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Transactional Data Reporting

GSAR Case 2013-G504

The American Rental Association submits the following comments in response to the proposal to amend the General Services Administration Acquisition Regulation (GSAR) to include clauses that would require vendors to report transactional data from orders and prices paid by ordering activities, published in the Federal Register on March 4, 2015.

The rental industry supports the GSA's effort to lower acquisition costs for the federal government through increased transparency and the ability to compare prices, but is concerned that:

- The proposed transactional data reporting rule places a new burden on private vendors to collect and report detailed contract data when GSA already has access to a large amount of this data.
- The reporting requirements amount to a monthly audit of government contracts without regard to the volume of contracting performed by the vendor.
- The proposed rule may impose new reporting requirements on rental companies, many of which are small businesses that may find it difficult to compete in a system that emphasizes price above other values and efficiencies.

Under the transactional data reporting NPRM, rental companies would report transactional data elements, such as unit measures, quantity of items sold, Universal Product Code, price paid per unit and total price on a monthly basis at no cost to the federal government.

In the NPRM, GSA recognized that use of prices paid information must be done within the context of seeking to obtain the best value for the taxpayer and envisions that this information would be used as **one information point** in conjunction with other considerations, such as total cost, desired performance levels, delivery schedule, unique terms and conditions, time considerations, and customer satisfaction. Tools and training deployed in connection with the implementation of this rule are expected to emphasize the importance of considering total cost (not just unit price) in the context of each procurement, taking into account desired terms and conditions, performance levels, past customer satisfaction, and other relevant information.

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The NPRM raises a number of questions and issues:

- What additional data collection would be necessary to obtain "best value"? Contract prices and discounts from list prices for equipment rental can vary based on the demand, availability, seasonal use, type, age and efficiency of the equipment, rental volume, geographic location, speed of delivery, shipping costs and other favorable specifications within the contracts. The selection of the equipment rented may also depend on the jurisdiction in which it is used to comply with federal, state and local environmental or safety regulations that may lead to cost increases based on these requirements.
 - o If transactional data alone is collected and made available through GSA, would this bias government customers toward contracting based on lowest price alone because the data is readily available and quantifiable and contract elements that contribute to the "best value" are not readily available or easily quantifiable? How would these jurisdictional and geographical issues be reflected in the data collected so that the company supplying equipment to specification does not appear to be inflating prices?
- How does GSA propose to collect data regarding total cost, desired performance levels, delivery schedule, unique terms and conditions, time considerations, and customer satisfaction? Many rental companies do not collect this data in a systematic way and aggregate it across the company. Indeed, such effort, with thousands of commercial transactions monthly, would be contrary to commercial practices and extremely burdensome. What concessions would GSA make for the added cost of meeting such reporting requirements? What "tools and training" would be available to GSA "category managers" so that price alone does not become the only consideration? Even if additional instruction is presented to federal contractors, what guarantee can be provided that the purchase price would not dominate decision-making because it is the most easily identifiable value and may not be considered in the total context of federal contracts?
- Would the data collected by the GSA for use by contracting officers be available to the other vendors? Would there be a mechanism adopted to correct or explain the data and resolve potential disputes or misinterpretation and application of such data?
- With the submission of monthly data, what plans does GSA have for analyzing and interpreting such data and how quickly? Rental companies have dynamic pricing that in theory can fluctuate on a daily basis. Thus, data submitted from a prior month can become quickly outdated for any single item. It will be critical that any analysis and application of the data be done in a timely manner.
- According to the NPRM, the pilot would focus on commercial-off-the-shelf and related commercial products and commoditized services that experience high volume of repetitive purchasing under identical or substantially similar terms and conditions. It is not clear to the ARA that the pilot will be an adequate indication of the government's contracting for rental equipment. While construction equipment rented by federal agencies is commercial equipment, rental contracts have specific terms and can be used for routine maintenance, agency projects or emergency management. Will the pilot be sufficient to address project specifications and if not, what other study or examination will be completed before the rule is applied to Schedule 51V?
- Under GSA's current contract provisions and regulations, it has access to a great deal of the information sought in the NPRM. It is not clear how any additional information gained would offset the tremendous burden being imposed on contractors, to say nothing of the fact of the tremendous resources it will require of GSA to process the data of more than 18,000 contractors (once fully implemented) on a monthly basis. Furthermore, the modest proposed changes to the price reduction clause are relatively insubstantial to the added burden and liability that will likely accompany monthly submissions.

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The American Rental Association supports GSA's efforts to achieve cost savings for the federal government through reforms to the acquisition process; however, we are concerned that the collection of transactional cost data fails to appreciate the true burden such requirements will place on rental companies, disadvantage small businesses which are less capable of competing on price alone, and fail to capture other contract factors that yield the best value to federal customers. Accordingly, the American Rental Association respectfully requests that the current NPRM be withdrawn and the approach be reconsidered. The American Rental Association would also welcome the opportunity to discuss this and any other initiatives that GSA may be contemplating.



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