

# Fixing the GSA: How Modern Solutions Can End Wasteful Government Spending

From the upcoming book: *“Common Sense in Government Purchases”*

## Executive Summary

The General Services Administration (GSA) manages over \$100 billion in federal procurement, yet the current system is plagued by inefficiency, hidden costs, and outdated processes that waste taxpayer money while frustrating businesses and government agencies alike. Our three-phase solution addresses these fundamental problems by modernizing the procurement process, eliminating unnecessary middlemen, and creating transparency that benefits everyone.

**The Bottom Line:** The current GSA system forces agencies to work around it 65% of the time, creates weeks of administrative delays for simple changes, and hides the true cost of government purchases. Our solution can automate these processes, provide absolute transparency, and save billions while making it easier for businesses to work with the government.

## The Broken Status Quo - Where Your Tax Dollars Go to Die

### The Scale of the Problem

Right now, GSA pricing only covers 35% of federal contracts at agencies like the VA. Think about that - the system designed to provide efficient, cost-effective procurement is so cumbersome that agencies avoid it two-thirds of the time. Instead, they resort to last-minute, less competitive purchasing methods, especially in the final months of the fiscal year when budgets need to be spent quickly.

### Administrative Nightmare

The current modification process is a perfect example of government inefficiency. When a company needs to make a simple change, such as updating their pricing by 5% due to inflation, it can take 30 to 90 days for GSA to process. Contract officers spend weeks reviewing documents, nitpicking over decimal points and cover letter formatting, while real business needs go unmet.

Consider this: each contract officer manages about 200 contracts. If each modification takes a week to process, and a simple price change could be automated to take an hour, we're talking about massive productivity gains. But more importantly, we're talking about responsive government that serves the people who need these services.

### The Middleman Problem

Despite executive orders calling for direct purchasing from manufacturers, GSA has moved in the opposite direction. Instead of negotiating directly with companies like Microsoft and Adobe, they've routed these deals through middlemen like Carousell. This means taxpayers pay extra fees for no added value, while the government claims credit for "negotiating great deals."

It's like going to a car dealership and paying an extra fee to have someone else talk to the salesperson for you - except in this case, it's your money being wasted, not the bureaucrat's.

## **Data Collection Disaster**

After six years of trying, GSA has collected only 10,000 lines of labor category data. That's not nearly enough to make informed purchasing decisions for an organization that manages billions in spending. They can tell you that Microsoft has a license listed at \$50, but they have no idea if the Department of Agriculture is paying \$5 per license because there's no reporting between the contract and the actual purchase.

This lack of data means government agencies can't negotiate better deals, can't identify wasteful spending, and can't make strategic decisions about future purchases.

## **How Businesses Get Hurt by the Current System**

### **The Vendor Nightmare**

Getting on a GSA schedule should be straightforward for qualified businesses. Instead, it's become a bureaucratic maze that can take months or years to navigate. Small and medium enterprises often struggle to afford the consultants and legal fees needed to navigate the process. At the same time, larger companies find the system so outdated that some, like Amazon, choose not to work within it.

### **Modification Madness**

Once a business is on the GSA schedule, any change becomes an ordeal. Want to add a new product? Expect weeks of back-and-forth with contract officers. Need to adjust pricing for economic conditions? Prepare for months of delays. This makes it nearly impossible for businesses to be responsive to market conditions or customer needs.

A typical scenario: A software company wants to add a new cybersecurity product to their GSA schedule. They submit the modification with all required documentation. Weeks later, they get feedback about formatting issues in their cover letter. They resubmit. More weeks pass. Finally, they get substantive feedback about the technical specifications. By the time the modification is approved, the product they wanted to add may already be outdated.

### **Competitive Disadvantage**

The current system rewards companies that are good at navigating bureaucracy rather than those that provide the best products or services. A company with excellent products but limited experience with GSA paperwork will struggle, while a mediocre company with good government relations consultants will thrive.

This creates a market distortion where the government doesn't get the best value, businesses don't compete on merit, and administrative barriers stifle innovation.

### **Lost Opportunities**

Many excellent businesses simply give up on government contracts because the GSA process is too burdensome. This means government agencies miss out on innovative solutions, competitive pricing, and the economic benefits of a truly open marketplace.

The ripple effect extends beyond individual businesses. When the best companies avoid government work, entire industries become less competitive in the public sector, leading to higher prices and lower quality across the board.

## **Government Agencies and Taxpayers Pay the Price**

### **Forced Workarounds**

When GSA schedules don't meet agency needs or take too long to navigate, agencies find workarounds. The VA's admission that GSA pricing covers only 35% of their contracts reveals a system that's fundamentally failing its primary purpose. These workarounds often involve:

- Last-minute purchasing with less competitive pricing
- Emergency procurements that bypass normal competitive processes
- Paying premium prices for urgent needs that could have been planned better
- Administrative overhead to manage multiple procurement methods

### **Hidden Costs Everywhere**

The current system hides true costs in multiple ways. When GSA routes a deal through a middleman like Carousell instead of going directly to Microsoft, taxpayers pay extra fees that don't appear in the headline price. When contract officers spend weeks processing simple modifications, those salary costs are hidden in administrative budgets rather than attributed to procurement inefficiency.

Even more costly are the opportunity costs. When government agencies can't quickly adapt their technology purchases to address cybersecurity threats or operational needs, the cost of that delay can be measured in compromised systems, reduced productivity, and missed opportunities to serve citizens better.

### **The State and Local Impact**

State and local governments often rely on federal funding, which means they're required to use GSA schedules for many purchases. However, the current system's inefficiencies get passed down to these entities, which often have even less capacity to navigate complex federal procurement rules.

A school district trying to upgrade their computer lab with federal education funding might wait months for GSA processing while their students fall further behind. A state emergency management agency might struggle to quickly procure equipment during a natural disaster because of federal procurement requirements tied to disaster relief funding.

### **Accountability Vacuum**

Perhaps most frustrating for taxpayers is the lack of transparency and accountability. GSA operates as an independent agency, making money from fees charged on transactions while avoiding the oversight that other agencies face. They can announce "great deals" without providing data on whether anyone uses them or saves money.

The current administrator is the third acting administrator in recent years, suggesting leadership instability that makes it difficult to implement meaningful reforms. Meanwhile, the fundamental problems persist regardless of who's in charge, because the system itself is broken.

## **Our Three-Phase Solution - Modern Technology for Modern Government**

### **Phase 1: Streamlining GSA Schedule Access**

Our first phase focuses on helping businesses navigate the GSA schedule process efficiently. Instead of the current months-long bureaucratic maze, we've created a system that:

- **Automates documentation preparation** - Our software guides businesses through the requirements, ensuring submissions are complete and properly formatted the first time
- **Provides real-time status tracking** - Companies can see exactly where their application stands and what actions are needed
- **Reduces rejection rates** - By catching common errors before submission, we eliminate the time-wasting back-and-forth that currently plagues the system.
- **Creates a knowledge base** - Our system learns from successful applications to make the process smoother for future applicants

Think of it as TurboTax for GSA schedules - complex government requirements made simple through smart software.

### **Phase 2: Automated Contract Management**

The second phase tackles the modification nightmare by automating routine contract changes:

- **Smart modification processing** - When a vendor needs to change pricing or add products, our system validates the changes against contract terms and regulations automatically
- **Instant compliance checking** - Instead of having contract officers manually review formatting and regulatory compliance, our software does it instantly
- **Exception-based review** - Only truly complex or unusual modifications require human review, allowing contract officers to focus on high-value negotiations rather than administrative tasks
- **Audit trail creation** - Every change is automatically documented, creating transparency and accountability

This is similar to how Amazon allows sellers to update their listings - simple changes happen automatically, while complex issues get human attention.

### **Phase 3: Buyer-Side Marketplace**

The third phase creates a modern e-commerce experience for government purchasers:

- **Transparent pricing comparison** - Buyers can see actual costs, not just list prices, and compare options across vendors
- **Real usage data** - Agencies can see what similar organizations are buying and at what prices
- **Streamlined ordering** - Simple purchases can be completed online without lengthy procurement processes
- **Analytics and insights** - Purchasing managers get data to make better strategic decisions about vendor relationships and contract negotiations

## The Technology Foundation

Our solution is built on modern cloud infrastructure with enterprise-grade security. We're not trying to fix GSA's antiquated systems - we're building new systems that work the way modern businesses and government agencies actually operate.

### The platform includes:

- **Entity resolution technology** that can manage detailed line items across thousands of contracts
- **Machine learning algorithms** that improve the system's accuracy over time
- **Integration capabilities** that work with existing government and business systems
- **Mobile-responsive design** that works for users in the field or in the office

## Benefits for Everyone - A Win-Win-Win Solution

### Benefits for Businesses

**Faster Time to Market:** By avoiding the months-long wait for GSA schedules or modifications, businesses can respond to market opportunities in days or weeks.

**Reduced Administrative Costs:** Companies can redirect resources from navigating bureaucracy to developing better products and services.

**Level Playing Field:** Small and medium businesses can compete more effectively when the playing field isn't tilted toward those with the best government relations consultants.

**Predictable Processes:** Businesses can plan their government sales strategies around reliable timelines instead of bureaucratic uncertainty.

**Access to Better Data:** Vendors can understand market demand and pricing trends to make better business decisions.

### Benefits for Government Agencies

**Real Cost Savings:** Direct purchasing eliminates middleman fees, while competition drives down prices across the board.

**Faster Response to Needs:** When urgent requirements arise, agencies can procure solutions quickly rather than waiting months for bureaucratic processing.

**Better Purchasing Decisions:** Access to real usage and pricing data enables agencies to negotiate better deals and select the most suitable vendors.

**Reduced Administrative Burden:** Procurement staff can focus on strategic purchasing rather than paperwork processing.

**Improved Accountability:** Complete audit trails and transparent pricing data make it easier to demonstrate responsible spending of taxpayer funds.

### Benefits for Taxpayers and Society

**Transparency:** Citizens can see how their tax dollars are spent and whether the government is getting good value.

**Innovation:** When the best companies can easily work with the government, citizens benefit from cutting-edge solutions to public challenges.

**Economic Efficiency:** A more competitive government marketplace benefits the entire economy by rewarding the most efficient businesses.

**Better Public Services:** When government agencies can quickly procure the tools they need, they can better serve citizens.

**Reduced Waste:** By eliminating unnecessary administrative processes and middleman fees, more tax dollars are allocated to actual services rather than bureaucratic overhead.

### The Broader Impact

Our solution supports broader government modernization efforts by demonstrating that technology can make government more efficient and responsive. Success in GSA procurement reform could serve as a model for other areas where outdated systems waste taxpayer money and frustrate citizens and businesses.

The system also supports the executive order's goal of direct purchasing by making it easier for the government to work directly with manufacturers and service providers rather than through unnecessary intermediaries.

### Conclusion: The Time for Change is Now

The current GSA system is a relic of a bygone era - one where information was scarce, communication was slow, and technology couldn't handle complex transactions. Today, we have the tools to create government procurement that's faster, cheaper, more transparent, and more effective than ever before.

Our solution doesn't require GSA to completely overhaul its systems overnight. Instead, it provides immediate benefits while creating a pathway toward comprehensive modernization. Businesses get easier access to government markets, agencies get better value and faster service, and taxpayers get the transparent, efficient government they deserve.

The question isn't whether we can fix these problems - the technology exists and the benefits are clear. The question is whether we have the will to implement common-sense solutions that serve everyone's interests rather than protecting the bureaucratic status quo.

With new leadership at GSA and growing public demand for government efficiency, this is the moment to implement real change. The alternative is continuing to waste billions of taxpayer dollars on a system that satisfies no one except the bureaucrats and middlemen who pro

fit from its complexity.

The choice is clear: we can continue with costly, slow, opaque government procurement, or we can embrace the transparency, efficiency, and accountability that modern technology makes possible. For the sake of businesses, government agencies, and taxpayers alike, it's time to choose progress.