Schedules Modernization Industry Focus Group

Synopsis of Discussion Notes

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

11/5 - 15+ Industry Participants from: CSC; Coalition for Government Procurement; Fisher Scientific; Novetta Solutions; Expedite; Booz Allen; American Hotel Register Company; General Dynamics, IT; Jamie Northrop Associates Inc.; Brown and Caldwell; Trane, et. Al.

11/14 - 15+ Industry Participants from: CSC; LexisNexis; MAXIMUS Federal; Coley and Associates; Ginetiq North America; PricewaterhouseCoopers LLP; Coalition for Government Procurement; C&S Companies; CTI Resource Management Services; BH Sky Associates; Valley Forge Fabrics, Inc.; George Mason Univ; TASC, Inc; LJB Inc.

1. Sessions were facilitated by GSA. Facilitators opened the meeting by welcoming participants, covering ground rules, and discussing the key objectives of the session such as:
    - GSA's business drivers and the high-level objectives for the Schedules Modernization Initiative.
    - 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

2. The primary solutions sets that were the focus for the discussion were: Data Driven Pricing and the Flexible Contracting.

3. 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 suppliers. Information regarding how the team developed the solutions was discussed.

4. Focus group participants were asked to respond to the following set of questions:
    - Are you interested in using product price comparisons tools as part of your offer/mod process?
    - How do you currently assess your prices against other suppliers 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?
    - What are your top concerns about the existing GSA pricing tools?

5. Highlights from the Data Driven Pricing discussion are shown below:

PRICING TOOL

- o Some participants felt a pricing tool would be helpful provided it is not too time consuming and arduous. Bottom-line consensus was that a successful tool will not be resource intensive.
- o Industry stated they 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.
- o Industry 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.
- o All wanted to know how the information would be captured and would the tool interface with other tools? Batch items? Spreadsheet? Part number normalization?
  - ▪ GSA Response – Explained that part number normalization will be a key aspect of any solution other implementation consideration are still under consideration.
- o GSA offered that it is planned that the tool will be used during the offer and mod process because it could serve as a way for industry to see where their pricing is, compared to others.
- o Others questioned what will happen if a supplier's price for an item is too high or is outside of the range?
  - ▪ GSA Response - TBD-pending solution refinement. Also, by providing a tool, at least suppliers will know where their prices fall as compared to others.
- o How could one be assured the comparison was "apples to apples?" For example, within some industries there are different "grades" / classifications for the same items.
- o Others explained some price variation is due to the fact that resellers may have additional costs that are reflected in pricing.
- o Part number normalization is very complex-based on a number of variables and comparisons that must be made on more than one match point / core characteristics (i.e.-part number, warranty info, quantity, etc.)
- o Some wanted to know how the tool would work with services?
  - ▪ GSA Response – TBD - pending solution refinement.
- o Others raised concerns that standardized labor categories could result in an excessive number of categories in order to cover all of the services represented on schedules. Comparing "like" experience and educational levels per labor category will add to the complexity.

- GSA Response – Feedback will be considered during solution refinement.
  - o Even inclusion of supplier report card / standings information may be helpful for customers when making their comparisons.

PRICING POLICIES

- o Several made the point that reformation of price policies & clauses are more important that pricing tools.
- o Some made the point that pricing policies need to be revamped because many are product based and are 30+ years old.
- o Some made the point that other policies are inconsistent, i.e. maximum order threshold and price reduction clause.
- o Some made the point that significant enhancements and revisions to Advantage….better search, more data, etc. could replace the need for several of the modernization solutions that are being discussed.
- o Volume Tier Discounts were discussed. Some pointed out that discounts are driven by several factors such as geographic location, customer volume, task level needs, etc. Therefore, across the board mandates for volume tier discounts may be difficult to implement.
- o Concern arose that GSA's effort to implement a formatted pricing template are coming ahead of the final GSAR rewrite. GSA should consider timing and unintended consequences.

6. 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 their 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

7. Focus group participants were asked to respond to the following set of questions:
   - o In general, would you agree that fewer Schedules improve the usability of Schedules?
     - Are there recurring requirements which cut across more than one Schedule?
   - o What are the most common instances where your customers need more than one Schedule to meet their requirements?
   - o Specific Schedule Consolidation Questions

Highlights from the Flexible Contracting discussion are shown below:

REDUCED NUMBER OF CONTRACTS

- Several agreed combining schedules was a good idea.
- A participant suggested that GSA complete Business Case Analysis prior to establishing each new consolidated contract solution set. GSA Response – absolutely and in process.
- Several expressed concern regarding the need for GSA to ensure there's minimal negative impact to small businesses.
  - GSA Response – absolutely and in process.
- Others expressed concern that GSA should ensure there are no unintended consequences to existing task orders once a base schedule is consolidated into a new solution set. Specifically some were concerned how GSA will handle a contract's end date if there is a migration? Participants urged GSA to take "lessons learned" from the creation of the Consolidated Schedule (00CORP) in order to prevent unintended consequences.
- Several made the case that if schedules were consolidated, contractors who were previously eligible for just one of the schedules to be consolidated, should still be eligible to participate on the new, consolidated schedule.
- Implementation strategy will be critical. Should develop solutions to eliminate impact to existing BPAs and task orders.

OTHER FLEXIBLE CONTRACTING COMMENTS OF NOTE:

- Several agreed and made the point that Special Item Number (SIN) consolidation is critical. This may be even more important than schedule consolidation.
- GSA should reconsider SINs. SINs tie back to products and not as meaningful or accurate when describing services.
- In addition, several agreed that Government-wide NAICs and PSCs streamlining could also be beneficial.
- 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.
- Customer input is key to the question of schedule relevance and appropriateness… outreach to Public Building Service may also be very informative.
- IT crosses over several requirements, no longer stand-alone.

8. Enhanced service delivery, transaction level data, general discussion notes, other concerns, and other approaches were discussed. Noteworthy comments are shown below:
   - Enhanced customer service with acquisition or some technical expertise would be valuable. Sometimes customers are looking

for perspectives and information, different than typically offered by Contracting professionals.
- o Regarding Transaction Level Data:
  - o Some wondered if such information will be meaningful for services because each services task order can be unique and based on the specific requirements of each customer.
  - o Others expressed concern over what level of information can be extracted from invoices.
  - o Others cautioned that typically task order data collection processes can be labor intensive and expensive. A current GWAC, Alliant, uses a module process that was described by a participant as being very labor intensive, and taking one person to input the information, just for one contract.
  - o Others noted that whether an electronic or manual process is used, it will be a burden.
- o Regarding general comments:
  - o Modernization concepts are good. Training for current business model, as well as for future model, is critical.
  - o Others mentioned that outreach to state & local, SBA, and SBA state level was critical to ensuring there are no unintended consequences.
  - o Advantage loading features should also be enhanced. One "outside of the box" recommendation was to permit uploads to Advantage without using SIP. When there's a need to load lots of products into SIP, it is very labor intensive and time consuming.
  - o Rollout timeline line was discussed, noting that each solution will have its own implementation schedule. Expect updates periodically and at EXPO.
  - o Meetings adjourned. Participants thanked for their participation.