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Bulletin

To: Potential GSA MAS Schedule Vendors
From: C. Kelly Kroll, Esq.
Date: June 13, 2012
Re: GSA SIN Close-Out: Get Them While They Are Hot!

GSA PLANS TO CLOSE CERTAIN SPECIAL ITEM NUMBERS UNDER THE MULTIPLE AWARD SCHEDULE PROGRAM TO NEW OFFERORS

Last week the General Services Administration ("GSA") made public its intention to close out certain Special Item Numbers ("SINs") under its popular Multiple Award Schedule ("MAS") program. The SIN's to be eliminated are those that GSA deems to be part of an "ever shrinking market." In his statement to the House Small Business Subcommittee on Contracting and Workforce, Federal Acquisition Service Commissioner Steven J. Kempf noted that current contracting volumes are unduly burdening GSA's acquisition workforce with no or little return, and that this requires a drastic change in GSA's procurement model. Under the new "Demand Based" model, GSA will analyze each SIN and determine the need for new contractors. Those areas that are deemed oversaturated will be closed to new offers for twelve months, at which time the SIN will be reviewed again. Specific examples of "oversaturated areas" noted by Mr. Kempf include SINs related to photographic equipment, promotional materials and awards.

It is GSA's belief that under the Demand Based model, GSA will be able to manage the MAS program in a more cost-effective manner, enabling faster processing of new offers and modifications of existing contracts while providing GSA buyers with a greater focus on price.

Critics of the move have expressed concern over the implementation of this model given the absence of a clear definition of "oversaturated," and uncertainty about notice and timing of SINs to be closed out. GSA's move also raises the prospect that the closure of SINSs would effectively create a secondary market for companies to novate or sell their Schedules to the highest offeror, while others are shut out from the GSA Schedule marketplace.

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This bulletin serves only as a summary of Mr. Kempf's statement and is not intended to be all-inclusive. A copy of Mr. Kempf's statement before the House Small Business Subcommittee can be found at [smbiz.house.gov/UploadedFiles/**Kempf**_Testimony.pdf](https://smbiz.house.gov/UploadedFiles/Kempf_Testimony.pdf). If you need further information or assistance please contact Kelly Kroll at 202-342-2550 or via email at kkroll@cohenmohr.com.