



Watch out for standardized labor categories

By Roger Waldron
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An initiative to watch in 2014 is the standardization of professional labor categories in the General Services Administration's Multiple Award Schedules program.

Professional services, including those related to IT, account for more than 50 percent -- \$25 billion to \$30 billion -- of the purchases by customer agencies through the MAS program. It is a robust, competitive marketplace that works for customers and contractors precisely because it allows commercial firms to offer, price and administer their professional services consistent with their standard commercial practices.

However, the Federal Acquisition Service's idea of standardizing labor categories for professional services would be a radical change. It means the government would establish

the categories, including the specific qualifications and skills associated with each, across each professional services schedule.

Why is that problematic? There are several reasons. It is a price-driven rather than value-driven approach -- in essence, lowest price, technically acceptable by other means.

In terms of best-value solutions, it would limit the ability and flexibility of MAS contractors to offer an array of services and capabilities to meet customer needs. Standardized labor categories would further move the federal procurement market away from the commercial market -- and that detachment would reduce competition and limit the supply chain.

In its efforts to drive down labor rates through standardization, GSA would instead drive a brain drain from the federal marketplace for professional services -- a drain that would have long-term negative ramifications for customer agencies and the American people.

The only potentially good news is that GSA would be required to go through a rule-making process to properly execute the new approach. Perhaps that process could lead to a conversation among all stakeholders on more effective ways to enhance the MAS program's ability to deliver best-value solutions to customer agencies.

About the Author

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