



MAS Advisory Panel

Comments to the Panel
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Government Contract Services

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Suggested Pricing Topics for Study

- ▶ Is a Price Reductions clause still needed?
- ▶ Bundled Pricing
- ▶ Clarifying Reseller Pricing

Is a Price Reductions Clause Still Needed?

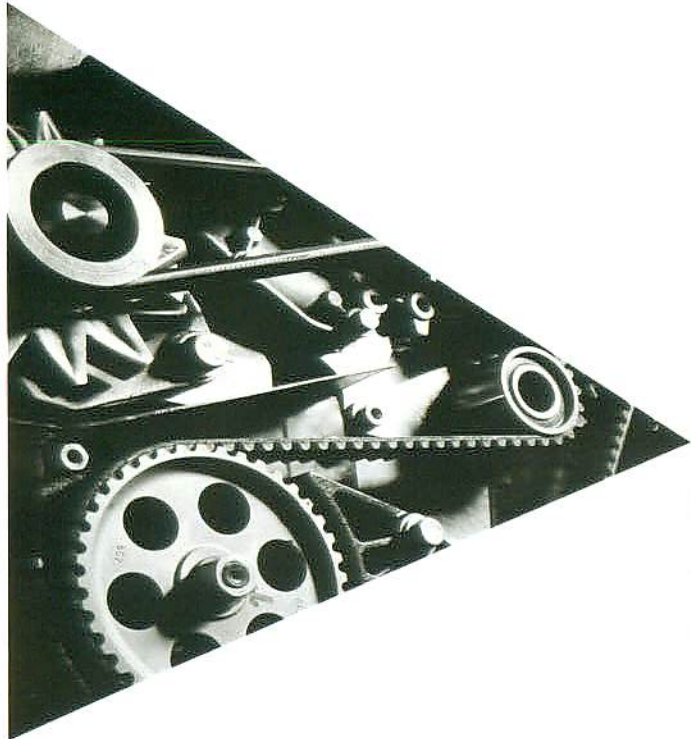
- ▶ Why should competitively awarded orders be subject to after the fact price adjustment?
 - ▶ Inconsistent with policy underlying TINA
 - ▶ Inconsistent with principle of eliminating redundant regulatory burden where it does not protect the Government's interest
- ▶ In addition to competitive orders, consider whether certain Schedules or SINs are sufficiently competitive that further protections are unneeded?
 - ▶ Research needed

Bundled Pricing

- ▶ Price Reductions clause is commodity oriented
- ▶ Purchases increasingly solutions oriented
- ▶ Solutions typically bundled
- ▶ Unbundling frequently impossible for purposes of price reductions

Resellers

- ▶ Many Resellers sell only to the Government
- ▶ Pricing is based on a negotiated mark up from estimated acquisition cost
- ▶ Clarification needed that basis is not actual acquisition cost plus mark up
 - ▶ Cost plus percentage of cost is prohibited



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