



Presentation to the GSA Multiple Award Schedule Advisory Panel

On Stakeholder Expectations

By

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Good morning.

Thank you for allowing me to speak about two issues that directly impact both contractors and government buyers. My company, Centre Consulting, Inc., is both a GSA schedule holder and a training company. Our wholly-owned *Federal Contracting Institute* trains both government and industry personnel on a wide range of federal procurement topics, including a specialized Centre/NCMA GSA Certificate studies program. So, as you can see, we are very active in the GSA training arena.

The two important issues I would like to address are time-and-materials (T&M) contracting and performance-based contracting. GSA Schedules assist the government in its stated goal of buying more goods and services in a commercial manner consistent with FAR Part 12. As we all know, contractor services on GSA Schedules are negotiated at hourly rates consistent with commercial practices.

While I am mindful of past abuses in the area of T&M contracting, it is my opinion that we have now over-legislated and over-regulated the government's ability to use T&M contracts. We are now at the point where DoD cannot buy commercial

services unless they meet the following very narrow exceptions: services procured in support of a commercial item; emergency repair services; or service acquisitions where an agency head approves the contracting officer's determination that the services are commonly offered and sold competitively in substantial quantities in the commercial marketplace through the use of T&M or labor-hour contracts. These limitations may negatively impact some of the most innocuous purchases (e.g., staff augmentation). It is no secret that many agencies are relying on contractor staff to supplement and even support key positions. The person sitting at the reception desk answering the phones in a Pentagon office is probably a contractor employee. Should DoD procurement professionals have such stringent limitations placed on their ability to purchase this type of support on a time-and-material basis? And where is the contractor going to sell the receptionist with the security clearances in the commercial marketplace?

This segues to my next point on performance-based contracting. As I said in my testimony before the Section 1423 Panel—not all acquisitions are appropriate for performance-based contracts. Do we really want to monitor how fast that receptionist answers the phone? I say let's step back and look at the types of goods and services we are procuring and decide what restrictions are appropriate for those specific items. The government needs to be able to buy some services quickly and easily on a labor-hour basis and the contractor needs to be able to provide them without excessive amounts of file documentation requirements on both sides.

Thank you for your time.

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