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September 27, 2010

Steve Kempf
FAS Commissioner
General Services Administration
2200 Crystal Drive 11016
Arlington, VA 22202

Dear Mr. Kempf,

I am writing on behalf of The Coalition for Government Procurement to address an issue of serious concern to our member companies. We are strongly opposed to GSA freezing Multiple Award Schedules, as in the case of Schedule 75 for office supplies. The association believes that there are more effective ways to address personnel resource issues than to close schedules, which is likely to prove detrimental to the program. Similarly, we are concerned about pressure from outside the agency to close schedules as a result of strategic sourcing awards. Regardless of the cause, however, the Coalition opposes closing GSA Schedules to new offers for many reasons.

The Coalition for Government Procurement (CGP) is a non-profit association of approximately 300 companies offering commercial services and products to federal, and increasingly state, agencies through GSA schedule and other contracts. Our members account for approximately 70% of the business conducted through Multiple Award Schedule contracts and about half of the commercial solutions purchased annually by the federal government. The Coalition is proud to have worked *with* officials in government for 30 years to promote common sense acquisition solutions.

As you are aware, the Multiple Award Schedule (MAS) program has remained open for over 15 years and during this time it has experienced unprecedented growth. GSA has been able to offer Federal agencies the latest solutions and newest innovations because schedules have remained open to new offers. We believe that this has made the

program more flexible and more able to meet changing customer needs compared to other programs, and has delivered a tremendous value to both the public and private sectors. The Coalition is concerned that the willingness to close schedules could threaten to turn GSA's win-win into a lose-lose proposition for federal buyers as well as contractors.

One of the most significant successes of the MAS program has been participation by small business. We are very concerned that postponing schedules for a significant period of time will harm small business participation in the federal marketplace overall. Given that schedule participation often establishes a company's legitimacy with other federal buyers, we expect that the affect on small businesses could be felt beyond the MAS program. Even on the MAS program, though, small businesses conducted approximately \$12.2 billion in sales through schedule contracts in the most recent fiscal year. Closing the schedules to new offers will prevent newer small businesses from sharing in this success and will drive federal customers to other contracts where the latest solutions can be found, thus harming existing schedule small businesses.

If schedules are unable to offer the most current innovative solutions from both small and large businesses, the Coalition anticipates that federal buyers will purchase from other contract vehicles or from the open market. This would likely result in the government actually paying more for goods and services with less transparency. Both of these outcomes are contrary to the Office of Management and Budget's acquisition goals. The government's acquisition overhead could increase, and increase at a time when there are already scarce acquisition resources in the government. Additionally, the inevitable creation of duplicative contracting programs will diminish the government's collective buying power, making it less likely that the government will obtain the types of great values currently associated with schedules procurement. GSA, itself, may very well lose out to its competitors in the acquisition space if other vehicles are more nimble and better positioned to meet customer needs.

The Coalition believes that there are better ways to address workload issues than closing schedules. Similarly, we believe maintaining open schedules after strategic sourcing awards allows the government to continue to take advantage of innovations and competition through schedule contracts. Streamlining acquisition processes, enhanced use of technology in the acquisition system, improved training for contracting officers, and the use of other resources both inside and outside the agency to begin the initial steps of contract formation are all additional options to manage workload and improve GSA's acquisition systems.

The Coalition urges your office to keep all schedules open so that GSA can continue to offer the latest solutions at great values. This, in fact, is GSA's acquisition mission. The schedules program is at the very core of this effort. It must remain open, nimble and flexible for both the agency and its customers to succeed. Conversely, each will have significant difficulties if the schedules program can no longer be relied upon to offer today's technology and innovative

green solutions from a wide array of socioeconomically classified businesses, as well as larger, well-established commercial firms.

We ask that you reconsider closing Schedule 75 to new offers and issue a proactive statement making it clear to customers and contractors that the schedules program will continue to be the governments "go to" acquisition program for the latest commercial solutions.

Thank you for the opportunity to share our concerns with you. The Coalition welcomes further discussion on this issue and we look forward to your response.

Sincerely,

A handwritten signature in red ink that reads "Larry Allen". The signature is written in a cursive style with a large initial "L" and a long, sweeping underline.

Larry Allen
President