



Issue Brief

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Procurement

NASCIO strives to assist states in their purchasing of hardware, software and other IT-related items and services.

At the **federal level**, NASCIO monitors issues encountered by the states in procuring IT products and services through the General Services Administration's (GSA) purchasing schedules. Congress provided states with the opportunity to use the GSA purchasing schedules for IT products and services in 2002.

At the **state level**, NASCIO assists states in enforcing state IT standards through the state procurement process. The goal of NASCIO's efforts is to assist states in creating consistency and uniformity in IT across the state enterprise for the benefit of citizens.

Maximizing States' Ability to Use the Federal GSA Purchasing Schedules

The states' new ability to utilize the GSA supply schedules allows states with an additional procurement option for IT products and services with benefits including:

- The potential for lower pricing due to volume discounts
- Lessened administrative burden
- Shortened procurement lead-time

In order to take advantage of this new capability, however, states must overcome a number of potential legal and administrative hurdles. These hurdles and potential solutions are described below.

Modification of GSA Contract Terms to Meet State Statutory Requirements

When a state purchases off of the GSA schedule, the terms and conditions of the underlying GSA contract are incorporated by reference in the state's contract with the GSA schedule contractor. States may add terms and conditions to their contracts if they are required by statute, regulation, ordinance or order to the extent that they do not conflict with the GSA schedule terms and conditions. However, if a required state term or condition conflicts with a GSA term, then a state cannot purchase off of the GSA schedule. **NASCIO supports states' ability to incorporate terms and conditions that are required by statute, regulation, ordinance or order, even if they conflict with GSA terms and conditions. GSA may consider implementation of a process for approval of conflicting terms and conditions on a case-by-case basis.**

GSA Administrative Fee

The pricing of supplies and services available on schedule contracts include a .75% administrative fee to cover the costs incurred by GSA to operate the schedule program. However, there should be little or no additional

workload required of GSA to enable states' use of the schedules. Use of the GSA schedules also should not cost the states more than what they could achieve by "piggybacking" on a federal contract (i.e. adopt it and make it a state contract). **Hence, NASCIO supports a waiver of the GSA administrative fee as it applies to state government.**

Voluntary Use of Schedules by Contractors

Under the E-Government Act of 2002, participation in purchasing off of the GSA schedules is strictly voluntary. However, schedule contractors have a 5-day period in which to decline or accept a state's order. **NASCIO supports the position that, once a contract is opened for state use with the concurrence of the contractor, it should remain open for the entire contract engagement to avoid contractors' "cherry picking" the business they would like to pursue.**

NASCIO's State Procurement Philosophy—Enforcement of State IT Standards Through the Procurement Process

As a general principle, NASCIO members believe that information should be leveraged and supported by coordinated, integrated solutions at the local, state and federal levels. Standards to promote coordinated, integrated IT solutions across the state enterprise are the key to providing seamless government services to citizens no matter which state agencies are involved.

NASCIO encourages policymakers to support the state CIO's ability to enforce state IT-related standards through the IT procurement process. Statewide standards also should be required elements of procurement RFPs (Requests for Proposal) to promote compliance.

By adopting this procurement philosophy at all levels of government, we can promote more seamless government solutions and services for the citizenry.

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