GSA’s Transactional Data Reporting Rule

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Director, Policy Division
GSA/FAS Office of Policy and Compliance
Agenda

• The Basics
• History and Purpose
• Significant changes for your contract
• A few of the details
What is Transactional Data Reporting

- Updates several clauses including 552.238-74 Industrial Funding Fee and Sales Reporting

- Eliminates Price Reduction Clause (PRC) tracking and Commercial Sales Practice (CSP) submission requirements for vendors.

- PRC Liability for current contractors ends with acceptance of the TDR Mass mod which will be effective on the 1st day of the business quarter following acceptance of the mod. This includes orders placed before TDR was accepted but continue after TDR is effective.
What is Transactional Data Reporting

- If a TDR covered SIN is included along with non-TDR SINs then the entire contract becomes subject to TDR reporting. TDR applicability is at the contract level. If a TDR SIN is deleted in the future, the TDR requirement remains for the contract.

- Changes the way contractor's report MAS sales
  
  From summary data to line item detail
  Moves from the 72A website to the TDR website FAS Sales Reporting
Changes for Contractors

- Change from quarterly to monthly reporting in *FAS Sales Reporting* website
  - Sales reports are due 30 days after the month ends (June sales are due by July 30th)
  - Payments continue to be due quarterly
- Payments **must** be remitted within pay.gov - paper checks are no longer accepted
- Must have a digital certificate and authorized role on the contract
- Changes acceptable points in which to recognize revenue (changed to invoice and payment dates only)
- Line item detail reported within TDR, instead of quarterly summary within 72A
- Cannot **CURRENTLY** report negative amounts of line items (no credit memos)
- No rounding of dollar amounts (everything to the penny)
- Eliminates PRC tracking/monitoring and CSP submission on mod effective date
### Transactional Data Reporting (TDR)
#### Rule Overview

<table>
<thead>
<tr>
<th>Rule</th>
<th>Purpose</th>
<th>Stakeholder Feedback</th>
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<tbody>
<tr>
<td>New GSA Acquisition Regulation (GSAR) requirement for monthly reporting of transactional data (e.g. prices paid) from Federal Supply Schedules and GSA’s other Governmentwide contracts.</td>
<td>Help the government understand what it buys and how to buy it smarter.</td>
<td>Stakeholders expressed several concerns for multiple reasons.</td>
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<td>● Removes CSP and PRC disclosures in exchange for data</td>
<td>Significant savings through:</td>
<td>Most notably:</td>
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<td></td>
<td>● Demand management</td>
<td>● Burden estimates</td>
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<td></td>
<td>● Coordinated purchasing</td>
<td>● Changes to existing pricing disclosure requirements</td>
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<td></td>
<td>● Lower prices</td>
<td>● Data disclosure</td>
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<td></td>
<td>● Reduced burden</td>
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The Power of Transactional Data
Projected Benefits from Transactional Data Reporting Rule

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<tr>
<th>Smarter Buying</th>
<th>Increases Transparency</th>
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<tr>
<td>● Supports Category Management</td>
<td>● Supports Administration’s initiatives, such as “Open Government”</td>
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<td>● Coordinated purchasing</td>
<td>● Reduces risk of fraud, waste, and abuse</td>
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<tr>
<td>● Demand management</td>
<td></td>
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<td>● Reduces need for contract duplication</td>
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<tr>
<th>Reduces Burden</th>
<th>Proactive Federal Partner</th>
<th>Lowers Barriers</th>
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<tbody>
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<td>● Est. annual burden reduction <strong>$32 million</strong></td>
<td>● Gives customers the information they need for smarter buying</td>
<td>● Speeds procurement</td>
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<td>for GSA Schedule holders participating in the pilot</td>
<td>● Unprecedented transparency into federal marketplace</td>
<td>● PRC &amp; CSP removal helps businesses enter the market</td>
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<td></td>
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<td>● Levels playing field for small business</td>
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## Transforming the Schedules Program

### Current and Future GSA Schedule Pricing Models

<table>
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<th>Historical Model</th>
<th>TDR Model</th>
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<td>● Disclosure of vendor’s commercial sales practices</td>
<td>● Standardizing part numbers to facilitate horizontal price comparisons</td>
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<td>● Most Favored Customer negotiation objective</td>
<td>● Capture of all available data (commercial and federal marketplace) to negotiate pricing</td>
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<td>● Analysis of proposed pricing to other commercial customers</td>
<td>● Transparency into pricing data will produce market driven pricing reductions throughout contract life</td>
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<td>● Price Reduction Clause</td>
<td>● Shift to managing categories of spend</td>
</tr>
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<td>● Basis of award customer as trigger of price reductions throughout contract life</td>
<td>● Simplifies burden while increasing competition and compliance</td>
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Elimination of the PRC & CSP

- CSPs & PRC have supported Schedules’ pricing since the 1980s
  - Ensured fair & reasonable pricing when data collection tools were limited
- Predates the Federal Acquisition Streamlining Act of 1994 (FASA)
- Industry regularly cites CSP and PRC requirements as among the most complicated and burdensome in federal contracting
- GSA OIG frequently notes contractor difficulties complying with these requirements
- MAS Blue Ribbon Advisory Panel (2010) recommended PRC elimination
- GAO report GAO-10-367 (April 2010) recommended GSA collect “prices paid”
- GSA recognized industry comments on the need to eliminate both the PRC and CSP to achieve the burden reduction necessary for the TDR pilot
TDR Value Proposition For Industry

- Driving more customers to MAS and other FAS acquisition vehicle programs means more business opportunities for industry partners
  - Rule aims to reduce the need for duplicative contracts
  - This will free up industry bid and proposals dollars
  - General Accountability Office 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.

- Alternative to the complex, burdensome PRC & CSP requirements
  - Need to maintain price protections
  - Reduced burden ($32 million burden reduction for FSS contractors)
  - Lowers barriers of entry to federal marketplace, as burden is only incurred after making a sale

- Speeds up the procurement process and reduces administrative costs
- Unprecedented level of transparency and insight into the federal marketplace
## Scope of New Rule’s Schedule Coverage

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Description</th>
<th>SINs</th>
<th>Offerings</th>
<th>Sol. Refresh/Mass Mod Release</th>
</tr>
</thead>
<tbody>
<tr>
<td>58 I</td>
<td>Professional Audio/Video</td>
<td>All</td>
<td>Products</td>
<td>August 26th, 2016</td>
</tr>
<tr>
<td>72</td>
<td>Furnishings &amp; Floor Coverings</td>
<td>All</td>
<td>Products</td>
<td>August 26th, 2016</td>
</tr>
<tr>
<td>03FAC</td>
<td>Facilities Maintenance &amp; Management</td>
<td>All</td>
<td>Services</td>
<td>September 9th, 2016</td>
</tr>
<tr>
<td>51V</td>
<td>Hardware Superstore</td>
<td>All</td>
<td>Products</td>
<td>September 9th, 2016</td>
</tr>
<tr>
<td>75</td>
<td>Office Products/Supplies</td>
<td>All</td>
<td>Products</td>
<td>October 7th, 2016</td>
</tr>
<tr>
<td>73</td>
<td>Food Service, Hospitality, Cleaning Equipment</td>
<td>All</td>
<td>Products</td>
<td>November 18th, 2016</td>
</tr>
<tr>
<td>70</td>
<td>Information Technology</td>
<td>132-8, 132-32, -33 &amp; -34, 132-54 &amp; 55</td>
<td>Services, Software, Hardware</td>
<td>November 18th, 2016</td>
</tr>
<tr>
<td>00CORP</td>
<td>Professional Services Schedule (PSS)</td>
<td>Professional Engineering Services (PES) SINs</td>
<td>Services</td>
<td>January 13, 2017</td>
</tr>
</tbody>
</table>
Is TDR Mandatory?

• Applies to pilot Schedules only
• Current contractors will receive a bilateral modification to opt-in to pilot
• New offerors will respond to a refreshed solicitation which incorporates TDR and removes the PRC & CSP requirements
• Award of contract Option:
  • TDR will be incorporated in accordance with current, refreshed solicitation
  • Contractors who have already received the 210-day option notification letter will have the choice to continue with CSPs/PRC or accept TDR
TDR Reporting Requirements

- Vendors will submit transactional data on a monthly basis
- IFF payments are still remitted quarterly
- Reportable Data Elements:
  - Contract or BPA Number
  - Order Number
  - Non Federal Entity
  - Description of Deliverable
  - Manufacturer Name
  - Manufacturer Part Number
  - Special Item Number (FSS only)
  - Unit of Measure
  - Quantity
  - Universal Product Code (UPC)
  - Price per Unit
  - Total Price

*NOTE: Certain fields do not apply to Services (ex. Manufacturer Part Number)*
Transactional Data Reporting Adjustments

- New TDR site allows contractors more leeway to fix errors than the 72A Reporting System.
  - Contractors 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.
- TDR provides greater ease of compliance than under CSP/PRC model
  - TDR data is based on what’s required to generate an invoice
  - Industry stakeholders regularly cite the CSP and PRC as overly complex
- False Claims may arise if contractor “knowingly” deceives the Government
When do the CSP and PRC requirements end?

New Offers

• All new offers under MAS solicitations with TDR requirements will **not** be subject to CSP and PRC basis of award requirement

Existing Contracts

• Contractor will no longer provide or maintain CSPs, or monitor the basis of award requirement of the PRC, after accepting the bilateral modification for TDR terms and conditions for that contract

• 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
  
  • Authority expires 3 years after final payment and that the basic contract and each option shall be treated as separate contracts for purposes of the clause.

• When exercising option with a Schedule contractor that accept TDR, the GSA CO will evaluate in accordance with GSA 538.270-2 whether exercising the option is in the best interest of the Government
GSA CO Evaluations of Offers with Access to Transaction Data

- GSA Schedule Contracting Officers shall utilize the techniques in FAR 15.404 when evaluating pricing for MAS offers

- Order of Precedence:
  1. Using data that is readily available, in accordance with FAR 15.404-1(b)(2)(ii), including prices paid information on contracts for the same or similar items; contract-level prices on other FSS contracts or Government-wide contracts for the same or similar items; and commercial data sources providing publicly available pricing information.
  2. Performing market research to compare prices for the same or similar items in accordance with FAR 15.404-1(b)(2)(vi).
  3. Requesting additional pricing information such as “data other than certified cost or pricing data” (as defined at FAR 2.101) from the offeror in accordance with FAR 15.404-1(b)(2)(vii) when the offered prices cannot be determined to be fair and reasonable based on the data found from other sources.
Data Usage & Protection

  - Comment period closed August 29, 2016
  - Cross agency team evaluating comments & how best to proceed

- Who will use transactional data?
  - **Category Managers** to understand demand management and craft better buying strategies
  - **GSA’s Contracting Officers (COs)** will use to evaluate and negotiate Schedule contracts
  - **Ordering activity COs** will consider data when placing orders
  - **The public** (TBD, based on comments from July 7th Public Notice)

- As with all procurement sensitive data collected and stored by GSA, GSA IT will store, manage and share TDR elements in accordance with prevailing FISMA regulations and requirements.
  - GSA already collects and manages sets of reported data elements on contract vehicles including but not limited to, FSSI Office Supplies, Commercial Satellite Services and complex professional services under the One Acquisition Solution for Integrated Services (OASIS) vehicle
  - GSA is committed to building on its existing successful best practices for storing and sharing data
Pilot Evaluation

- The pilot will be evaluated against a series of metrics: competitive pricing, increased sales volume, small business participation, & macro use of transactional data by category managers and teams to create smarter buying strategies such as consumption policies
  - GSA welcomes industry feedback on pilot measurement and evaluation
- GSA’s Senior Procurement Executive (SPE) and FAS will regularly evaluate progress in consultation with the OFPP Administrator and other interested stakeholders
- 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 the pilot by the GSA SPE at least one year of experience with the pilot
TDR Resources

Publicly Available
- **On Demand TDR System Training Videos** [https://tdr.gsa.gov](https://tdr.gsa.gov)
- **TDR User Manual**
- **Template download** (details on UOM and other data elements)
- **VSC transition page** with FAQ, recorded live TDR presentation for contractors, and other resources
- Determine whether the contractor is participating in TDR **using the VSC Lookup tool**
- Contractor’s Concerns: Email the TDR team **tdrteam@gsa.gov**
- Contractor’s Having Technical questions: VSC Helpdesk
- **Interact.gsa.gov**
Questions?