required to accept the Government Purchase Card for orders under \$2,500



# Recommended Ordering Procedures for Services and Purchases Above the Micro-Purchase Threshold

## Procedures for Services Priced on GSA Schedules at Hourly Rates

GSA has determined that the rates for services contained in the contractor's price list applicable to this Schedule are fair and reasonable. However, the ordering office using this contract is responsible for considering the level of effort and mix of labor proposed to perform a specific task being ordered and for making a determination that the total firm-fixed price or ceiling price is fair and reasonable.

- 1) When ordering services or when ordering above the micro-purchase threshold –
  - a) **Prepare a Request for Quotes:**
    - i) A performance-based Statement of Work that outlines, at a minimum, the work to be performed, location of work, period of performance, deliverable schedule, applicable standards, acceptance criteria, and any special requirements (e.g., security clearances, travel, special knowledge, etc.) should be prepared.
    - ii) A request for quotes should be prepared; this should include the performance-based Statement of Work and requests the contractors to submit either a firm-fixed price or a ceiling price to provide the services outlined in the Statement of Work. A firm-fixed price order shall be requested, unless the ordering office makes a determination that it is not possible at the time of placing the order to estimate accurately the extent or duration of the work or to anticipate cost with any reasonable degree of confidence. When such a determination is made, a labor-hour or time-and-materials proposal may be requested. The firm-fixed price shall be based on the hourly rates in the Schedule contract and shall consider the mix of labor categories and level of effort required to perform the services described in the Statement of Work. The firm-fixed price of the order should also include any travel costs or other incidental costs related to performance of the services ordered, unless the order provides for reimbursement of travel costs at the rates provided in the Federal Travel or Joint Travel Regulations. A ceiling price must be established for labor-hour and time-and-materials orders.
    - iii) The request for quotes may request the contractors, if necessary or appropriate, to submit a project plan for performing the task and information on the contractor's experience and/or past performance performing similar tasks.
    - iv) The request for quotes shall notify the contractors of what basis will be used for selecting the contractor to receive the order. The notice shall include the basis for determining whether the contractors are technically qualified and provide an explanation regarding the intended use of any experience and/or past performance information in determining technical acceptability of responses.
  - b) **Transmit the Request for Quotes to Contractors:**
    - i) Based upon an initial evaluation of catalogs and price lists, the ordering office should identify the contractors that appear to offer the best value (considering the scope of services offered, hourly rates and other factors, such as contractors' locations, as appropriate).
    - ii) The request for quotes should be provided to three contractors if the proposed order is estimated to exceed the micro-purchase threshold, but not to exceed the maximum order threshold. For proposed orders exceeding the maximum order threshold, the request for proposal should be provided to additional contractors that offer services that will meet the agency's needs. Ordering offices should strive to minimize the contractors' costs associated with responding to requests for quotes for specific orders. Requests should be tailored to the minimum level necessary for adequate evaluation and selection for order placement. Oral presentations should be considered, when possible.
  - c) **Evaluate Quotes and Select the Contractor to Receive the Order:**
    - i) After responses have been evaluated against the factors identified in the request for quotes, the order should be placed with the Schedule contractor that represents the best value and results in the lowest overall cost alternative (considering price, special qualifications, administrative costs, etc.) to meet the government's needs.

(Continued on page 18.)



# THE ORDERING PROCESS

## Recommended Ordering Procedures for Services and Purchases Above the Micro-Purchase Threshold

*(Continued from page 17.)*

- 2) The ordering office should give preference to small-business concerns when two or more contractors can provide the services at the same firm-fixed price or ceiling price.
- 3) When the ordering office's requirement involves both products as well as executive, administrative and/or professional, services, the ordering office should total the prices for the products and the firm-fixed price for the services and select the contractor that represents the greatest value in terms of meeting the agency's total needs.
- 4) The ordering office, at a minimum, should document orders by identifying the contractor from which the services were purchased, the services purchased, and the amount paid. If other than a firm-fixed price order is placed, such documentation should include the basis for the determination to use a labor-hour or time-and-materials order. For agency requirements in excess of the micropurchase threshold, the order file should document the evaluation of Schedule contractors' quotes that formed the basis for the selection of the contractor that received the order and the rationale for any trade-offs made in making the selection.

## Performance-Based Ordering

GSA encourages customers making purchases to use performance-based Statements of Work to clearly describe the end result. A performance-based Statement of Work achieves the desired outcome, and allows the contractor to propose how to achieve the outcome. The Schedule Contractor will respond with the best solution to meet the customer's needs which can then be evaluated against other proposals received. A performance-based Statement of Work does not instruct the contractor how to perform the work.



# Blanket Purchase Agreements for Recurring Requirements

The establishment of GSA Blanket Purchase Agreements (BPAs) for recurring services is permitted when the procedures outlined herein are followed. All BPAs for services must define the services that may be ordered under the BPA, along with delivery or performance time frames, billing procedures, etc. The potential volume of orders under BPAs, regardless of the size of individual orders, may offer the ordering office the opportunity to secure volume discounts. When establishing BPAs ordering offices shall –

**(1)** Inform contractors in the request for quotes (based on the agency's requirement) if a single BPA or multiple BPAs will be established, and indicate the basis that will be used for selecting the contractors to be awarded the BPAs.

**(i) Single BPA:** Generally, a single BPA should be established when the ordering office can define the tasks to be ordered under the BPA and establish a firm-fixed price or ceiling price for individual tasks or services to be ordered. When this occurs, authorized users may place the order directly under the established BPA when the need for service arises. The Schedule contractor that represents the best value and results in the lowest overall cost alternative to meet the agency's needs should be awarded the BPA.

**(ii) Multiple BPAs:** When the ordering office determines multiple BPAs are needed to meet its requirements, the ordering office should determine which contractors can meet any technical qualifications before establishing the BPAs. When multiple BPAs are established, the authorized users must follow the procedures in (a)(2)(ii) above and then place the order with the Schedule contractor that represents the best value and results in the lowest overall cost alternative to meet the agency's needs.

**(2) Periodic Review of BPAs is necessary:**

Such reviews shall be conducted at least annually. The purpose of the review is to determine whether the BPA still represents the best value (considering price, special qualifications, etc.) and results in the lowest overall cost alternative to meet the agency's needs.



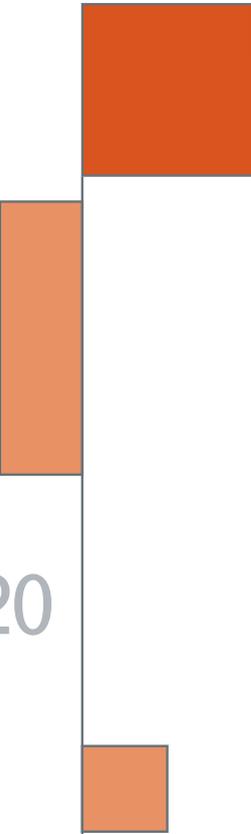
## e-Tools

### e-Tools: Online Resources

GSA's e-Tools expedite government acquisition activities, enabling customers to research vendors, products and services.

As one of GSA's most popular e-Tools, e-Library provides customers with valuable information about contractors who participate in the MAS program. *GSA Advantage!*<sup>®</sup>, another premier GSA online tool, is a catalog of products available from GSA vendors.

Additional GSA e-Tools – eOffer and eMod – benefit GSA Schedule holders by allowing vendors to post and update information with greater efficiency.



## Expediting Acquisition Research with GSA's e-Tools

Cooperative Purchasing offers a better, more efficient way to find buying options. Customers can rely on the proven speed of GSA Schedules, from research and order through delivery.

### e-Library

Through e-Library, GSA's online resource, customers can explore product and service categories or SIN descriptions to find the right products, solutions and services. Customers can compare all of the contractors with related offerings, obtain contact information and access links to contractor Web sites. Users can also limit their searches to contractors in specific geographic areas.

To search for GSA-approved Cooperative Purchasing vendors, customers can select the vendors with the  symbol next to their respective GSA contracts. Or customers can select the box pictured below to view only vendors who have currently modified their contract to accept state and local customers.



#### COOPERATIVE PURCHASING

Purchase IT products, services, and support equipment from Federal Supply Schedules. 

- ▶ View authorized vendors
- ▶ Cooperative Purchase FAQ

[www.gsaelibrary.gsa.gov](http://www.gsaelibrary.gsa.gov)



### **GSAAdvantage®**

Through **GSAAdvantage®**, customers can, at any time, search for items or services using key words, part numbers, National Stock Numbers, supplier names and/or contact numbers. Users can compare features, prices and delivery options and identify contractors who provide the item or service.

**[www.gsa.gov/gsaadvantage](http://www.gsa.gov/gsaadvantage)**

### **eOffer/eMod**

eOffer/eMod is a Web-based application that allows vendors to prepare and submit their GSA Schedule offers/Schedule contract modification requests electronically. eOffer/eMod uses the latest digital authentication technology to ensure the integrity of data and to electronically sign the offer (proposal) or modification request. Digital certificates are required in order to use eOffer/eMod.

eOffer/eMod improves the proposal or modification process by:

- Introducing an easy-to-use, progressive screen design for submitting a schedule proposal;
- Guiding users through each step of the solicitation and modification process;
- Automating the submittal process by electronically transferring the completed proposal/modification request to the contracting office; and
- Electronically signing documents.

**[www.gsa.gov/eoffer](http://www.gsa.gov/eoffer)**

## Center for Acquisition Excellence (Online Training)

e-Tools training is available from the Center for Acquisition Excellence on its training Web site. The site offers many free classes to all vendors and customers on how to obtain a GSA Schedules contract, how to use GSA Schedule contracts, and how to purchase through GSA's Cooperative Purchasing program. Some courses are tailored for small businesses and others are offered to vendors interested providing information technology products and services.

**[www.gsa.gov/centerforacquisitionexcellence](http://www.gsa.gov/centerforacquisitionexcellence)**



# Answers to Frequently Asked Questions

## FAQ

GSA has assembled this FAQ to answer the questions that often arise about this exciting program. Of course, GSA anticipates that customers may have further inquiries as they participate in Cooperative Purchasing. Whenever customers are not sure about any aspect of the program, GSA invites them to query the online resources, the IT Center experts, the National Customer Service Center or their respective regional representatives, which are listed in the FAQ.

Although some of these questions may seem technical in nature, the Schedules program is user-friendly and serves thousands of employees each day, many of whom are not acquisition specialists. In fact, the goal of the Schedules program has always been to streamline the acquisition process on behalf of agency missions and taxpayers.

### **1. Can state and local governments purchase from all General Services Administration Schedules?**

No. Section 211 of the E-Government Act only allows for state and local government entities to purchase from General Services Administration Schedule 70 Information Technology and Consolidated Schedule contracts containing information technology SINs. State and local government entities may not purchase information technology from any other GSA Schedules.

### **2. Can state and local governments utilize GSA's Government-wide Acquisition Contracts (GWACS) under Cooperative Purchasing?**

No. State and local government entities may only purchase information technology from General Services Administration Schedule 70, Information Technology, and Corporate Schedule contracts containing information technology SINs. The GWACS are not authorized for use by state and local government entities under Section 211 of the E-Government Act.

### **3. When does Cooperative Purchasing go into effect?**

Technically, Cooperative Purchasing was effective upon publication of the Interim Rule in the Federal Register (May 7, 2003). However, existing Schedule 70 and Consolidated Schedule contracts containing information technology SINs must be modified, as agreed between the Schedule contractor and the General Services Administration Service, to allow for Cooperative Purchasing.

### **4. Can contractors or grantees of state and local government entities purchase from the Schedule contracts?**

No. Neither contractors, nor grantees, are authorized to purchase from the GSA Schedules under the Cooperative Purchasing program.

### **5. Are Cooperative Purchasing orders subject to the Industrial Funding Fee (IFF)?**

Yes. Each Schedule contract price includes an industrial funding fee, which is represented in the prices paid by ordering activities and passed on to GSA by Schedule contractors. The IFF reimburses GSA for procurement and administrative costs incurred to operate the GSA Schedules program. The current fee is 0.75%.



**6. Will GSA waive or give a portion of the IFF to state and local government entities?**

No.

**7. Are state and local government entities required to use the GSA Schedules program?**

No. Cooperative Purchasing is voluntary for both state and local government entities and for Schedule contractors. State and local entities have full discretion to decide if they wish to make a General Services Administration Schedule purchase, subject to any limitations that may be established under state and local laws and procedures.

Similarly, Schedule contractors have the option of deciding whether they will accept orders placed by state or local government buyers. Schedule contractors will make this decision on two levels. First, on the contract level, Schedule contractors will decide which SIN(s) they want to offer under Cooperative Purchasing and enter into a mutual agreement with GSA to modify the contract. Second, even after an existing contract is modified or a new contract awarded, a Schedule contractor will retain the right to decline orders received from state or local government entities on a case-by-case basis. Schedule contractors may decline an order, for any reason, within a five-day period after receipt of the order; however, credit card orders must be declined within 24 hours.

**8. How do I place an order against the Schedule?**

State and local government entities are encouraged to use GSA's Schedule Ordering Procedures to ensure the benefit of receiving the best value from GSA Schedule contractors. When it is not feasible to use GSA's Schedule Ordering Procedures, state and local entities may follow their own ordering procedures for buying products and services under Cooperative Purchasing.

**9. If the contractor does not perform acceptably under a Cooperative Purchasing Order issued by a state or local entity, should the ordering activity request the GSA Contracting Officer take corrective measures?**

Acceptance of an order by the Schedule contractor under Cooperative Purchasing constitutes the formation of a new contract between the non-federal ordering activity and the Schedule contractor. The ordering activity's Contracting Officer is responsible for all contract administration under the new contract. While the majority of the terms and conditions of the Schedule contract are incorporated by reference into the Cooperative Purchasing Order (see question 12 in this FAQ for exceptions), the federal government is not liable for the contractor's performance or non-performance. Disputes that cannot be resolved by the parties may be litigated in any state or federal court with jurisdiction, using the principles of federal procurement law and the uniform commercial code, as applicable and appropriate. However, state and local government entities may submit information concerning a contractor's performance to the respective GSA Contracting Officer for consideration when evaluating the contractor's overall performance under the GSA Schedule contract.

**10. Does the Trade Agreements Act apply to contracts between the Schedule contractor and state and local government entities?**

Yes. All Schedule contract terms and conditions, except those stated in the answers to questions 12 and 13, will apply to contracts between the GSA Schedule contractors and state and local government entities.

**11. Are state and local government preference programs affected by Cooperative Purchasing?**

No. Cooperative Purchasing does not impact state and local government preference programs.

*(Continued on page 24.)*



# ANSWERS TO FREQUENTLY ASKED QUESTIONS

(Continued from page 23.)

## **12. May state and local government entities use credit cards to purchase products and services under this program?**

Yes. Schedule contractors can accept any state and local government-issued credit cards for orders placed under Cooperative Purchasing. Contractors are required to accept credit cards up to the micro-purchase threshold and contractors may voluntarily accept orders exceeding the micro-purchase threshold.

## **13. Can state and local governments issue Blanket Purchase Agreements (BPAs) under the Schedule contracts?**

Yes. State and local government entities may issue BPAs under the Schedule contract.

## **14. Can state and local governments use existing BPAs under the Schedule contract?**

No. State and local governments cannot use existing BPAs, unless they were initially included as authorized users of the BPA. Existing BPAs cannot be modified to include state and local government entities.

## **15. Can state and local government entities be granted additional price reductions under the Schedule contracts?**

Yes. State and local government entities may be granted additional price reductions under Cooperative Purchasing.

## **16. Will a spot discount to state and local government entities under the GSA Schedule contract trigger the Price Reductions clause?**

No. Granting state and local government entities additional price discounts under the GSA Schedule contract will not trigger the Price Reductions clause.

## **17. How do state and local government entities place orders against Schedule contracts? Do such orders against Schedule contracts meet competition requirements?**

State and local government entities are encouraged to use GSA's Schedule Ordering Procedures to ensure the benefit of receiving the best value from GSA Schedule contractors. When state and local governments follow the GSA Schedule Ordering Procedures – e.g., the Ordering Procedures for Supplies, and Services Not Requiring a Statement of Work (Federal Acquisition Regulation (FAR) 8.405-1) or the Ordering Procedures for Services Requiring a Statement of Work (FAR 8.405-2) – use of the GSA Schedules program is considered to be a “competitive procedure” under the Competition in Contracting Act of 1984 (CICA). State and local entities may include terms and conditions required by statute, ordinance, regulation or order to the extent that these terms and conditions do not conflict with the terms and conditions of the GSA Schedule contract.

## **18. Can state or local government grantees purchase information technology from GSA Schedule 70 or the Consolidated Schedule? If state or local governments themselves receive grant money, can they purchase IT from GSA Schedule 70 or the Consolidated Schedule?**

Under the Cooperative Purchasing Program, only *state and local government entities*, as defined in [General Services Administration Acquisition Manual \(GSAM\) 538.7001](#), are eligible to purchase information technology from GSA Schedule 70 or the Consolidated Schedule. As noted in the definition, the term, *state and local government entities*, “...does not include contractors of, or grantees of, state or local governments.” Thus, state or local government grantees cannot purchase IT under the Cooperative Purchasing Program.

With regard to state or local governments themselves receiving grant money, these entities are eligible users under the Cooperative Purchasing Program by virtue of meeting the definition of state and local government entities; the source of funding for these entities is irrelevant.



*“Schedules work for us. Service from vendors has been great and reducing the procurement lead time is a tremendous advantage. We want to expand our use.”*  
–A metropolitan transportation authority

# Additional Resources

## GSA Representatives Can Answer Questions.

GSA is headquartered in Washington, D.C. with many regional offices.

The IT Center, located in Northern Virginia, specializes in Schedule 70 acquisitions. The IT Center has considerable expertise in Schedule 70 vendors, terms and conditions of the Schedule 70 contract, and the Cooperative Purchasing Program.

GSA also has customer-service staff throughout the United States to provide information about the Multiple Award Schedules Program. A GSA office in any area can provide information, seminars or an on-site visit about the Cooperative Purchasing program.

## IT Schedule 70 Expertise:

Contact representatives in the IT Center to learn more about Schedule 70 vendors, terms and conditions, and the Cooperative Purchasing program.

Coverage	Name	Phone	E-mail
IT Customer Service		(703) 605-2700	it.center@gsa.gov
IT-National	Tom Cocoran	(703) 605-2764	thomas.cocoran@gsa.gov
IT-National	Benjamin Taylor	(703) 605-0523	benjamin.taylor@gsa.gov

## Regional Support:

In any region, customers are free to contact representatives of the IT Center.

Coverage	Name	Phone	E-mail
CT, ME, NH, NJ, NY, PR, RI, VI, VT	Judy Poskanzer	(212) 264-0305	judy.poskanzer@gsa.gov
DC, DE, MD, PA, VA, WV	Mike Ruggeri	(215) 446-5040	michael.ruggeri@gsa.gov
AL, FL, GA, KY, MS, NC, SC, TN	Kelley Holcombe	(404) 331-0652	kelley.holcombe@gsa.gov
IL, IN, MI, MN, OH, WI	Kurt Regep	(312) 886-8870	kurt.regep@gsa.gov
IA, KS, MO, NE	Timothy Benoit	(816) 926-5548	timothy.benoit@gsa.gov
AR, CO, LA, MT, ND, NM, OK, SD, TX, UT, WY	Bill Heffner	(817) 978-2892	billy.heffner@gsa.gov
AZ, CA, HI, NV	Bill Villarroel	(415) 522-2803	william.villarroel@gsa.gov
AK, ID, OR, WA	James Hamilton	(253) 931-7496	james.hamilton@gsa.gov

Further information about the program can be found at [www.gsa.gov/cooperativepurchasing](http://www.gsa.gov/cooperativepurchasing).



## The Information Technology Industry Government Council

To maximize the value of government information technology commerce among all parties concerned, GSA has established a broad-based group called the Information Technology Industry Government Council. The Council's mission is to foster the growth and use of the IT Acquisition Center's Group 70 MAS programs and partnership among the GSA, other governmental entities, and industry.

The Council is comprised of representatives from the buyers' side (including FSS and federal, state and local governments) and that of GSA's business partners (including vendors on the Schedule). Council positions are decided upon through an application process once every three years. Industry members must be Schedule 70 holders, although some exceptions apply.

The Council meets on a quarterly basis to educate, research and develop, promote and market the Schedules program, establish best practices, and provide an open forum for communication. Other activities are underway on a committee level, including initiatives in e-Tools, teaming/subcontracting, Cooperative Purchasing, and training, education, and communication. The Council serves strictly in an advisory capacity. It does not create or establish policy or new programs for the IT Acquisition Center. More information can be obtained by contacting Stephanie Turner at [stephanie.turner@gsa.gov](mailto:stephanie.turner@gsa.gov).





## For Vendors

### The GSA–Vendor Partnership

GSA awards contracts to responsible companies that offer commercial items falling within the generic descriptions in the GSA Schedule solicitations.

GSA Contracting Officers determine whether prices are fair and reasonable by comparing the prices/discounts that a company offers the government with those that the company offers to its commercial customers. This negotiation objective is commonly known as “most-favored customer” pricing. To make this comparison, GSA requires offerers to provide commercial price lists and disclose information regarding their pricing/discounting practices.

### Becoming a GSA Contractor

To become a GSA Schedule contractor, a vendor must first submit an offer in response to an applicable GSA Schedule solicitation. The Schedule 70 solicitation can be downloaded and reviewed by visiting <http://www.gsa.gov/schedule70solicitation>.

Offers may be filled out and submitted through the mail system or electronically at [www.gsa.gov/eoffer](http://www.gsa.gov/eoffer).

### Participating in the Cooperative Purchasing Program

Existing Schedule 70 contractors must modify their GSA Schedule 70 contract to participate in the Cooperative Purchasing program.

The contract can be modified by contacting the appropriate GSA Contracting Officer or via the online Vendor Support Center (VSC) Web site at [www.gsa.gov/vsc](http://www.gsa.gov/vsc). On the VSC Web site, users may select “Contract Administration,” “Modifications,” and “Mass Modifications” to review the modifications terms and conditions.