

Multiple Award Maze

How the GSA schedule really works—and how to stay out of trouble.
BY KIMBERLY PALMER

Like a bull in a china shop, the sheer brawn of the General Services Administration's Multiple Award Schedules program sometimes causes chaos. In 2005, the Defense Department clarified its rules for using interagency contracts after reports of widespread fraud and abuse at GSA; other agencies also became wary. GSA fought back with its Get It Right campaign and more transparent processes. In *Multiple Award Schedule Contracting* (Xlibris Corp., 2006), Washington lawyers and federal contracting experts John W. Chierichella and Jonathan S. Aronie have updated their 2002 guide to the schedules and offer practical advice to companies that sell through them.

The GSA schedule, which encompasses the contracts through which other agencies purchase about \$30 billion worth of goods and services annually, is the "most used, yet misunderstood" procurement vehicle available, according to Chierichella and Aronie. That may well be true; GSA officials themselves have called for demystification, which makes *Multiple Award Schedule Contracting* a useful resource for schedule holders.

The authors generally believe the schedules work well, but they are quick to warn against "traps for the unwary." Like any good defense lawyer would, they tell contractors how to watch out for possible missteps, such as failing to comply with the many required certifications or being unaware of mandates such as the Buy American Act. "While the government tells you what the rules are, the government does not tell you and won't tell you what kind of infrastructure you need to set up for compliance," Aronie said in a recent interview. Many legal problems, the authors write, are "spawned by the absence of meaningful guidance from the government."

For beginners, one chapter weighs the pros and cons of joining a GSA schedule. The pros include potential revenue opportunities, access to agencies and the implicit "GSA stamp of approval" from getting on a schedule, which can make agencies feel more comfortable buying from a company. The cons, however, take up more space than the pros and include the potential for extensive audits, time-consuming record-keeping requirements, reduced flexibility, internal costs associated with training employees to work in the government space, and extra staff, including, of course, lawyers.

Detailed information on where to find solicitations and how to write a proposal likely will be especially helpful to first-timers. A chapter on negotiating con-



HOW TO Authors Jonathan Aronie (left) and John Chierichella offer practical advice on GSA schedules.

tracts, written by industry insiders Larry Allen and William Gormley, urge contractors to be prepared, because the government's negotiator will have done his homework. Before going into a negotiating session, contractors should know how low they're willing to go. They also should be prepared to negotiate nonprice factors, including delivery terms, warranty terms and subcontracting plans.

Chierichella and Aronie are at their best when they offer advice on what to do when you're in trouble. If you get a notice that you are being audited by the GSA inspector general, first notify your lawyers. Know your rights. "While auditors have broad authority to examine a vendor's books or records, their authority is not limitless," the authors write. Tell your employees to be polite to auditors, but not to share too much information. Instead, they should refer questions to a single point of contact. If your company is the subject of a search warrant, don't obstruct the search, but do try to protect privileged documents.

They also provide tips on how to avoid getting into trouble in the first place. Don't charge your lobbying expenses to contract overhead, for example. And be sure to set up a toll-free number as part of your ethics program. (And yes, you do need an ethics program.)

Meanwhile, Emily W. Murphy, GSA's chief acquisition officer, is working on a revamped acquisition manual for her agency to make it easier for employees themselves to understand how the schedules work. She expects to have it done in 2008.