

## Basic EIS Pricing Concepts Guide

### 1. The Purpose of this Guide

The purpose of this guide is to gently and quickly introduce you to basic pricing concepts for GSA's Enterprise Infrastructure Solutions (EIS) contracting vehicle.

This pricing guide is *not* intended to teach you everything about EIS pricing, and all its possible complexities. It *is* intended to give you a good grounding in the basics. Specifically, this guide is designed to do three things:

- Explain basic EIS pricing concepts so you will be able to understand the pricing examples in the EIS service guides.
- Give you tools so you can calculate the prices of basic EIS services.
- Provide a sound foundation for more advanced EIS pricing training.

## 2. The Two Groups of EIS Services

There are two groups of EIS services, and each group requires its own pricing method. For the purposes of this Pricing Guide, these two groups are:

- **General EIS Services:** This term is not formally defined in the RFP, but is used in this guide to distinguish these services from Catalog-Based Services, defined below. There are 25 General EIS Services, out of a total of 32. The prices for these 25 services are calculated using General EIS Pricing, which is explained in detail in [Section 5](#) below. (Please see the [Appendix](#) for a full listing of the 25 General EIS Services, and their locations within an EIS contract.)
- **Catalog-Based Services:** This group of services consists of the remaining seven EIS services that are defined in a contractor's online catalog. The prices for these services are calculated using Catalog-Based Pricing, explained in detail in Section B.1.3 of the EIS contract and in [Section 6](#) below. (Please see the [Appendix](#) for a full listing of the seven Catalog-Based Services, and their locations within an EIS contract.)

NOTE: An EIS catalog is part of a vendor's EIS contract, but the catalog is separate from the listing and prices of General EIS Services.

## 3. Price Components

All EIS services are priced by combining one or more of the following price components:

- **Non-recurring Charge (NRC):** This is a one-time fee, generally for set-up, activation or installation of a service, or some other similar task.
- **Monthly Recurring Charge (MRC):** This is a fixed amount billed on a monthly basis.
- **Usage Charge:** These are charges based on a quantity consumed, e.g., price per minute for a voice call, price per gigabyte of data stored, price per text message sent, etc.
- **Feature Charge:** This is an additional charge for a capability, capacity, or function not included with the basic service. For example, transcription services associated with the Audio Conferencing Service, would have a feature charge.

Each price component of a service is identified by a separate Contract Line Item Number (CLIN).

## 4. Types of EIS CLINs

### 4.1 CLINs—Three Major Types

There are three major CLIN types in EIS. They are:

- **Fixed-price Contract CLINs:** These are assigned to EIS contract items that are fully defined and priced. An example would be CLIN EN00002, associated with the MRC for a 100 Mbps Ethernet port.
- **Individual Case Basis (ICB) CLINs:** These are used for EIS contract items that are fully defined, but not priced. An example would be an ICB CLIN associated with an OC12 access arrangement, which may require a site survey and other information to price the service. Once established the ICB price would be available on the task order only.
- **Task Order Unique CLINs (TUCs):** This type of CLIN is created by the contractor in response to an agency solicitation. A TUC price is available only on the task order for which it was created. TUCs are used for:
  - EIS contract services that are neither fully defined nor priced. An example could be a TUC associated with enhanced, 24/7 Call Center Service where the contractor is required to staff the call center with senior level personnel 24/7 to assist an agency's secretary and staff when they travel internationally.
  - The packaging or bundling of multiple CLINs under a single TUC. An example would be a TUC that combines the Audio Conference Service with a number of optional Feature CLINs such as Spanish translation and transcription services.

See *Table 1* below for a summary of this CLIN information.

NOTE: Neither TUCs nor ICB CLINs require modifications to the EIS contract since they are specific to the task order for which they are defined.

**Table 1**

<b>Three Major Types of EIS CLINs</b>				
<b>CLIN Type</b>	<b>Service fully defined in EIS contracts?</b>	<b>Service priced on EIS contracts?</b>	<b>CLIN Availability</b>	<b>Applies to General EIS Pricing, Catalog-Based Pricing or both?</b>
<b>Fixed-price contract CLINs</b>	Yes	Yes	Contract and Task Order	General EIS Pricing
<b>Individual Case Basis (ICB) CLINs</b>	Yes	No	Task Order only	Both
<b>Task-order Unique CLINs</b>	No	No	Task Order only	Both

(TUCs)				
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## 4.2 Auto-Sold CLINs

EIS includes some items that are automatically included with the sale of a service. These are called “auto-sold CLINs.” A number of auto-sold CLINs are included in the EIS contract for Virtual Private Network Service, Ethernet Service, and Internet Protocol Service. Contractors may also include other auto-sold CLINs for the services offered on their contracts. All auto-sold CLINs for a particular contract are listed in EIS contract table *B.1.2.11.1 Auto-Sold CLINs Table*.

### Auto-Sold CLIN Example #1

An agency wants a 300 Mbps ethernet port, but wants the port to be able to operate at data rates up to 1 Gbps if needed. So the agency purchases CLIN VN30022, “Ethernet – 300 Mbps committed, burstable to 1 Gbps.”

The purchase automatically includes the auto-sold CLIN VN31300, “Ethernet burstable overage for 300 Mbps committed port burstable to 1 Gbps.” The contractor would use the auto-sold CLIN to invoice the agency for usage above the committed data rate of 300 Mbps.

### Auto-Sold CLIN Example #2

An agency needing Internet service, purchases CLIN IP30010 “IPS – Ethernet – 20 Mbps committed, burstable to 100 Mbps.”

This purchase would automatically include the auto-sold CLIN, IP40020, “IPS – Ethernet burstable overage for 20 Mbps committed port burstable to 100 Mbps.”

## 5. General EIS Pricing

The pricing tables for all EIS Services are defined in EIS contract [Section B](#). There are two types of tables that are fundamental to calculating prices for General EIS Services:

- Pricing Instructions Table
- Prices Table

These are companion tables, so both must be used to price a service. [Sections 5.1 to 5.3](#) below explain these two types of tables, and show how to use them. Catalog-Based Pricing is explained in [Section 6](#).

### 5.1 Pricing Instructions Tables

*Table 2* below is a sample *Pricing Instructions Table* that contains the first two rows of the *E-LINE Port Pricing Instructions Table* found in EIS contract [Section B.2.1.2.2.2](#). (NOTE: E-LINE ports are a component of the Ethernet Transport Service.) This type of table includes the following information:

- Each available unique CLIN identifier, including whether the CLIN is MRC, NRC, or Usage (*MRC CLIN* in this example)
- A unique *Description* of the service
- The *Charging Unit* (port in this example)
- A *Notes* column for additional information

**Table 2—Two Sample rows from the E-LINE Port Pricing Instructions Table in EIS [Section B.2.1.2.2.2](#)**

<b>MRC CLIN</b>	<b>Description</b>	<b>Charging Unit</b>	<b>Notes</b>
EN00001	E-LINE Ethernet Network Interface – 10 Mbps	Port	
EN00002	E-LINE Ethernet Network Interface – 100 Mbps	Port	

*Table 2* shows that the CLIN for an Ethernet port running at 100 Mbps is EN00002. The “MRC CLIN” heading on the first column indicates that the port is billed as an MRC.

## 5.2 Prices Tables

Table 3 below is a sample *Prices Table*. It is based on the *E-LINE Port Prices Table* in EIS contract Section B.2.1.2.2.1. This type of table includes the following information:

- *CLIN*
- *Case Number*: This is a contractor-assigned number used in combination with a TUC or ICB CLIN to form a unique identifier for an item that is priced uniquely for a given task order (TO). In other words, it is used to identify different task order services and prices associated with the same ICB CLIN.
- *Task Order Number*: This is an agency-assigned number. The agency enters it into the table upon award of a task order. It indicates that the prices associated with any CLINs, ICB CLINs or TUCs, are specific to that particular task order.
- Special information needed for the particular service. In this example that information is: *Country/Jurisdiction ID*. There could be other such columns as well.
- *Price*
- *Price Start Date*: The date the listed price becomes effective.
- *Price Stop Date*: The last date on which the listed price is effective.

**Table 3—Sample rows based on the E-LINE Port Prices Table in EIS contract Section B.2.1.2.2.1**

<i>CLIN</i>	<i>Case Number</i>	<i>Task Order Number</i>	<i>Country/Jurisdiction ID</i>	<i>Price</i>	<i>Price Start Date</i>	<i>Price Stop Date</i>
EN00001			Domestic: CONUS/120033	\$10.00	10/1/2017	9/30/2020
EN00001			Domestic: Hawaii/120037	\$13.50	10/1/2017	9/30/2020
EN00001			Domestic: Alaska/120036	\$12.00	10/1/2017	9/30/2020
EN00002			Domestic: CONUS/120033	\$40.41	10/1/2017	9/30/2020
EN00002			Domestic: Hawaii/120037	\$54.55	10/1/2017	9/30/2020
EN00002			Domestic: Alaska/120036	\$48.49	10/1/2017	9/30/2020

(NOTE: The example rows in *Table 3* are for illustration purposes only and do not represent actual or approximate prices available under EIS.)

A complete *Prices Table* contains rows for each CLIN from its related Pricing Instructions Table, plus multiple rows for each CLIN to cover every available criterion for that CLIN, such as Country/Jurisdiction, Start and Stop Dates, etc. In *Table 3* above, a fictional contractor is offering the 10 Mbps and 100 Mbps Ethernet ports (CLINs EN00001 and EN00002 respectively) for CONUS, Alaska and Hawaii. Thus, there are three rows to cover those locations for both CLINs.

### 5.3 How to Use the Two Types of Pricing Tables

There are two steps to using the tables to price a particular service:

1. Identify the desired service and associated CLIN in the *Pricing Instructions Table*. We are using *Table 2* in this example.
2. Next, look at the companion *Prices Table*, (.e.g., *Table 3*), and locate the row that contains the identified CLIN, the required time period (Price Start and Stop Dates), and any other needed criteria, e.g., a particular Country/Jurisdiction.

**Example:** Starting with the *Pricing Instructions Table* above (*Table 2*), an agency planning to acquire Ethernet service for Alaska and Hawaii, selects CLIN EN00002, the 100 Mbps Ethernet port. Then, using the *Prices Table* (*Table 3*), the agency finds the rows containing CLIN EN00002, and the required Country/Jurisdictions, i.e., Hawaii and Alaska. Finally, the agency notes the prices for those two rows: \$48.49 for Alaska and \$54.55 for Hawaii.

## 6. Catalog-Based Pricing

As described above, EIS includes seven Catalog-Based Services<sup>1</sup>. A contractor lists these services, and each service's Official List Price (OLP) in the contractor's online catalog, which each contractor is required to develop and maintain according to EIS contract [Section B.1.3](#). A contractor also assigns each catalog item to a class, and specifies an EIS discount that applies to all items in that class.

For example, a contractor's Service-Related Equipment (SRE) catalog might group all routers and switches into Equipment Class 7, which has a discount of 20%. Thus, the price for any router purchased from that contractor would be calculated as the OLP less 20%.

There are three companion tables that are used for calculating the price of a Catalog-Based Service:

- Instructions Tables
- Specification Tables
- Discount Tables

The next three sections explain these tables, and show how they are used in Catalog-Based Pricing.

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<sup>1</sup> The seven Catalog-Based Services are: Wireless Service, Commercial Mobile Satellite Service, Managed Security Service, Service Related Equipment, Infrastructure as a Service, Software as a Service and Platform as a Service. (See the Appendix of this document, and EIS contract [Section B.1.3](#) for more information.)



## 6.1 Instructions Tables

In Catalog-Based Pricing, an Instructions Table is consulted to identify the proper CLIN to use to price an MRC, NRC or Usage component of a service. For example, if an agency wants to price an MRC service that is part of Infrastructure as a Service (IaaS), they would go to EIS contract table *B.2.5.2.3—Instructions Table for Cloud Services* (see excerpted portion in *Table 4* below), and select CLIN IA9002 (see the highlighted row). This is the CLIN associated with MRC service components of IaaS.

**Table 4—Excerpted EIS contract table B.2.5.2.3—Instructions Table for Cloud Services**

<b>CLIN</b>	<b>Frequency</b>	<b>Description</b>	<b>Charging Unit</b>	<b>Notes</b>
IA90001	NRC	IaaS Cloud Service Catalog Item	ICB	ICB
<b>IA90002</b>	<b>MRC</b>	<b>IaaS Cloud Service Catalog Item</b>	<b>ICB</b>	<b>ICB</b>
IA90003	Usage	IaaS Cloud Service Catalog Item	ICB	ICB
PA90001	NRC	PaaS Cloud Service Catalog Item	ICB	ICB
PA90002	MRC	PaaS Cloud Service Catalog Item	ICB	ICB
PA90003	Usage	PaaS Cloud Service Catalog Item	ICB	ICB
SS90001	NRC	SaaS Cloud Service Catalog Item	ICB	ICB
SS90002	MRC	SaaS Cloud Service Catalog Item	ICB	ICB
SS90003	Usage	SaaS Cloud Service Catalog Item	ICB	ICB

## 6.2 Specification Tables

Table 5 below is a sample *Specification Table*. It is based on the *Cloud Service Catalog–Service Specification Table* in EIS contract Section B.2.5.2.1. This table would be used with a cloud service *Instructions Table* (e.g., *Table 4* above) to price a cloud service such as IaaS.

(NOTE: The example rows in *Table 5* are for illustration purposes only, and do not represent actual or approximate prices available under EIS.)

This type of table includes the following key information:

- *CLIN*
- *Case Number* (This number and the CLIN are needed to uniquely identify a catalog item.)
- *OLP* (This is the contractor’s Official List Price for the item.)
- *Service Class ID* (This ID is used to look up the discount from the Discount Table.)

A Specification Table may also contain a column for the price *Start and Stop Date*, and other information specific to the service or equipment.

The contractor uses this table to price the requested cloud services, and uses Case Numbers to distinguish the various services, all of which have the same IaaS CLIN: IA90002.

**Table 5–Sample Specification Table based on the Cloud Service Catalog – Service Specification Table in EIS contract Section B.2.5.2.1**

<i>CLIN</i>	<i>Case Number</i>	<i>Service Description</i>	<i>Vendor Unique ID (e.g., SKU)</i>	<i>OLP</i>	<i>No List Price</i>	<i>Service Class ID</i>	<i>Start Date</i>	<i>Stop Date</i>	<i>End of Sale Date</i>	<i>End of Life Date</i>	<i>Notes</i>
IA90002	1058	8 GB RAM		\$8		1010	10/1/2017	9/30/2020			
IA90002	1059	16 GB RAM		\$12		1010	10/1/2017	9/30/2020			
SS9002	1064	Software License		\$69		1003	10/1/2017	9/30/2020			

### 6.3 Discount Tables

Table 6 below is a sample *Discount Table* based on the *Cloud Service Catalog – Service Class Discount Table* in EIS contract Section B.2.5.2.2.

(NOTE: Table 6 is for illustration purposes only and does not represent actual or approximate prices available under EIS.)

Two pieces of data from the table should be noted:

- *Service Class ID* (This ID is used to match a CLIN from the Specifications Table.)
- *Percentage Discount from OLP* (This and the *OLP* are used to calculate the agency price.)

**Table 6–Sample Discount Table based on the Cloud Service Catalog – Service Class Discount Table from EIS contract Section B.2.5.2.2**

<b>Service Class ID</b>	<b>Service Class Description</b>	<b>Task Order Number</b>	<b>Percentage Discount from OLP</b>	<b>Start Date</b>	<b>Stop Date</b>
1000	Non-discounted		0%	10/1/2017	9/30/2020
1001	CPU		8%	10/1/2017	9/30/2020
1002	Storage		15%	10/1/2017	9/30/2020
1003	Software		12%	10/1/2017	9/30/2020
1010	Memory		10%	10/1/2017	9/30/2020

## 6.4 How to Use the Instructions, Specification and Discount Tables

There are four steps to using these three tables to price a particular Catalog-Based Service:

1. **Identify the desired CLIN in the *Instructions Table* (e.g., *Table 4* above in [Section 6.1](#)).** For example, an agency looking for the MRC CLIN associated with Infrastructure as a Service, would refer to *Table 4*, and select CLIN IA90002.
3. **Next, refer to the *Specification Table* (e.g., *Table 5* above). Find the desired service that has the same CLIN identified in Step 1, and note the *OLP* and *Service Class ID*.** In our example, the agency has identified that IA90002 is the MRC CLIN it wants to use. Now the agency goes to *Table 5* and finds the service that has that same CLIN *and* also the desired *Service Description*. In this case, the agency selects the service in the second row because it wants the 16 GB RAM service. The agency would then note the *OLP* (\$12) and the *Service Class ID* (1010).
4. **Using the *Discount Table* (e.g., *Table 6* above), find the *Service Class ID*, and identify the *Percentage Discount from OLP*.** In our example, the agency goes to the appropriate *Discount Table* (e.g., *Table 6* above), finds the *Service Class ID* 1010, and its associated *Discount* (10%).
5. **Apply the listed discount to the *OLP* to determine the agency's price.** Finally, the agency calculates the discounted price using the formula:

Agency Price equals the OLP minus the OLP discount.

In our example the OLP is \$12, and the discount is 10%. Hence the calculations for the agency price would be:

- $OLP\ discount = 10\% * \$12 = \$1.20$
- $Agency\ price = \$12 - \$1.20 = \$10.80$

**Appendix**

## 1. Catalog-Based Services

Table 7

<b>Catalog-Based Services</b>		
<b>Service</b>	<b>EIS Service Category</b>	<b>EIS Contract Location</b>
Commercial Satellite Communication Service		C.2.7
Infrastructure as a Service	Cloud Service	C.2.5.1
Managed Security Service	Managed Service	C.2.8.5
Platform as a Service	Cloud Service	C.2.5.2
Service Related Equipment		C.2.10
Software as a Service	Cloud Service	C.2.5.3
Wireless Service		C.2.6

## 2. General EIS Services

*Table 8*

<b>General EIS Services</b>		
<b>Service</b>	<b>EIS Service Category</b>	<b>EIS Contract Location</b>
Access Arrangements		C.2.9
Audio Conferencing Service	Managed Service	C.2.8.7
Cable & Wiring		C.2.12
Circuit Switched Data Service	Voice Service	C.2.2.4
Circuit Switched Voice Service	Voice Service	C.2.2.2
Colocated Hosting Service		C.2.4
Contact Center Service		C.2.3
Content Delivery Network Service	Cloud Service	C.2.5.4
Dark Fiber Service	Data Service	C.2.1.6
DHS Intrusion Prevention Security Service (DHS Only)	Managed Service	C.2.8.9
Ethernet Transport Service	Data Service	C.2.1.2
Internet Protocol Service	Data Service	C.2.1.7
IP Voice Service	Voice Service	C.2.2.1
Managed Mobility Service	Managed Service	C.2.8.6
Managed Network Service	Managed Service	C.2.8.1
Managed Trusted Internet Protocol Service (MTIPS)	Managed Service	C.2.8.4
Optical Wavelength Service	Data Service	C.2.1.3
Private Line Service	Data Service	C.2.1.4
Service Related Labor		C.2.11
Synchronous Optical Network Service (SONETS)	Data Service	C.2.1.5
Toll Free Service	Voice Service	C.2.2.3
Unified Communications Service	Managed Service	C.2.8.3
Video Teleconferencing Service	Managed Service	C.2.8.8
Virtual Private Network Service	Data Service	C.2.1.1
Web Conferencing Service	Managed Service	C.2.8.2