



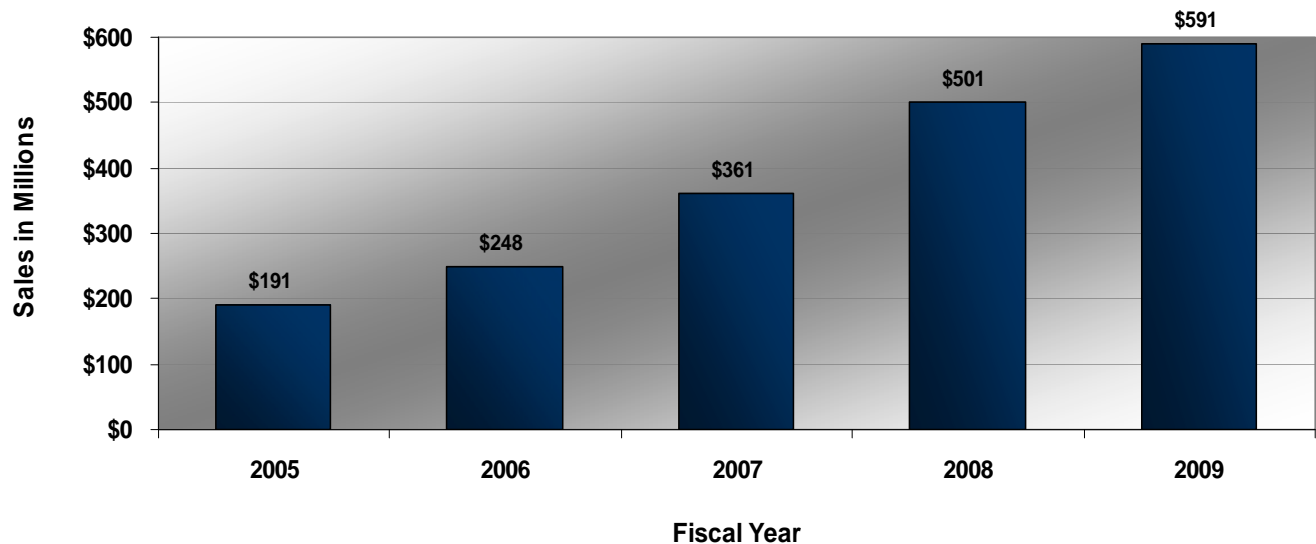
GSA Schedule Contract Cooperative Purchasing

Cooperative Purchasing – An Overview

Until the introduction of Cooperative Purchasing in 2003, use of the GSA Schedule Contract vehicle was restricted to federal government purchasers only. Cooperative Purchasing allows for state and local government entities to utilize designated GSA Schedules. Cooperative Purchasing was first extended to the GSA Information Technology (IT) Schedule 70 Contract, as well as IT Special Item Numbers (SINs) awarded under the Consolidated Schedule. Beginning in September of 2008, Cooperative Purchasing was further expanded to include Schedule 84, Total Solutions for Law Enforcement.

The chart below provides a five year snapshot of Cooperative Purchasing sales through the GSA Schedules from fiscal year 2005 through fiscal year 2009. Cooperative Purchasing sales have steadily increased since the program's enactment, as state and local government agencies become more familiar with the program. As illustrated in the chart below, Cooperative Purchasing sales more than tripled from fiscal year 2005 to fiscal year 2009 to reach over \$591 million. Cooperative Purchasing sales are expected to continue on this upward course, especially since the addition of Schedule 84.

Cooperative Purchasing Sales Through the GSA Schedule Contract

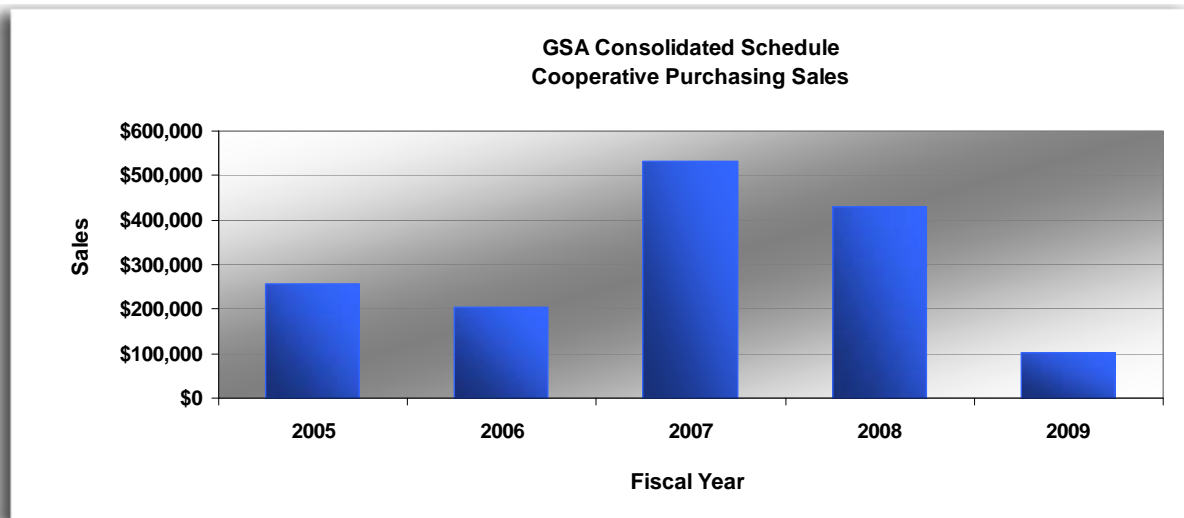
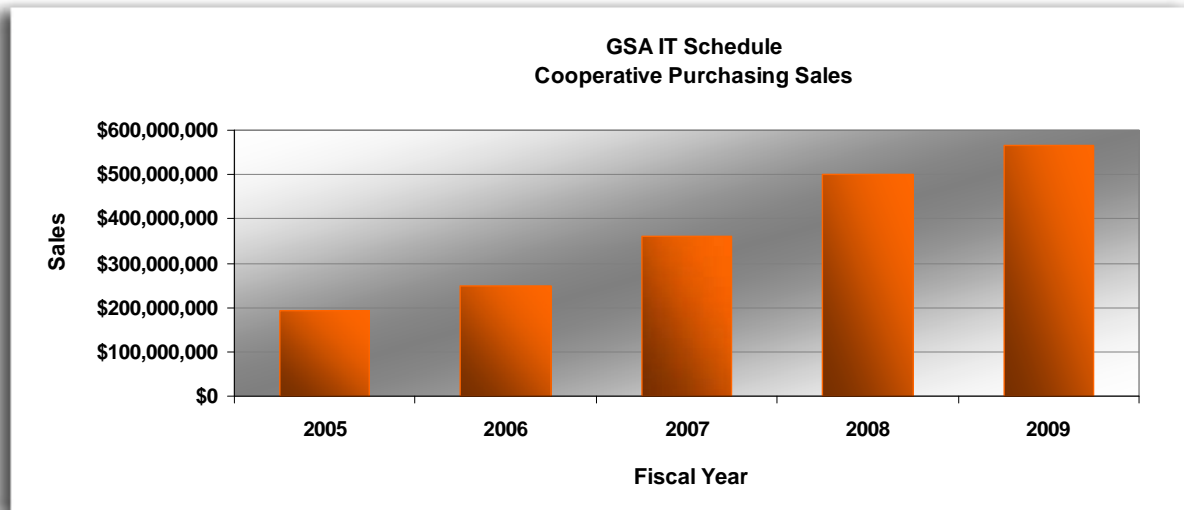




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Where is the Money Going?

The following charts provide a five-year snapshot of Cooperative Purchasing sales through the GSA IT Schedule and GSA Consolidated Schedule. As the charts illustrate, Cooperative Purchasing sales under the IT Schedule have increased steadily, reaching nearly \$600 million in fiscal year 2009. Cooperative Purchasing sales under the Consolidated Schedule have fluctuated, consistently accounting for less than half a percent of total Cooperative Purchasing sales.



While Cooperative Purchasing was not extended to GSA Schedule 84 until the last quarter of fiscal year 2008, the Schedule experienced over \$750,000 in Cooperative Purchasing sales before the year end. By fiscal year 2009 Schedule 84 Contract holders took in over \$24.5 million in Cooperative Purchasing sales, accounting for over 4% of total Cooperative Purchasing sales in just a little over a year. While the IT Schedule will most likely continue to make up the majority of Cooperative Purchasing sales, look for an increase in Schedule 84 Cooperative Purchasing sales over the next few years.



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What Are State & Local Governments Purchasing?

To provide a general overview of what state and local governments are purchasing under the GSA Schedules, we have taken Cooperative Purchasing sales data from fiscal year 2009 to provide a breakdown of the top ten categories, or Special Item Numbers (SINs), under GSA Schedule 70 and Schedule 84.

Wireless service provides by far took in the most business from state and local government buyers under the GSA Schedule Contract. Perpetual software licenses, IT professional services, and maintenance of software as a service all followed number one, each taking in over \$90 million in state and local government sales.

Under GSA Schedule 84, contractors offering bomb disposal equipment, and equipment for detecting and/or protecting against hazardous materials took the lead with the highest sales to state and local government buyers. In addition to being the first full year Schedule 84 was eligible for Cooperative Purchasing, Schedule 84 SINs, for the most part, cover a much narrower set of products and services in comparison to SINs under the GSA IT Schedule which are extremely broad in nature.

2009 SIN Breakdown of Schedule 70 Cooperative Purchasing Sales

Special Item Number (SIN)	SIN Description	Cooperative Purchasing Sales
132 53	Wireless Services	\$164,034,776
132 33	Perpetual Software License	\$94,993,836
132 51	IT Professional Services	\$92,014,074
132 34	Maintenance of Software as a Service	\$91,193,200
132 8	New Equipment: Broad Range of IT related equipment	\$51,191,477
132 12	Maintenance of Equipment, Repair Services and/or Repair/Spare Parts	\$42,985,092
132 50	Training Course	\$12,138,074
132 32	Term Software License	\$11,063,498
132 52	Electronic Commerce Services	\$4,326,428
132 3	Leasing of Products	\$2,285,238

2009 SIN Breakdown of Schedule 84 Cooperative Purchasing Sales

Special Item Number (SIN)	SIN Description	Cooperative Purchasing Sales
426 4E	Bomb Disposal & Hazardous Material Protective & Detective Equipment	\$5,074,730
426 4M	Drug Testing Equipment & Kits	\$3,188,029
260 01	Powered Boats	\$2,815,248
426 4S	Surveillance Systems: CCTV, Vehicular Video, Observation Towers, etc.	\$1,782,973
426 1D	Restraining Equipment	\$1,435,444
426 4K	Metal & Bomb Detection Equipment	\$1,301,597
246 54	Protective Service Occupations: Security Guards, Detection Dog Handlers, etc.	\$1,249,633
246 42 1	Facility Management Systems: Computerized Systems for Surveillance, Monitoring & Controlling Security Functions	\$883,898
633 50	Industrial Work Shirts & Pants	\$588,127
246 51	Installation of Security/Facility Management Systems Requiring Construction	\$541,800