

# Section 876 of the Fiscal Year 2019 John S. McCain National Defense Authorization Act

Thoughts, appraisals, ponderings, conjecture, and general crystal ball gazing of

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# Executive Summary

Section 876 is a good thing

It is a win-win for the Government and for industry

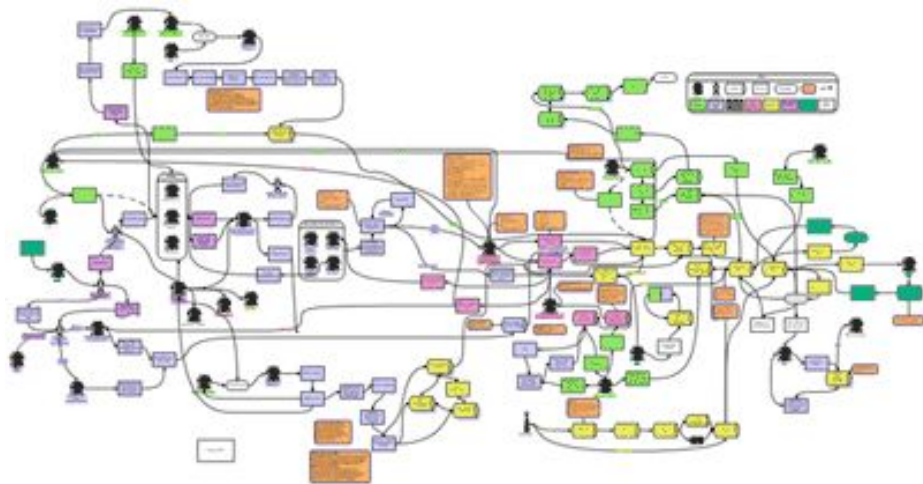
It will reduce costs, reduce risk, reduce barriers to entry, increase competition, and lower prices

It will reduce IDIQ-level pricing game-playing

It will put another nail in the coffin of the anachronistic and draconian CSPF and PRC

# Applying Section 876 All At Once Will Be Easier

## Graphic Illustration of Phased-In Approach



## Graphic Illustration of All-At-Once Approach



# Fixed Price Contracts Are BASED ON Hourly Rates



# A Single Schedule Contract Can Accommodate Multiple Pricing Approaches

**Multiple Contracts World**



**Single Contract World**



# Yes, You Will Have To Update The FAR



# The GSAR Will Need Editing As Well



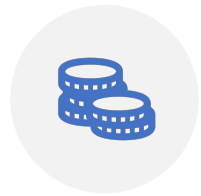
Price reductions



Transactional  
data reporting



Evaluations and  
use of options



Economic Price  
Adjustments




Price lists



Other

GSA Should NOT Request Pricing Information

Pricing Information





# The Expected Dividends Of Section 876



Reduced  
Administrativ  
e Burden



Lower  
Administrativ  
e Costs



Reduced  
Contract Risk



Increased  
Competition



Lower Prices  
for Schedule  
Services



# Thank you.

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