

## 10/23/2012 Schedules Modernization Industry Focus Group

10/23 - 6+ Industry Participants from: FedLinx, Inc.; All Safe Industries; ATD American Company; Independent Stationers; Booz Allen; SAIC; and others. 13 GSA participants including facilitator.

1. GSA covered meeting logistics.
2. Facilitator opened the meeting and addressed the following:
  - a. Introductions, meeting logistics, and basic ground rules
  - b. Discussed GSA's business drivers and the high-level objectives for the Schedules Modernization Initiative.
  - c. Discussed the four Solution Sets that have been identified as key tenets for the Schedules Modernization Initiative as shown below:
    - Data Driven Pricing
    - Flexible Contracting
    - Enhanced Service Delivery
    - Increased Knowledge Management Capabilities
3. The primary solutions sets that were the focus for the discussion were: Data Driven Pricing and the Flexible Contracting.
4. The crux of the Data Driven Pricing Solution Set is the introduction of pricing tools, policies, and procedures that will give better insight into pricing variability. The basic assumption is that such information could be helpful to customers and industry.
5. Focus group participants were asked to respond to the following set of questions:
  - a. Are you interested in using product price comparisons tools as part of your offer/mod process?
  - b. How do you currently assess your prices against other providers who are offering the same or similar products? Do you use an automated tool? If so, which features of the tool do you find most valuable?
  - c. What are your top concerns about the existing GSA pricing tools?
6. Highlights from the Data Driven Pricing discussion are shown below:

### PRICING TOOL

- Participants indicated that price comparison tools may help Contracting Officers but will be of little help to industry.
- Through existing commercially provided services and as compared to prices offered commercially, providers already believe they know where their pricing falls

- Other views...a pricing tool for products makes sense... but not as much for services.
- Providers are seeing more performance-based, firm-fixed price task orders on the services side and not sure a tool could capture the complexity and discounts and other price drivers typically related to services
- Providers noted the change in the past 18 months of customers going away from best value awards and moving towards more “lowest price, technically acceptable” awards.

## **PRICING POLICIES**

- Reformation of price policies (such as Most Favored Customer [MFC]) and clauses are more important than pricing tools.
  - Believe impact of current MFC and Price Reduction Clause both drive pricing strategies used by companies.
  - Concern arose that GSA’s effort to implement a formatted pricing template is coming ahead of the final General Services Administration Acquisition Regulation (GSAR). rewrite. GSA should consider timing and unintended consequences.
  - Providers noted that the current MFC pricing policy and CSPs do not lead to market prices. They noted that to move to real market prices would require removal of the MFC pricing policy.
7. The crux of the Flexible Contracting Solution Set reflects recognition from GSA that the current structure of over 30 separate MAS schedules makes it difficult for customers to navigate, particularly when the requirements cross multiple schedules. A draft solution set that reduces the number of schedules down to the following eight solution sets was offered:
- Facility & Security
  - Office and Furniture
  - Engineering, Environmental, Logistical, & Scientific
  - Business Management
  - Information Technology
  - Travel/Transportation
  - Automotive
8. Focus group participants were asked to respond to the following set of questions:
- In general, would you agree that fewer Schedules improve the usability of Schedules?

- Are there recurring requirements that cut across more than one Schedule?
- What are the most common instances where your customers need more than one Schedule to meet their requirements?
- Specific Schedule Consolidation Questions

9. Highlights from the Flexible Contracting discussion are shown below:

#### **REDUCED NUMBER OF CONTRACTS**

- Reducing the number of schedules will make using schedules easier for customers.
- Industry will be impacted by how the sets / schedule groupings are established.
- The current use of Contractor Teaming Arrangements has not been successful. Often viewed as too complex or is misunderstood.
- Unintended consequences related to a reduced number of schedules and the impact to existing task orders is significant and complex and must be anticipated and managed. I.e.— How to handle existing task orders and BPAs.
- To minimize unintended consequences, GSA should apply lessons learned from past consolidations.

#### **OTHER CONCERNS AND CLOSING COMMENTS ARE SHOWN BELOW:**

- A new approach to SIN structure should be under consideration. Using NAICS in lieu of SINS will create another set of issues too.
- Seeing more vehicles established based on very broad requirements, in lieu of detailed SIN structures
- Participants asked for copies of the presentation and notes from all the focus group discussions.