



Office of Audits
Office of Inspector General
U.S. General Services Administration

Alert Memorandum: FAS is Expanding the Transactional Data Reporting Rule Despite a Failed Pilot Program

Memorandum Number A140143-4
June 27, 2025



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COMMISSIONER
FEDERAL ACQUISITION SERVICE (Q)

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SUBJECT: Alert Memorandum: FAS is Expanding the Transactional Data Reporting Rule
Despite a Failed Pilot Program
Memorandum Number A140143-4

The General Services Administration's (GSA's) Federal Acquisition Service (FAS) is expanding the Transactional Data Reporting (TDR) Rule by making it mandatory across the entire Multiple Award Schedule (MAS) program despite persistent data quality issues, lack of data usage for pricing decisions, lack of price competition, and failure to support the OneGov Strategy.

BACKGROUND

According to GSA's *Multiple Award Schedule Desk Reference*, the intent of the MAS program is to leverage the government's buying power to provide customer agencies with competitive, market-based pricing. The Competition in Contracting Act of 1984 (CICA) states that procedures established under the MAS program are competitive if MAS orders and contracts result in the lowest overall cost alternative to meet the government's needs.¹ To ensure MAS contracts meet the competitive and lowest overall cost alternative requirements of CICA, GSA established in the General Services Acquisition Regulation that the government will seek to obtain the offeror's best price, or in other words, the best price given to the most favored customer (MFC).

On June 23, 2016, GSA published a final rule in the Federal Register establishing TDR for orders placed against MAS contracts included in the TDR pilot. Under the rule, contractors are required to report transactional data, including prices paid by government customers, for

¹ 41 U.S.C. 152.

products and services sold under their respective MAS contracts. In exchange for transactional data, contractors are no longer required to provide MFC and commercial pricing information or track designated basis of award customers for price reduction purposes.

In the final rule, GSA asserted that TDR would be introduced to the MAS program on a pilot basis applied to select schedules. In August 2016, FAS launched a 3-year pilot using a phased implementation over 6 months. According to FAS, the purpose of the TDR pilot was to improve the value of the MAS program for GSA's customer agencies and the American taxpayer. The final rule also outlined that GSA would evaluate the TDR pilot against a series of metrics that included changes in price, sales volume, small business participation, and smarter buying strategies. The purpose of this evaluation was to determine whether TDR is meeting its primary objective to "fulfill the CSP [Commercial Sales Practices] and PRC [Price Reductions Clause] contract-level pricing negotiation function while lowering industry reporting burden."²

In May 2019, GSA extended the TDR pilot through Fiscal Year (FY) 2020. GSA also scheduled evaluations of the TDR pilot's performance for FYs 2019 and 2020, respectively. The results of these evaluations are summarized below.

- **Evaluation of FY 2019 Performance** – GSA concluded that the collected TDR data was not being used to improve taxpayer value through smarter buying decisions. Nonetheless, GSA contended that its scoring placed the TDR pilot in the "on track to meet targets" range and concluded that the pilot should continue.
- **Evaluation of FY 2020 Performance** – GSA awarded a score equivalent to "meeting or exceeding targets" and stated that it can expand the pilot to the entire MAS program.

In May 2023, we issued an audit report addressing GSA's FY 2020 TDR pilot evaluation. We reported that the data collected through the TDR pilot program was never used to negotiate contract-level pricing. Instead, GSA amassed a collection of data that is almost entirely inaccurate, unreliable, and unusable. Additionally, we found that GSA's FY 2020 evaluation of the TDR pilot program evaluated metrics using flawed methodologies and inaccurate and unsupported information. GSA partially agreed with our recommendations, but neither addressed nor rebutted our findings.³

Since the issuance of our May 2023 audit report, GSA has expanded the TDR pilot to 67 additional product Special Item Numbers. It has also incorporated TDR data for transactions with a quantity purchased of less than five into its Price Point Plus Portal tool (4P tool) pricing threshold calculation and included TDR data verification into Industrial Operation Analysts'

² GSA Office of Government-wide Policy's *Transactional Data Reporting (TDR) Pilot Evaluation Plan and Metrics Version 2.0* (May 29, 2019).

³ *GSA's Fiscal Year 2020 Transactional Data Reporting Pilot Evaluation Provides an Inaccurate Assessment of the Program* (Report Number A210081/Q/3/P23001, May 1, 2023).

Contractor Assessments.⁴ While these actions were underway in FY 2024, FAS's TDR Data Quality Dashboard identified that only 35 percent of the more than \$21 billion in TDR data received that fiscal year was usable.

On June 9, 2025, GSA announced that TDR will be mandatory on all contracts as of October 1, 2025.

RESULTS

FAS is Expanding the Transactional Data Reporting Rule Despite Persistent Data Quality Issues, Lack of TDR Data Usage in Pricing Decisions, Lack of Price Competition, and Failure to Support the OneGov Strategy.

FAS is expanding TDR by making it mandatory for all MAS contracts effective October 1, 2025. However, FAS has never effectively implemented TDR and has never made it functional. TDR's shortcomings are outlined below:

- Persistent issues with TDR data quality;
- TDR data has very limited usage in pricing decisions;
- Lack of price competition for TDR contracts and orders under \$250,000; and
- The failure of TDR contract pricing to support the OneGov strategy.

Persistent TDR data quality issues. FAS's TDR pilot has been plagued by persistently poor data quality. In our May 2023 audit report, we found 87 percent of reported FY 2022 TDR sales could not be used for meaningful price analysis because the reported sales did not match products and services on MAS contracts. In response to our report, GSA agreed to address data completeness and quality and stated that it would be pursued "on a timeline that aligns with TDR maturation."

GSA has made modest improvements to the quality of the TDR data since the issuance of our May 2023 report. Nonetheless, 73 percent of FY 2025 sales reported as of June 2, 2025, remain unusable. For example, more than \$4.9 billion of sales for services have been reported under TDR; however, 98 percent of these sales cannot be matched to services on MAS contracts. Likewise, more than \$3 billion of sales for combinations of products and services have been reported under TDR; however, 77 percent of these reported sales do not match products and services on MAS contracts.⁵ These products and services account for more than 80 percent—or \$21 billion—of total MAS sales to date in FY 2025; with the expansion of TDR to all MAS contracts, FAS will have an even larger amount of unusable sales data.

⁴ These are periodic reviews of MAS contractors' records performed by FAS personnel to verify contractual compliance.

⁵ These sales and match rate figures come from FAS's TDR Data Quality Dashboard.

To date, FAS has not done enough to fix TDR data issues. FAS is only “soft flagging” data that does not match products and services on MAS contracts. With a “soft flag,” a contractor is notified by a system-generated flag when it enters inaccurate and/or unusable TDR data, but the contractor is not required to correct the data. According to the Deputy Associate Commissioner of FAS’s Office of Policy and Compliance, FAS is now going to begin a pilot to require contractors with significant soft flags to provide corrective action plans. However, this implementation will not ensure more usable data in the near term because the pilot will only include a small number of contractors.

We are particularly concerned with GSA’s expansion of TDR to services without having a tested methodology to ensure data is accurate and usable. Services make up approximately 60 percent of MAS program sales. Currently, after 9 years of the TDR pilot, only 2 percent of FY 2025 reported services sales data are usable. FAS stated that it intends to soon implement additional reporting requirements and standardization procedures on TDR services data to allow usage of reported data in price evaluations. However, FAS did not implement these changes prior to its June 9, 2025, decision to expand TDR, so the changes have not been tested or proven to be effective. Since FAS did not implement a proven methodology to improve its TDR services data by June 9, 2025, it is unlikely to improve the quality of its services data before the expansion of TDR on October 1, 2025.

TDR data has very limited usage in pricing decisions. Data from GSA’s TDR pilot has only limited usage in pricing decisions. In our May 2023 audit report, we found that all 23 MAS contracting officers we interviewed never used TDR pilot data for price evaluations or negotiations. Further, GSA officials acknowledged that not all FAS contracting personnel have access to the TDR data and that having access to the data does not mean that they are using it. We also addressed the only example that GSA provided in support of its letter to Congress stating that GSA used TDR pilot data for contract-level pricing decisions on a contract during the FY 2020 TDR Evaluation period. Contrary to GSA’s assertion, the contracting officer did not use the TDR pilot data to make the contract-level pricing decisions on that particular contract. Instead, the contracting officer relied on FAS’s automated 4P tool to determine price reasonableness. In responding to the audit report, GSA agreed with our recommendation to address usage of TDR data.

FAS has since incorporated TDR data into the 4P tool, its automated pricing tool for products. However, the 4P tool only applies to product sales, which make up less than 20 percent of MAS contract sales. Also, the automated pricing tool does not leverage the government’s buying power or the usefulness of the TDR data collected. The 4P tool only includes the median TDR price for sales of quantities of five or less as one point of data in an algorithm that determines the acceptable pricing threshold. This limited use of the data does little to leverage the government’s buying power and ensure favorable pricing.

Moreover, the quality of the services sales data is so poor that it cannot be used for contract pricing decisions. As stated previously, 98 percent of reported services sales data is unusable.

FAS is just beginning to implement additional requirements and standardization procedures to allow for the future use of services sales data, but there currently is not any usage of that data.

Lack of adequate price competition for TDR contracts and orders under \$250,000. Under the MAS program, there are two levels of pricing—the contract level and the order level. At the contract level for TDR contract pricing, there is not adequate price competition or a methodology that seeks its equivalent. FAS’s primary method for price analysis under TDR is to use its automated pricing tools—the 4P tool for products and Contract-Awarded Labor Category (CALC) tool for services. The analysis using the pricing tools is limited to assessing whether proposed pricing is relatively competitive to other government contracts. As the MAS TDR contract price is negotiated between FAS and the vendor, there is no attempt to perform adequate price competition or seek its equivalent.

Further, under the Federal Acquisition Regulation (FAR), there is no additional price evaluation requirement beyond the GSA price for orders below the simplified acquisition threshold of \$250,000. The FAR states that ordering activities should consider reasonably available information about the supply or service offered under MAS contracts by surveying at least three MAS contractors through the GSA Advantage! online shopping website or by reviewing the catalogs or price lists of at least three MAS contractors. At most, the FAR states that ordering agencies can request quotes from three MAS contractors but does not require three quotes to be obtained.⁶

The lack of adequate price competition or an equivalent methodology on MAS TDR contracts and orders under \$250,000 does not comply with the CICA and places government agencies at risk of overpaying for products and services. After 9 years of the TDR pilot, FAS has yet to develop a pricing methodology using TDR data that will ensure that customer agencies meet the CICA requirement for orders placed through MAS contracts.

The pricing methodology for TDR contracts does not support the OneGov strategy. Under GSA’s new OneGov strategy, FAS plans to approach the market as a shared enterprise and single customer instead of as a series of isolated purchases. By using this approach, FAS hopes the government will be able to obtain enterprise-level pricing that establishes pricing based on the entire government rather than pricing on an agency-by-agency or transactional basis.

However, FAS’s TDR pricing methodology does not support this strategy. FAS’s primary method for price analysis under TDR, as discussed above, is to use its automated pricing tools. This price analysis does not attempt to leverage the government’s buying power and only assesses whether proposed pricing is relatively competitive to other government contracts. Moreover, as discussed above, the TDR data provided by the pricing tools in determining the acceptable pricing threshold is limited to the median TDR price for sales quantities of five or less.

⁶ FAR 8.405, *Ordering Procedures for Federal Supply Schedules*. GSA also refers to its MAS program as the Federal Supply Schedule program. Accordingly, these program titles are used interchangeably.

Taken together, these deficiencies demonstrate that the TDR pricing methodology runs counter to GSA's recent OneGov strategy to leverage the government's collective buying power—a strategy, which according to GSA, was used to successfully negotiate significant cost savings with Google, Microsoft, and Adobe.

CONCLUSION

GSA is expanding the TDR rule by making it mandatory across the full MAS program despite persistent data quality issues, lack of data usage for pricing decisions, lack of price competition, and failure to support the recent OneGov Strategy. GSA has collected mostly unusable data, with limited usage in pricing decisions. This memorandum is to alert you that GSA's expansion of TDR for all its MAS contracts could place government agencies at risk of overpaying for products and services when ordering from FAS's MAS contracts. Ultimately, the TDR pilot has been in effect within the MAS program for 9 years and has yet to accomplish its intended purpose.

Compliance Statement

This alert memorandum complies with the Council of Inspectors General on Integrity and Efficiency's Quality Standards for Federal Offices of Inspector General.

Attachment 1 – Other OIG Reports Identifying Concerns with TDR

Since 2014, we have issued a series of documents identifying concerns with GSA’s TDR efforts. These documents include the reports and alert memorandum described on the following pages.

Audit of Transactional Data Reporting Pilot Evaluation and Metrics – July 25, 2018⁷

We determined that GSA’s initial TDR Pilot Evaluation Plan and Metrics would not enable GSA to objectively measure or evaluate whether the TDR pilot was improving the value of the MAS program. Specifically, we found that the TDR pilot objectives were not well-defined, some metrics lacked performance targets, and a majority of the metrics relied on data that was not available for use in and evaluation of the pilot. In response to this report, GSA stated it would modify the *TDR Pilot Evaluation Plan and Metrics*.

GSA’s Transactional Data Reporting Pilot Is Not Used to Affect Pricing Decisions – June 24, 2021⁸

We reported that the TDR data was inaccurate and unreliable, and FAS contracting personnel were not using the data to negotiate or make pricing determinations. Instead, FAS contracting personnel largely relied on pricing tools to analyze contract pricing. This approach, however, does not leverage the collective buying power of the government and does not ensure that prices reflect the lowest overall cost alternative to meet the government’s needs. We also found that most contracting personnel did not have access to TDR data, and many of those with access lacked a basic understanding of the data and did not know how to use it.

We recommended that FAS take immediate action to mitigate the risks of the TDR pilot by restricting additional offerors from opting into the TDR pilot. Because the TDR data was inaccurate and unreliable, we also recommended that FAS restrict access to, and use of, the data. Additionally, we recommended that FAS develop an exit strategy from the TDR pilot and transition participating contractors out of the TDR pilot. FAS disagreed with these recommendations.

FAS is Planning to Expand the Transactional Data Reporting Rule Despite Ongoing Data Quality and Access Issues – July 18, 2022⁹

The purpose of this alert memorandum was to inform the FAS Commissioner that the plan to expand the TDR rule to the entire MAS program by November 1, 2022, could place government agencies at risk of overpaying for products and services due to ongoing TDR data quality and

⁷ Report Number A140143/Q/T/P18004.

⁸ Report Number A140143/Q/6/P21002.

⁹ Alert Memorandum Number A210081-2.

access issues. In response to this alert memorandum, GSA postponed its planned TDR expansion and stated that it will notify our office prior to further expansion.

FAS Cannot Provide Assurance That MAS Contract Pricing Results in Orders Achieving the Lowest Overall Cost Alternative – September 30, 2022¹⁰

We reported that the price analyses performed by FAS contracting personnel cannot provide customer agencies with assurance that orders placed against MAS contracts will result in the lowest overall cost alternative, as required by CICA. Our audit analyzed the pricing methodologies FAS used on MAS contracts that participate in the TDR pilot, as well as contracts that required CSP disclosures (non-TDR), and found that the price analyses under both methodologies were deficient.

In particular, we found that when performing price analyses on TDR pilot contracts, FAS contracting personnel do not have access to TDR data that can be used for pricing decisions. As a result, the contracting personnel mainly compared contractor-proposed pricing to other MAS and government contracts. However, this approach does not provide customer agencies with assurance that FAS achieved pricing that reflects the offerors' best pricing (to include commercial market pricing comparisons) and will result in the lowest overall cost alternative to meet the government's needs.

In order to comply with CICA's requirement that MAS contracts and orders result in the lowest overall cost alternative to meet the government's needs, FAS created policy and guidance to target a contractor's most favored customer (MFC) pricing, such as PIN 2012-04, *Verification of MFC Pricing*. When the TDR pilot removed the requirement for FAS contracting personnel to evaluate a contractor's MFC pricing, FAS did not establish a benchmark equal to MFC pricing for analyses using transactional data. Since that time, FAS has not established how its price analyses using transactional data will comply with CICA's lowest overall cost alternative requirement.

¹⁰ Report Number A200975/Q/3/P22002.

Attachment 2 – Memorandum Distribution

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GSA Deputy Administrator (AD)

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FAS Deputy Commissioner (Q1)

TTS Deputy Commissioner (Q2)

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