



*Set-Aside Alert*TM

Contracting News from Set-Aside Alert

June 17, 2013

News-Analysis: GSA owes \$3 million to cancelled schedules contractors

By Alice Lipowicz, editor

The General Services Administration's multiple-award schedules were in the headlines recently, and not in a good way.

In response to a House committee investigation, the GSA said it owed \$3 million to 1,281 small contractors it had removed from schedules due to lack of sales.

The payments were due under the GSA's minimum guaranteed payment clause, Federal Acquisition Service Commissioner Thomas Sharpe wrote.

"It became clear that GSA was not adhering to its own contracts and had not paid the required termination costs to small businesses for at least five years," Rep. Sam Graves, R-MO, chair of the House Small Business Committee, wrote in a news release on May 16.

It was bad publicity for GSA, for sure. But something seemed missing; a fuller explanation was needed. Let's take a closer look.

The payments owed arose from schedules contract clause I-FSS-106 offering up to \$2,500 to contractors cancelled for lack of sales.

If small businesses were underpaid by \$2,500 each, and this went on for five years, why was no one screaming about it?