

TRANSACTIONAL DATA REPORTING (TDR) FINAL RULE

EXTERNAL Q&A DOCUMENT: FINAL 10/13/2016

Through TDR, GSA's goals are to:

- Support category management & promote smarter buying
- Save money and pass on savings to the taxpayer
- Reduce contractor and contracting officer burden
- Increase transparency into federal acquisition
- Be a proactive federal partner to give our customers the information they need
- Lower barriers for businesses entering the market, which is especially important for our small business partners

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To submit feedback or ask additional questions, please email tdrteam@gsa.gov.

I. Background & Pilot Overview

Q1. Why is GSA implementing transactional data reporting?

- A. Each year, the Federal Government acquires goods and services worth hundreds of billions in dollars through millions of individual transactions conducted by thousands of contracting units across hundreds of federal agencies and commissions. For example, in FY14 the federal government spent \$420 billion on products and services, acquisitions performed by over 500 different buying entities.

Most buying offices operate independently, conducting procurements without regard to the experiences of their counterparts. Functions such as industry outreach, market research, requirements development, negotiations, and contract award are repetitively performed, without coordination, across the acquisition landscape. Best practices are formed in siloes and lessons learned are shared narrowly, forcing the workforce to face timeworn challenges without the benefit of collective wisdom. The federal government and its industry partners cannot afford to continue to function in this disparate environment and with this much redundancy.

In response to this problem, the Office of Management & Budget (OMB) has organized and is in

the midst of implementing a government-wide solution called category management. Category management is the process of managing product or service categories as strategic business units and customizing them to meet customers' needs. In order to be successful, federal agencies and category managers need new insight into both federal and commercial markets. Intelligence like transactional data is a crucial requirement to help the government understand what it buys and how to buy it smarter. Significant savings can be achieved through demand management and competition, which can be passed on directly to the American taxpayer.

Q2. What changed between the proposed rule (issued in 2015) and the final rule?

- A. GSA took extensive steps in receiving and carefully considering all stakeholder feedback in drafting and issuing the final rule. In Spring 2015, GSA held the first public meeting on a GSA acquisition regulation in over 20 years. Nearly 200 companies, organizations, government agencies and interest groups were represented and 11 presentations were made. GSA received 26 comment letters in response to the proposed rule and held two rounds of public comment on the Commercial Sales Practice (CSP) and Price Reduction Clause (PRC) burden estimates before issuing the final TDR rule. GSA made a number of changes based upon stakeholder comments before issuing the final rule. Below provides the list of major changes:
- Reduced Burden:
 - In the final rule, FSS vendors will no longer provide CSP disclosures for contracts subject to the new Transactional Data Reporting clause, 552.238-74 Alternate I. The proposed rule did not remove CSP disclosures.
 - Revised Burden Estimates:
 - TDR burden estimates are more than 5 times higher per contractor per year than what was outlined in the original proposed rule.
 - GSA increased the burden estimates of the Commercial Sales Practice (CSP) and Price Reduction Clause (PRC) from \$90.1M to \$101.7M a year, or by 13%, after receiving comments on its second notice.
 - Data Reporting and Fee Remittance Timelines:
 - Increased the time to report from 15 days after the month to 30 days for the previous month's transactions.
 - Clause Language:
 - GSA made several revisions to the clause language for 552.216-75 and 552.238-74 Alternate I, to additional management controls, such as obtaining GSA's Senior Procurement Executive approval, before adding a data element.

Q3. If a vendor participated in the TDR pilot, is it possible that CSP or PRC compliance data would be required as part of an IG audit for the same time period? Because the rule allows COs to request other types of financial data, will there be data requests on an *ad hoc* basis?

- A. Once vendors accept the bilateral modification, they will no longer be required to provide or maintain CSPs, or monitor the basis of award, for contracts that include the Schedule TDR clause, 552.238-74 Alternate I. However, the elimination of the CSP and PRC basis of award disclosure requirements do not apply retroactively, meaning the Government reserves the right to monitor the vendor's performance for the period when the CSP and PRC disclosure and tracking requirements were in effect.

For example, if TDR requirements go into effect on January 1, 2017 for a particular contract, that vendor will no longer be required to provide/maintain CSPs or track their basis of award for that contract. However, that vendor can still be found liable for failing to provide complete and accurate CSPs prior to January 1, 2017. Furthermore, the contractor can still be found liable for failing to report or provide price reductions on sales made prior to January 1, 2017.

In regards to providing other types of financial data on an *ad hoc* basis, Contracting Officers have always had the option to request additional data (generally referred to as other than cost or pricing data) to utilize in determining pricing fair and reasonable pursuant to FAR 15.402(a)(2). Additionally, GSA has released guidance for its contracting officers that requires them to only request this data when fair and reasonable prices cannot be made based on readily available data or market research. This guidance can be reviewed in GSAM 538.270-2, which is accessible on Acquisition.gov at <https://www.acquisition.gov/sites/default/files/current/gsam/html/Part538.html#wp1862782>.

Q4. What will occur between the rule being published and FAS's implementation of the rule?

- A. Once the TDR rule is published, FAS will execute its implementation plan, which includes robust training for both the acquisition workforce and industry partners, the deployment of communications materials and resources, and system modifications.

Q5. What changes to contracts clauses are made due to implementation of TDR?

- A. Acceptance of the TDR modification will eliminate the requirement for submitting CSP beginning on the 1st day of the business quarter following acceptance of the modification. Additionally, acceptance of the TDR Mass Modification will incorporate a deviated version of the Price Reductions Clause which removes the price reduction tracking requirement. Awards will no longer be awarded based on a Most Favored Customer (MFC) or Basis of Award (BOA) customer however pricing must still be determined fair and reasonable in accordance with FAR and GSAR requirements.

Q6. When will TDR be implemented?

- A. The pilot program will be implemented in a phased approach for the impacted Schedules/SINs beginning in August 2016.

Q7. What are the pilot schedules and SINs?

- A. TDR will be implemented in a phased pilot approach with several Schedules and Special Item Numbers (SINs), beginning August 2016 and extending through quarter 1 FY 2017. The preliminary Schedules are (in rollout order):

Schedule	Description	SINs	Offerings
58 I	Professional Audio/Video	All	Products
72	Furnishings & Floor Coverings	All	Products
03FAC	Facilities Maintenance & Management	All	Services

51V	Hardware Superstore	All	Products
75	Office Products/Supplies	All	Products
73	Food Service, Hospitality, Cleaning Equipment	All	Products
70	Information Technology	132-54 132-55	Satellite Services
		132-32 132-33 132-34	Software
		132-8	Hardware
00CORP	Professional Services Schedule (PSS)	Professional Engineering Services SINS	Services

Q8. Why were these Schedules/SINs chosen for the pilot?

A. GSA aimed to select the right mix of both products and services across a wide range of industries to serve as a representative sample. The broad sample will test the rule so it can be applied to all MAS contracts in the future.

Q9. What if my Schedule 70/PSS contract has some SINS that are affected by the pilot and other SINS that are not part of the pilot?

A. If your contract has one or more SINS included in the pilot, all sales reporting for that contract will be through the TDR platform - including those SINS that are not listed in the chart above.

Q10. What if a company has multiple MAS contracts under different Schedules and one is not part of the TDR roll out and one is, can we still get into 72A for the non-roll out contract?

A. Yes, contractors will have access to 72A for those schedules not included as part of the TDR Pilot.

Q11. When is the roll out/release date if my schedule number is not on the TDR Pilot list?

A. If your contract is not part of the pilot, then TDR will not be incorporated into that Schedule until after successful completion of the pilot.

Q12. How will GSA implement TDR as a pilot?

A. GSA’s pilot will be limited to a defined subset of Schedules where we can most effectively test the effectiveness and results of implementing TDR. GSA’s Senior Procurement Executive will regularly evaluate progress against these metrics in consultation with the Administrator for Federal Procurement Policy and other interested stakeholders to determine whether to expand, limit, or discontinue the program. No expansion of the pilot or action to make Transactional Data Reporting a permanent fixture on the Schedules will occur prior to the careful evaluation of at least one year of experience with the pilot. In the event the pilot does

not meet our expectations, we can turn back to the current practices of using the PRC and CSP to safeguard what the government is paying for goods and services.

GSA has established clear policy, effective training, and user-friendly tools to ensure successful implementation. In addition, GSA will conduct change management and knowledge-sharing activities with category managers, GSA COs, and federal buyers to fully harness the power of the transactional data collected through the pilot.

Q13. How are TDR and the Formatted Product Tool (FPT) related?

- A.** Both tools will aid the federal workforce in determining fair and reasonable pricing, in addition to cleaning up data and enabling federal acquisition professionals to make more informed buying decisions.

TDR is a pilot program that requires vendors to report prices paid and other transactional data via a new sales reporting portal at the line item level. As transactional data is collected, GSA Category Managers and COs will be able to utilize the data to help customers make better purchasing decisions. It's another tool available in determining fair and reasonable pricing.

FPT (Formatted Product Tool) is an enhancement to the eOffer/eMod system which allows vendors to upload all relevant offer or contract data into the tool which will standardize part numbers, descriptions, photos and will validate offered pricing against pricing already awarded for identical items. FPT will provide COs additional data to utilize in evaluating proposed pricing and making fair and reasonable determinations. Further, FPT will eliminate the cumbersome SIP process for vendors by transmitting accepted data directly to *GSA Advantage!*.

Some contractors may be involved in the pilot program for implementation of both TDR as well as the implementation of FPT.

Q14. How does TDR work with Mass Mod A510 which incorporates the Formatted Product Tool (FPT)?

- A.** Mass Modification A510 incorporates the Formatted Product Tool to selected MAS contracts. The FPT Mass Mod is not mandatory, however, vendors must access the modification via the Vendor Support Center and either accept or decline the modification. Vendors are asked to accept the FPT mass mod as quickly as possible and complete the Capture Formatted Pricing (i.e., Baseline) modification within 60 days from acceptance of the mass mod. FPT is an enhancement to the eOffer/eMod system while TDR implements additional transactional reporting requirements via the FAS Sales Reporting portal and makes clause changes noted in the final rule.

Q15. How will the pilot's success be determined?

- A.** The pilot will be evaluated against a series of metrics that will include, but not be limited to, competitive pricing, increased sales volume, and small business participation, as well as macro use of transactional data by category managers and teams to create smarter buying strategies such as consumption policies. GSA's Senior Procurement Executive will regularly evaluate progress against these metrics in consultation with the Administrator for Federal Procurement Policy and other interested stakeholders to determine whether to expand, limit, or discontinue

the program. No expansion of the pilot or action to make Transactional Data Reporting a permanent fixture on the Schedules will occur prior to the careful evaluation of at least one year of experience with the pilot.

Q16. Will GSA publicly share the evaluation metrics for the pilot before its launch? If the metrics are not being shared publicly, please address the rationale for not doing so?

A. The pilot will be evaluated against a series of metrics that will include, but not be limited to, competitive pricing, increased sales volume, and small business participation, as well as macro use of transactional data by category managers and teams to create smarter buying strategies such as consumption policies. These metrics were included in the [final rule Federal Register Notice](#) published on June 23, 2016 (see pp. 10-11 or “Start Printed Page 41105).

Q17. Does GSA plan to assess whether the pilot has increased or decreased burden to contractors in determining if the pilot has been successful?

A. GSA will evaluate the pilot based on the metrics delineated in the [rule](#), but will continue to be mindful of the burden placed on its stakeholders.

Q18. How long is the pilot scheduled to run?

A. Approximately 3 years.

Q19. What happens if transactional data reporting is not continued after the pilot? Does that put the vendor in jeopardy if the PRC and CSP disclosures are reinstated for the prior 12 months of commercial sales?

A. GSA will continue to communicate with all stakeholders regarding pilot updates and guidance, to include whether or not the pilot will be expanded beyond its current scope. If, at the conclusion of the pilot, it was determined not to continue transactional data reporting and reinstate the PRC and CSP disclosures, the revision back would be implemented on a go-forward basis only. No PRC and CSP disclosures would be retroactively required. However, the agency is continually improving its tools and procedures and may opt to retain facets of this rule, or rely on new tools, if either proves to be more effective than the current pricing disclosure practices. Impacts on industry partners will be given significant consideration as these decisions are made.

Q20. Will more SINS be added to the pilot during its expected duration?

A. Current plans call for a 3-year pilot affecting specific SINS, at which point the pilot will be reassessed. Any changes to the scope or duration of the pilot would be clearly communicated to stakeholders.

Q21. If I am part of the pilot, but also have items on a Schedule that is not one of the pilot Schedules, can I opt in to using TDR on my non-pilot Schedule?

A. No.

Q22. How will the IOA's be brought into the mix to ensure their processes are consistent with any waivers the transactional data requirement offers?

- A. The IOA community has been a major stakeholder in the TDR process and is working with their counterparts in policy to ensure their processes are consistent with the TDR rule. Moreover, IOAs contributed to the implementation of internal GSA guidance, participated in the development and deployment of vendor training webinars, and led the updating of training resources on the VSC website, in addition to many other significant activities regarding TDR.

Q23. How does TDR align with commercial practices, to the maximum extent practicable, as required by the Federal Acquisition Streamlining Act (FASA)?

- A. GSA's intention is to further align itself with commercial buying practices. Horizontal price analysis is a common technique used by commercial firms and individual citizens, and one that GSA plans to further leverage through the use of transactional data. To the contrary, the removal of CSP disclosures and the PRC tracking customer provision, which both predate FASA, are an attempt, in conjunction with horizontal pricing techniques, to harmonize GSA policies with the FAR and commercial buying practices.

Q24. Will the TDR requirements eventually flow over to VA FSS Contracts? If so, what is the projected time frame?

- A. The decision to incorporate TDR type requirements in VA FSS contracts will be made by the VA Schedule owners.

Q25. How will I get information and training on what is expected of me?

- A. GSA is providing training via live webinars prior to each pilot Schedule refresh so vendors have the opportunity to learn more and ask questions in real time. These webinar recordings are available for on-demand viewing from the Vendor Support Center website (<http://vsc.gsa.gov>), as well as the PowerPoint presentation and Frequently Asked Questions (FAQs).

GSA encourages interested parties to subscribe to the MAS group on Interact, where GSA has been and will continue to post regular updates regarding TDR and other changes to Schedules, live webinar information, FAQs and fact sheets. We encourage all stakeholders, both internal and external, to email our team at tdrteam@gsa.gov with additional questions or feedback.

II. Modification & Acceptance

Q26. Is participation in the pilot mandatory?

- A. Initially, any new offer on the pilot Schedules will be required to agree to the TDR requirement. GSA will invite existing contractors to accept the TDR requirement via a bilateral modification, which removes the CSP and PRC requirements. GSA may require existing contractors to accept the TDR requirement over time.

Q27. Is it GSA's intent to incorporate unilaterally the TDR clauses in FSS contracts subject to option exercise during the pilot?

- A. No, GSA does not intend to unilaterally incorporate the TDR clauses into any existing FSS contracts. TDR clauses will be incorporated via bilateral modifications, and our goal is to

continually engage with industry partners to increase understanding and mitigate concerns as we move through the modification process. However, GSA reserves the right not to exercise an option for a contract under the TDR pilot Schedules/SINs that has not accepted the bilateral TDR modification.

Q28. What happens if I do not accept the modification?

- A. You may continue to report using 72A. Accepting the modification and transitioning to reporting through TDR is mandatory before an option period will be exercised on your contract. There is one exception to this policy: If a contractor has already received the 210-day letter stating GSA anticipates exercising the option to extend the term of its FSS contract when the TDR mass modification is distributed, the contractor will be allowed to decide whether to incorporate TDR terms and conditions prior to exercise of the option period.

Q29. Are vendors at risk of being handicapped in the federal marketplace if they choose not to opt into the pilot?

- A. Vendors that choose to not to participate in the TDR pilot may face a higher reporting burden, as the TDR rule eliminates the CSP disclosure and the Price Reductions clause basis of award customer tracking requirements. Additionally, GSA reserves the right not to exercise options for contracts under the TDR pilot Schedules/SINs that have not accepted the bilateral TDR modification.

Q30. If a contractor opts into the TDR clauses, can the CO still ask for CSPs from suppliers (manufacturers or distributors), even if the CSP is no longer required by the contractor?

- A. GSA, and the Department of Veterans Affairs under the Schedules it administers, can only request CSP disclosures when the applicable provisions and clauses are contained in the contract. Accordingly, GSA cannot request CSPs for contracts participating in the Transactional Data Reporting pilot, as the rule removes the CSP requirement.

Q31. If an OEM opts in, but not all their Level of Service partners opt in, will the OEM still have to complete CSPs to support their partners?

- A. If the Level of Service partners hold GSA Schedule contracts in their own right on TDR pilot Schedules/SINs, they will be required to provide CSPs and continue with Price Reduction tracking until they accept the bilateral TDR modification for their contract.

Q32. How will offers already in the eOffer system be affected once the solicitation is refreshed to include TDR?

- A. The CO will discuss acceptance of TDR with the vendor prior to completing the award. If the vendor elects to incorporate TDR at time of award, the offer will be refreshed to the current solicitation and TDR will apply from the effective date of award. If the vendor elects not to incorporate TDR at time of award, the CO can award without updating to the current version. The Mass Mod would still be present for the vendor who could accept any time after award up until the requirement becomes mandatory.

Q33. What is the timeline for accepting the modification?

- A. Contractors have 90 days to accept the modification after the mass refresh.

Q34. How is incremental funding awarded on a modification entered into TDR?

- A. Transactional data is only reported once an order is placed against a Schedule contract. Incremental funding added by modification to an existing task order would not be reported. Per the updated clause 552.238-74, sales are reported either based on invoice or payment date of invoice. Order placement date was removed as an acceptable point to report sales.

III. The FAS Sales Reporting System

Q35. Will contractors be able to access the FAS Sales Reporting System for the tutorials even though we have not received a mass mod to incorporate TDR?

- A. Yes, please visit <https://tdr.gsa.gov> for tutorials, FAQs, and additional information.

Q36. How do I log into the TDR System, and what is a digital certificate?

- A. Contractors will utilize a “digital certificate” to gain access to the TDR system. A digital certificate is an electronic credentials that:
- Asserts the identity of an individual
 - Enables eOffer/eMod to verify the identity of the individual entering the system and signing documents.
 - Encrypt or decrypt data to ensure that it is securely transmitted.
 - A packet of information that is stored on a web browser or on a token.
 - Create digital signatures which are verifiable.

Q37. Why does the FAS Sales Reporting System require a digital certificate? When and why did GSA include IFF and CAF calculations in the TDR reporting system?

- A. For the FAS Sales Reporting System, GSA is following NIST SP 800-63-2, Electronic Authentication Guidelines, Assurance Level 3 to protect the integrity of TDR and submission of IFF and CAF for the vendor community. The implementation of digital certificates for TDR follows the same process currently in place for eOffer/eMod. To find out more information about digital certificates, please visit https://tdr.gsa.gov/portal/contractor_authentication.html. Contractors can also call their Industrial Operations Analyst (IOA) or the Vendor Support Center Help Desk at (877) 495-4849 for assistance.

As for details concerning the TDR reporting system, GSA chose to reveal certain details after publishing the final rule because the system was still early in its initial development phase when the proposed rule was published on March 4, 2015. However, as noted previously, GSA did give notice that fee remittance would be tied to TDR. Additionally, the proposed rule noted “GSA intends to update its systems in order to collect and analyze transactional data. Data submission will be enabled through multiple electronic interfaces (e.g., secure data entry, electronic file submission, or an application programming interface (API)). The goal is to make the reporting process as streamlined, secure and efficient as possible for contractors...” (80 FR 11624). GSA had not yet developed the fee remittance aspect of the new system when the proposed rule was published, but eventually chose to combine the reporting and remittance

aspect for the benefit of vendors, as opposed to requiring them to report transactional data in one system and remit fees through another.

Q38. Where do I get a digital certificate and how much does it cost?

A. Two companies offer digital certificates: IdenTrust and Operational Research Consultants (ORC). The cost varies depending on the provider and your particular situation.

Q39. How long does it take to get a digital certificate and does it ever expire?

A. It will take between 7 and 14 days for a digital certificate to be issued after you have notarized your paperwork and submitted it to the company. Digital certificates must be updated every two (2) years. It is imperative that affected contractors keep their digital certificates current. An expired digital certificate will delay the ability to report sales and remit IFF.

Q40. Can I use my DOD ECA certificate to log onto the system?

A. Yes, TDR will support the DoD ECA Certificate.

Q41. If one person with a digital cert accepts the Mass Mod and another person with a digital cert does the reporting, does that affect access to the FAS Sales Reporting site?

A. As long as each role has a digital certificate loaded into their contract, multiple representatives can access the FAS Sales Reporting Portal.

Q42. What if I made a mistake submitting sales data? How will inadvertent errors/omissions be handled?

A. The FAS Sales Reporting site allows vendors more leeway to fix errors/omissions than the current 72A Reporting System. While sales adjustments submitted through the 72A system must be approved by the assigned Industrial Operations Analyst (IOA), vendors will be able to submit data corrections through the new site on their own, although IOAs will be notified of corrections over a certain dollar threshold.

Q43. Will there be an opportunity to test our systems with GSA's TDR Portal?

A. Yes, contractors will have the opportunity to explore a test environment to confirm their digital certificate is in order and select the best reporting format.

Q44. How do I submit a Sales Adjustment? Will the TDR system accept a negative value for a credit memo?

A. Through the Adjust Sales feature, contractors may adjust already reported data after a mistake has been recognized. When adjusting sales via form entry, contractors can add/edit/remove line item details in their browser window. When adjusting sales using file upload contractors submit a replacement file for the data that was previously reported.

The system will not accept negative values. In the event of an instance where reported sales need to be removed from reported sales, the appropriate action is to make a sales adjustment for the month that the sale was originally reported - removing the sale from the report.

Q45. Does the FAS Sales Reporting System data flow over to the 72A reporting system?

A. No, TDR data will not flow over to 72A and vice versa.

Q46. Can I opt to use a third-party provider to assist in submitting my TDR data?

A. GSA does not have a view on the use a third party providers to assist in data reporting as long as those providers are authorized by the Schedule contractor and possess the necessary credentials within the GSA tools (eOffer/eMod) to access the FAS Sales Reporting system. The third party must:

- Be a recognized POC on the Contract they intend to report in FAS Sales Reporting.
- Have a valid digital certificate.
- The name on the digital certificate should match exactly with the name on the contract.

More information about how GSA authenticates a contractor can be found at this site:
https://tdr-test.gsa.gov/portal/contractor_authentication.html

Q47. Where do I go for help with the TDR system?

A. The VSC Helpdesk provides technical support for the TDR system. Contact them at 877-495-4849 or vendor.support@gsa.gov.

IV. Reporting

Q48. Can I access the reporting templates in order to prepare for the transition?

A. The CSV template is located on the FAS Sales Reporting Homepage (<https://tdr.gsa.gov>) and can be accessed at any time. The site also includes several resources for vendors, such as training and helpful documentation.

Q49. Will I have to report anything retroactively before the start date of implementation?

A. No, the data is to be reported moving forward.

Q50. Can I change reporting formats month to month? Can I change from form entry to file upload to save time?

A. Yes, you can change reporting methods month to month.

Q51. Currently GSA sends courtesy reminder notices when it is time to report sales and remit IFF. Will this continue once I transition to reporting monthly through TDR?

A. Yes, GSA intends to send courtesy reminder notices to contractors regarding sales reporting and IFF remittance on a monthly basis to TDR contractors, and on a quarterly basis for 72A contractors.

Q52. When will I transition from reporting on the 72A system to reporting through TDR system?

A. Usually, the reporting requirements will become effective on the first day of the business quarter following acceptance of the modification, i.e., April 1, July 1, October 1, or January 1.

However, modifications accepted during the last 15 days of the quarter are effective on the first day of the **second** business quarter following modification acceptance. See the below chart:

Mod Accepted between	Reporting Requirements Effective	1st Report due in new system	1st IFF remittance due in new system
6-15-16 through 9-14-16	10-1-16	11-30-16	1-30-17
9-15-16 through 12-15-2016	1-1-17	3-2-17	4-30-17
12-16-2017 through 3-15-17	4-1-17	5-30-17	7-30-17
3-16-17 through 6-14-17	7-1-17	8-30-17	10-30-17

Q53. In the past I rounded my quarterly sales to the nearest whole dollar. Will I do any rounding of data in the TDR system?

A. No, sales reported in TDR will be exact to the penny.

Q54. What data am I required to report?

A. These data elements were selected because 1) they are typically already included on invoices submitted by the vendor; 2) represent the minimum amount of data the Government would need in order to conduct price analyses, and 3) are elements that cannot be obtained from other sources such as FPDS-NG. The clause requires contractors to submit the following data elements:

- i. Contract Number
- ii. Order Number or Procurement Instrument Identifier (PIID)
- iii. Non Federal Entity, if applicable
- iv. Description of Deliverable
- v. Manufacturer Name
- vi. Manufacturer Part Number
- vii. Unit of Measure (each, hour, case, lot, etc.)
- viii. Quantity of Item Sold
- ix. Universal Product Code (UPC) if applicable
- x. Price Paid per Unit
- xi. Total Price Sold

Q55. For the Purchase Order Number (PO) data requirement, what if the customer is paying with a credit card and will not issue a PO?

A. In this instance, please enter "Verbal" for the PIID field.

Q56. For services, what data will be reported for "Description of Deliverable", "Manufacturer Name", and others that are not applicable to services?

A. Manufacturer Name is not a mandatory field for service contractors in TDR. Description of Deliverable is a mandatory field for both products and services. Service providers would place a brief description of the project or service offered in the Description of Deliverable field.

Q57. In what format can I submit the data?

A. Contractors have multiple options to submit their sales data such as:

1. Form entry - where you fill out a form in your web browser
2. File upload - where you upload an excel or .csv template populated with your sales data
3. Electronic Data Interchange / EDI
4. Web Services / API

Q58. What is the frequency of reporting?

A. TDR data is reported monthly, and there is a 30-day window to report after the end of the month.

Q59. Is there difference in reporting for existing contractors versus new ones?

A. TDR requires monthly reporting for all contractors involved.

Q60. How should I report complex, configured items? How will this information be used by the government?

A. GSA understands there are myriad possibilities for complex, configured item orders. The reporting elements provide a way to address complex solutions in that it requires a description of the deliverable. If the deliverable is a configured item, the vendor can address it in the description field. As stated the TDR reporting clauses, "The Contractor must provide, at no additional cost to the Government, the following transactional data elements, as applicable:

- (i) Contract or Blanket Purchase Agreement (BPA) Number.
- (ii) Delivery/Task Order Number/Procurement Instrument Identifier (PIID).
- (iii) Non Federal Entity.
- (iv) Description of Deliverable.
- (v) Manufacturer Name.
- (vi) Manufacturer Part Number.
- (vii) Unit Measure (each, hour, case, lot).
- (viii) Quantity of Item Sold.
- (ix) Universal Product Code.
- (x) Price Paid per Unit.
- (xi) Total Price."

However, not all data elements are applicable for all orders. For example, services would not require the Manufacturer Name field. Vendors can contact their IOA for additional assistance on reporting in determining the most effective way to report these type orders.

In terms of how this information will be used by the Government, transactional data will be instrumental for informing buying decisions and crafting overarching demand management strategies, regardless of whether the data is useful for evaluating contract-level pricing. For instance, the availability of transactional data will provide buyers visibility into the variables that drive costs, which is key to defining requirements and developing accurate cost estimates. Likewise, category managers will gain insight into the assorted options available for satisfying common requirements, and then use the lessons learned to form demand management strategies that promote the most efficient methods for meeting the Government's needs.

Q61. How should contractors report Firm Fixed Price (FFP) orders in the TDR system? What about Time & Materials (T&M) orders and cost type orders?

- A. Contractors should report FFP orders as single line item representing the lump sum total for the order. For services time-and-materials (T&M) or labor hour orders, reporting should be done by labor categories and rates.

Q62. For products that are obtained by Schedule holders from distributors, can we report the part number that we acquired the product under as visibility into original manufacturer part number may be limited?

- A. The TDR data reporting require the actual manufacturer's part number be reported. It is possible that data may be standardized and the manufacturer's part number added. Otherwise, vendors must work with their manufacturer's to obtain the manufacturer's part number.

Q63. If a vendor currently does not use UPC, how will that affect the reporting requirement? In addition, regarding the Manufacturer Part Number, is this simply the manufacturer's own configured item/model number as stated in a price list?

- A. GSA understands that some vendors do not use UPCs. If a vendor does not have a UPC for an item, then N/A will be reported in that field. The Manufacturer Part Number is the manufacturer's own configured item/model number shown on their pricelist.

Q64. With regard to BPA's, where the customer agency established BPA labor categories, how does a company handle reporting TDR if the BPA instructs the company to bill the BPA labor categories on its invoices?

- A. Only GSA Schedule line items should be awarded on a BPA. Customer-defined labor categories would require the Schedule contractor to "map" its' GSA labor categories to the customer defined labor categories, but reporting of sales would be aligned with the GSA labor categories. Regardless, labor categories would only be reported on a time-and-materials/labor hours order.

Q65. Under a Contractor Teaming Arrangement (CTA), who reports the transactions?

- A. Each Schedule contractor is responsible for reporting sales and remitting IFF for items purchased from their contract. These reporting/IFF remittance responsibilities are the same as for CTAs involving non-TDR Schedule contractors.

Q66. Are there potential issues associated with the False Claim Act as it relates to the TDR?

- A. False Claims arise when a person “knowingly” deceives the Government. As such, GSA does not anticipate increased False Claims actions because there is no expectation of an increase in vendors “knowingly” deceiving the Government. Moreover, the new Transactional Data Reporting site will allow vendors more leeway to fix errors than the current 72A Reporting System. While sales adjustments submitted through the 72A system must be approved by the assigned Industrial Operations Analyst (IOA), vendors will be able to submit data corrections through the new site on their own, although IOAs will be notified of corrections over a certain dollar threshold.

Transactional Data Reporting will also provide greater ease of compliance with the removal of CSP disclosures and the PRC tracking customer provision. Reporting transactional data is based upon data used to generate a standard invoice. On the other hand, navigating the PRC and CSP requirements is complex because they require industry partners to track their GSA pricing relative to all of their commercial customers, and monitor and control all of their commercial sale transactions.

Q67. What is the Non Federal Entity reporting requirement?

- A. The non-Federal entity field is provided to capture all Schedule sales made to non-Federal entities. This includes all other authorized users under Schedule, including but not limited to; cost reimbursement contractors per FAR 51, state and local government, territories, tribal governments, Red Cross or Non-Government Organization. See GSA Order OGP 4800.2I for more information. Vendors who accept the TDR clause shall report those data elements identified in the clause for all GSA Schedule contract sales for that contract (only those contracts with the TDR clause incorporated).

Q68. If my contract is FOB origin, do I need to report total price to include freight cost?

- A. No. TDR does not change what is reportable to GSA, and Schedule contractors should not include the value of open market items such as freight.

Q69. If the TDR data reported each month show lower rates being sold consistently for a vendor's schedule, will it possibly lead to lowering the GSA Schedule rate?

- A. It is not GSA's intention to renegotiate each and every price found to be lower than the awarded price, as GSA recognizes that there are myriad reasons why the award price might be higher than the actual price paid. However, that will not preclude the CO or CS from at least exploring the possibility that a lower price may be more appropriate.

Q70. What if my orders are firm fixed price and the items were not quoted individually?

- A. Please report the items in the way they were quoted.

V. The Industrial Funding Fee (IFF)

Q71. When is IFF due?

A. IFF must be paid quarterly. Contractors may, however, choose to remit IFF on a monthly basis when they report their sales if they prefer, and must do so through the TDR system.

Q72. How would a contractor recoup IFF paid on product returned by the customer?

A. A sales adjustment would need to be made to the original line item reported to remove it from that original monthly sales report.

Q73. Once a contractor accepts the TDR modification, can they still remit IFF based on their current acceptable point for recognizing sales (Receipt of order, Shipment or delivery, Revenue Recognition), or does the IFF have to be remitted based on the TDR reported?

A. The new TDR IFF Clause 552.238-74 (Alt I) allows only two points for recognizing revenue for purposes of Sales Reporting and IFF remittance; Date of Invoice or Date Payment is Received. If a vendor opts in to TDR, they these would be the only two points at which they could recognize revenue as being ready to report for IFF purposes. Vendors are not being asked to change their current accounting systems to accommodate TDR, but to streamline the process vendors must now use only these two points when determining whether or not it is time to report a transaction. As with 72A, whichever point they elect to utilize, they should utilize it consistently (i.e., all sales should be reported as of Date of Invoice or Date of Payment - not a mix.)

Remittance of IFF will continue to be due 30 days after the end of the standard business quarter based for all sales reported during the previous quarter. Vendors, at their option, may elect to remit IFF due on a monthly basis in conjunction with reporting their transactional data.

Q74. Can I remit my IFF by mailing a check?

A. Vendors participating in the TDR pilot must remit IFF payments electronically through www.pay.gov. GSA evaluated different payment alternatives and determined that electronic methods will streamline the IFF remittance process and reduce administrative costs.

VI. Data Usage & Public Disclosure of Information

Q75. How will GSA use the data, and who can see my data? How will GSA manage the quantity of line item data reported?

A. GSA expects TDR could eventually produce millions of lines of data and is therefore deploying data analytics tools to assist contracting officers and category managers in viewing and interpreting the data. Transactional data reported in accordance with the new clauses will be shared with authorized users to craft smarter buying strategies. GSA is also developing data visualization tools to make the data more user friendly. Within GSA, FAS has established a data analytics team that will assist in the establishment and ongoing analysis of contract-level prices.

The initial focus of TDR implementation is collecting the data, but GSA is exploring how data will be released to the public. On July 7, 2016, GSA issued a Public Notice in the Federal Register seeking comments regarding the public release of transactional data reported in accordance with the General Services Administration Acquisition Regulation (GSAR) Transactional Data

Reporting clauses. GSA FAS will consider comments received in establishing its final position on which Transactional Data Reporting (TDR) data elements are releasable under the Freedom of Information Act (FOIA) and which elements will therefore be released to the general public via a public data extract. The comment period for the public notice closed on August 29, 2016. GSA highly encouraged public comments on the notice and is actively evaluating all comments received at this time. At the conclusion of evaluation of all comments received, GSA will finalize its policy regarding release of transactional data. GSA's intention is to implement a policy that meets the requirements of applicable regulations and statutes.

TDR data will be used to support category management and promote smarter buying. It will be used to save money and pass on savings to the taxpayer, reduce contractor and contracting officer burden, and increase transparency into federal acquisition. The ultimate goal is to be a proactive federal partner in giving our customers the information they need to make the best buying decisions possible, while simultaneously lowering the barriers for businesses entering the market.

Q76. What TDR elements will be released to the public?

- A.** On July 7, 2016, GSA issued a Public Notice in the Federal Register seeking comments regarding the public release of transactional data reported in accordance with the General Services Administration Acquisition Regulation (GSAR) TDR clauses. The comment period for the public notice closed on August 29, 2016 and GSA is actively evaluating all comments received at this time.

At the conclusion of evaluation of all comments received, GSA will finalize its policy regarding release of transactional data. GSA's intention is to implement a policy that meets the requirements of applicable regulations and statutes. GSA FAS will consider comments received in establishing its final position on which TDR data elements are releasable under the Freedom of Information Act (FOIA) and which elements will therefore be released to the general public via a public data extract.

Q77. Does GSA seek data from federal sales only (contract sales) and not all sales to all customers of stock numbers on contract?

- A.** Contractors participating in the Transactional Data Reporting pilot are required to report transactional data from orders against the applicable GSA contract vehicle. This data will also determine the amount of fees (i.e. IFF or CAF, depending on the contract vehicle) to be remitted to GSA. Sales outside of these vehicles - often referred to as "non-contract" or "open market" sales - are not to be reported. Additionally, the definition of "transactional data" is contained in the clause: "Transactional data" encompasses the historical details of the products or services delivered by the Contractor during the performance of task or delivery orders issued against this contract.

Q78. The data GSA is requesting is different from what the Navy and other agencies are requesting. This redundant information gathering with different reporting requirements and formats is going to be very time consuming. How will GSA address this with customer agencies? Also, please explain

how this situation is consistent with the Office of Federal Procurement Policy (“OFPP”) December 14, 2014 memorandum, *Transforming the Marketplace: Simplifying Federal Procurement to Improve Performance, Drive Innovation, and Increase Savings*, wherein OFPP Administrator Rung stated that, “greater attention must be paid to regulations related to procurements of commercial products and services, as the Government is typically not a market driver in these cases and the burden of Government-unique practices and reporting requirements can be particularly problematic, especially for small businesses.”

- A. GSA consulted with OFPP and other stakeholders during the formation of this rule. The decision to collect transactional data in favor of Commercial Sales Practices (CSP) disclosures and basis of award tracking in accordance with the Price Reductions clause was made to further align Federal Supply Schedule contracting with commercial practices. Unlike information compiled to populate CSPs, which is created specifically for GSA, the transactional data reported each month is readily available data used to generate invoices.

Regarding the ability of GSA and ordering agencies to use the data, new systems are being deployed to leverage the information. Transactional data reported in accordance with the new clauses will be shared with authorized users to craft smarter buying strategies. GSA is also developing data visualization tools to make the data more user friendly. Within GSA, FAS has established a data analytics team that will assist in the establishment and ongoing analysis of contract-level prices. In terms of oversight, FAS will use many of the same resources it currently deploys to ensure compliance with the existing GSAR clause 552.238-74, Industrial Funding Fee and Sales Reporting. [64]

GSA is pursuing this initiative because obtaining transactional data from its industry partners is the most feasible path the Government can take to implement smarter buying strategies and promote taxpayer value. GSA recognizes the burden that comes with this rule and will continually evaluate ways to minimize the data collection. However, this rule will not lead to higher costs and subsequently higher prices because the changes to the CSP and PRC requirements provide a net burden reduction. To the contrary, Transactional Data Reporting, as shown by GSA’s experience with collecting and using transactional data, will lead to lower prices.

Going forward, GSA’s Senior Procurement Executive will regularly evaluate progress against these metrics in consultation with the Administrator for Federal Procurement Policy and other interested stakeholders to determine whether to expand, limit, or discontinue the program.

Q79. If my data being reported is sensitive, how will GSA safeguard this data?

- A. GSA recognizes that there are orders that are considered sensitive, not classified. The line items required by the GSAR change are invoiced items and not classified; therefore, reporting requirements for sensitive orders are identical to reporting requirements for non-sensitive orders. To submit documentation that contains sensitive information, vendors must use the supporting documentation feature in the FAS Sales Reporting module. That data will be automatically encrypted and only the program office would be authorized to unlock. These terms will be identified in the contract.

In addition, GSA IT and the third party vendor have signed Non-Disclosure Agreements (NDAs) to protect information.

- Q80. Will GSA continue to provide updates and information early in the process regarding the actual sorting, analysis, and use of the data?**
- A. GSA recognizes that the Transactional Data Reporting (TDR) rule is an evolutionary shift for the MAS community, and therefore prioritizes stakeholder engagement and values our industry partners' input in the implementation process. As such, GSA will continue to communicate with our industry partners and stakeholders through Interact and Vendor Support Center (VSC) postings, direct communications to our suppliers, and ongoing training sessions and webinars.
- Q81. Does the recent public notice exercise regarding the intent to release TDR information via a public website meet the reverse-FOIA procedural requirements?**
- A. On July 7, 2016, GSA issued a Public Notice in the Federal Register seeking comments regarding the public release of transactional data reported in accordance with the General Services Administration Acquisition Regulation (GSAR) Transactional Data Reporting clauses. GSA FAS will consider comments received in establishing its final position on which Transactional Data Reporting (TDR) data elements are releasable under the Freedom of Information Act (FOIA) and which elements will therefore be released to the general public via a public data extract. The comment period for the public notice closed on August 29, 2016. GSA highly encouraged public comments on the notice and is actively evaluating all comments received at this time. At the conclusion of evaluation of all comments received, GSA will finalize its policy regarding release of transactional data. GSA's intention is to implement a policy that meets the requirements of applicable regulations and statutes.
- Q82. Is GSA's third party contractor, who is managing the data, restricted from sharing the information outside of GSA?**
- A. Yes, GSA IT and the third party vendor have signed Non-Disclosure Agreements (NDAs) to protect information.
- Q83. How would GSA handle redundant/duplicate data?**
- A. There will not be duplicate reporting for the same order, as the reporting will only be required for the contractor that receives the order and remits the Industrial Funding Fee. This is consistent with current 72A reporting practices.
- Q84. For services, many contracts are awarded as Firm Fixed Price (FFP) Under these circumstances, how should contractors handle their sales reporting requirements?**
- A. Contractors should report FFP orders as single line item representing the lump sum total for the order.
- Q85. What data will be required to add or remove products from a Schedule after TDR is accepted?**
- A. Once a vendor accepts the TDR Mass Mod, the eOffer/eMod system will recognize that the contract is TDR compliant and will only request data required pursuant to the updated clauses, terms and conditions.

Q86. On July 7th, GSA published a notice in the Federal Register entitled, “Notice FAS-2016-01; Seeking Input on the Public Release of Data Collected Through Transactional Data Reporting,” outlining the various TDR data elements that could be exempt under FOIA. Comments are to be submitted for GSA’s review by August 29, 2016. On July 26th, however, GSA announced through GSA Interact that the TDR pilot would begin rolling out starting in August 2016. GSA later clarified in its training webinars for industry that the first MAS modification for the TDR pilot was expected to be released on August 26, 2016. Please address how GSA expects industry to agree to participate in the TDR pilot given that the pilot will begin a full three days in advance of the deadline for comments regarding what information can and cannot be released publicly through the pilot?

- A.** GSA FAS will consider comments received in establishing its final position on which Transactional Data Reporting (TDR) data elements are releasable under the Freedom of Information Act (FOIA) and which elements will therefore be released to the general public via a public data extract. The comment period for the public notice closed on August 29, 2016. GSA highly encouraged public comments on the notice and is actively evaluating all comments received at this time. At the conclusion of evaluation of all comments received, GSA will finalize its policy regarding release of transactional data. GSA’s intention is to implement a policy that meets the requirements of applicable regulations and statutes.

In regarding to timing, there is a significant gap between the timeline of pilot implementation and when contractors would actually begin reporting transactional data. This allows for collection and thorough review of public comments to “Notice FAS-2016-01; Seeking Input on the Public Release of Data Collected Through Transactional Data Reporting”. The reporting requirements will become effective on the first day of the business quarter following acceptance of the modification, i.e., April 1, July 1, October 1, or January 1. See the below chart for guidance:

Mod Accepted between	Reporting Requirements Effective	1st Report due in new system	1st IFF remittance due in new system
7-1-16 through 9-30-16	10-1-16	11-30-16	1-30-17
10-1-16 through 12-31-2016	1-1-17	3-2-17	4-30-17
1-1-17 through 3-31-17	4-1-17	5-30-17	7-30-17
4-1-17 through 6-30-17	7-1-17	8-30-17	10-30-17

Q87. How has GSA used similar information collected on GWACs? How have GSA's customer agencies used the data?

- A. Under GWACs, GSA provides the data to its customers for them to conduct more effective acquisitions. Customers can use the data to form Independent Government Cost Estimates, conduct market research, and evaluate bids. This results in smarter buying decisions and better use of taxpayer dollars.

Transactional data use has led to GWACs becoming preferred contract vehicles, resulting in reduced costs for managing multiple contract vehicles. The reduction in duplicative and inefficient contracts also removes barriers to entry into the federal marketplace, especially for small businesses. The Government Accountability Office (GAO) reports the costs of being on multiple contract vehicles ranged from \$10,000 to \$1,000,000 due to increased bid and proposal, and administrative costs. Consequently, as category management streamlines procurement channels and vendors realize lower administrative costs, small businesses in particular will benefit from a leveling of the playing field.

VII. Pricing

Q88. How will baseline Schedule pricing be negotiated and how will the process change for fair and reasonable pricing determination?

- A. If 1) the applicable clauses associated with TDR are incorporated into a contract through a modification or 2) an offeror is submitting an offer under a solicitation that has been refreshed to include the applicable TDR clauses, then COs will evaluate pricing pursuant to [GSAM 538.270-2](#).

538.270-2 Evaluation of offers with access to transactional data.

(a) Applicability. Utilize this evaluation methodology for negotiating MAS offers when the commercial sales practices format is not included in the solicitation (see [515.408](#)).

(b) Contracting Officers shall utilize the techniques in FAR 15.404 when evaluating pricing for MAS offers.

(c) Order of preference. When evaluating MAS offers and establishing negotiation objectives, Contracting Officers shall—

(1) Use the following data that is already readily available in accordance with FAR 15.404-1(b)(2)(ii):

(i) Prices paid information on contracts for the same or similar items.

(ii) Contract-level prices on other MAS contracts or other government-wide contracts for the same or similar items.

(iii) Commercial data sources that consolidate and normalize prices offered by commercial vendors to the general public to compare prices for the same or similar items.

(2) If the Contracting Officer cannot determine the prices offered to be fair and reasonable based on the data described in [538.270-2\(c\)\(1\)](#), perform market research to compare prices for the same or similar items in accordance with FAR 15.404-1(b)(2)(vi).

(3) If the Contracting Officer cannot determine the prices offered to be fair and reasonable based on the data described in [538.270-2\(c\)\(1\)](#) or [\(2\)](#), perform an analysis of data other than certified cost or pricing data (as defined at FAR 2.101) provided by the offeror in accordance with FAR 15.404-1(b)(2)(vii).

Baseline Schedule pricing associated with the implementation of FPT will be done utilizing the data provided by the FPT tool. FPT will flag any prices that exceed the established ranges. COs will then review the flagged prices and perform further analysis to determine whether additional negotiation efforts are warranted. However, FPT is a separate initiative and rebaselining MAS contracts is not required to implement TDR.

Pricing will not be renegotiated for existing contractors accepting the TDR mass modification. GSA will continue to evaluate pricing upon receipt of modification requests to add new items or SINs to a contract, requests for economic price adjustments, and when exercising an option. For current contracts, acceptance of the TDR modification does not require submission of any additional data.

The current option evaluation process will not change. Current contractors will be notified of the Government's intent to exercise the upcoming option. Vendors will be provided an opportunity to update pricing and add/delete products as needed. COs will evaluate the pricing and addition mods pursuant to GSAM 538-270-2 and FAR 15.404. . If TDR data is available for the products or services being evaluated to utilize as part of the "readily available data," then that data will be evaluated as one part of the overall evaluation. Option decision will not be made solely on TDR data but rather on all data available to the CO covering pricing, performance, responsibility and compliance with contract requirements.

The process will not change for determining pricing fair and reasonable. Through data available as a result of TDR, the CO will simply have more data to utilize in making their fair and reasonable determinations.

Q89. What will the pricing template for a new offer look like, and are these samples available for public view? Will the offeror have to certify the data as current, accurate, and complete and be subject to audit?

- A. The price proposal templates have been updated to remove references to Most Favored Customer (MFC) and/or Basis of Award Customer (BOA) and the CSP form will be removed from the solicitations as they are refreshed to incorporate TDR. The price proposal templates are integrated into the eOffer/eMod system and are specific to each solicitation. As a result, samples are not available. However, new offerors can access the solicitation on the [FedBizOpps](#) website and review the solicitation documents, including the price proposal template, prior to submitting an offer.

New offerors will still be required to submit technical and pricing information as required by the individual solicitations. Pursuant to Clause SCP-FSS-001-N(c), offers must be current, concise, and complete, and demonstrate a thorough understanding of solicitation requirements. TDR does not change the Government's right to conduct an audit.

Q90. Will the TDR data be used for pricing analysis in GSA Schedule RFQs?

- A. Ordering agencies may consider TDR data when evaluating pricing, pending the data is available outside of GSA.

Q91. Will the offeror have to certify the data as current, accurate, and complete and be subject to audit?

- A. TDR does not change the Government's right to conduct an audit.

Q92. How often will GSA review schedule holders' existing pricing (every five years at renewal, or options years, or other)?

- A. GSA will continue its standard practice of requiring its Schedule contracting officers to evaluate pricing submitted with modification requests to add products or services, for Economic Price Adjustments, and to exercise an option. Additionally, with the ongoing implementation of the Formatted Product Tool and future availability of transactional data, GSA will periodically review pricing to monitor prices outside of the competitive ranges. The ranges will also be adjusted as need be as we collect more data over time. GSA also intends to evaluate pricing on a quarterly basis to ensure pricing remains within acceptable ranges.

Q93. How will GSA distinguish between Schedule pricing and BPA pricing? How will GSA ensure that BPA pricing does not impact Schedule pricing, or will GSA be considering key terms that drive price in making fair and reasonable price determinations at the contract level?

- A. GSA recognizes that circumstances at the order-level (including orders placed under BPAs), such as materially different terms, volume, and market and economic factors, may result in a Schedule vendor providing a discount from its Schedule contract pricing. As such, GSA understands a distinction must be made between Schedule contract-level prices and prices paid at the order-level. To aid its Schedule COs, FAS has created internal policy that differentiates between the two, and is thoroughly training its acquisition workforce on the distinctions.

For example, automated horizontal price comparisons will be possible for any products that have available Manufacturer Part Number (MPN) or Universal Product Code Type A (UPC-A) data. The availability of MPN and UPC-A data will facilitate the performance of an in-depth horizontal price analysis, during which proposed prices are compared to current market prices for identical items (to include other FSS prices). FPT will flag any prices that exceed the established ranges, or "outlier pricing," which may include artificially low prices, such as loss leaders. COs will then review the flagged prices and perform further analysis to determine whether additional negotiation efforts are warranted.

Q94. How will pricing offered by value-added Integrators be compared to either a manufacturer or reseller price using "horizontal" review of prices, not the Contractor's MFC?

- A. Utilizing a horizontal review of pricing is only one aspect of the COs review. COs have always, and will continue, to evaluate value-added services provided by integrators as part of their

overall price analysis.

Q95. How will GSA distinguish between varying requirements and terms and conditions that impact pricing among a single Schedule holder's contract vehicles (BPAs, etc.) and among multiple Schedule holders?

- A. GSA's use of transactional data is part of a broader shift to horizontal pricing techniques, where the relative competitiveness of a vendor's prices to other vendors is evaluated. GSA recognizes the complexities of employing horizontal price analysis, whether it is through TDR or other initiatives. For example, FPT identifies contract-level pricing outside a range determined to be acceptable for identical items; vendors whose prices exceed the acceptable range are then notified of their comparative pricing. It is important to reiterate that a range is identified because GSA appreciates the varying circumstances that can contribute to price variation.

When using horizontal pricing techniques, the Schedule contracting officer's final determination will take into account non-price elements, such as materially different terms, quantities, and market and economic factors. Under TDR, Schedule contracting officers will evaluate Schedule contract pricing in accordance with [GSAM 538.270-2](#), which instructs Schedule contracting officers to make fair and reasonable determinations. Also, GSA is deploying data visualization tools that provide context for the transactional data for a particular good or service.

Q96. Is it correct that vendors could offer GSA suggested retail price (SRP) pricing? If not, how does GSA justify seeking a lower contract price where the commitment is \$2,500.00 over 20 years?

- A. Vendors have the discretion to choose what price they offer for products and services, and the TDR rule does not change the Schedule contracting officer's responsibility to determine whether the offered prices are fair and reasonable in accordance with FAR subpart 15.4. Many circumstances may justify a lower contract price, such as the relative competitiveness of the SRP to other Schedule contract prices or the prices paid for the same or similar items. Please refer to [GSAM 538.270-2](#) to see what the Schedule contracting officer will evaluate in order to make fair and reasonable pricing determinations under the TDR pilot.

Q97. How will GSA distinguish between transactional data (which represents prices actually paid for an actual) and Schedule contract pricing (which represents a contractor's price offer for a contract with only a \$2,500.00 guaranteed minimum over 20 years)?

- A. GSA recognizes that circumstances at the order-level, such as materially different terms, quantities, and market and economic factors, may result in a Schedule vendor providing a discount from its Schedule contract pricing. As such, GSA understands a distinction must be made between Schedule contract-level prices and prices paid at the order-level. To aid its Schedule COs, FAS has created internal policy that differentiates between the two, and is thoroughly training its acquisition workforce on the distinctions.

Per [GSAM 538.270-2](#), Schedule COs will look at prices paid for the same or similar items when processing modifications to add items, increase prices, and exercise options. As always, contractors are able to ask their CO about the basis of his/her negotiation objectives at these times.

Q98. How does the Formatted Product Tool (FPT) impact transactional reporting, and what is the timing of the FPT Tool relative to transactional reporting?

- A. FPT's goal is to standardize part numbers to better compare identical products on Schedule, and increase these products' visibility on *GSA Advantage!*. FPT also removes the cumbersome SIP and CORS processes, and gives vendors key insights as to where they stand in the competitive marketplace by automatically flagging outlier pricing.

Automated horizontal price comparison will be possible for any proposed products that have available Manufacturer Part Number (MPN) or Universal Product Code Type A (UPC-A) data. The availability of MPN and UPC-A data will facilitate the performance of an in-depth horizontal price analysis, during which proposed prices are compared to current market prices for identical items (to include other FSS prices). FPT will flag any prices that exceed the established ranges, or "outlier pricing". COs will then review the flagged prices and perform further analysis to determine whether additional negotiation efforts are warranted. However, this is not required for re-baseline submissions at this time.

In addition, product standardization will enable acquisition professionals to better analyze transactional-level data to make the best buying decision possible on behalf of the American taxpayer. Both [FPT](#) and [TDR](#) are being implemented in a phased, rollout.

Q99. How does the TDR rule impact GSA's and customer agency's approach to "Best Value" under the Schedules program, which was a key factor making GSA Schedule purchasing attractive to customers in the past?

- A. TDR does not change GSA's or its customers preference for "best value" procurements. The Federal Acquisition Regulation (FAR) has a stated vision "to deliver on a timely basis the best value product or service to the customer, while maintaining the public's trust and fulfilling public policy objectives" (FAR 1.102). The Government's preference will continue to be "best value," or defined in the FAR, "the expected outcome of an acquisition that, in the Government's estimation, provides the greatest overall benefit in response to the requirement" (FAR 2.101). Transactional data is viewed in the context of each procurement, taking into account desired terms and conditions, performance levels, past customer satisfaction, and other relevant information. Using and understanding the data will help inform requirements definition and reduce excess consumption.

Q100. How will proposals for a new Schedule contracts be evaluated after the implementation of the final rule? Will evaluation only be based upon the price proposal of the items listed? What, if any, additional information will be considered?

- A. Offers for Schedule contracts will be evaluated per [GSAM 538.270-2](#):

538.270-2 Evaluation of offers with access to transactional data.

(a) Applicability. Utilize this evaluation methodology for negotiating MAS offers when the commercial sales practices format is not included in the solicitation (see [515.408](#)).

(b) Contracting Officers shall utilize the techniques in FAR 15.404 when evaluating pricing for MAS offers.

(c) Order of preference. When evaluating MAS offers and establishing negotiation objectives, Contracting Officers shall–

(1) Use the following data that is already readily available in accordance with FAR 15.404-1(b)(2)(ii):

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(ii) Contract-level prices on other MAS contracts or other government-wide contracts for the same or similar items.

(iii) Commercial data sources that consolidate and normalize prices offered by commercial vendors to the general public to compare prices for the same or similar items.

(2) If the Contracting Officer cannot determine the prices offered to be fair and reasonable based on the data described in [538.270-2\(c\)\(1\)](#), perform market research to compare prices for the same or similar items in accordance with FAR 15.404-1(b)(2)(vi).

(3) If the Contracting Officer cannot determine the prices offered to be fair and reasonable based on the data described in [538.270-2\(c\)\(1\)](#) or [\(2\)](#), perform an analysis of data other than certified cost or pricing data (as defined at FAR 2.101) provided by the offeror in accordance with FAR 15.404-1(b)(2)(vii).

Q101. Will GSA develop standard formats that contracting officers will use to solicit additional data they believe is necessary to determine prices fair and reasonable?

- A. GSA is not developing a standard format to solicit additional information to support fair and reasonable price determinations. Per GSAM 538.270-2(c)(3), the contracting officer will only “perform an analysis of data other than certified cost or pricing data (as defined at FAR 2.101) provided by the offeror in accordance with FAR 15.404-1(b)(2)(vii)” when fair and reasonable price determinations cannot be made based on data that is readily available and after performing market research. Since the analysis per GSAM 538.270-2(c)(3) will only be made on an as needed basis and be unique to that particular scenario, no standardized data templates have been developed.

Q102. How will a contracting officer evaluate price reasonableness when comparing information from manufacturers with very different methodologies of producing products across the quality spectrum (e.g., where product quality and features affect pricing)? How does transactional data reporting take into consideration quality/best value?

- A. GSA will not treat similar items from different manufacturers as identical items, as the items may vary because of different features, terms & conditions, quality, etc. However, transactional data will still be instrumental in making comparisons between similar items.

Particularly, transactional data will assist government buyers and FSS contracting officers in using the price analysis techniques found in FAR 15.404-1(b)(2)(ii), as transactional data is necessary to make a comparison of “proposed prices to historical prices paid...for the same or similar items.” Although paragraph (A) of this section notes the prior price is not a valid basis of comparison if “there has been a significant time lapse between the last acquisition and the present one, if the terms and conditions of the acquisition are significantly different, or if the reasonableness of the prior price is uncertain...,” it does allow for some variance in factors when making comparisons. Furthermore, paragraph (B) not only allows, but requires, a prior

price to “be adjusted to account for materially differing terms and conditions, quantities and market and economic factors.” In other words, when there has been no significant time lapse, the terms and conditions of an acquisition are similar to previous purchases, and the reasonableness of the prior price is certain, transactional data is valid for comparisons of, if not identical, at least similar items and can be adjusted to account for materially different terms and conditions, quantities, and market and economic factors.

In that regard, quality and features are variables the Government will take into account when using transactional data for price analysis.

In that regard, quality and features are variables the Government will take into account when using transactional data for price analysis.

Q103. How GSA will evaluate and use transactional data in circumstances where the items are not identical?

- A. When the items are not identical, yet similar, transactional data will assist government buyers and FSS contracting officers in using the price analysis techniques found in FAR 15.404-1(b)(2)(ii), as transactional data is necessary to make a comparison of “proposed prices to historical prices paid...for the same or similar items.” Furthermore, paragraph (B) not only allows, but requires, a prior price to “be adjusted to account for materially differing terms and conditions, quantities and market and economic factors.”

Transactional data will also be instrumental for informing buying decisions and crafting overarching demand management strategies, regardless of whether the data is too dissimilar for price comparisons. For instance, the availability of transactional data will provide buyers visibility into the variables that drive costs, which is key to defining requirements and developing accurate cost estimates. Likewise, category managers will gain insight into the assorted options available for satisfying common requirements, and then use the lessons learned to form demand management strategies that promote the most efficient methods for meeting the Government’s needs.

Q104. How will TDR affect pricing?

- A. GSA’s objective is to establish fair and reasonable pricing at the contract-level; ordering agencies will award pricing at the order-level that is commensurate with volume and terms.

The Federal Acquisition Regulation (FAR) has a stated vision “to deliver on a timely basis the best value product or service to the customer, while maintaining the public’s trust and fulfilling public policy objectives” (FAR 1.102). The Government’s preference will continue to be “best value,” or defined in the FAR, “the expected outcome of an acquisition that, in the Government’s estimation, provides the greatest overall benefit in response to the requirement” (FAR 2.101). Transactional data will be viewed in the context of each procurement, taking into account desired terms and conditions, performance levels, past customer satisfaction, and other relevant information.

The updated GSAM guidance for FSS contracts in regards to TDR is contained at [GSAM 538.270-2](#). It instructs FSS contracting officers to make a fair and reasonable pricing determinations. Additionally, contracting officers placing orders against GSA's Schedules and other multi-agency vehicles will continue to follow the procedures required by the FAR, including a preference for "best value" solutions (FAR 1.102). Lastly, GSA is deploying data visualization tools that provide context for the transactional data of a particular good or service.

Q105. How does this rule and related pricing approach impact the EPA clause?

- A. The TDR rule required GSA to deviate from the existing EPA clauses in order to remove language applicable to CSPs and the Price Reductions Clause basis of award tracking requirement. These changes are available for review in the Significant Changes document on [Interact](#); clause 552.216-70 Economic Price Adjustment FSS Multiple Award Contract Deviation II (JUL 2016) and I-FSS -969 Economic Price Adjustment FSS Multiple Award Schedule ALT II (JUL 2016) have been updated to align with the rule. The changes to the EPA clause were not addressed through the rulemaking process because the GSAR prescription for the EPA clause was removed as part of a previous rewrite of GSAR Part 516 and was instead retained through an internal policy letter.

GSA will continue to grant price increases in accordance with the applicable versions of the EPA clause, but vendors must submit documentation to support the reasonableness of the request, as required by non-TDR versions of the EPA clause. However, the TDR versions of the EPA clause no longer require vendors to submit CSP disclosures or copies of the commercial catalog/pricelist showing the price increase and the effective date for commercial customers.

Q106. What amendments will be required to modify existing Schedule contracts particularly related to contract pricing? As contract pricing is impacted over time, how will the contract reflect the contractor's new pricing?

- A. As always, the goal of Schedule pricing is "fair and reasonable". FAR 8.404(d) Pricing, states that "Supplies offered on the schedule are listed at fixed prices. Services offered on the schedule are priced either at hourly rates, or at a fixed price for performance of a specific task (e.g., installation, maintenance, and repair)." The Schedule contracting officer may utilize a variety of methods as outlined in FAR 15.4 and GSAM 538.270-2 to make fair and reasonable price determinations. If the vendor has accepted the FPT mass modification as well as the TDR mass modification, the CO has additional data available to utilize in their analysis. In all cases, however, analysis will not be limited just to transactional data comparisons. Rather, all techniques provided by FAR and GSAM will be utilized.

With respect to how contractors will be audited, particularly for contractors with in excess of 500,000 items, the audit methodology is determined by the Office of Inspector General based upon what information is considered necessary to meet the audit objectives.

Q107. Will a price reduction at the contract level impact pricing for existing BPAs and orders?

- A. There is nothing that requires a discount at the order level to affect the contract level pricing. In regards to whether or not a price reduction at the contract level will impact pricing for

existing BPAs and orders, it depends on the BPA contracting officer's evaluation. While contract-level price reductions will not have an immediate impact on pricing on existing orders, they may impact any options on those orders if the BPA CO cannot determine the BPA pricing to be fair and reasonable based upon data available at the time of option exercise.

Q108. How will bottom line discounts be handled under TDR?

A. There is nothing that requires a discount at the order level to affect the contract level pricing.

Q109. How will a contractor communicate unique pricing and other unique product/services information to their CO contracting officer during the TDR pilot?

A. Contractors should continue to communicate unique terms and conditions that differentiate their product or service from other competitors during the negotiation process. GSA understands that there are many unique pricing practices used by industry, and encourages communication regarding these elements.

Q110. If a fixed price for a project/solution is reported, how will the information be used to evaluate contract-level pricing?

A. GSA recognizes fixed price data will have limited value compared to data reported for other contract types, including for contract-level price comparisons, but there are still numerous benefits. The Government can use fixed price data to analyze its consumption patterns, evaluate and compare purchasing channels, and identify best-in-class solutions. Thereafter, the Government can leverage its buying power and demand management strategies to achieve taxpayer savings as it concentrates its purchases through fewer channels, while vendors realize lower administrative costs. Fixed price data will also be useful for market research; for example, the data will be especially useful when combined with information from the eBuy statement of work (SOW) library.

In regards to reporting, the way the sales are reported will be reflective of how the items are ordered. GSA understands a fixed price service/solution may not have distinguishable components for reporting purposes. If the order shows definitive items at definitive quantities and prices, those items should be reported separately. However, if the items are not priced separately, it is acceptable to report the solution as they were ordered, including the description of each line item in the Description of Deliverable field.

Q111. Is GSA only reviewing horizontal price comparisons for exact manufacturer part numbers, not similar items? How will similar items be evaluated for price comparison purposes?

A. GSA is seeking transactional data for horizontal price comparisons for identical or similar items. However, GSA will not treat similar items as identical items, as those items may vary because of different features, terms & conditions, quality, etc. However, transactional data will still be instrumental in making comparisons between similar items.

Particularly, transactional data will assist government buyers and FSS contracting officers in using the price analysis techniques found in FAR 15.404-1(b)(2)(ii), as transactional data is necessary to make a comparison of "proposed prices to historical prices paid...for the same or

similar items.” Although paragraph (A) of this section notes the prior price is not a valid basis of comparison if “there has been a significant time lapse between the last acquisition and the present one, if the terms and conditions of the acquisition are significantly different, or if the reasonableness of the prior price is uncertain...,” it does allow for some variance in factors when making comparisons. Furthermore, paragraph (B) not only allows, but requires, a prior price to “be adjusted to account for materially differing terms and conditions, quantities and market and economic factors.” In other words, when there has been no significant time lapse, the terms and conditions of an acquisition are similar to previous purchases, and the reasonableness of the prior price is certain, transactional data is valid for comparisons of, if not identical, at least similar items and can be adjusted to account for materially different terms and conditions, quantities, and market and economic factors.

Q112. How is commercial pricing data used for price negotiation?

- A. COs can utilize a wide range of information to evaluate offered pricing including comparison with pricing for identical items already on a MAS contract, pricing for the same item awarded under other Federal Contracts, as well as comparisons with pricing offered in the commercial market for the same item. The CO will utilize all data available to ensure fair and reasonable pricing is negotiated.

Q113. What is the impact on, and process for, both pre-award price audits and post-award price audits?

- A. Through implementation of the TDR rule, GSA is piloting the elimination of the CSP and PRC basis of award disclosure requirement in favor of pricing policies that first rely on readily available information. Evaluation of new offers under MAS solicitations and contracts that include the applicable TDR clauses will be evaluated in accordance with GSAM 538.270-2, including offers subject to pre-award audits. For MAS contracts for which a bilateral modification to include the applicable TDR clauses is effective, GSA reserves the right to examine transactions related to the CSP and PRC requirements that were in effect prior to the effective date of the TDR modification for the period of time specified in GSAR clause 552.215-71, including examination for records for the purposes of post-award audit.

Below are three illustrative scenarios that provide a further explanation of the applicability of the TDR rule: 1) Evaluation of new MAS offers under TDR; 2) GSA’s ability to examine records prior to the effective date of the TDR modification; and 3) Options to extend the term of the contract under TDR.

Evaluation of new MAS offers under TDR

Under MAS solicitations and contracts that include the applicable TDR provisions and clauses, new offers will be evaluated in accordance of GSAM 538.270-2, Evaluation of offers with access to transactional data. GSAM 538.270-2 outlines an order of preference in evaluating MAS offers and establishing negotiations objectives in accordance with FAR 15.404. This order of preference is based upon the premise of GSA first relying on readily available information to determine the offered MAS pricing is fair and reasonable and that a MAS contract award is in the best interest of the Government. These policies apply to evaluation of all MAS offers that

include TDR provisions and clauses, including offerors that have been selected for pre-award audit.

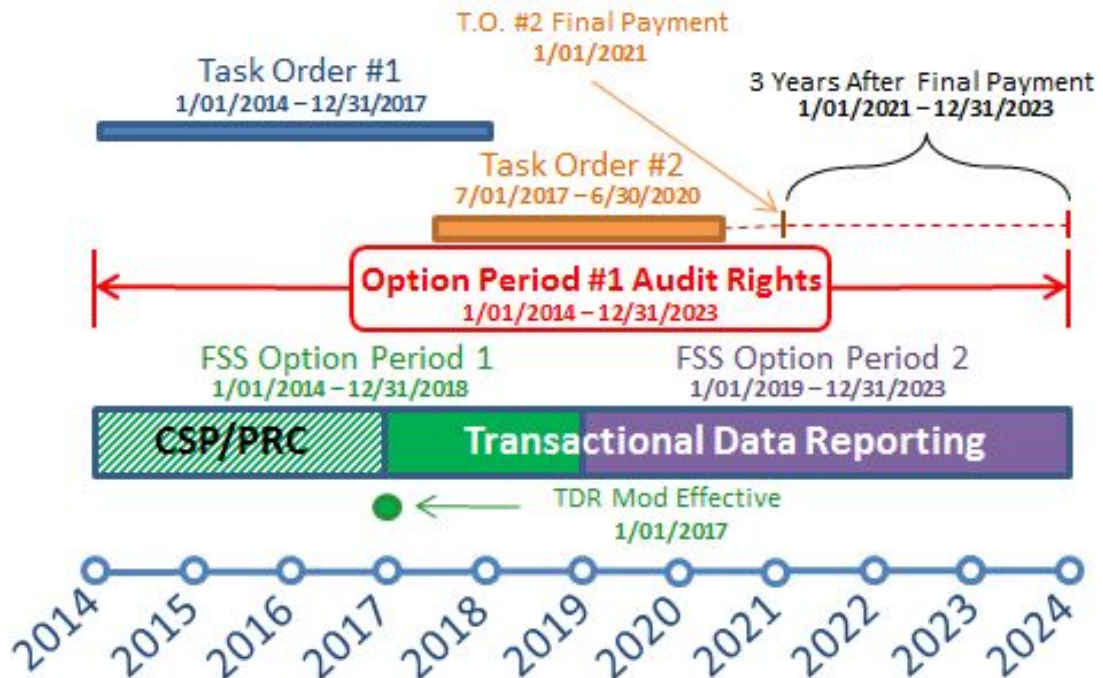
GSA's Ability to Examine Records Prior to Accepting the TDR Modification

When a bilateral modification to include the applicable TDR clauses into a MAS contract such as 552.238-74 Alternate I, 552.238-75 Alternate I, and 552.238-81 Alternate II is effective, the vendor will no longer provide or maintain CSPs, or monitor the basis of award requirement of the PRC, for that contract. However, the elimination of the CSP and PRC basis of award disclosure requirements do not apply retroactively. Accordingly, GSA reserves the right to examine transactions related to the CSP and PRC requirements that were in effect prior to the effective date of the TDR modification for the period of time specified in GSAR clause 552.215-71, including examination of records for the purposes of post-award audit. Additionally, the Government does not relinquish the rights provided by GSAR clause 552.215-72.

GSAR clause 552.215-71 Examination of Records by GSA (Multiple Award Schedule) governs GSA's ability to examine records related to MAS contract transactions. The Examination of Records clause provides GSA access to, and the right to, examine any books, documents, papers and records of the contractor involving transactions related to this contract for overbillings, billing errors, compliance with the Price Reduction Clause and compliance with the Industrial Funding Fee and Sales Reporting clause of this contract. The clause specifies that the authority shall expire 3 years after final payment and that the basic contract and each option shall be treated as separate contracts for purposes of the clause.

For example, a contractor is in the third year of the first option period (Year 8) of their Schedule contract and the first option period ends on December 31, 2018. GSA and the contractor bilaterally agree to the TDR modification and it is effective on January 1, 2017. Under GSAR clause 552.215-71, GSA has the right to examine records related to MAS orders awarded during the first option period for 3 years following the last payment made for orders awarded during the first option period. This includes examining records related to completeness and accuracy of CSPs disclosures made prior to January 1, 2017 and compliance with reporting and providing basis of award price reductions prior to January 1, 2017.

In this example, two orders were awarded during the first option period. The expiration of GSA's right to examine records related to these orders expires 3 years after the final payment is made on Task Order #2; final payment is received on 1/01/2021, so GSA's right to examine first option period records expires on 12/31/2023. This means GSA can examine records related to CSP compliance for Task Order #1 up until 12/31/2023.



Evaluation of Exercising the Options to Extend MAS Contracts under TDR

Once a bilateral modification is effective to include all applicable TDR clauses under a MAS contract, GSAM 538.270-2 applies to the evaluation of new MAS offers, including post-award offers for new contract items. When exercising an option to extend the term of a MAS contract, the GSA Contracting Officer must determine in accordance with clause I-FSS-163: 1) Exercising that option is advantageous to the Government considering price and other factors; 2) Performance has been acceptable under the contract; and 3) Subcontracting goals have been reviewed and approved.

For contracts that include the applicable TDR clauses, GSA will apply the policies in GSAM 538.270-2, include those selected for pre award audit, after determining that exercising the option is advantageous for the Government.

For example, a MAS contractor is in year nine of their Schedule contract and the second option period ends on January 15, 2018. GSA and the MAS contractor bilaterally agree to the TDR modification and it is effective on November 15, 2016. On April 15, 2017, the vendor is notified have been selected for a pre-award audit prior to the GSA Contracting Officer exercising the option to extend. GSA will conduct the option evaluation in accordance with GSAM 538.270-2. However, GSA may request the MAS contractor provide other than certified cost or pricing data (as defined at FAR 2.101), in accordance with FAR 15.404-1(b)(2)(vii), if GSA determines readily available data, in accordance with FAR 15.404-1(b)(2)(ii), and market research to compare prices for the same or similar items, in accordance with FAR 15.404-1(b)(2)(vi), is insufficient for the GSA Contracting Officer to determine exercising the option is advantageous to the Government.

Q114. How should the pricing of “bundled” products be reported, and how would this pricing be used to negotiate contract prices, as it would only be relevant to subsequent transactions for the identical bundle?

- A. GSA understands there are myriad possibilities for complex item orders. The reporting elements provide a way to address complex solutions in that it requires a description of the deliverable. If the deliverable is a combination of products, the vendor can address it in Description of Deliverable field.

With regard to negotiating pricing, the contracting officer will be utilizing all data available to them, not just transactional data, in determining fair and reasonable pricing. In the case of bundled items, the CO would look at the component pricing awarded on the contract when evaluating individual component items. If an identical bundle was purchased by multiple agencies, then the CO could compare the bundled pricing, among other factors, when evaluating pricing and making fair and reasonable pricing determinations.

Q115. How is GSA going to perform a price analysis of services when every company has unique labor categories and descriptions for their service base?

- A. As with products, COs have a variety of tools to utilize which help them compare labor categories based on similar years of experience, qualifications, duties, education required and many other factors for each position being evaluated. GSA understands the importance of taking these factors into consideration and ensuring they are a part of the price analysis. For example, GSA’s Professional Services Schedule has been performing price analyses of complex services for years.

Additionally, GSA has developed a Contract Awarded Labor Category Tool (CALC). CALC (<http://calc.gsa.gov>) is a market research tool that searches a database of awarded Schedule contract prices for 48,000 labor categories from more than 5,000 Schedule contracts under the Professional Services Schedule. Rather than sifting through contract files or searching GSA Advantage!® for comparable pricing, Government contracting professionals can now use CALC to return a multitude of comparable contract prices within a matter of seconds. Additionally, these search results can be filtered by relevant criteria such as years of experience and education level. Over time, greater enhancements are anticipated, such as adding geographic filters.

VIII. TDR Impact On Other Vehicles

Q116. How does this affect GWAC vendors?

- A. The TDR rule itself applies to all GSA contracts. However, the pilot only applies to the Schedules/SINs listed above in Question 7. GSA will communicate accordingly with vendors participating on vehicles not included in the pilot regarding future implementation of TDR at the appropriate time.

Q117. How does this affect OS3 contractors?

- A. OS3 contractors are not impacted by this pilot at this time. GSA will communicate accordingly with vendors participating on OS3 regarding future implementation of TDR at the appropriate time.