



September 1, 2017

Alan Thomas
Commissioner, Federal Acquisition Service
General Services Administration
1800 F St. NW
Washington, DC 20405

Dear Mr. Thomas,

In our August 24, 2017, meeting you expressed interest in receiving suggestions to streamline and simplify the General Services Administration (GSA) Schedules. We recommend that GSA lower the maximum order threshold (MOT) on all Schedule contracts to \$150,000. This change can be implemented through an administrative contract update without regulatory or statutory modifications.

The MO in current Schedule contracts can be as high as \$1 million. Under the Price Reduction Clause (PRC), a sale to a commercial customer for a definite quantity, over MO will not trigger a reduction to the government. Lowering the MO would significantly reduce contract administration burden, while increasing the flexibility to compete across the marketplace.

The reduction of burden on the contractor will not diminish the ability of customer agencies to receive favorable pricing on the GSA schedule. In fact, we believe the change will incentivize Schedule contractors to offer customer agencies better prices and a broader array of services and product under their contracts. Beneficial results are possible because, since 2011, the MAS ordering procedures require some level of competition on all orders over \$150,000. When issuing the Transactional Data Rule, GSA itself recognized that most price reductions were because of competition at the order level, not operation of the PRC. The MO provisions were never changed to reflect changes to MAS ordering procedures.

Thank you for considering the Coalition's request concerning the Maximum Order Threshold. I would be happy to work with you or your designee on this suggestion to streamline schedule processes. If there are any questions, please contact me at (202) 331-0975 or rwaldron@thecgp.org.

Sincerely,

Roger Waldron
President

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 tens of billions of dollars of the sales generated through the GSA Multiple Award Schedules (MAS) program and other governmentwide contracts.