



GSA Continuous Contract

What You Need To Know As You Approach Your Final Option Period

Aprio[®] 
Passionate for what's next[®]

Introduction

In the years since the Federal Acquisition Streamlining Act (FASA), GSA Schedules have grown into big business. All GSA Schedules contain an Evergreen clause, which grants the government the right to exercise up to three 5-year option periods. The Evergreen concept is a misnomer; however, as many of the first companies to adopt the Schedules are now reaching the end of their contract's useful life.

Recognizing the onslaught of expiring contracts on its hands, GSA introduced the Continuous Contracts Initiative (CCI), which allows contractors to submit a new offer at any time during the 20-year contract period. The ability to hold continuous contracts gives schedule holders more flexibility in deciding when to pursue a new contract, but contractors must understand that the offer process has changed significantly in the past 20 years. What worked then won't work now.

In our eBook, we discuss the most important strategic considerations for contractors approaching the final option period of their GSA Schedule contract—from Blanket Purchase Agreements (BPAs) to price competitiveness—helping you determine the best time to submit a new offer.

What is the GSA continuous contract?



Allows existing contractors to submit a new offer against the same Schedule at any time using a streamlined offer process for continuous contracts.



Upon award, legacy contract is “frozen” and may only be used to support existing orders and BPAs.



All future business must be placed on new contract.

Why should you submit a new offer now?

Your future GSA business depends on it!

Contractors cannot bid on Blanket Purchase Agreements (BPAs) with periods of performance going past the Schedule's expiration date.

- » BPAs are NOT contracts, they rely on the underlying contract.
- » BPAs cannot extend beyond expiration or cancellation date of underlying Schedule contract.

Even though orders on current GSA Schedule contracts can extend beyond the contract end date, your pricing is frozen and profitability will erode. Depending on Schedule type, getting a new contract awarded can easily take 9-12 months (or more).

How has the offer process changed since I submitted my original offer?

You will be compared to your competitors!



GSA now uses several market research tools to compare contract ceiling prices across all Schedule holders.



Transactional data about prices actually paid by agencies will also be used to reduce price variance among similar products and services.

The bottom line:

- » You may not be as competitive as you think.
- » Don't wait for GSA to come up with its own, potentially negative, market research; provide favorable rate comparisons with your proposal.

Is the continuous contract process right for me?

- | | |
|--|--|
| <ul style="list-style-type: none"> ✓ Current contract is in final option period. ✓ Recently validated CSP for option or mod. ✓ Planning to bid on multi-year BPA. ✓ Existing contract's scope meets business requirements. | <ul style="list-style-type: none"> ✗ Current contract badly out-of-date. ✗ Have not completed competitive rate analysis. ✗ Not meeting minimum sales requirement. |
|--|--|

Should you modify your legacy contract first?



The continuous contract will mirror your existing contract. Fix what's not working now rather than perpetuating mistakes.



Don't count on being able to negotiate substantially higher rates on your new offer, negotiate increased prices now if you can.

What do I need to think about before submitting my continuous contract offer?

- » How much time do I have left on my current contract?
- » Is my current contract's period of performance long enough to cover upcoming opportunities?
- » Do I want to participate in Transactional Data Reporting (TDR)?
- » Do I qualify to use the streamlined offer process?
- » Does the scope of the current contract support future company and customer needs?
- » Have I increased my contract rates to reflect commercial rate increases?
- » Are my rates competitive?

How is the continuous contract proposal process different?

Requirement	Streamlined	Standard
Readiness Assessment	✗	✓
Pathways to Success	✗	✓
Previous cancellations, rejections, and pending offers*	✓	✓
Financial Statements	✗	✓
System for Award Management	✓	✓
Agent Authorization Letter*	✓	✓
Small Business Subcontracting Plan*	✓	✓
Factor 1 - Corporate Experience	✗	✓
Factor 2 - Past Performance	Optional	✓
Factor 3 - Quality Control	✓	✓
Factor 4 - Project Experience	✗	✓
Complete Pricing Proposal	✓	✓

*May not apply to all offerors

Important notes:

- » Pricing proposal requirements are identical for both types of offers.
- » Expect GSA to ask for information that is not required by the solicitation.
- » Some Contracting Officers interpret requirements to mean the new offer has to be exactly the same as legacy contract.

You have your new contract, now what?



Don't forget that the price reduction clause still applies to the legacy contract.





Do not accept new orders against the legacy contract.




Close out legacy contract in sales reporting system (72A or TDR) upon final payment.

Final Insights

 As the continuous contract process is new, there can be a lot of inconsistency in how GSA handles and evaluates streamlined offers.

 As a long-time GSA Schedule contract holder, GSA will hold you to a higher standard.

 The process can take longer than you expect. Don't wait until it is too late. You may lose out on business opportunities.

Interested in learning more?

For more detail on the information contained in this eBook, contact our team today.



Jennifer Aubel | 301.231.6253 | jennifer.aubel@aprio.com

Jennifer Aubel is a senior manager in Aprio's Government Contract Services Group. She is responsible for leading clients successfully through the GSA lifecycle—from obtaining a new GSA Schedule contract through administering ongoing contracts. She works closely with clients to custom-tailor GSA Schedule solutions that meet current and future organizational needs by developing scope and pricing strategies, maintaining contract compliance, providing audit support, and improving the profitability and versatility of the GSA Schedule contract. Additionally, Jennifer frequently speaks on GSA Schedule topics at both Aprio and industry-sponsored events and is an active member of the National Contract Management Association.



Hope Lane | 301.231.6266 | hope.lane@aprio.com

Hope Lane, CPA, leads Aprio's Government Contract Consulting practice. With more than 25 years of broad-based experience in the government contracting arena, she is well-known as one of the industry's most knowledgeable thought leaders in contract-related financial compliance and contract administration.

Exclusively focused on government contracting, Hope possesses in-depth understanding and hands-on expertise. Often described by her peers as forward-thinking, Hope is able to go beyond what a client asks for to deliver precisely what they need. As an avid advocate for the government contracting industry, Hope is a guest speaker and lecturer for associations and industry trade groups.

About Aprio

Since 1952, clients throughout the US and across more than 50 countries have trusted Aprio for guidance on how to achieve what's next. As a premier business advisory and CPA firm, Aprio delivers advisory, assurance, tax, outsourcing, staffing and private client services to build value, drive growth, manage risk and protect wealth. With proven expertise and genuine care, Aprio serves individuals and businesses, from promising startups to market leaders alike.