



IT pricing policies are dinosaurs, say contractors

By Mark Rockwell

Sep 18, 2013



A federal contractors' group looking to influence GSA's efforts to overhaul the pricing structure for goods and services under the agency's Multiple Award Schedule contracts says some pricing rules can be particularly damaging to IT services.

One of the biggest issues with the schedule contracts is that federal contractors have to disclose commercial pricing policies and practices, said Roger Waldron, president of the Coalition for Government Procurement. The price reduction clause in MAS contracts requires vendors that provide discounts to private-sector customers to give the same price break to government buyers.

Resource

Read the Coalition for Government Procurement's [white paper](#).

Waldron said that dynamic was designed for a time before today's fast-moving, competitive IT market and impedes IT contractors and federal customers alike.

Waldron's group released a new white paper on GSA's schedule pricing policies on Sept. 16 in hopes of advancing efforts by the agency to rewrite its rules. GSA has been reworking the pricing rules for schedule contracts in the last two years or so, said Waldron, recognizing that markets -- especially IT services -- have changed dramatically since they were implemented in the early 1980s.

The paper lists several suggestions for changes, but Waldron said in an interview that the price reduction clause is one of the most problematic issues for IT vendors. Because the provision requires companies to disclose to federal buyers the discounts they give to private-sector customers, IT service and gear providers sometimes don't make their latest technology available through federal schedules. The cost to build the infrastructure to track pricing for services and IT gear sold via thousands of private contracts is too costly to justify, he said.

According to the white paper, professional services are now the largest part of the GSA's schedules program and have been disproportionately hurt by a "static MAS pricing policy."

About the Author

Mark Rockwell is a staff writer covering acquisition, procurement and homeland security. Contact him at mrockwell@fcw.com or follow him on Twitter at [@MRockwell4](https://twitter.com/MRockwell4).



8609 Westwood Center Drive, Suite 500
Vienna, VA 22182-2215
703-876-5100

© 1996-2013 1105 Media, Inc. All Rights Reserved. This copy is for your personal, non-commercial use only.

To order presentation-ready copies for distribution to colleagues, clients or customers, visit: www.1105Reprints.com