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Federal Agencies Are at Risk of Overpaying for Products in the Multiple Award Schedule Program Due to Significant Price Variability

Report Number A240052/Q/6/P26001
February 12, 2026

Executive Summary

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Why We Performed This Audit

We performed this audit as part of the GSA Office of Inspector General's *Fiscal Year 2024 Audit Plan*. Our audit objective was to determine whether GSA's Federal Acquisition Service (FAS) is addressing price variability in its Multiple Award Schedule (MAS) Program to ensure schedule pricing results in the lowest overall cost alternative to meet the government's needs in accordance with federal laws, regulations, and internal guidance.

What We Found

According to Federal Acquisition Regulation 8.404(d), *Pricing*, federal customer agencies using MAS contracts are not required to make a separate determination that the prices are fair and reasonable because GSA has already made that determination at contract award. However, federal customer agencies relying on GSA pricing on schedule contracts are at risk of overpaying for products due to significant price variability.

We examined schedule pricing for frequently purchased products and found significant price variability. At times, the difference between a product's lowest price and highest price exceeded 1,000 percent. The significant price variability exists because: (1) contracting officers did not adequately evaluate proposed product pricing, (2) contractors submitted inaccurate data to GSA Advantage!, and (3) key FAS policies and procedures addressing MAS Program pricing issues are unused and ineffective. As a result, federal customer agencies are at risk of overpaying for products purchased through the MAS Program.

What We Recommend

We recommend that the FAS Commissioner:

1. Resume iterations of the Competitive Pricing Initiative at the MAS Program level to identify, address, and reduce price variability.
2. Strengthen policies and procedures to:
 - a. Address data inaccuracies within FAS pricing tools; and
 - b. Ensure bilateral contract modifications are submitted and approved prior to catalog changes.

3. Provide additional guidance to contracting officers regarding adequate sampling techniques for large catalogs to ensure information accuracy.
4. Inform federal customer agencies that they should perform separate and independent price determinations because significant price variability puts federal customer agencies at risk of overpaying for products on MAS contracts.
5. Increase oversight and implement additional controls related to temporary price reductions.

The FAS Commissioner agreed with Recommendations 1, 3, and 5. He partially agreed with Recommendation 2b, and disagreed with Recommendations 2a and 4. FAS's written comments are included in their entirety in **Appendix C**.

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Introduction

We performed an audit of the GSA Federal Acquisition Service's (FAS's) Multiple Award Schedule (MAS) Program price variability.

Purpose

We performed this audit as part of the GSA Office of Inspector General's *Fiscal Year 2024 Audit Plan*. To analyze price variability in the MAS Program and determine the potential causes, we focused on frequently purchased products with high price variability across four schedule categories for the 1-year period from April 1, 2023, through March 31, 2024.¹

Objective

Our audit objective was to determine whether FAS is addressing price variability in its MAS Program to ensure schedule pricing results in the lowest overall cost alternative to meet the government's needs in accordance with federal laws, regulations, and internal guidance.

See **Appendix A** – Objective, Scope, and Methodology for additional details.

Background

Under the MAS Program, FAS establishes long-term, government-wide schedule contracts. Through these schedule contracts, millions of commercial products and services are available to federal, state, and local government buyers. Awarded schedule contracts include pre-negotiated prices, delivery terms, warranties, and other terms and conditions intended to streamline the acquisition process. Schedule contracts are indefinite-delivery, indefinite-quantity and are typically awarded with a 5-year base period and three 5-year options, totaling 20 years.

The MAS Program is authorized by two statutes: Title III of the Federal Property and Administrative Services Act of 1949; and 40 U.S.C. 501, *Services for executive agencies*. MAS Program acquisitions are governed by the following:

- Federal Acquisition Regulation (FAR), which provides regulatory guidance;
- General Services Administration Acquisition Regulation (GSAR), which contains GSA acquisition policies and practices, contract clauses, solicitation provisions, and forms that control the relationship between GSA and contractors; and
- General Services Administration Acquisition Manual, which contains the GSAR and non-regulatory Agency acquisition guidance.

¹ We identified frequently purchased products based on the number of GSA Advantage! transactions during the audit period, as outlined in **Appendix A**.

According to GSA's *MAS Desk Reference*, the intent of the MAS Program is to leverage the government's buying power to provide federal customer agencies with competitive, market-based pricing. The Competition in Contracting Act of 1984 (41 U.S.C. 152) 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. In response, GSA established in the GSAR that the government will seek to obtain the offeror's best price.²

To that end, before awarding schedule contracts, the GSAR requires GSA contracting officers to determine that the prices are fair and reasonable. According to FAR 8.404(d), *Pricing*, federal customer agencies can then rely on GSA's price reasonableness determination. Accordingly, federal customer agencies are relieved of their responsibility for making a separate determination of fair and reasonable pricing.

In addition, FAR 8.404(d) states that "By placing an order against a schedule contract using the procedures in [FAR] 8.405, the ordering activity has concluded that the order represents the best value and results in the lowest overall cost alternative to meet the Government's needs." Therefore, when a customer agency places an order against a schedule contract and follows the ordering procedures in FAR 8.405, *Ordering procedures for Federal Supply Schedules*, it may rely on GSA's price reasonableness determination to ensure the order results in the lowest overall cost alternative for the government.

GSA Advantage!

GSA Advantage! is an online shopping and ordering system that facilitates market research and shopping for millions of MAS products and services from thousands of contractors. GSAR 552.238-88, *GSA Advantage!*, requires MAS contractors to offer their products and services through GSA Advantage!. According to GSA's *MAS Desk Reference*, using GSA Advantage! ensures that federal customer agencies are getting GSA-negotiated prices and are buying from GSA-approved sources. The information listed on GSA Advantage! feeds into FAS's pricing tools.

Catalog Management Systems

In 2023, FAS launched the FAS Catalog Platform (FCP) to replace the Schedule Input Program and the Electronic Data Interchange, which contractors use to upload schedule catalog information, including product prices, into GSA Advantage!. As of August 20, 2025, approximately 2,524 (63 percent) of the 4,027 schedule contracts with products have been migrated to the FCP.³

GSA contracting officers are required to review and approve catalog submissions prior to publishing on GSA Advantage! to ensure they represent the terms and conditions negotiated.

² GSAR 538.270-1, *Evaluation of offers without access to transactional data*.

³ Approximately 5,225 (37 percent) of the 14,028 total schedule contracts have been migrated to the FCP.

The Schedule Input Program and the Electronic Data Interchange require the contracting officer to manually identify proposed changes to the existing catalog. Conversely, FCP performs automatic data integrity checks and generates a report that identifies proposed changes to the existing catalog for the contracting officer.

Pricing Tools and Policies

According to the MAS Program director, FAS is focused on ensuring contracting personnel have “the tools and training necessary to conduct pricing determinations at-scale on offers and modifications that can include more than a million products.” Therefore, in 2017, FAS developed the Price Point Plus Portal (4P), a pricing tool that provides contracting officers with the ability to analyze large product datasets and provide detailed price analytics at the item level.

According to *GSA’s Price Point Plus Portal (4P) Application User Guide*, 4P reports provide detailed pricing, data integrity, and contract compliance information based on how identical products are represented across both the government and commercial marketplaces. The 4P tool generates system flags for products with pricing, data integrity, or contract compliance issues that require further review from a contracting officer. The 4P tool also produces reports that provide market research for products with the same manufacturer, manufacturer part number, and unit of measure.

FAS Policy and Procedure (PAP) 2023-04, *Evaluation of MAS Products - Mandatory Use of 4P Report to Screen for Data Integrity and Compliance Issues*, effective April 8, 2023, required contracting officers to use 4P for market research and established consistent procedures when responding to “flagged” products. This PAP was revised on August 7, 2025, to replace the 4P tool with the Compliance and Pricing Report Portal. These tools contain similar information, are produced using the same data, and are used by contracting staff for similar functions.

FAS PAP 2021-05, *Evaluation of FSS Program Pricing*, updated on May 28, 2025, provides guidance to contracting officers on how to achieve the best possible value for the government, award fair and reasonable prices, comply with all applicable regulatory and policy requirements, and thoroughly document their contract files.

Competitive Pricing Initiative

In 2015, FAS issued Procurement Information Notice (PIN) 2015-05, *Competitive Pricing Initiative (CPI)*, with the goal to make schedule pricing more competitive by reducing price variability among identical products. PIN 2015-05 was replaced with PIN 2021-02, *Competitive Pricing Initiative*, on March 24, 2022. As part of the CPI, in 2015, FAS identified products with outlier pricing on existing contracts. Once identified, FAS notified contractors with those products on schedule. A contractor could then respond by either: (1) offering voluntary price reductions, (2) removing the products, or (3) offering an explanation. FAS performed this CPI analysis again in 2021 to identify outlier pricing. While FAS experienced some success in

removals and voluntary price reductions for outlier products, FAS has not performed additional iterations of CPI analysis since 2021.

Prior GSA Office of Inspector General Reports Related to MAS Program Pricing

In recent years, we have issued the following reports related to MAS Program pricing:

- On July 27, 2022, we issued *FAS's Use of the 4P Tool on Contract and Option Awards Often Results in Noncompliant Price Determinations*.⁴ We found that FAS contracting personnel:
 - Improperly relied on the 4P tool to establish price reasonableness without conducting additional price analysis;
 - Awarded proposed pricing based on a 4P tool comparison to other government pricing, despite the 4P tool identifying better commercial pricing;
 - Awarded pricing that either exceeded the market thresholds established by the 4P tool or for which the 4P tool found no market research comparisons, without any further justification or analysis; and
 - Relied on the 4P tool although it often contained outdated or inaccurate pricing data that could skew price analysis results.⁵
- On September 30, 2022, we issued *FAS Cannot Provide Assurance That MAS Contract Pricing Results in Orders Achieving the Lowest Overall Cost Alternative*.⁶ We analyzed the pricing methodologies FAS used on schedule contracts that are part of the Transactional Data Reporting (TDR) pilot, as well as contracts that required Commercial Sales Practices disclosures, and found that the price analyses under both methodologies were deficient.
- On May 1, 2023, we issued *GSA's Fiscal Year 2020 Transactional Data Reporting Pilot Evaluation Provides an Inaccurate Assessment of the Program*.⁷ We found that:
 - GSA amassed a collection of TDR data that was almost entirely inaccurate, unreliable, and unusable, and was never used to analyze or negotiate contract-level pricing;
 - The majority of data collected for sales of products was also unusable because GSA found that, in many cases, contractors were not reporting accurate part numbers;

⁴ Report Number A201045/Q/3/P22001.

⁵ On October 3, 2023, FAS updated the pricing model used in the 4P tool. We have not evaluated or assessed the adequacy of the new pricing model.

⁶ Report Number A200975/Q/3/P22002.

⁷ Report Number A210081/Q/3/P23001.

- GSA designed a misleading performance metric to assess data completeness and could not support the results of its evaluation of this metric; and
 - GSA inaccurately asserted that MAS contracting officers used TDR pilot data.
- On September 30, 2024, we issued *FAS Should Strengthen Its Price Analyses When Consolidating Multiple Award Schedule Contracts*.⁸ We found that FAS's price analyses for the products and services transferred to consolidated contracts were frequently limited and did not consistently leverage the government's collective buying power. Specifically:
 - When performing price analyses for contracts subject to the Commercial Sales Practices disclosure requirement, FAS contracting personnel frequently accepted unsubstantiated most favored customer and commercial pricing information; and
 - When performing price analyses on TDR pilot contracts, FAS contracting personnel did not use TDR pilot data for pricing decisions; instead, they relied primarily on pricing comparisons to other MAS and government contracts.

⁸ Report Number A230040/Q/3/P24002.

Results

According to FAR 8.404(d), federal customer agencies using MAS contracts are not required to make a separate determination that the prices are fair and reasonable because GSA has already made that determination at contract award. However, federal customer agencies relying on GSA pricing on schedule contracts are at risk of overpaying for products due to significant price variability.

We examined schedule pricing for frequently purchased products and found significant price variability. At times, the difference between a product's lowest price and highest price exceeded 1,000 percent. The significant price variability exists because: (1) contracting officers did not adequately evaluate proposed product pricing, (2) contractors submitted inaccurate data to GSA Advantage!, and (3) key FAS policies and procedures addressing MAS Program pricing issues are unused and ineffective. As a result, federal customer agencies are at risk of overpaying for products purchased through the MAS Program.

Finding – Federal customer agencies are at risk of overpaying for products purchased through the MAS Program due to significant price variability.

We examined the pricing for products frequently purchased through the MAS Program and found significant price variability. At times, the difference between a product's lowest price and highest price exceeded 1,000 percent. To analyze the price variability of products in the MAS Program during our audit period (April 1, 2023, through March 31, 2024), we obtained GSA Advantage! transactional sales data and sampled 100 frequently purchased products across four schedule categories.

Based on the transactional sales data, 77 of the 100 sampled products had price variability of over 50 percent when comparing the lowest and highest schedule price (see examples in *Figure 1* on the next page). The first item in *Figure 1* is a specific water filter that was offered through the MAS Program at prices ranging from \$7.27 to \$155.91 each, a 2,045 percent price variance. After we adjusted the data for apparent data quality issues, such as errors in the uploaded schedule price or unit of measure, 71 of the 100 products sampled still had a schedule price variability of over 50 percent. Additionally, 33 of the 71 products had a variance greater than 100 percent. See **Appendix B** for details.

Figure 1. Examples of Products with Significant Price Variability

Schedule Category	Manufacturer Part Number	Product	Unit of Measure	Schedule Price Range (\$)	Variability (%)	Adjusted Schedule Price Range (\$)	Adjusted Variability (%)
332510C	51300C	Water Filter	EA	7.27 – 155.91	2,045	59.88 – 155.91	160
332510C	L91	Lithium AA Batteries	EA	2.04 – 94.51	4,533	2.04 – 3.00	47
33411	5TW10AA#ABA	USB-C Dock G5	EA	142.31 – 1,774.16	1,147	142.31 – 1,774.16	1,147
33411	QB55B-N	4K Crystal UHD LED Display	EA	235.39 – 1,376.44	485	235.39 – 1,376.44	485
339940	HEWCF360A	Black Original Toner Cartridge	EA	16.62 – 160.90	868	70.74 – 160.90	127
339940	CE341A	Cyan Original Toner Cartridge	EA	74.20 – 487.07	556	264.80 – 487.07	84
339940OS4	7510002729662	Standard Staples	BX	1.30 – 4.19	222	1.30 – 4.19	222
339940OS4	CF230A	Black Original Toner Cartridge	EA	27.31 – 84.16	208	48.85 – 84.16	72

The significant price variability exists because: (1) contracting officers did not adequately evaluate proposed product pricing, (2) contractors submitted inaccurate data to GSA Advantage!, and (3) key FAS policies and procedures addressing MAS Program pricing issues are unused and ineffective.

Contracting Officers Did Not Adequately Evaluate Proposed Product Pricing

To evaluate whether the GSA Advantage! transactional sales data was accurate, we requested pricing support for a sample of 85 GSA Advantage! transactions. FAS was unable to provide information to support the schedule price at the time of sale for 63 (74 percent) of the 85 sampled transactions. Of the remaining 22 sampled transactions that contained pricing support, only 15 contained adequate documentation to support the basis of award.⁹

When evaluating a product’s proposed pricing, PAP 2021-05 encourages contracting officers to use horizontal price analysis (such as 4P reports) to determine prices fair and reasonable. For example, the 4P reports establish a market threshold to ensure that the proposed pricing is relatively competitive with commercial and other government contract pricing. When a product’s pricing exceeds the market threshold in 4P, *GSA’s Price Point Plus (4P) Application User Guide* instructs contracting officers to “Review *Market Threshold* results within the context of all available pricing data to determine whether further analysis or negotiation is warranted, and be sure to document the file accordingly.”

⁹ FAR 4.8, *Government Contract Files*, states that documentation in the contract files must provide a complete background to support actions taken by the contracting officer and includes examples of records that are normally contained in contract files. PAP 2021-05 requires contracting officers to ensure documentation is sufficiently detailed so that anyone reviewing the contract file can understand how decisions were made.

We reviewed the pricing support provided by FAS for the 22 sampled transactions as well as some of the contracts in our sample of 100 frequently purchased products. This support included award decision documentation, pricing tool results, and any other documentation in the contract file that was used by the contracting officer to award the product's schedule price. We found instances where contracting officers did not adequately evaluate product pricing. Examples include:

- A contracting officer performed market research on only 15 (0.05 percent) of 28,306 products that exceeded the market threshold and, based on that sample, documented that the pricing for all 28,306 products was fair and reasonable. When we reviewed the 4P report results, we found the awarded prices exceeded the market threshold by a wide range, with one product exceeding the market threshold by 1,125 percent.
- A contracting officer performed market research on only 210 (1.1 percent) of 18,993 products that exceeded the market threshold or where no market research was found. Based on that sample, the contracting officer documented that the pricing for all 18,993 products was fair and reasonable. When we reviewed the 4P report results, we found the awarded prices exceeded the market threshold by a wide range, with one product exceeding the market threshold by 589 percent.
- A contracting officer documented that a contractor "is offering competitive pricing where the pricing is -99% to 505% relative to the market threshold." The contracting officer did not perform additional research for products that exceeded the market threshold.
- A contracting officer documented that a 4P report "showed that all items were within 5% of threshold." However, our review of the 4P report showed that 302 (13 percent) of the 2,392 proposed products exceeded the market threshold by more than 5 percent, with one product exceeding the market threshold by 129 percent.

In accordance with FAR 8.404(d), FAS contracting officers determine that schedule prices are fair and reasonable, and customer agencies are allowed to rely on that determination. However, when an FAS contracting officer makes a flawed or unsupported fair and reasonable price determination, it not only affects pricing on that one contract, but can affect the price variability across all schedule contracts that offer that product. As a result, federal customer agencies are at risk of overpaying for products purchased through the MAS Program.

Contractors Submitted Inaccurate Data to GSA Advantage!

Contractors are responsible for uploading accurate product information to GSA Advantage! after a contracting officer has awarded the contract or approved a modification. However, we found that GSA Advantage! does not always contain current or accurate prices or product information. In our sample of 100 products, we found that 93 had inaccurate data on GSA Advantage!. We found errors on schedule prices, manufacturer part numbers, units of measure, and manufacturer names.

In some cases, the inaccurate information in GSA Advantage! had a direct effect on price variability. For example, we identified a computer monitor with a schedule price of \$6.09 from one contractor and a schedule price of \$1,077.51 from another contractor. In reviewing the pricing for the product, it was apparent that the \$6.09 price was a mistake. According to an FAS procurement analyst, “We are not able to determine if the contractor intended to offer the product at that price or submitted the price in error.” Data errors such as these can impair a contracting officer’s price analysis as they would be relying upon inaccurate information.

In other cases, the inaccurate data feeds into FAS’s pricing tools and affects the contracting officer’s ability to use the data for price comparisons. For example, we found identical products with different part numbers, such as one product with the part number listed as HEWCF230A and CF230A. Further, this same product number, CF230A, was used for both new and remanufactured versions of the product. In addition, we found identical products with different manufacturer names (e.g., ABC Manufacturing Company; ABC; ABCs; BCA; and ABC, Inc.). This inconsistent data can impair comparisons using the pricing tools because the tools rely on this data for analysis and output.

FAS contracting staff are responsible for verifying the accuracy of the information submitted by the contractor prior to the information being published on GSA Advantage!. However, for catalogs uploaded through the Schedule Input Program or the Electronic Data Interchange, contracting staff may be unable to effectively verify the accuracy of contractor data because they: (1) are instructed by the *GSA FAS MAS Desk Guides* to “randomly spot check an item or two from each page to ensure pricing matches,” (2) can only view and cannot download the catalog prior to approval, and (3) cannot download the catalog after approval if it exceeds 5,000 products. One supervisory contract specialist stated that:

The review is manually performed by a contract specialist/contracting officer and it’s possible for an item to be added/slip through depending on the complexity of the review (number of items in a catalog file).

We issued a report, *Review of the GSA Advantage! System*, on September 29, 2005, that noted similar concerns with the catalog approval process.¹⁰ We found that these issues still exist over 20 years later.

Inaccurate data not only misrepresents products on GSA Advantage! but this erroneous data also feeds into FAS’s pricing tools. GSA contracting officers use these pricing tools to assist in determining if proposed contractor pricing is fair and reasonable. As a result, contracting officers may unknowingly rely upon this flawed information to make their acquisition decisions.

¹⁰ Report Number A040246/F/T/V05003.

As noted in the *Background*, FAS is transitioning many contracts to its FAS Catalog Platform (FCP). According to FAS's *FCP's Frequently Asked Questions*, one of the FCP's benefits is resolving data integrity issues between GSA Advantage! and the contract file. An FAS official told us that products awarded through the FCP are: (1) automatically published on GSA Advantage!, (2) verified for accuracy, and (3) aligned with contract terms. While FAS asserts that the FCP will remedy many of the data integrity issues we identified during our audit, FAS has not fully implemented the FCP.

Key FAS Policies and Procedures Addressing MAS Program Pricing Issues Are Unused and Ineffective

FAS policies and procedures for addressing price variability and outlier pricing within the MAS Program are unused and ineffective. In 2015, FAS implemented its Competitive Pricing Initiative (CPI) with the goal to make schedule pricing more competitive by reducing price variability among identical products. Under the CPI, FAS identified products with outlier pricing on existing contracts. Once identified, FAS notified contractors with those products on schedule. A contractor could then respond by either: (1) offering voluntary price reductions, (2) removing the products, or (3) offering an explanation. FAS performed this CPI analysis in 2015, and again in 2021, to identify outlier pricing. While FAS experienced some success in removals and voluntary price reductions for outlier products, FAS has not performed additional iterations of CPI analysis since 2021. According to the MAS Program director, FAS paused additional iterations of the CPI due to the COVID-19 pandemic, which disrupted supply chains and commercial market pricing.

The MAS Program director also stated that enhancements made to the 4P tool and the development of the FCP help contracting staff identify outlier pricing. While we acknowledge that 4P and the FCP offer contracting officers an analysis of pricing, data integrity, and compliance at the product level, contracting officers only use these tools when awarding offers and modifications. Once a product is on schedule, these tools are not used unless there is a proposed product price increase. As a result, policies and procedures related to pricing tools do not address schedule price variability for products that are already awarded.

FAS intended for CPI to identify pricing outliers and reduce variability for identical products across the MAS Program, helping to ensure schedule pricing results in the lowest overall cost alternative to meet the government's needs. In addition, enhancements to the 4P tool and the development of the FCP were intended to assist in identifying outlier pricing. However, we found: (1) FAS is no longer performing CPI analyses, (2) inaccurate data feeds into FAS's pricing tools and impacts the contracting officer's pricing analyses, and (3) the other tools are not typically used when products are already on schedule. Therefore, FAS is not analyzing or addressing price variability on an overall MAS Program-level basis.

Other Issues

FAS lacks controls over temporary price reductions. In response to our request for pricing support for our sample of 85 transactions, contracting officers told us that many of the schedule prices had changed as a result of temporary price reductions (TPRs). A TPR is a bilateral modification that temporarily reduces the price for a contractor's schedule product.¹¹ TPRs are allowed under GSAR 552.238-81, *Price Reductions*. The modification must outline the temporary price(s) and effective dates of the TPR.

We found that FAS was not consistently ensuring that contractor-submitted TPRs were supported by a price adjustment modification, in violation of FAR 4.8, *Government Contract Files*; and FAR 43.103, *Types of Contract Modifications*. We found instances where contractors used TPRs to unilaterally change their product prices without a contracting officer's knowledge and without submitting a modification. This resulted in schedule prices on GSA Advantage! that were neither assessed nor approved by a contracting officer. In addition, we found that contractors could submit multiple consecutive TPRs, effectively making the price reductions permanent. Therefore, TPRs, whether truly temporary or permanent, allow contractors to effectively bypass FAR 43.103, which requires bilateral modifications for price adjustments.

¹¹ A bilateral modification is a contract modification that is signed by the contractor and the contracting officer.

Conclusion

According to FAR 8.404(d), federal customer agencies using MAS contracts are not required to make a separate determination that the prices are fair and reasonable because GSA has already made that determination at contract award. However, federal customer agencies relying on GSA pricing on schedule contracts are at risk of overpaying for products due to significant price variability.

We examined schedule pricing for frequently purchased products and found significant price variability. At times, the difference between a product's lowest price and highest price exceeded 1,000 percent. The significant price variability exists because: (1) contracting officers did not adequately evaluate proposed product pricing, (2) contractors submitted inaccurate data to GSA Advantage!, and (3) key FAS policies and procedures addressing MAS Program pricing issues are unused and ineffective. As a result, federal customer agencies are at risk of overpaying for products purchased through the MAS Program.

FAS should resume iterations of the CPI; strengthen its policies, procedures, and guidance; and increase oversight and controls to reduce price variability in the MAS Program.

Recommendations

We recommend that the FAS Commissioner:

1. Resume iterations of the CPI at the MAS Program level to identify, address, and reduce price variability.
2. Strengthen policies and procedures to:
 - a. Address data inaccuracies within FAS pricing tools; and
 - b. Ensure bilateral contract modifications are submitted and approved prior to catalog changes.
3. Provide additional guidance to contracting officers regarding adequate sampling techniques for large catalogs to ensure information accuracy.
4. Inform federal customer agencies that they should perform separate and independent price determinations because significant price variability puts federal customer agencies at risk of overpaying for products on MAS contracts.
5. Increase oversight and implement additional controls related to TPRs.

GSA Comments

The FAS Commissioner agreed with Recommendations 1, 3, and 5. He partially agreed with Recommendation 2b, and disagreed with Recommendations 2a and 4. FAS's written comments are included in their entirety in **Appendix C**.

OIG Response

In the FAS Commissioner's response to our draft report, he states that the report lacks sufficient context and the findings are overstated. He states that FAS is committed to ensuring best value for orders placed against MAS contracts highlighting studies performed, the importance of order-level pricing, and that considerations be taken as a result of economic conditions. However, neither his comments, nor any additional information received, impacts our audit finding. Therefore, we reaffirm our recommendations.

Pricing Studies. In his response to our draft report, the FAS Commissioner references studies which he states demonstrate that the MAS Program offers "highly favorable and competitive pricing" as compared to the commercial market and other government contract vehicles. We obtained the studies cited in the comments and found that we have previously refuted most of them as flawed in an audit report on MAS contract pricing that we issued in September 2022.¹²

For example, the FAS Commissioner specifically references a nearly 9-year-old study by the Naval Postgraduate School assessing GSA Advantage! and Amazon Business for use by government purchase card holders.¹³ However, while the study found that GSA Advantage! pricing was better in some cases, it also found that the minimum order requirements on these contracts could force government customers to purchase more than the customer needed. As a result, the study did not recommend using GSA Advantage! and instead found that Amazon Business was a viable option that could provide savings for purchases below the micro-purchase threshold. Overall, we found that this study as well as the other studies cited in the FAS Commissioner's comments were irrelevant to this audit because they did not address the significant schedule price variability disclosed in this report.

Contract-Level vs. Order-Level Pricing. In the FAS Commissioner's response, he asserts that "to truly understand the impact and risk that contract level pricing variability presents, consideration of the order-level pricing (i.e., the price actually paid by the government) is necessary." While we agree with the importance of pricing at both the contract and order levels, FAR 8.404(d), *Pricing*, states that federal customer agencies using MAS contracts are not

¹² *FAS Cannot Provide Assurance that MAS Contract Pricing Results in Orders Achieving the Lowest Overall Cost Alternative* (Report Number A200975/Q/3/P22002, September 30, 2022).

¹³ Holland D. Canter & Tabitha J. Gomez, *Amazon Business and GSA Advantage: a comparative analysis* (MBA Report, Naval Postgraduate School, 2017).

required to make a separate determination that the prices are fair and reasonable because GSA has already made that determination at contract award.

Additionally, in accordance with FAR 8.405, *Ordering procedures for Federal Supply Schedules*, customer agencies can order directly from the contract without competition if the order is below the simplified acquisition threshold (currently set at \$350,000). As a result, when customer agencies place orders below the simplified acquisition threshold and follow the FAR ordering procedures, the contract level price is the de facto order level price. Therefore, pricing at the contract level is the foundation for reasonable pricing in the MAS Program.

Further, in the FAS Commissioner's response, he outlines that FAS performed its own analysis of the same products that we sampled in our audit. He alleges that, in 90 percent of cases where commercial pricing data was available, the price paid by the government was lower than the lowest commercial price found. We reviewed FAS's analysis and found it irrelevant to our audit finding and heavily flawed. Specifically, FAS's analysis:

- Does not address the significant price variability identified in this report. While FAS compares the price paid by federal customer agencies to commercial pricing, this report focuses on the disparity between the lowest and highest schedule price for identical products.
- Does not compare pricing from the same time period. FAS compared commercial pricing information from October 2025 to the prices paid by customers during our audit period (April 2023 through March 2024).
- Only analyzed 55 percent of the transactions associated with the products we reported with a price variability of over 50 percent, rendering the analysis incomplete.

Economic Conditions. In his comments, the FAS Commissioner identifies economic conditions, specifically inflation, as a possible contributing factor to the price variability we found on MAS contracts. While we acknowledge that inflation could have had an impact on price variability, the inflation rates during our audit period ranged from 2.7 to 4.5 percent. In significant contrast, we observed price variability of MAS products at times in excess of 1,000 percent, which far exceeded the inflation rate during the audit period. Furthermore, FAS's pricing tools already consider inflation when calculating market thresholds. As a result, inflation does not account for the significant price variability we observed in the data.

Recommendation 2a – Strengthen policies and procedures to address data inaccuracies within FAS pricing tools. The FAS Commissioner disagreed with this recommendation contesting the characterization that FAS pricing tools contain systemic data inaccuracies. He stated that FAS maintains robust data quality standards. However, we identified significant price variability and data inaccuracies in our product sample. As outlined in the *Background*, recent audits have continued identifying similar data inaccuracies in FAS systems. Therefore, we question the effectiveness of FAS's data quality standards. Further, FAS personnel have acknowledged ongoing efforts to correct inconsistencies in data that affect FAS's pricing tools and confirmed some of the inaccuracies identified in our samples. As noted in the *Finding*,

inaccurate data feeds into FAS's pricing tools and affects contracting officers' ability to use the data for price comparisons. Thus, we reaffirm Recommendation 2a.

Recommendation 2b – Strengthen policies and procedures to ensure bilateral contract modifications are submitted and approved prior to catalog changes. The FAS Commissioner partially agreed with this recommendation. He stated that FAS has made a substantial investment in the FCP, which eliminates the possibility of differences between the contract and the catalog. However, as noted in the *Finding*, we identified many instances of inaccurate data and TPRs without supporting modifications in our samples. Further, FAS has not transitioned all contracts to FCP. Therefore, we reaffirm Recommendation 2b.

Recommendation 4 – Inform federal customer agencies that they should perform separate and independent price determinations because significant price variability puts federal customer agencies at risk of overpaying for products on MAS contracts. The FAS Commissioner disagreed with this recommendation stating that requiring customer agencies to perform separate and independent price determinations is duplicative and contrary to the policy of Executive Order 14275, *Restoring Common Sense to Federal Procurement*. We agree that customer agencies should not need to perform separate and independent price determinations. However, as noted in the *Finding*, we identified significant price variability in the MAS program. In addition, when we requested pricing support for GSA Advantage! transactions, FAS was unable to provide information to support the schedule price at the time of sale for 63 (74 percent) of the 85 sampled transactions. Taken together, the fact that significant price variability exists and that awarded pricing is often unsupported, customer agencies are at risk of overpaying and thus should perform their own determination of fair and reasonable pricing.

In addition, the FAS Commissioner's response to our draft report seems to support this recommendation. In justifying the price variability found in this audit, he focuses on the prices negotiated and paid by customer agencies at the order level rather than those negotiated at the time of contract award. In sum, the FAS Commissioner's response fails to address the significant price variability found at the contract level (i.e. schedule prices awarded by GSA) during our audit period. Therefore, we reaffirm Recommendation 4.

We urge the FAS Commissioner to: (1) reconsider our recommendations that he does not fully agree with and (2) develop corrective actions to address the related issues of the finding.

Appendix A – Objective, Scope, and Methodology

Objective

We performed this audit as part of the GSA Office of Inspector General's *Fiscal Year 2024 Audit Plan*. Our audit objective was to determine whether FAS is addressing price variability in its MAS Program to ensure schedule pricing results in the lowest overall cost alternative to meet the government's needs in accordance with federal laws, regulations, and internal guidance.

Scope and Methodology

To analyze price variability in the MAS Program and determine the potential causes, we focused on frequently purchased products with high variability across four schedule categories (33411, 332510C, 339940, and 339940OS4) for the 1-year period from April 1, 2023, through March 31, 2024.

To accomplish our objective, we:

- Reviewed criteria relevant to MAS pricing and negotiations, including the FAR, General Services Administration Acquisition Manual, GSAR, and FAS policies and guidance;
- Reviewed and analyzed documentation from FAS's Enterprise Content Management Solution for contracts included in our audit sample;
- Reviewed multiple GSA data systems, related user guides, and sample data to identify data elements needed to accomplish our audit objective;
- Reviewed prior GSA Office of Inspector General audit reports, alert memorandums, and related corrective actions that were significant to the audit objective;
- Obtained and performed data analysis on GSA Advantage! transactional sales data for the period from April 1, 2023, through March 31, 2024, for the four schedule categories with the most annual demand based on GSA's Demand Data reports (33411, 332510C, 339940, and 339940OS4);¹⁴
- Compared product details from our sample to commercial and GSA Advantage! offerings to confirm the products were identical; and
- Interviewed the MAS Program director and GSA officials from the Office of Strategy and Innovation, Office of Policy and Compliance, and Office of Acquisition IT Services.

¹⁴ Demand Data enables GSA to take advantage of transactional data by identifying the top products purchased across business lines, including the MAS, GSA Global Supply, and Retail Operations.

Data Reliability

We assessed the reliability of the GSA Advantage! transactional data by:

- Comparing and reconciling the data provided to the query ran by GSA IT to create the dataset;
- Sampling 85 transactions for six frequently purchased products across four schedule categories to determine if contract documentation supported the schedule prices; and
- Interviewing personnel from Office of Acquisition IT Services to understand the source of the data.

We determined the data to be of undetermined reliability for the purposes of this audit due to the lack of support for schedule prices, as outlined in the report. However, for the purposes of the audit and to answer the audit objective, we elected to use the data available for limited testing.

Sampling

During fieldwork, we sampled 100 products by manufacturer part number and unit of measure for the period from April 1, 2023, through March 31, 2024, for the following schedule categories:

- 33411 – Purchasing of New Electronic Equipment
- 332510C – Hardware Store, Home Improvement Center, Industrial or General Supply Store, or Industrial Maintenance Repair and Operations (MRO) Distributor - Catalog
- 339940 – Office Products
- 339940OS4 – OS4 Office Products and Supplies

We selected the schedule categories with the most annual demand based on GSA's Demand Data reports. Sampling products by schedule category allowed us to compare schedule pricing for products with similar terms and conditions based on the category requirements.

We selected a nonstatistical (judgmental) sample of products based upon risk. The risk factors we considered when selecting the sample were products: (1) with schedule price outliers, (2) most frequently purchased based on number of transactions, (3) sold by multiple contractors, and (4) with total sales of \$500 or more.

Our sample consisted of 100 products with a total of 20,287 sales transactions (2.8 percent) of 719,425 total transactions. Our sample represented \$20.1 million (4.9 percent) of a total of \$412.1 million in GSA Advantage! transactional sales.

While the sample design does not allow for projection of the results to the population, it did allow us to adequately address our audit objective.

Internal Controls

We assessed internal controls significant within the context of our audit objective against GAO-14-704G, *Standards for Internal Control in the Federal Government*. The methodology above describes the scope of our assessment, and the report finding includes any internal control deficiencies we identified. Our assessment is not intended to provide assurance on GSA's internal control structure as a whole. GSA management is responsible for establishing and maintaining internal controls.

Report Limitations and Uncertainties

To evaluate whether the GSA Advantage! transactional data was accurate, we requested that FAS provide pricing support for a sample of 85 GSA Advantage! transactions. As outlined in the report, FAS was unable to provide information to support the schedule price at the time of sale for 63 (74 percent) of the 85 sampled transactions. Due to FAS's inability to provide the requested documentation, we were unable to ensure that all schedule prices in the data were supported by a contract modification and, therefore, awarded in accordance with federal laws, regulations, and internal guidance.

In addition, we interviewed GSA IT representatives to understand the catalog upload process and data sources. We found that schedule pricing is set by the contractor through a bilateral modification that should be approved by a contracting officer prior to publishing the price on GSA Advantage!. However, we found that contractors can, and at times were, using TPRs to unilaterally change schedule prices. Due to the lack of oversight, internal controls, and contract documentation, contractors were changing schedule prices without a required contract modification, leading to schedule prices on GSA Advantage! that were neither assessed nor approved by a contracting officer.

Compliance Statement

We conducted the audit between March 2024 and July 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective.

Appendix B – Products with Schedule Price Variability Over 50 Percent

This appendix presents the 71 sampled products (out of 100) that had a price variability over 50 percent (adjusted for data quality issues) when comparing the lowest and highest GSA schedule price.

Schedule Category (Note 1)	Manufacturer Part Number (Note 2)	Product (Note 3)	Unit of Measure (Note 4)	Number of Times Purchased (Note 5)	Total Sales (\$) (Note 6)	Adjusted Schedule Price Range (\$) (Note 7)	Adjusted Variability (%) (Note 8)
332510C	51300C	Water Filter	EA	466	155,556	59.88 – 155.91	160
332510C	7530002223521	Accounting Book	EA	247	32,927	3.51 – 7.73	120
332510C	7530002223525	Accounting Book	EA	129	17,836	4.99 – 10.88	118
332510C	11340	Fire Extinguisher	EA	119	130,515	53.30 – 98.36	85
332510C	8005PFL	Disposable Gloves	BX	81	16,652	12.42 – 29.61	138
332510C	FG452089BEIG	Utility Cart	EA	77	33,207	180.44 – 283.05	57
332510C	B456	Fire Extinguisher	EA	68	61,798	64.37 – 139.00	116
332510C	272142	Pallet Mover	EA	68	54,224	533.46 – 1,365.95	156
332510C	M1DSUSWH	Classic Sound Machine - White	EA	67	23,003	54.28 – 84.79	56
332510C	M1DSUSTN	Classic Sound Machine - Tan	EA	62	18,491	55.46 – 97.07	75
332510C	48-22-8430	Packout Organizer	EA	61	8,064	37.07 – 60.24	63
332510C	7930013982473	Aerosol Duster	EA	60	2,887	4.16 – 7.73	86
332510C	8105011958730	Trash Bags	PK	59	28,313	19.78 – 35.60	80
332510C	B417T	Fire Extinguisher	EA	58	19,120	32.12 – 56.55	76
332510C	8005PFXL	Disposable Gloves	BX	58	13,664	12.42 – 29.61	138
332510C	48-22-8426	Rolling Toolbox	EA	54	15,273	97.58 – 181.20	86
332510C	037025H	50 Gallon Mobile Tool Chest	EA	54	24,432	96.39 – 163.34	69
332510C	DEF002	Diesel Exhaust Fluid	EA	53	32,632	14.29 – 26.68	87
332510C	48-22-8425	Packout Large Toolbox	EA	51	9,808	63.68 – 103.94	63
332510C	MC18100	Tape Measure	EA	49	3,072	20.11 – 39.67	97
33411	S34A654UBN	34 Inch Ultrawide QHD Curved Monitor	EA	1,326	5,218,667	306.94 – 785.85	156
33411	F27T450FQN	27 Inch, 16:9, IPS Panel, 75HZ, 1920X1080	EA	523	1,744,203	137.89 – 338.51	145
33411	S32A804NMN	32 Inch 4K UHD LCD Monitor	EA	373	1,216,513	183.58 – 553.90	202
33411	QB55B-N	4K Crystal UHD LED Display	EA	322	610,961	235.39 – 1,376.44	485
33411	F24T454FQN	24 Inch LCD Monitor	EA	322	946,658	126.34 – 307.59	143
33411	981-000014	Headset	EA	282	197,150	23.37 – 42.32	81
33411	5TW10AA#ABA	USB-C Dock G5	EA	276	464,958	142.31 – 1,774.16	1,147
33411	CB-HM0042-S1	HDMI-To-HDMI Cable	EA	169	42,054	7.33 – 13.13	79

Schedule Category (Note 1)	Manufacturer Part Number (Note 2)	Product (Note 3)	Unit of Measure (Note 4)	Number of Times Purchased (Note 5)	Total Sales (\$) (Note 6)	Adjusted Schedule Price Range (\$) (Note 7)	Adjusted Variability (%) (Note 8)
33411	86UR340C9UD	86 Inch UHD Commercial TV	EA	168	532,827	1,718.15 – 2,978.00	73
33411	960-001384	Webcam	EA	161	120,196	47.38 – 73.44	55
33411	27BP450Y-I	27 Inch Monitor, 1920X1080 IPS	EA	156	518,572	135.52 – 265.61	96
33411	GKBSR202TAAKIT	Keyboard & 3-Button Mouse	EA	143	123,826	49.67 – 82.29	66
33411	SCR3310V2	USB Smart Card Reader	EA	140	128,961	12.22 – 28.28	131
33411	54N88AV	Elite Tower Desktop PC	EA	140	1,163,444	469.02 – 1,211.02	158
33411	W2120A	Black Original Toner Cartridge	EA	138	79,188	120.68 – 227.42	88
33411	27BL55U-B	27 Inch Monitor, 3840X2160, 16:9 IPS	EA	133	450,468	198.22 – 340.18	72
33411	S34A654UXN	34 Inch, Curved 1000R, VA Panel	EA	132	419,516	219.14 – 751.57	243
33411	24BL450Y-B	24 Inch Monitor, 1920X1080, 16:9 IPS, DP	EA	127	452,179	111.25 – 232.89	109
33411	CF360A	Black Original Toner Cartridge	EA	121	62,588	111.32 – 184.62	66
33411	54326	6FT Display Port To HDMI	EA	119	43,103	10.50 – 35.99	243
33411	W2020X	High Yield Black Original Toner Cartridge	EA	113	35,546	106.20 – 180.59	70
339940	7530002223521	Accounting Book 5.5 Inch X 8 Inch	EA	752	87,070	2.98 – 5.36	80
339940	LLR85563	Swivel Mid-Back Mesh Chair	EA	261	275,803	143.17 – 228.46	60
339940	7530002223525	Accounting Book, 192 Pages, 8 Inch X 10 1/4 Inch	EA	260	30,351	4.30 – 7.41	72
339940	CF360X	High Yield Black Original Toner Cartridge	EA	217	104,432	118.98 – 243.52	105
339940	CF360A	Black Original Toner Cartridge	EA	196	62,665	120.54 – 186.87	55
339940	CF361X	High Yield Cyan Original Toner Cartridge	EA	176	91,518	164.70 – 337.13	105
339940	UNV21200	Copy Paper, 92 Brightness	CT	166	79,570	37.95 – 91.22	140
339940	DUR02401	AAA Batteries	PK	143	7,480	16.77 – 29.16	74
339940	HEWCF258A	Black Original Toner Cartridge	EA	127	67,218	70.35 – 116.74	66

Schedule Category (Note 1)	Manufacturer Part Number (Note 2)	Product (Note 3)	Unit of Measure (Note 4)	Number of Times Purchased (Note 5)	Total Sales (\$) (Note 6)	Adjusted Schedule Price Range (\$) (Note 7)	Adjusted Variability (%) (Note 8)
339940	HEWCF360A	Black Original Toner Cartridge	EA	119	56,449	70.74 – 160.90	127
339940	QUA46071	Envelope Moistener with Adhesive	PK	108	5,145	5.21 – 12.73	144
339940	CE341A	Cyan Original Toner Cartridge	EA	100	65,861	264.80 – 487.07	84
339940	NSN6296575	Titanium Bonded Scissors	EA	99	7,660	5.03 – 13.28	164
339940OS4	7510016649506	2024 Wall Calendar	PK	688	59,017	10.84 – 22.77	110
339940OS4	7510016648790	2024 Wall Calendar	EA	663	145,476	7.70 – 13.46	75
339940OS4	7530016648805	2024 Appointment Book	EA	487	109,507	8.29 – 22.77	175
339940OS4	7510002729662	Standard Staples	BX	381	15,541	1.30 – 4.19	222
339940OS4	7510016650585	2024 Activity Schedule	PK	370	22,555	10.97 – 21.56	97
339940OS4	HEWCF230A	Black Original Toner Cartridge	EA	345	118,591	49.48 – 78.84	59
339940OS4	CF230A	Black Original Toner Cartridge	EA	321	90,329	48.85 – 84.16	72
339940OS4	7510002236807	Binder Clip, Medium, 5/8 Inch Capacity	DZ	308	5,337	1.44 – 3.27	127
339940OS4	HEWCF258A	Black Original Toner Cartridge	EA	280	109,762	72.99 – 122.20	67
339940OS4	W2022A	Yellow Original Toner Cartridge	EA	254	54,179	75.79 – 133.66	76
339940OS4	7530011167867	Self-Stick Note Pad - Yellow - Plain - 3 Inch x 3 Inch	DZ	254	28,163	10.65 – 19.45	83
339940OS4	HAM86700	Great White Recycled Copy Paper	CT	242	134,531	38.74 – 105.31	172
339940OS4	7530002223521	Accounting Book, 192 Pages, 5 1/2 Inch X 8 Inch	EA	240	31,669	3.39 – 9.92	193
339940OS4	8115001178249	Storage Box 14-3/4 Inch X 12 Inch X 9 1/2 Inch	BD	225	130,091	68.30 – 120.70	77
339940OS4	7530014471353	Legal Pad, Ruled, 8-1/2 Inch X 11 3/4 Inch	DZ	212	42,216	15.91 – 33.54	111
339940OS4	7530002223525	Accounting Book, 192 Pages, 8 Inch X 10 1/4 Inch	EA	204	31,806	4.31 – 11.79	174
339940OS4	7530015623259	Paper, Copy, 20 LB Weight Basis, Ream Wrapped, White, 8 1/2 Inch X 11 Inch	BX	196	125,592	29.69 – 67.20	126

Notes:

1. This column shows the schedule category from which the product was sampled.
2. This column shows the manufacturer part number listed for the product on GSA Advantage!.
3. This column shows a general description of the product sold on GSA Advantage!.
4. This column shows the unit of measure listed on GSA Advantage! for each part number.
5. This column shows the number of times each product was purchased on GSA Advantage!.
6. This column shows the total sales included in the GSA Advantage! transactional data for each product.
7. This column shows the range in schedule pricing after the data was adjusted for any apparent quality issues, such as errors in the uploaded schedule price or unit of measure.
8. This column shows the percentage of price variability after the data was adjusted for any apparent quality issues.

Appendix C – GSA Comments

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Federal Acquisition Service

January, 2026

MEMORANDUM FOR: Michelle L. Westrup
Regional Inspector General for Auditing.
Heartland Region Audit Office (JA-6)

FROM: Josh Gruenbaum
Commissioner
Federal Acquisition Service (Q)

SUBJECT: Response to Draft Report *Federal Agencies Are at Risk of Overpaying for Products in the Multiple Award Schedule Program Due to Significant Price Variability*, Report Number A240052

Signed by:

Josh Gruenbaum
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Thank you for the opportunity to comment on the referenced draft report *Federal Agencies Are at Risk of Overpaying for Products in the Multiple Award Schedule Program Due to Significant Price Variability*, Report Number A240052, dated December 11, 2025. The Federal Acquisition Service (FAS) response to the recommendations is below.

FAS believes the report lacks sufficient context and the findings are overstated. We are committed to the continued improvement of the Multiple Award Schedule (MAS) Program and ensuring that orders placed against MAS contracts result in best value for the government. FAS and other entities have performed studies which consistently demonstrate that our MAS Program provides highly favorable and competitive pricing compared to the commercial market and other government vehicles.¹ Our analysis of items included in the OIG sample shows that contract prices are generally competitive, with the small number of observed discrepancies closely attributed to the legacy Schedule Input Program (SIP) submission process. FAS's continued migration to the modern FAS Catalog Platform (FCP) should continue to improve pricing outcomes, minimize data discrepancies, and simplify oversight.

The OIG report indicates that the study focused on a sample of 100 "frequently purchased products with high price variability". FAS acknowledges that some outlier contract level pricing may occur across the 70 million awarded products on MAS contracts. FAS has regularly addressed pricing variability through improvements in policy, processes, and systems.

The report finds that agencies are at risk of overpaying for products purchased through the MAS program due to price variability. However, to truly understand the impact and risk that contract level pricing variability presents, consideration of the order-level pricing (i.e., the price actually paid by the government) is necessary. Focusing solely on contract level pricing overstates the risk, as customer agencies follow specific ordering procedures prior to placing an order. FAS's

¹ Naval Postgraduate School, Dudley Knox Library "Amazon business and GSA Advantage: a comparative analysis." <http://hdl.handle.net/10945/58451>

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analysis of the OIG sampled products and the associated transactions supports this. In 90% of cases where commercial pricing data was readily available, the price paid by the government was lower than the lowest commercial price found.

Economic conditions leading up to and present during the period of review may have also contributed to increased price variability on MAS contracts. In 2022 U.S. inflation rates reached levels higher than 8%, a level of inflation which had not been reached in the last 40 years. On March 17, 2022, GSA responded by issuing Acquisition Letter MV-22-02 to establish a temporary moratorium on the enforcement of certain limitations on price increases contained in GSA economic price adjustment (EPA) contract clauses. Our ability to review and process EPA requests in a streamlined manner was critical to ensuring that FAS offered customer agencies a full range of products, services, and solutions through the MAS program. While the inflation rate had dropped to 2.9% by the end of 2024, it still exceeded the Federal Reserve's inflation rate target of 2% and was notably elevated when compared with the rates in 2019 (pre-pandemic). The GSA policy remained in effect through September 2025, as geopolitical conditions, demand uncertainty, material and labor shortages, shipping, and logistics continued to create supply chain disruptions and price volatility for an extended period of time.

OIG Recommendation 001

Resume iterations of the Competitive Pricing Initiative at the MAS Program level to identify, address, and reduce price variability.

GSA agrees with this recommendation. GSA has already begun developing a comprehensive approach to curating the MAS catalog, including the identification and mitigation of price variability and outlier pricing. This work leverages lessons learned from the Competitive Pricing Initiative (CPI) and related efforts. As noted in the report, FAS paused additional iterations of the CPI due to the COVID-19 pandemic, which disrupted supply chains and commercial market pricing. During that time, FAS continued to develop and mature other tools that have helped the acquisition workforce identify outlier pricing, such as enhancements to the 4P tool and development of the FAS Catalog Platform and Compliance & Pricing Reporting Portal (CPRP).

OIG Recommendation 002

Strengthen policies and procedures to:

- a. Address data inaccuracies within FAS pricing tools; and**

FAS disagrees with this recommendation.

FAS contests the characterization that FAS pricing tools contain systemic data inaccuracies. FAS maintains robust data quality standards through several key practices:

Bi-Monthly Refresh Cycle: We strategically update our market data every two months to provide the optimal balance of timely information and rigorous quality assurance. We believe this schedule provides timely and accurate information. Therefore, we disagree that this refresh rate leads to inaccurate data. This update frequency allows us to leverage sophisticated compliance screening processes, ensuring adherence to over 240 rules, and employ complex

product attribute standardization algorithms. These algorithms expertly match identical products across diverse manufacturers, brands, and part numbers, guaranteeing comprehensive and accurate market insights. While real-time updates present significant technical and resource challenges, our current approach enables us to deliver reliable, standardized market data while upholding our commitment to strict compliance.

Inflation Adjustments: To ensure pricing remains current between refresh cycles, the FAS Pricing Model incorporates Consumer Price Index-based adjustments specifically designed to address recent inflationary forces, providing additional pricing accuracy in today's economic environment.

Continuous Improvement: We're proactively addressing minor inconsistencies, which primarily stem from timing differences between modifications and catalog data updates – an area also targeted by Recommendation 2(b). Our ongoing migration from the legacy Schedule Input Program (SIP) to the advanced FAS Catalog Platform (FCP) is already resolving these issues through automated processes. Furthermore, FAS is exploring enhancements to our comprehensive pricing model to further optimize value for taxpayers. We remain dedicated to delivering high-quality, dependable pricing data while carefully balancing operational efficiency and responsible resource management.

Strengthen policies and procedures to:

- b. Ensure bilateral contract modifications are submitted and approved prior to catalog changes.**

FAS partially agrees with this recommendation, while noting that some catalog changes (e.g., photo updates) do not require a formal contract modification.

FAS has made a substantial investment in the FCP to address these issues. The limited misalignments between contract modifications and catalog changes that occasionally arise stem exclusively from the legacy EDI 832 catalog submissions or SIP, systems that require manual review of vendor submissions—generally conducted through sampling for large catalogs due to scale constraints.

The FCP eliminates the possibility of misalignment between the catalog and the contract by securing the chain of data custody from modification through publication to GSAAAdvantage. This platform ensures that all contract modifications are inherently aligned with catalog changes through automated workflows.

However, FAS is committed to ensuring that the government secures immediate savings when a temporary price reduction (TPR) is offered. Existing authorities support this.

- GSAR clause 552.238-81 Price Reductions and its Alternate I authorize Contractors to provide a temporary or permanent "price reduction at any time during the contract period".
- GSAR clause 552.238-82(d) states, "The Contractor may transmit price reductions, item deletions, and corrections without prior approval."

- GSAR 538.7102-2(c)(2) (GSA Class Deviation RFO-2025-FSS-GSAR 538) also allows ordering activities to "seek further price discounts or other concessions before placing an order or establishing a FSS BPA."

While FCP allows for publication of TPRs immediately, the system does require subsequent modifications as part of the contract file.

FAS has already migrated the vast majority of products contracts to FCP and is targeting having substantially all contracts migrated by the end of calendar year 2026. Once this migration is complete, the concern raised in this recommendation will be mitigated through systematic controls rather than manual processes.

OIG Recommendation 003

Provide additional guidance to contracting officers regarding adequate sampling techniques for large catalogs to ensure information accuracy.

FAS agrees with this recommendation.

OIG Recommendation 004

Inform federal customer agencies that they should perform separate and independent price determinations because significant price variability puts federal customer agencies at risk of overpaying for products on MAS contracts.

FAS disagrees with this recommendation.

Requiring customer agencies to perform separate and independent price determinations is duplicative, and contrary to the policy of Executive Order 14275, which seeks to create the most agile, effective, and efficient procurement system possible.

Awarded MAS contract-level prices have been evaluated in accordance with GSAR subpart 538.2 and determined fair and reasonable in accordance with FAR subpart 15.4. Although GSA has already negotiated fair and reasonable pricing, ordering activities may always seek additional discounts before placing an order. To truly understand the impact and risk that contract level pricing variability presents, consideration of the order-level prices paid is necessary. Focusing solely on contract level pricing - before ordering procedures are applied - overstates the risk.

This appears to be the case with the OIG sample based on our analysis. For the 71 products where the OIG noted contract-level price variability exceeding 50%, there were 18,921 associated transactions. FAS compared the price paid by the government for these transactions to available commercial pricing data, when available. Commercial pricing data was readily available for the products purchased in 10,434 of these transactions. In 90% of cases where commercial pricing data was available, (9,369 out of 10,434), the price paid by the government was lower than the lowest commercial price found. For these transactions, our analysis

indicates that the government saved 32% relative to the lowest commercial price found, and 40% relative to the average commercial price found.

FAS also analyzed the awarded contract prices for the sampled items within the context of our pricing tools. Although 30% of contracts included in the sample are now inactive, FAS was able to match 14,348 of the transactions with current data in the Authoritative Contract Repository (ACR). A substantial 97% (13,913) of the prices fall within our existing market thresholds, indicative of competitive pricing. The small number of discrepancies we observed are primarily tied to the legacy SIP submission process; 432 were awarded via the legacy process compared to just 3 awarded in FCP. FAS's continued migration to FCP should improve pricing outcomes, minimize data discrepancies, and simplify oversight.

OIG Recommendation 005

Increase oversight and implement additional controls related to temporary price reductions.

FAS concurs with this recommendation.

FAS is committed to ensuring that the Government secures immediate savings when a temporary price reduction is offered. Existing authorities support this.

- GSAR clause 552.238-81 Price Reductions and its Alternate I authorize Contractors to provide a temporary or permanent "price reduction at any time during the contract period".
- GSAR clause 552.238-82(d) states, "The Contractor may transmit price reductions, item deletions, and corrections without prior approval."
- GSAR 538.7102-2(c)(2) (GSA Class Deviation RFO-2025-FSS-GSAR 538) also allows ordering activities to "seek further price discounts or other concessions before placing an order or establishing a FSS BPA."

As noted in the response to Recommendation 002b., FAS will continue to prioritize the migration of contracts to FCP, which will establish additional controls in this area.

Upon issuance of the final audit report, FAS will establish a Corrective Action Plan outlining the specific actions needed to execute the plan and the timeline of those actions.

Thank you for the opportunity to review this draft report. If you have any questions, please contact Jack Tekus from the Office of Strategy and Innovation at john.tekus@gsa.gov.

Appendix D – Report Distribution

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