



U.S. General Services Administration

May 28, 2025

[Name]  
[Title]  
[Firm]  
[Address]

Dear [Name]:

Re: Value-Added Reseller (VAR) Spend Review

As you may be aware, we, alongside our partner agencies, have been reviewing all contracts with the federal government. Notably, the U.S. Government procures approximately \$82 billion annually in IT products and services. Historically complex procurement processes have led to excessive markups and increased costs to the taxpayer while also delaying delivery. This must change.

In accordance with Executive Order 14271: Ensuring Commercial, Cost-Effective Solutions in Federal Contracts, dated April 16, 2025, we are prioritizing commercial off-the-shelf (COTS) products and services and seeking opportunities to buy direct from Original Equipment Manufacturers (OEMs) where possible in order to reduce the total cost to the U.S. taxpayer. Simplifying procurement processes is critical especially in light of the nation's balance sheet.

As part of this exercise, we are auditing IT product and services contracts and the associated mark-ups from Value-Added Resellers (VARs). We are therefore requesting a detailed breakdown on all open contracts that includes OEM costs, VAR mark-ups and any additional fees for transparency. We intend to explore using this input as a scorecard to potentially establish a mark-up cap or other spend controls on OEM or vendor costs moving forward.

In order to aid in your analysis, we have included the attached Excel template that you should use in preparation of your submission.

In completing your scorecard, please adhere to the following requirements:

- All Federal Contracts -- This exercise should be for all contracts government-wide, and not just GSA contracts and vehicles. Your firm should take the initiative to seek any agency disclosure approvals if needed. If there is

a specific reason that a certain project cannot be included, please provide an explanation.

- Identify Waste, Synergy and Savings Opportunities -- Evaluate whether the offered pricing is appropriate given best commercial industry comparables. In addition, identify opportunities to reduce mark-ups or product costs to align with the Administration's cost cutting goals on open contracts through consolidated buys or other mechanics.

In order to strengthen the go forward relationship, it is imperative that you respond clearly and transparently, lean into developing taxpayer friendly pricing, and offer market discounts and creative solutions as appropriate.

Please submit your scorecard utilizing the attached template to [caseassistantcommissioner@gsa.gov](mailto:caseassistantcommissioner@gsa.gov) no later than 5 p.m. EST, on June 11, 2025. Should you have any questions, please also send them to this email inbox, or you may contact the FAS Commissioner, Josh Gruenbaum, at [josh.gruenbaum@gsa.gov](mailto:josh.gruenbaum@gsa.gov).

Thank you in advance for your prompt attention to this matter and we look forward to receiving your detailed response.

Sincerely,

A handwritten signature in black ink that reads "Josh Gruenbaum". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Josh Gruenbaum  
FAS Commissioner

Enclosure