



August 15, 2017

Mr. Shay Assad
Acting Director, Defense Procurement and Acquisition Policy
3060 Defense Pentagon
Room 3C958
Washington, D.C. 20301-3060

Subject: FedMall Transition

Dear Mr. Assad,

I am writing on behalf of members of the Coalition for Government Procurement (“the Coalition”) regarding concerns with the recently launched FedMall marketplace.

The Coalition is a non-profit association of firms selling commercial services and products to the Federal Government. Our members collectively account for a significant percentage of the sales generated through the General Services Administration’s (“GSA”) contracts including the Multiple Award Schedule (“MAS”) program. Coalition members are also responsible for many of the commercial item solutions purchased annually by the Federal Government. Coalition members include small, medium, and large business concerns. The Coalition is proud to have worked with Government officials for more than 35 years towards the mutual goal of common sense acquisition.

The Coalition supports the Defense Logistics Agency’s (“DLA”) efforts to modernize and improve upon the functionality of DoD EMALL. Serious technical and informational challenges inherent to the June launch of the new FedMall have, however, had a significant, negative impact on Federal vendors and FedMall customers. DLA has a longstanding commitment to supplying Department of Defense (“DoD”) customers and the warfighter with critical, innovative solutions by offering supplies through DoD EMALL. Vendors welcome the potential for updated functionality and enhanced customer service to be offered through DLA’s proposed redesigned FedMall. In actuality, however, since its launch companies have struggled to complete the transition to FedMall. Previous EMALL participants have realized dramatic declines in their Federal business activities. For small businesses, this is particularly damaging, as it may inhibit their long-term viability as suppliers for Federal customers. Indeed, it is our understanding that the technical issues since the launch of FedMall have impacted the ability of small businesses to maintain staff, resulting in layoffs.

Given the real negative consequences that the status of FedMall is having on both the private sector and critical supplies for the Department, we request that the following matters be resolved immediately.

A. FedMall System Design

The Coalition recommends that DLA address issues in FedMall's design that have hampered vendors from successfully transitioning to the new portal. For instance, vendors report that:

1. The FedMall system's "error function" does not always function properly. At times, it improperly identifies the absence of a certification or registration. Consequently, vendors, who already hold the necessary certification or registration identified as absent by FedMall, spend considerable time and resources trying to reobtain certifications or registrations that they already possess.
2. When vendors receive an order, the search function does not provide the capability necessary to identify who the customer is, what they ordered, and where it needs to be shipped.
3. Due to the absence or malfunction of the contract minimum order function of the FedMall system, vendors are receiving orders below their contract minimum order threshold. This places vendors in an untenable position where they must either risk damaging their relationship with Federal customers or lose substantial money fulfilling orders below their minimum order threshold.
4. The format for images on FedMall is unique to the portal and unlike any similar format used in the commercial space. This process is unnecessarily complicated and burdensome for vendors. Moreover, by restricting vendors from uploading images until after their catalog is uploaded, it further protracts the catalog upload process, which currently takes weeks, if not months.

Ultimately, if unaddressed, the costs of these design issues will be borne by DoD customers and the warfighter. Without access to many of the suppliers that they rely upon for critical resources, these customers' missions are jeopardized and they will likely have to seek alternative vehicles to DLA's FedMall to access resources.

B. Vendors are Unable to Access Critical Information

The Coalition recommends that DLA address the quality of assistance available through the FedMall Help Desk, which so far has hampered the ability of vendors to receive the support they need. Specifically, obtaining critical information regarding FedMall can be very challenging for vendors. For instance, one vendor reported that when they contacted the FedMall Help Desk for information on an issue, the help desk was unable to even log into FedMall to access the information. Overall, vendors report that, if they do receive a response to their inquiry, it often takes a protracted period of time.

C. DLA Should Extend Vendor's Contracts to Compensate for Lost Opportunities

The Coalition recommends that DLA extend all current DOD EMALL participants contracts for one year to compensate for their lost business incurred during the transition to the FedMall portal. To date, no Coalition member has successfully completed the transition to FedMall. Although there have been instances where a vendor has gotten a few items onto the portal, they do not report sales commensurate to the levels typical of this time of year. Indeed, the fourth quarter is a unique and significant business opportunity for Federal contractors. For many vendors, especially small business vendors, the diminution of this business associated with the FedMall transition threatens their long-term viability as suppliers for DoD customers and the warfighter. If vendors cannot recoup this lost business, and thus are forced out of the FedMall marketplace, DoD customers will realize increased prices as a result of reduced competition. Considering the timing of the FedMall transition, and its significant impact for vendors and DoD customers, the Coalition believes that DLA should extend vendors contractual obligations by one year to compensate for their lost business associated with the transition.

In addition, the Coalition recommends that DLA ensure the inclusion of all applicable Federal regulations related to the AbilityOne Program as part of the further development of FedMall and the FedMall Marketplace. In particular, DLA should address concerns related to Essentially the Same ("ETS") compliance, pricing, and performance consistent with the Javits-Wagner-O'Day ("JWOD") Act.

In summary, the Coalition recommends that DLA:

1. Address FedMall's system design, in particular:
 - a. The error identification function
 - b. The search function
 - c. The contract minimum order function
 - d. The image file format requirements
2. Address informational deficiencies
3. Ensure compliance with the JWOD Act and related regulations by addressing concerns related to ETS items
4. Extend vendor's contracts to compensate for lost opportunities

In addition, the Coalition requests that Defense Procurement and Acquisition Policy ("DPAP"), in coordination with DLA, host an in-person Industry Day to discuss the FedMall transition with industry stakeholders. Specifically, the Coalition requests that DPAP and DLA provide additional details regarding the feedback they have received to date related to the transitions, as well as actions underway to address concerns and ensure a successful FedMall portal.

Thank you for the opportunity to provide feedback regarding the FedMall transition. Coalition members stand ready to work with the Department to identify solutions to these critical concerns. In addition, the Coalition will be reaching out to your office to establish a meeting to discuss the transition. If there are any questions, please contact me at (202) 331-0975 or rwaldron@thecgp.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'RWaldron', enclosed in a thin black rectangular border.

Roger Waldron
President