



February 21, 2019

Alan Thomas  
Commissioner, Federal Acquisition Service  
General Services Administration  
1800 F St. NW  
Washington, DC 20405

Matthew Beebe  
Director, Acquisitions  
Defense Logistics Agency  
8725 John J. Kingman Road  
Fort Belvoir, VA 22060-6221

Subject: Products Assigned a GSA Product Service Code

Dear Mr. Thomas and Mr. Beebe,

Thank you for the opportunity to provide additional feedback regarding recent changes in the management of Product Service Codes (PSCs) that are being coordinated between the General Services Administration (GSA) and the Defense Logistics Agency (DLA).

The Coalition for Government Procurement (the Coalition) is a non-profit association of firms selling commercial services and products to the Federal Government. Our members collectively account for a significant percentage of the sales generated through the GSA contracts, including the Multiple Award Schedule (MAS) program, and account for \$9.2 billion in sales generated through DLA contracts. Coalition members are also responsible for many of the commercial item solutions purchased annually by the Federal Government. Coalition members include small, medium, and large business concerns. We are proud to have worked with Government officials for more than 35 years towards the mutual goal of common-sense acquisition.

The Coalition appreciates DLA and GSA for meeting with our members to discuss the removal of products that have been assigned GSA PSCs from DLA contracts. Considering the significant impact of this change for Federal customers and contractors, continued transparency and inclusion of both government and industry stakeholders is critical moving forward. As a follow-up to our January 29, 2019 meeting, we offer the following feedback and questions for your consideration.

### **GSA and Vendor Management of Schedule Items**

It is our understanding that the removal of items with GSA-assigned PSCs from DLA contracts is intended to reduce unnecessary duplicative or redundant efforts between DLA and GSA. Rather than addressing possible duplication of effort, however, Coalition members are concerned that this change risks removing Federal customer's only channel for MilStrip purchasing that is currently available on FedMall. As illustrated in the following chart, MilStrip purchasing provides Federal customers with significant additional value relative to purchases made using a Government Purchase Card (GPC):

Productivity	Time	Compliance
<ul style="list-style-type: none"> <li>• GPC purchasing involves significant non-procurement related efforts. Members report that, on a monthly basis, credit card statement reconciliation and audits can account for between 1-2 weeks of effort.</li> <li>• Federal customers can double or triple their total number of orders in a day by using MilStrip instead of a GPC.</li> <li>• MilStrip provides a higher spending limit relative to a GPC, potentially reducing the number of procurements necessary for Federal customers to satisfy their requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• MilStrip items are pre-vetted and approved.</li> <li>• Higher spending limits reduces the total number of procurements necessary for satisfying a requirement, as well as reduces the number of procurements that are diverted to long cycle contracting.</li> </ul>	<ul style="list-style-type: none"> <li>• Government-to-Government requisitions are inherently safer than commercial acquisitions.</li> <li>• Relative to GPC purchasing, Coalition members report that there is a reduced risk associated with fraud when using MilStrip.</li> <li>• MilStrip eliminates issues related to misuse or errors that can arise from the use of GPC.</li> </ul>

The Coalition would also like to address the issue of having unnecessary and duplicative efforts with DLA and GSA managing the same set of products. Based on our understanding and member feedback, numerous suppliers who offer product on the MilStrip portion of FedMall are offering products under their existing GSA MAS contract. As such, the responsibility for managing these products and the contractual relationship falls squarely on GSA and not on DLA. This arrangement is not demonstrably different than what FedMall does with their two credit card only offerings being the Hosted Content or Marketplace channels. The Coalition requests that DLA continue to allow suppliers to host their GSA MAS products through the MilStrip channel of FedMall as the duplication of efforts argument appears to be overstated.

The ability to order certain items via MilStrip offers greater capabilities compared to GPC orders through GSA sources of supply. It is our understanding that MilStrip orders through FedMall provides customers with faster delivery, detailed data about their orders, and a higher level of security that is extremely valuable to buyers.

Coalition members are concerned that GSA Advantage and GSA Global Supply are not structured to meet DLA customers' mission critical needs at the same level of service that customers have under DLA contracts. We understand that GSA Global Supply's objective is to deliver orders within 3 to 5 business days. Members, however, report difficulties in obtaining the necessary shipping information from GSA which can delay orders well beyond this 3 to 5

business day window. In contrast, members report that when items are ordered via MilStrip on FedMall, delivery regularly occurs within 24 hours.

When items with GSA-assigned PSCs are removed from DLA contracts, FedMall customers are still able to order these items from GSA using a GPC. Our members are concerned, however, that customers' orders will not be received as timely, or with the level of security and the transactional data that they are accustomed to when ordering via MilStrip on FedMall. Ordering items via MilStrip through GSA Global Supply is an option, although in addition to the longer delivery time, we understand that not all vendors impacted by the PSC change have been awarded contracts through GSA Global Supply and it is unclear when the next opportunity to do so will be.

We respectfully request that the Government pause the removal of certain PSCs from DLA contracts to ensure that there will be no gaps in product availability and/or changes in the level of customer service provided to DoD customers in terms of delivery time, the data provided with each order, efficiency, and other factors.

### Questions

The Coalition would also sincerely appreciate any information on the following questions.

- What is the step-by-step process for Federal customers to use MilStrip to fulfill orders on GSA Advantage? What comparative analysis has been conducted to assess how this process compares to the current FedMall process?
- For contractors that do not possess a GSA Global Supply contract, what is the process for accepting MilStrip? Does GSA anticipate opening a Global Supply Request for Quote (RFQ) to enable these contractors to obtain a GSA Global Supply contract?
- How will DLA and GSA address this change with customers, many of whom still do not appear to be aware or informed of its implementation?
- What are DLA's future plans to review additional PSCs? How will the removal of any additional PSCs from FedMall, and instructions about how to purchase these items through GSA contracts, be communicated to Federal customers and contractors?

Thank you for considering industry's feedback and questions regarding the removal of products with GSA PSCs from DLA contracts. If there are any questions, please contact me at (202) 331-0975 or [rwaldron@thecgp.org](mailto:rwaldron@thecgp.org).

Sincerely,



Roger Waldron  
President

cc: Jeff Koses, Senior Procurement Executive, GSA  
LeAntha Sumpter, Director, DPC