

Listening Session on Section 876

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Benefits of Increased Competition at Task Order

- The Coalition supports implementation of Section 876, “Increasing Competition at the Task Order Level”
- Benefits
 - Dynamic marketplace with price competition will provide best value support for agency mission
 - Increasing access to commercial market innovation and cutting-edge technologies
 - Increasing access to firms of all sizes, especially small businesses
 - Order level prices aligned with most definitized requirements
 - Reduce/eliminate duplicative, burdensome contract administration
 - GSA contracting officers can better focus on key contract issues like cybersecurity and supply chain

What should implementation look like?

- GSA should embrace Section 876
 - Section 876 includes services that are firm fixed price, team-based aggregate pricing, T&M, and labor hour – all pricing built on units of time
- Keep it as simple as possible for GSA, agency customers, and industry – “there is power in simplicity”
- Leverage Schedules consolidation
- No price or cost submissions required
- PRC eliminated
- Implemented across the board (no pilot)
- Expanded commercial service offerings

Section 876 – Addressing Schedule Contracting Challenges

- The tyranny of low price
 - Formulaic, outdated pricing regulations
 - Cost build evaluations
 - Arbitrary price negotiation positions
 - Driving uniformity and eliminating exceptionalism
- Government is facing significant challenges accessing innovation and best value capability from the commercial market
- Anti-competitive practices could drive companies away from the program and lead to a race to the bottom in quality
- Will lead to a commercial “brain drain” in the Schedules

Questions from Previous Section 876 Listening Sessions

- Should GSA remove hourly rates from the Schedule or allow for a “two-tier” approach?
- Can GSA assure that the Schedule orders will result in the lowest cost alternative?
 - In assessing any potential savings, will GSA assess all direct and indirect costs?
- What FAR and GSAR changes are necessary?
- Will GSA’s implementation be consistent with the broad, competitive scope of the authority granted by Congress?
- Will the "substantial retraining and communication efforts" that GSA anticipates being required for implementation further delay this authority?
- What will be the impact of GSA's analysis of mixed-use contract, specifically, will the analysis and conclusion further delay implementation?

Thank You!



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