

Industry Day 2011

March 22 - 24

# CONTRACTOR TEAM ARRANGEMENTS

## Definition

Two or more GSA Schedule contractors work together, by complementing each other's capabilities, to offer a total solution to meet an ordering activity's requirement.

# Create a Win-win Situation

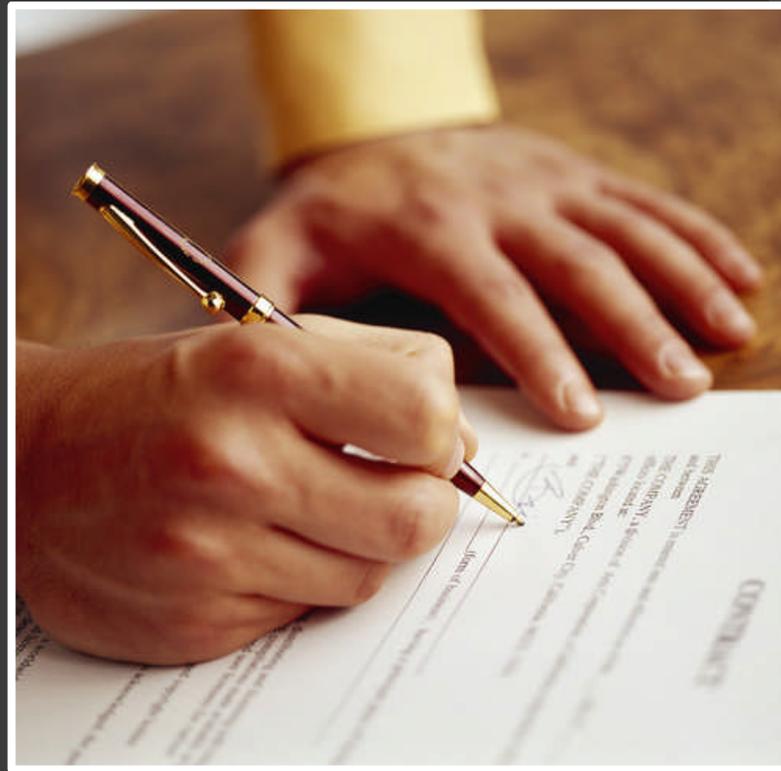
- ◎ GSA Schedule Contractors: May compete for Schedule orders for which they may not independently qualify.
- ◎ Ordering Activities: May procure a total solution rather than making separate buys for each part of the requirement.

# ELEMENTS OF A CONTRACTOR TEAM ARRANGEMENT (CTA) DOCUMENT

**Are You Ready For Some.....Basketball!?**

# Signing Players to Contracts

- ⦿ Determine the piece you are missing – maybe a big man
- ⦿ Go get him!
- ⦿ Create a complete, polished final product

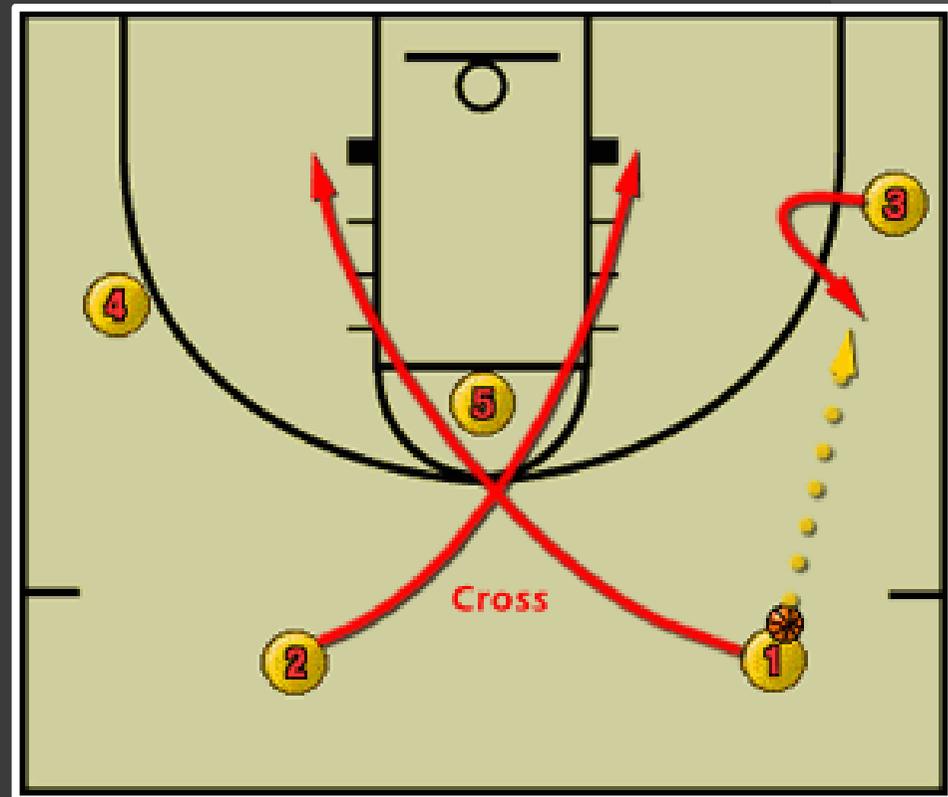


# Identification of Parties

The CTA document should always be put in writing and signed by each participating GSA Schedule contractor. Each member should be identified by name, address, GSA Schedule contract number, telephone number, and Point of Contact (POC). The CTA document should also state the name, identity, and POC for the team lead. The name and address of the government contracting agency should be included and the primary points of contact at the government for specific needs should be identified.

# Practice

- Teams must practice their plays and defenses
- This allows them to know their responsibilities
- Work as a team



## Specific Team Activities

The CTA document should state the various types of activities that will be incorporated into the team arrangement and who is the primary party responsible for the particular activity.

# The Season

- The team stays together for the season
- At the end of the year, you reevaluate
- Some teams stay together, others go their own ways



# Duration of Agreement

The duration of the team arrangement should be specified, including any options and how the options will work.

# Trading Players

- ◉ Sometimes a team must replace one or more of its players
- ◉ Trades must comply with NBA rules – salary cap, contract restrictions, etc.



# Replacement of Team Members

The CTA document addresses the circumstances and procedures for replacement of team members. It should also state that the team shall obtain the approval of the government prior to replacement of members.

# Rules of the Game

- Rules are determined before the game is actually played
- All parties must agree to and play by the same rules – Fouls, time limits, etc.



## Terms of Arrangement

The terms of the CTA should define the whole course of the project. The CTA document should specify the duration, the players, the responsibilities, and the limitations of the various players.

# The Arena

- ◎ Fans need certain assurances before attending a basketball game
- ◎ The need to be guaranteed:
  - A game is played
  - Certain services will be available (restrooms, concessions, etc.)
  - Set Prices



# Team Ordering Procedures

The CTA document should list the supplies/services and pricing and note that all prices charged to the government are at or below GSA Schedule contract prices.

# The NBA Draft

- ① The draft was established to address team needs
- ① Ideally there would be no need for free agents on the “open market”
- ① Concept of CTAs is to eliminate open market items



## List of Open Market Items

The wide range of supplies and services offered by GSA Schedule contractors should make the need for open market items minimal. Should open market items be required, however, all such items must be clearly identified as "open market" items, in accordance with Federal Acquisition Regulation (FAR) 8.402(f).

# The Star Player

- Leads the team
- Takes on major tasks
- Is responsible for team performance



## Responsibilities of Team Lead

The CTA document should outline and specify the duties of the designated team lead at each phase of the project.

# Game Plan

- ⦿ Putting together the individual pieces to have a successful strategy
- ⦿ Each player given a role
- ⦿ Teamwork allows for success and a win



## Responsibilities of Team Members

The CTA document should specify and describe the individual duties of the team members.

# Ticket Office

- Set prices
- Determine different prices for different seats
- Assess fees
- Explain charges to customers



## Pricing and Costs

The CTA document should specify unit prices or hourly rates and how pricing is calculated. If there is a project management fee divided within the team, it should be specified. If there are any award or incentive fees, the CTA document should explain how they will be divided within the team.

# Free Agents

- Players allowed to sign with any team they want
- The team does not “own” its players, but each is responsible for themselves

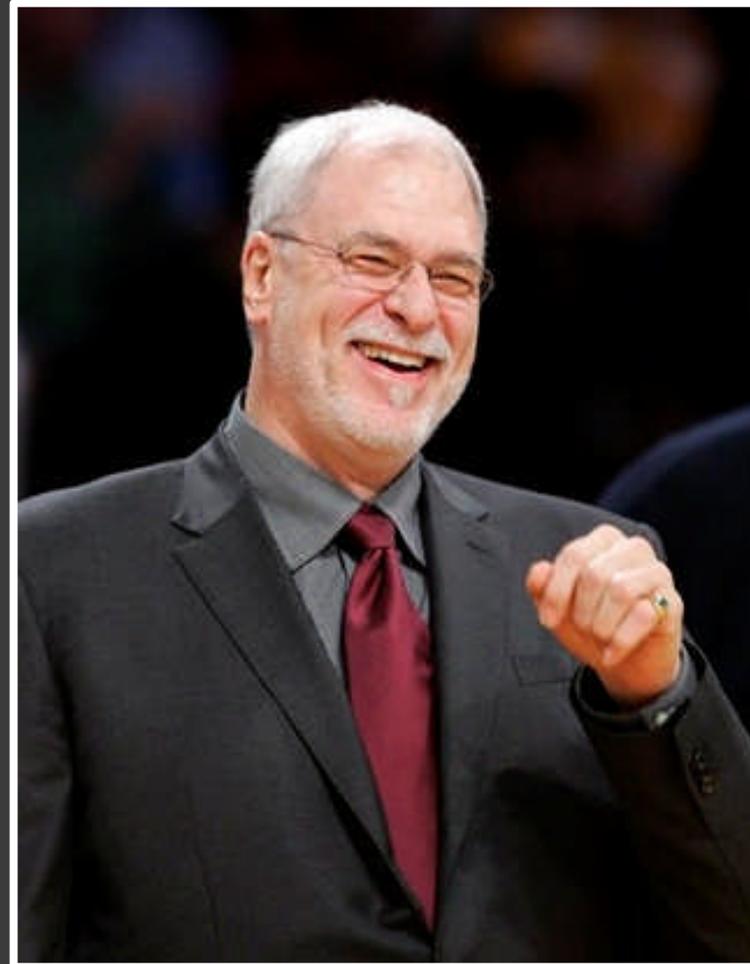


# Independent Contractors

The CTA document should state that all team members remain independent contractors, responsible for their own employees.

# Head Coach

- ⦿ Holds players accountable for their performance
- ⦿ Makes sure that individual roles are taken care of
- ⦿ Ensures delivery of a good product



## Delivery Responsibility

The CTA document should state whether the team lead or each team member is responsible for a particular part of the project, so that delivery responsibility is clearly established.

# General Manager

- ⦿ Responsible for paying the players and coaches
- ⦿ Pays players as individuals, not collectively as a team

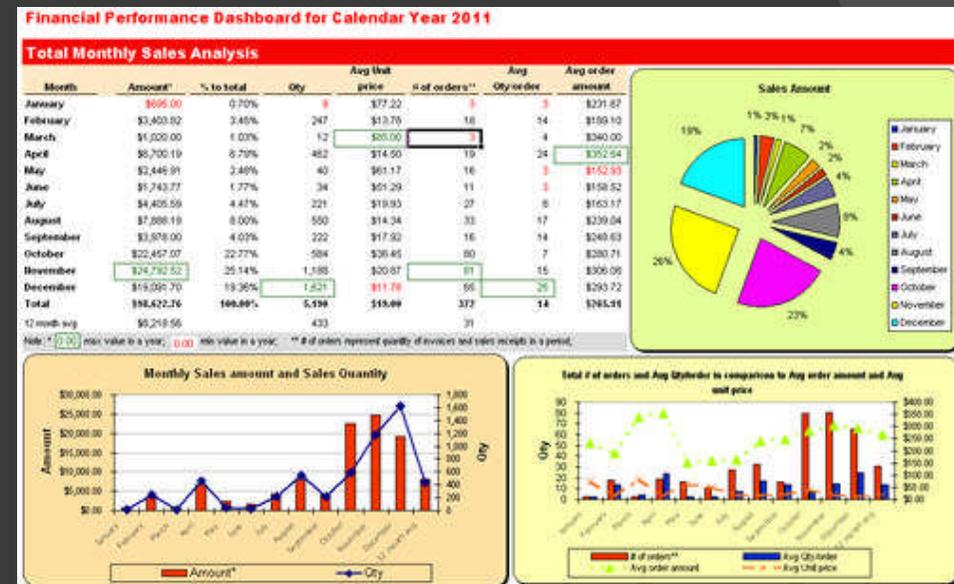


# Invoicing and Payment

The CTA document should designate who is responsible for invoicing and payment. The team lead may submit an invoice on behalf of all team members, but GSA recommends payment be made to each team member.

# Sales Reporting

- Teams report sales up to the NBA
- A fee is collected from the fans by the teams on behalf of the NBA for administrative duties, marketing, etc.

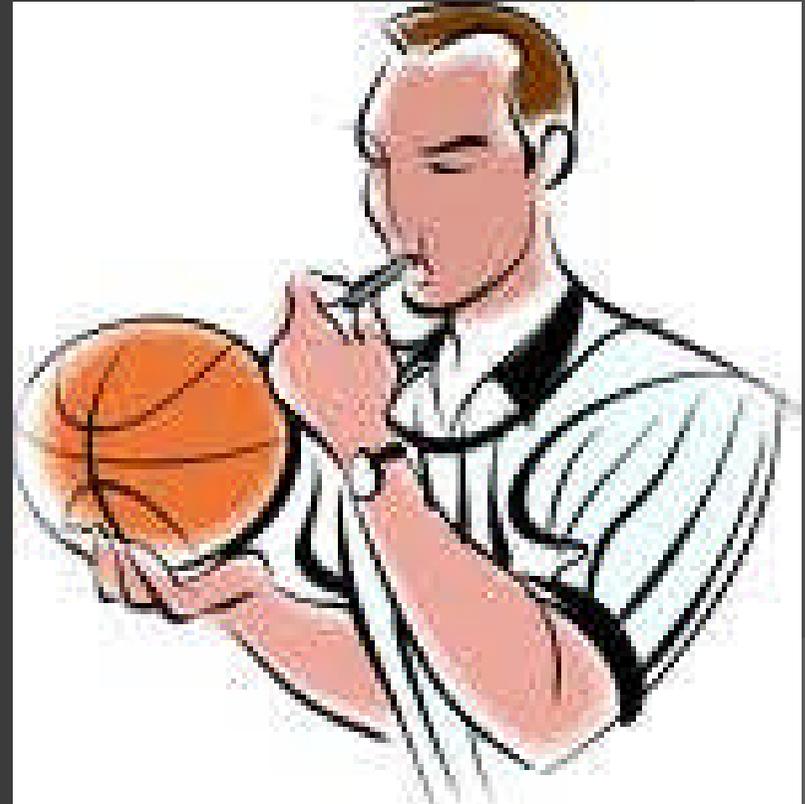


## Reporting of Sales and IFF

The CTA document should specify that each contractor is responsible for reporting its own sales and IFF. Each team member will track sales all the way through the system by contract number to respond to the reporting requirements.

# The Referee

- ⦿ Responsible for enforcing rules and ensuring a consistent game
- ⦿ Corrects players with fouls
- ⦿ Compensates the other team with foul shots or the ball



# Warranties

The CTA document should designate who is responsible for resolving such warranty issues as who should the government contact and when; who will come in and correct the problem; and how will compensation be made within the team.

# Recording Fouls

- ⦿ Players assigned fouls individually and as a team
- ⦿ Tracks who is liable for certain actions

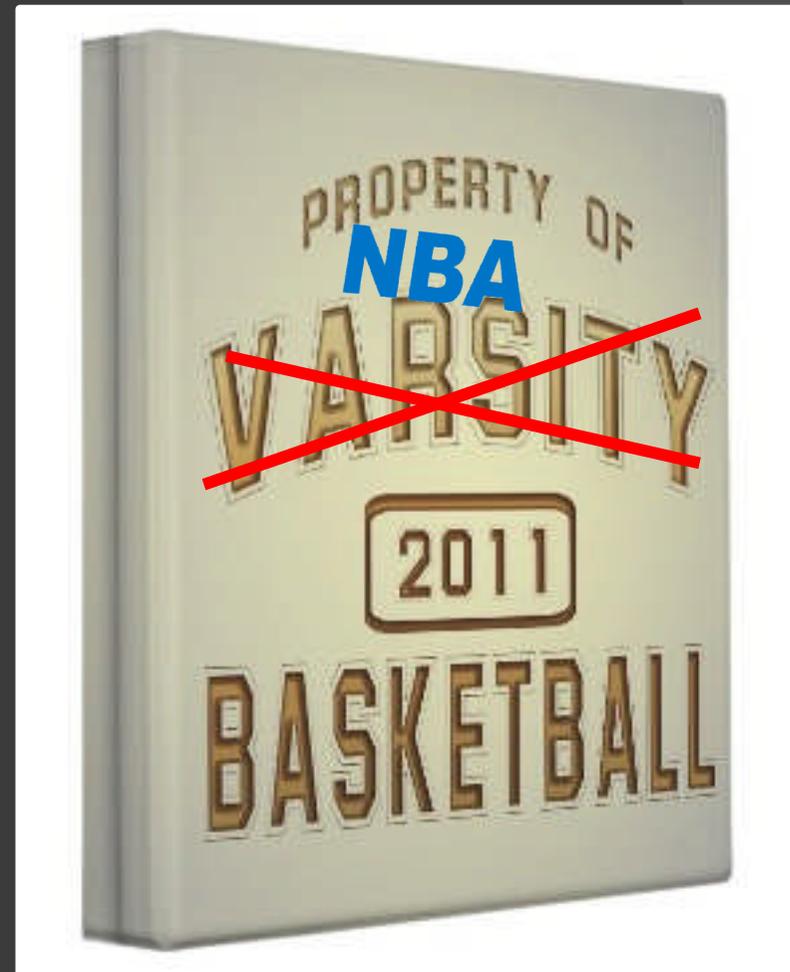


# Liabilities

The CTA document should address each team member's responsibilities and performance requirements so that liability is clearly established

# Playbook

- ⦿ Proprietary team information
- ⦿ Must be protected – affects ability to compete
- ⦿ Team must clearly communicate how to handle this info

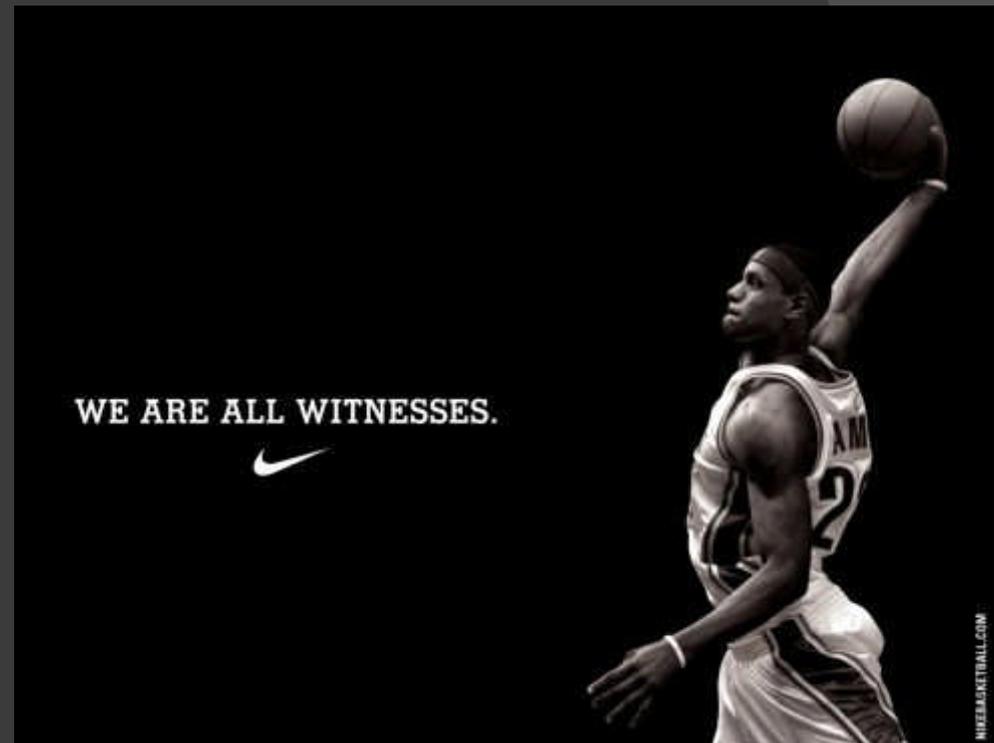


# Confidential Information

The CTA document should identify any proprietary information and specify how such information will be handled.

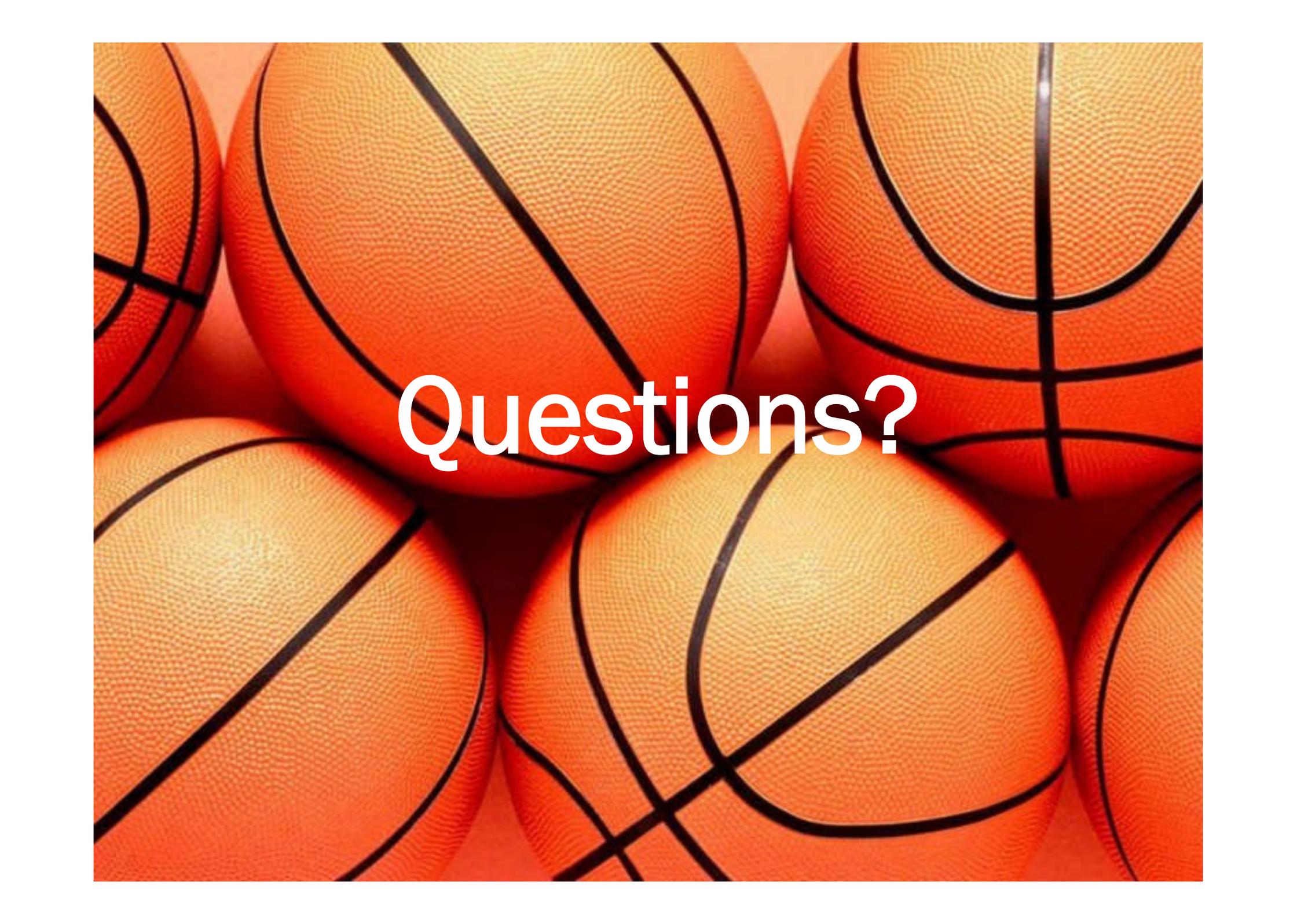
# Endorsement Deals

- ⦿ LeBron is sponsored by Nike
- ⦿ He cannot start a relationship with Reebok or Adidas
- ⦿ It would jeopardize his initial relationship



## Legal Relationship

The CTA document should not create a joint venture or separate subsidiary.



Questions?