



GSA Schedules: Don't Take No for an Answer

49% of GSA eOffer submissions are rejected. This is a staggering statistic, confirming what we already know and you likely suspect: GSA Schedules are hard.

Obtaining a GSA Schedule can be a lucrative, worthwhile business decision. Eighty percent of GSA Multiple Award Schedule (MAS) contractors are small businesses, which represent 36 percent of GSA sales.ⁱ This equates to roughly \$1,440,000,000 of GSA spend going to small businesses annually. Recent 72(a) reports for GSA Schedule Sales show three contractors our team support on GSA had a combined total of \$1,049,409 in FY16 GSA sales.

While GSA Schedules can increase revenue and profits for small businesses, getting on Schedule requires developing the time-consuming application. Once you submit your GSA offer, the wait time for Government review is substantial. After spending months preparing the application, waiting for government review and modifying or clarifying the submission... receiving a rejection letter is extremely disappointing.

Unfortunately, too many small businesses end the process if they receive a GSA rejection. This white paper gives specifics on common reasons for rejection; this knowledge ideally helps readers avoid rejection or be better prepared to respond to it.

Reasons for Rejection

Rejection of a GSA Schedule is common. We started this white paper with the statistic that 49% of GSA eOffers are rejected. This number is significant – new applicants have an almost a 1 in 2 chance their offer will be rejected.

Understanding why GSA Schedules are frequently rejected is a logical first step for avoiding rejection. According to the GSAⁱⁱ a majority of offers are returned to the vendor for correction or clarification due to several common issues. These are described in the table on the following page.



Rejection Reason	Issue	Description
Scope	Offeror selected the wrong Schedule/SIN.	The Contracting Officer determined the products or services do not fit in this Schedule or SIN. They want the Schedule and SIN to have the most relevant fit because it directly impacts GSA sales. In most cases, they perceive a better fit in a different Schedule or SIN.
Financial Instability	Net worth does not demonstrate a positive value and you lacked profitability.	GSA wants to award schedules to companies they determine are stable enough to maintain orders from current commercial customers while supporting the growth from future GSA business. They gauge this by evaluating financials to ensure profitability and positive net worth.
Past Performance	Your company received negative past performance evaluations.	Past Performance is a difficult area of submission. The evaluation is conducted as a blind survey, which makes addressing any negative reports difficult. Areas of evaluation consist of: reliability, cost, order accuracy, timeliness, quality, business relations, personnel, customer support, and responsiveness.
Responsiveness	All documentation was not included in the offer or was not completed correctly.	The submission had a responsiveness issue, such as a missed signature, a missing document, or specific formatting or response requirement was not met.
Pricing	Your pricing for products or services are not "fair and reasonable."	Contracting Officers typically compare pricing with other GSA Schedule holders to determine "fair and reasonable." They are concerned with likelihood for sales. If prices are too high, there is a lower likelihood for sales success. If prices are too low, there might be a misunderstanding regarding requirements or sales might not meet the annual requirement of \$25,000.
Subcontracting Plan	Offeror did not provide a letter detailing their Subcontracting Plan.	Large businesses are required to establish an effective Subcontracting Plan. This helps GSA reach their socioeconomic goals. (This is not a requirement for small businesses.)



Avoiding Rejection

With knowledge comes power. Identifying and understanding the primary reasons for rejection equips offerors to prevent future rejection of offers. Below, we recommend ways to avoid each of the common reasons cited by the GSA.

Scope

Choose your Schedule wisely. It is a critical step in the GSA application process. Choosing the wrong Schedule wastes the months of effort you dedicated to the application. Based on your product, it may be obvious which schedule you should apply under, or it may involve taking a deeper look into a few different Schedules.

There are 37 possible GSA Schedules and 2,326 possible SINs. Reviewing all of these options could easily become overwhelming. We recommend limiting your review by starting with your competitors.

1. Using GSA eLibrary, search for your known competitors and document which Schedules and SINs they hold.
2. Staying in GSA eLibrary, use this list to look up the description of each of the Schedules and SINs to determine which might apply to you. (They might have lines of business outside of your core functions, so do not simply mirror their lists.)

Financial Instability

Financials are a sensitive, sometimes personal, topic for small businesses. It can be challenging to review your financials with an objective eye. However, this is a critical area because Contracting Officers only want to award Schedules to companies they are confident are stable, operate profitably and have financial staying power.

Analyze your financials and ask two primary questions:

- Do you demonstrate profitability for the most recent two years?
- Do you have a positive net worth?

If your answer to the above questions is yes, you have an easier path. Be prepared to submit financials with your offer. While you might consider this information proprietary and confidential, the GSA will not consider your offer without them.

If your answer to one or both of the questions is no, you need to prepare additional information for your application. You will provide a narrative explaining anything negative in your financials and you may be required to provide documentation from a CPA or your bank. If you submit your offer and the GSA questions your financial stability, it may be necessary to request a Certificate of Competency through the Small Business Administration.

Financial issues are a critical evaluation topic for your offer. In addition to a review of your statements, there will be inquiry into your accounting systems and controls to ensure financial responsibility.



Past Performance

Relevant, positive references help you avoid rejection. In order for this to happen, the references you select must be relevant, responsive and positive.

Relevance is important to Contracting Officers, who want to know you are experienced in selling the exact thing you plan to offer Government. Select references who purchased products or services from you similar to what you are proposing to sell to Government.

Your references must respond to the Open Ratings survey request in order for their opinions to positively shape the outcome. We recommend asking 10-15 customers to provide references in order to ensure you receive the four required responses for the Open Ratings to close. Request participation from your references in advance – this gives them a heads up to look for the email (potentially in their junk folder) and it gives you a gauge of whether they will respond positively.

You should select references which will say positive things about you. Because they are assured complete anonymity through Open Ratings, your customers might share surprising feedback they would not share with you directly. This benchmarking evaluation will indicate how you as the supplier will rank in comparison against your peers.ⁱⁱⁱ The result of this evaluation will have a large impact on your GSA application.

If your PPE has areas that express neutral or negative feedback, be prepared to provide a narrative with your submission to explain how these issues have been addressed and how you plan to avoid them in the future. GSA uses these results to ensure the products or services they are purchasing off of your Schedule will be delivered with little issue.



Tip: Taking an objective look at your past performance results, you may find some deeper issues in one of the areas of evaluation. Use these findings as a way to improve your business and its processes.

Responsiveness

Take the time to read through all solicitation documentation, and read it slowly and more than once. The solicitation will guide you on most requirements needed for your application to be reviewed. GSA provides a checklist for submission; however, they don't show this to you until you begin submitting your eOffer. As a result, the GSA checklist doesn't help you prepare your submission package. Instead of relying on the GSA checklist, create your own while you are reviewing the solicitation.

Be prepared for clarification questions from Government, and be responsive and open to their requests. There are times when more information is required by Government – in addition to the documents required in the solicitation and the eOffer checklist. Companies experienced in GSA Schedule submissions are familiar with some of the underlying, non-communicated details behind each requirement. If you are not aware of them, have patience and professionalism with your GSA Contracting Officer.



Pricing

The most important piece of your offer is your pricing template and coinciding Terms and Conditions (T&Cs). The Proposal Price Template you develop will establish two things which help to ensure prices offered to the government are fair and reasonable.

1. The discount you will offer to GSA on all products placed on your contract for the entirety of your contract
2. All prices offered to GSA will be lower than that of your Most Favored Customer (MFC)

At the heart of the Schedule is the Basis of Award, which is critical for compliance. Before the GSA Contracting Officer awards a contract, they and the applicant agree on the category of customers which will be the Basis of Award, and the Government's price or discount relationship to that category of customer. The relationship established at the outset is maintained throughout the contract period. Any change in the commercial pricing or discount arrangement for the identified category of customers that disturbs this relationship constitutes a price reduction.



Translation: Plan carefully for the Basis of Award, because once it's set you are required to live with it.

The Basis of Award pricing arrangement is carefully analyzed at the pre-award stage by examining pricing you have offered to existing and past customers. The Government wants to be the favored customer, and thus receive the most competitive pricing. If another customer receives a lower price without justification and without proper communication to the Contracting Officer, the applicant may be in breach of the price floor. This may trigger a Price Reduction Clause, which requires pay back to the government in the form of a refund, fees and sometimes fines.

Anecdotal Experience

Many of our clients came to us for help after experiencing a GSA Schedule rejection. We evaluated their reasons for rejection to help overcome them and win a GSA Schedule. For this white paper, we looked back on the rejections to identify trends. Our findings result in a few additional recommendations worthy of discussion.

Communicate

Contracting Officers hold the key to your approval. Be willing to work with them and communicate effectively throughout the application process. Accept that these Contracting Officers have access to your company's sensitive data and they will use this to judge your ability to perform if you have a Schedule. Establish a credible rapport early with them to ensure they have confidence in you as a leader for GSA sales. Ensure your communication is open-minded and not defensive.



Clear, Concise Content

Contracting Officers reviewing your application don't know you. Their evaluation is only based on what you give them in your eOffer. Before you submit, look at your submission package with fresh eyes – perhaps even engage someone outside your organization to review it objectively. If you didn't know your company, would you have confidence in you based on the submission package? Answer this question honestly to improve the clarity of your content.

Refresh

Refreshes are mandatory modifications which might update, add or delete T&Cs, FAR Clauses and Provisions. To implement a MassMod or a RAM to existing contractors, GSA uses the eMod system. If you are in pursuit of a GSA Contract, a form refresh will occur. A refresh at this stage means the entire solicitation is refreshed. New information may need to be submitted for your application, and GSA will require all documentation to reflect the new refresh number.



Tip: This is tedious and time-consuming, which is incentive to complete your offer quickly.

No Whining

Government sales and marketing is not for the impatient, and it is not for whiners. Prepare to be patient and persistent. Complaining won't change it.

1. It will be time-consuming to prepare your application.
2. The average evaluation period of a GSA Schedule offer after submission is 12 months. (Yes, a year.) Accept that you have no control over the speed by which Government evaluates your offer.
3. Contracting Officers are busy and cannot always be immediately reached. Be patient and be available when they return your call or email.
4. Submitting through eOffer is frustrating. It is technology, which can lead to connectivity issues. Once you begin to submit, you might be surprised by new requirements for your offer.
5. Rejection is always a possibility. Communicate **RESPECTFULLY** with your Contracting Officer regarding clarifications and rejection so you can quickly remedy issues and resubmit.



Learn to Forgive

Rejections happen. Move past it, decide on a strategy to move forward, and learn how to develop a successful offer. Take time to understand why your offer was rejected, and ask questions without defensiveness. Keep in mind resubmission will present its own hurdles.

1. Forgive yourself and forgive the GSA.
2. Learn from your rejection. Use your rejection letter as a learning tool.
3. Schedule a debrief call with your Contracting Officer. This gives you more direct time with them to understand what they considered lacking in your offer. They are typically willing give you details on how to avoid rejection on your next submission and clarify and additional questions you may have.
4. Work through the details provided in your rejection letter from your Contracting Officer. Address each reason for rejection they give. This rejection letter will need to be submitted with your next offer, and the next evaluating CO will double check to make sure you have addressed each item.
5. Don't let your fear of rejection hinder the possibility of success.

About JetCo

JetCo Solutions is a full-service GSA firm. We help clients prepare and submit their GSA proposal. Some ask us to help them develop and implement a tactical sales and marketing strategy to win in GSA sales. We also guide them on maintaining their schedule so they keep it.

JetCo Solutions brings a data-driven approach to GSA sales – we research whether the schedule makes sense based on government's buying trends. Before accepting a GSA client or encouraging a company to pursue a GSA schedule, JetCo Solutions helps them determine:

1. Whether having a GSA schedule is right for their government sales strategy
2. Which agencies purchase their product or service using GSA, and how much they buy through GSA

This evidence-based approach is important – data should drive decisions. This is an important step, skipped by many GSA consultants. If you don't have the product or the sales culture that fits GSA, you should not invest time and money in securing one.

Maybe that wasn't the greatest pep talk; we believe in honest communication.

GSA Schedules are an efficient, effective vehicle for selling to government. But they are just that – a vehicle for government sales. They do not guarantee revenue. Before you hire someone to help you get on the GSA, make sure you are ready to sell using it. Or, work with a company that doesn't walk away after you receive your schedule.

For more information on obtaining a GSA Schedule and avoiding common rejection pitfalls you can contact Kate Dingeldey at kdingeldey@jetcosolutions.com or 616.588.2502.

ⁱ <https://gsa.gov/portal/category/100635>

ⁱⁱ <https://www.gsa.gov/portal/content/202577>

ⁱⁱⁱ https://www.supplerriskmanager.com/ppe-order/static/layout/include/PPE_FAQs.pdf