

New GSA Pricing Rule Met with Wariness from Industry

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The General Service Administration's (GSA) proposal to amend acquisition rules to collect contractor pricing information is raising concerns across industry. The change was proposed in March 2015, and a public meeting was held mid-April to discuss the impact.

The March 2015 **Federal Register announcement** explained that, "GSA is creating a Common Acquisition Platform (CAP), an online marketplace to identify best-in-class contracts issued by GSA or other agencies, best practices, and other information agencies need to reduce the proliferation of duplicative contract vehicles and deliver the best value possible to federal customers and the American people. A critical component of the CAP, and smarter buying in general, is the availability of the prices previously paid by other government buyers for a similar product or service under similar terms and conditions. Government buyers will be able to use that data, in combination with other relevant information—such as customer satisfaction with the performance of the contractor-furnished solution—to determine fair and reasonable pricing as part of a best value solution."

The proposed rule would introduce a transactional data reporting clause that would support GSA's price analysis and better determine reasonable pricing for Federal Supply Schedule (FSS) and non-FSS vehicles. This clause would take immediate effect for GSA's government-wide non-FSS vehicles. FSS vehicles would introduce the change in phases. Although government customers have benefited from price reductions in the past, these have typically resulted from voluntary clauses like market rate pricing, rather than from mandatory customer tracking. GSA completed analysis of modifications for nine of its FSS contracts from October 1, 2013 until August 4, 2014. These contract vehicles included several favored by agencies for IT products and services: Schedule 70, Mission Oriented Business Integrated Solutions (MOBIS), and Professional Engineering Services. Findings from this analysis revealed that only about 3 percent of price reductions were linked to the customer tracking. Most decreases (around 78 percent) resulted from adjustments to commercial pricelists and market rate changes. GSA concluded that the findings supported attempting a different approach to making better pricing available.

During the public meeting on April 17, leadership from GSA indicated that the changes to acquisition rules would help the agency clear hurdles it faces with growing contracts, price variation across vehicles, lack of transparency and outdated guidelines. Once the transactional data reporting clause is implemented, the organization anticipates benefits including better pricing, administrative savings, increased opportunities for small business participation, and standardization of practice. GSA's Kevin Youel-Page informed attendees that in early May the Federal Acquisition Service will launch an improved automated price reductions tool for schedule contract holders.

Federal News Radio and **FCW** reported on reactions from industry, suggesting a mixed reception. Despite cautious optimism, concerns persist around the security of vendor data, the cost of information collection systems, as well as potential unintended consequences related to new policies. The Common Acquisition Platform is one of several efforts GSA has introduced to improve federal acquisition. Other initiatives including activities aligned with contract data analysis and category management. As these projects work to deliver greater savings to government buyers, GSA leadership has expressed interest in working with industry to better understand the burdens and implications of adopting an increasingly data-driven approach to acquisition.

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