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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

RICHARD J. KESSLER, STAFF DIRECTOR
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May 14, 2013

The Honorable Gene L. Dodaro
Comptroller General of the United States
United States Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Dodaro:

The Federal Supply Schedule programs at the General Services Administration (GSA) and Department of Veterans Affairs (VA) are designed to provide the government with a simplified method of purchasing commercial items at prices associated with volume buying. These schedules can be a valuable tool for the government to execute its business in an efficient manner.

In the current fiscal environment, the government must take every advantage of potential discounts offered through volume purchasing and strive to maximize competition for every purchase to help ensure the most efficient and effective use of taxpayer dollars. I am concerned federal agencies may not be taking appropriate steps, including the use of competition, to ensure that it receives the best possible prices. I therefore request that GAO review the following:

- (1) What is the extent of competition for task or delivery orders on GSA and VA's schedule programs, including orders where only one bid was received?
- (2) To what extent are agencies meeting the requirement to take steps designed to ensure receipt of at least three bids from schedule contractors? In cases where they do not obtain three bids, are contracting officers taking the appropriate steps to clearly document the efforts made to obtain three quotes?
- (3) What is the primary reason that orders are not competed on the schedules?
- (4) What are the facts and circumstances around selected noncompetitive orders? What techniques did the government use to determine that the prices established for selected noncompetitive task orders represent the best value for the government?
- (5) What analysis do GSA and the VA do to determine that the prices or rates established on the base schedule contracts are fair and reasonable? Are ordering contracting officers seeking discounts from the schedule prices?

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Thank you for your consideration of this request. Please contact Margaret Daum with the Subcommittee staff at (202) 224-7061 with any questions. Please send any official correspondence related to this request to Lauren Corcoran at Lauren_Corcoran@hsgac.senate.gov.

Sincerely,



Claire McCaskill
Chairman
Subcommittee on Financial and
Contracting Oversight



Ron Johnson
Ranking Member
Subcommittee on Financial and
Contracting Oversight