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Re: RFI: Making it Easier - Draft Streamlined PSS Solicitation

Dear Alexandra and Kathy,

The Coalition for Government Procurement appreciates the opportunity to provide comments in response to the Draft Streamlined PSS Solicitation RFI.

The Coalition for Government Procurement (“The Coalition”) is a non-profit association of firms selling commercial services and products to the Federal Government. Our members collectively account for more than \$145 billion in sales to the Federal government. Coalition members also account for more than \$2.1 billion in sales on the Professional Services Schedule and more than half of all consulting services purchased through the Schedules. Coalition members include small, medium, and large business concerns. The Coalition is proud to have worked with Government officials for more than 35 years towards the mutual goal of common sense acquisition.

Coalition member companies support GSA’s efforts to “Make It Easier” to do business with the Government through the MAS program, and offer the following comments on the draft PSS solicitation.

[PSS Structural Reforms](#)

There are three major reforms we recommend that would increase the usability of the PSS for customer agencies and promote sound business opportunities for GSA’s industry partners.

1. **Incorporate cost reimbursement capability for the MAS.** The statutory language authorizing GSA’s MAS program does not prohibit cost reimbursement contracting. There are many examples of IDIQ contracts that include multiple contract types (e.g. cost reimbursement, fixed price, labor-hour, and time-and-materials) and also provide that orders may be for commercial items. For example, Alliant 2 for IT services provides flexibility for customer agencies to meet their needs through multiple contract types. Specifically, the Alliant 2 solicitation allows for Fixed-price, cost

reimbursement, incentive, time-and-materials and labor-hour task order contract types for the procurement of commercial or non-commercial items¹.

Incorporating a cost reimbursement capability for the PSS would be a game changer, directly addressing contract duplication by reducing the need/demand to create separate, cost reimbursement contract vehicles. GSA should couple this effort with overall reform of the MAS pricing policy, moving to a dynamic pricing model for commercial items that reduces administrative costs. Such an approach would efficiently and effectively address the cross-cutting needs of GSA's customer base.

2. **Implement "Other Direct Costs (ODCs)," aka "Order Level Materials (OLMs)" on the PSS.** Including ODC functionality on MAS contracts will increase opportunities for customer agencies to acquire, and industry partners to provide, best value comprehensive service solutions. MAS contracts continue to remain at a competitive disadvantage due to the lack of ODCs at the task order level, which is stunning when one considers that ODCs have been authorized under FAR 52.212-4 Alternate I for close to a decade. To the best of our knowledge, the MAS program remains the only commercial item contracting program that affirmatively prohibits ODCs. GSA should immediately issue the *GSAR; Federal Supply Schedule, Order-Level Materials* final rule implementing ODCs/OLMs.
3. **Rescind the current Commercial Supplier Agreement (CSA) Deviation.** Rescinding the current CSA deviation is a proactively business-friendly act that also happens to be consistent with the FAR and the Federal Acquisition Streamlining Act. It would remove barriers to the Federal market and return the MAS program to language that properly allocates risk consistent with the commercial market, which is also consistent with the statutory requirement to adopt commercial terms and conditions to the maximum extent practicable.

Draft PSS Solicitation (Attachment A)

Overall, the Draft Streamlined PSS Solicitation is more straight-forward and has clearer instructions compared to the current solicitation. In addition to the three major structural reforms above, we suggest the following modifications to the draft.

Improvements to SCP-FSS-00P to Streamline Completions

Regarding the Technical proposal instructions: Repeat the 10,000 character limitation in the specific instructions for each narrative Factor (i.e. (i) Factor One, (ii) Factor Two, and (iv) Factor Four). Currently, the character limitation is stated only once at the beginning of the Technical Proposal, prior to Factor One.

Technical proposal: Past Performance Questionnaires (PPQs) – clarify if PPQs must be from three distinct projects or if multiple references can come from the same project.

¹ See B.9 Task Order Contract Types, I.2.1 Acquisition of Commercial Items and I.2.1.1 GSAR 52.212-4 Contract Terms and Conditions-Commercial Items; Alliant 2 GWAC Unrestricted RFP #QTA0016JCA0003 – June 2016

Price Proposal: 3(ii)(d) Pricing Template – Draft indicates, if all of the Offeror’s customers are Federal agencies, where the Offeror is the prime, then the Offeror will use “N/A” under column “I” titled “Most Favored Commercial Customer (MFC).” It is unclear what should be entered in the other columns related to MFC: “J”, “Discount Offered to Commercial MFC (%)”; “K”, “Commercial MFC Price” and “O”, “Discount Offered to GSA (off MFC Prices) (%)”.

Price Proposal: 3(vii) CSP Deviations – a new section has been added stating that, “The disclosure of deviations from your commercial standard practices does not result in additional non-triggering results for price reductions”. What is the purpose of disclosing deviations if they do not get incorporated into the contract for the purpose of price reductions? For example, if an offeror discloses that they honor a grandfathered low price for a longstanding customer, and this is accepted and incorporated into the CSP, future sales to this customer should not trigger the Price Reductions Clause.

Improvements to SCP-FSS-00P to Streamline Evaluations

No changes to the proposal instructions are recommended for evaluation purposes. However, we do suggest that PSS Contracting Officers conduct evaluations according to the solicitation instructions. Coalition members have experienced inconsistencies amongst contracting officers in the interpretation of FAR regulations and FAS policies. Greater consistency would provide greater efficiency in the award process and a more even playing field amongst contractors.

Consolidation of Instructions

It would be helpful to combine SCP-FSS-001 and SCP-FSS-002. In addition, the Coalition recommends that the combined provision reference “New Offerors” rather than “All Offerors” when distinguishing between new offerors vs. successful legacy contractors in the headings, “SCP-FSS-00P-N With/Without TDR – Instructions Applicable to All Offerors for Professional Services (Jan 2017).” See pages 4 and 25 of the draft solicitation.

Readiness Assessment

Whether an offeror is successful or unsuccessful under the Schedules program is not determined by their completion of a Readiness Assessment. Removing the Readiness Assessment and Pathways to Success as requirements would result in time savings in the offer process. Most, if not all, contractors’ have done their research to ascertain whether the GSA Schedule is a good fit for their firm. Contractors also have access to the Clauses Document for needed information (e.g. I-FSS-639, Minimum Sales Criteria).

Also beneficial is the removal of the requirement for a marketing plan for offerors with previously cancelled Schedule contracts, as such plans are often crafted simply for submission of the offer. More appropriate is the new inclusion of the requirement for relevant Federal prime contract project experience greater than \$25,000 for offerors with previously cancelled Schedule contracts.

Audited Financial Statements

See comments and recommendations in chart on pg. 5.

Past Performance

The draft PSS solicitation proposes that the Open Ratings Inquiry (ORI) no longer be required and that in lieu of the ORI, offerors’ provide three past performance reports from CPARS/PPIRS or (if unavailable) three completed Past Performance Questionnaires.

Instead, the Coalition suggests that GSA allow the contractor to decide at the time of offer preparation if they would like to utilize the ORI, 3 past performance reports from CPARS/PPIRS or three completed Past Performance Questionnaires.

Submission of completed Past Performance Questionnaires in place of the ORI does not necessarily save offerors or contracting officers' time. For offerors, directly submitting completed Past Performance Questionnaires from customers requires completion of a contract effort description—which is more time intensive for the offeror than sending out a simple request for customers to complete an ORI. For contracting officers, members report that most call the references on the ORI, which they will have to do using the questionnaire. The current surveyors are efficient and relatively cost effective. In addition, the ORI provides easier to scan and understand visual graphics and summaries for quick review.

In short the Coalition recommends that the ORI, 3 past performance reports from CPARS/PPIRS or three completed Past Performance Questionnaires all be made available to offerors as options to meet the PSS past performance requirements.

[Additional Recommendations on Attachment A](#)

Page	Verbiage	Comment	Recommendation
p. 5 (f)	SCP-FSS-00P-N WITHOUT TDR – INSTRUCTIONS APPLICABLE TO ALL OFFERORS FOR PROFESSIONAL SERVICES (JAN 2017) paragraph (f) The PSS solicitation is inclusive of complementary SINS which enable Offerors to provide information technology related to professional services, human resource services, energy management planning & strategies, energy auditing, resource efficiency management (REM) and energy consulting services when those services are ancillary to the provision of a total professional services solutions.	This explanation is unclear. The ancillary SINS referenced in the provided table shows 6 different SINS but only one SIN (C132-51) is "information technology related".	The language would be better stated "...Offerors to provide other related services to support the current SINS under the PSS Solicitation but these "complementary" support services may not be offered or used on a stand-alone basis".

Page	Verbiage	Comment	Recommendation
<p>p. 6 (iii) p. 27 (iii)</p>	<p>Section 1 – Administrative/Contract Data – (iii) “The Offeror must provide independently audited Balance Sheets and Income Statements for the most recent 2 years”.</p>	<p>GSA must understand that for Industry to provide audited Balance Sheets and Income Statements, that many times the most current 12-month year these audited documentations are not available until May/June for the previous year. If the most recent 12-month financials must be audited, there will most likely be an increase surge of offers submitted in May/Jun/Jul. Contractors would not be able to submit Jan-Apr/May until the financial documents are completed in the audit. Also, audited financials are typically only required by companies reporting to investors.</p> <p>Generally, the need for independently audited financial statements arises from requirements from lenders, investors, or regulatory bodies. Therefore, there are businesses, including many small businesses, with no need for independently audited financial statements. The additional requirement of independently audited Balance Sheets and Income Statements (vs. the current requirement for “audited, if available” Balance Sheets and Income Statements) will add a significant burden. Most small businesses either do their accounting in house with software (QuickBooks, etc) or use an accountant – third party audits are cost prohibitive and take significant time. This will discourage small (and medium) businesses from pursuing the Schedule.</p>	<p>We recommend that the following language be substituted, “The Offeror must provide its latest year-end financial statements. CPA-prepared financial statements are preferred. Internal financial statements will be reviewed in the absence of a CPA report OR keep the current language provided in the current solicitation.</p>
<p>p. 7 (2) p.28 (2)</p>	<p>Section II – Technical Proposal – “This document must contain the following.....”</p>	<p>This section is confusing especially with having to reference another section to confirm whether the requirement is applicable or not.</p>	<p>Remove this language entirely. Each factor already states what is required under their specific description.</p>

Page	Verbiage	Comment	Recommendation
p. 19, 3(i) p. 23 (viii)	<p>Section III – Price Proposal (i) GSA's pricing goal is to obtain equal to or better than the Offeror's Most Favored Customer (MFC) pricing under the same or similar terms and conditions. GSA seeks to obtain the Offeror's best price based on its evaluation of discounts, terms, conditions, and concessions offered to commercial customers. <u>However, offerors who propose Most Favored Customer pricing but are not highly competitive will not be determined fair and reasonable and will not be accepted. The U.S. Government Accountability Office has specifically recommended that "the price analysis GSA does to establish the Government's MAS negotiation objective should start with the best discount given to any of the vendor's customers."</u></p>	<p>Referencing a GAO report seems irregular and its apparent use as an argumentative position is misplaced in solicitation instructions. The MAS negotiation objectives should be informed by the GSAR and be clearly stated.</p>	<p>GSA should either be able to provide further instructions (e.g. quantitative ranges, on what is meant by "not highly competitive" pricing) or eliminate this provision as it is not consistent with the evaluation instructions in GSAM 538.270-1 Evaluation of offers without access to transactional data.</p>
p. 20 (iii)(a)	<p>Section III – Price proposal (iii) (a) Proposed Labor Categories: Provide a description of each labor category offered that clearly demonstrates how each labor category is within the scope of the applicable SIN(s). Functional responsibilities must be clearly defined and specific with regards to the services being proposed. "It is required that the labor categories being proposed for multiple SINs have functional responsibilities relevant to each proposed SIN".</p>	<p>The solicitation instructions requiring "functional responsibilities relevant to each proposed SIN" appears to be a move towards standardized labor categories for the PSS that are inconsistent with standard commercial business practices among vendors. Many MAS vendors provide integrated services for work scope that encompasses a range of PSS SINs. The instructions could easily be interpreted to mean that vendors have to create new labor categories inconsistent with their commercial practices because an evaluator deems that an "Engineer" labor category (which is functionally appropriate for all MOBIS, PES, LOGWORLD, and Environmental SINs) now has to differentiate to</p>	<p>Delete the existing language and replace with "Provide labor categories that clearly detail the position description with minimum education and experience requirements."</p> <p>Failure to do so has the potential of negatively impacting the use of PSS by existing and potential clients by reducing competition, since few PSS holders will have price lists that contain the same or similar enough position description language so the number of potential bidders on each particular RFQ will decrease. Also, adding this requirement will likely result in increased protests based on LCAT descriptions.</p>

		<p>become "business process engineer," "logistics engineer," "environmental engineer," etc.</p> <p>Moreover, by requiring "functional" descriptions, GSA existing and potential customers may be prevented from using the PSS Schedule in its entirety, as these descriptions will be too narrowly defined for agencies to access services and possibly supplies.</p> <p>Additionally, creating new labor categories inconsistent with commercial best practices would be incredibly burdensome for contractors and inconsistent with the "Making it Easier" initiative.</p>	
N/A	PSS Draft Solicitation	Reference to "TDR" or "non-TDR" very confusing throughout the document	More clearly identify the relevant sections and requirements for contractors (TDR and non-TDR), for example, with a Table of Contents.

PSS Modifications Process

"Making It Easier" to do business with the Federal government through the PSS also involves the modifications process. To streamline modifications, the Coalition recommends:

- Peer Review only for modifications that are complex
- Not requiring completion of the Commercial Sales Practice (CSP) Format if the contractor certifies that there have been no changes
- Proposal Price List (PPL) should only include those labor categories or complimentary services that are being added/increased/deleted/changed. A complete pricelist is published on Schedules eLibrary and GSA Advantage after approval from the contracting officer. To keep a running spreadsheet is inefficient for both GSA and contractors.

Thank you for considering the Coalition's recommendations in response to the PSS Streamlined Solicitation RFI. If there are any questions, please contact me at (202) 331-0975 or rwaldron@thecgp.org.

Sincerely,



Roger Waldron
President