



Transactional Data Proposed Rule

Summary of Coalition Comments

The Coalition for Government Procurement (“the Coalition”) submitted comments in response to GSA’s [proposed rule](#) on Transactional Data on May 4, 2015. The following is a summary of the comments.

Background

The proposed rule would establish a new requirement for GSA contractors (IT GWAC contractors, Federal Supply Schedule (FSS) Schedule contractors and other GSA contract programs, as applicable) to report transactional data at the order and Blanket Purchase Agreement (BPA) level to GSA on a monthly basis. The transactional data to be reported is:

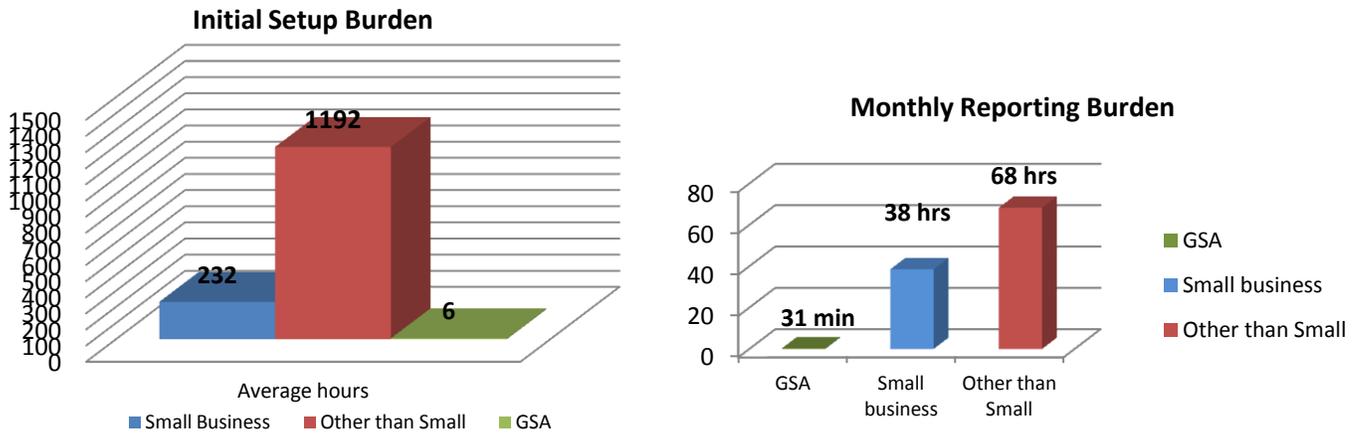
1. Contract or BPA Number	7. Unit Measure (each, hour, case, lot)
2. Order Number/Procurement Instrument Identifier (PIID)	8. Quantity of Item Sold
3. Non Federal Entity, if applicable	9. Universal Product Code (UPC), if applicable
4. Description of Deliverable	10. Price Paid per Unit
5. Manufacturer Name	11. Total Price
6. Manufacturer Part Number	

The proposed rule retains the Price Reduction Clause (PRC) in GSA Schedule contracts, but deletes the requirement to monitor a basis of award customer for Schedule contractors required to report transaction data. The remainder of the PRC essentially remains in effect. FSS Schedule contractors still will be required to submit Commercial Sales Practices (CSP) information—along with a continuing requirement to provide updates throughout the life of the contract. In addition the rule makes clear that GSA can ask for FSS Schedule contract price reductions at any time.

Transactional Data Member Survey

GSA estimated that the Transactional Data reporting burden on contractors would be minimal—only 6 hours to set-up systems to collect and report the data, and 31 minutes a month to do the reporting. In response, the Coalition conducted a survey of its members to collect GSA contractors’ estimates of the time it would take to do these activities. Respondents included small, medium and large businesses. 98% of the companies that responded are GSA Schedule contractors and 42% have government-wide acquisition contracts (GWACs) through GSA. Approximately one quarter of the companies were small businesses.

The survey results revealed that GSA’s estimate of the burden on contractors was grossly understated. Average estimates provided by Coalition members were much higher than GSA estimates.



Further, GSA contractors estimated that the total cost of implementing the transactional data would be \$814,700,534— 30 times the government’s estimate of approximately \$24 million.

According to the proposed rule, contractors would experience a lesser compliance burden as a result of the rule. GSA estimated that the additional burden of the transactional data reporting would be offset by a reduced burden of the Price Reductions Clause (PRC) by removing the requirement to monitor Basis of Award (BOA) customers. However, the proposed change to the PRC does not reduce the compliance burden as the rule still allows the government the ability to ask a contractor for updates to the disclosures on its commercial sales format. As a result, this PRC burden does not go away—the transactional data rule actually increases the total administrative burden on contractors rather than reducing it.

Additional Concerns with Proposed Rule

The Coalition also addressed numerous contractor concerns with the rule in the comments including:

1. The proposed rule is not reasonably constructed to achieve GSA’s stated objectives of:
 - a. Improving GSA’s ability to conduct meaningful price analysis and reduce price variability
 - b. Validating fair and reasonable pricing
 - c. Improve GSA customers ability to compare prices
2. A system that continually drives down prices without regard to terms and conditions negatively impacts the supplier base, particularly small businesses, and ultimately the Federal customer
3. The proposed rule does not adequately protect confidential commercial information

4. Transactional data is already available from government and independent commercial sources

Recommendations

In lieu of transactional data reporting, the Coalition recommended that GSA pursue the following alternatives to reach their objective of reducing price variability without undue burden to government or industry:

1. In GSA Schedule contract negotiations, compare offered prices for identical products to existing contract prices; reject offers that are outliers. The Coalition recommends this process only with respect to identical (not similar) products.
2. Assure that offerors are authorized resellers. The solicitation already requires that offerors submit a Letter of Commitment/Supply. Enforcement of this provision would control the number of gray market and counterfeit products that inadvertently make their way onto the GSA Schedule and are priced artificially low.
3. Encourage contractors to update GSA Advantage! pricing and remove products that may no longer be offered for sale.
4. Increase training to customer agencies to assure that they are competing requirements as required by FAR 8.4, especially training on how to maximize competition. Every GSA e-tool should have a help button to show how to compete an order and pop up buttons to remind customers of the importance of competition.
5. Pilot test collecting data internally using its own assisted acquisition organizations. Such a test could validate the data elements to be collected and assess the actual cost vs. benefit of doing so. The government already has much of the data that its requests from contractors, however that data is not aggregated in a way that makes the data useful.
6. Eliminate the PRC. If GSA believes, notwithstanding these comments, that transactional data is essential to pricing IDIQ contracts, it must reduce the existing cost of contracting. Complete elimination of the PRC in the MAS program would remove a costly, high risk and unnecessary compliance requirement. The change would empower contractors to focus even more resources on improving performance and delivery outcomes for the taxpayer.

For more details about the Coalition's response to GSA on the Transactional Data proposed rule, view a full version of our public comments at www.thecgp.org/policy-involvement/policy-documents.