



February 7, 2013

Constance Thomas  
Contracting Officer  
General Services Administration  
10304 Eaton Place 4B19  
Fairfax, Virginia 22030

Subject: FSSI SmartBUY Initiative RFI

Ms. Thomas,

The Coalition for Government Procurement appreciates the opportunity to provide comments regarding the *Request for Information (RFI) Regarding Federal Strategic Sourcing Initiative (FSSI) SmartBUY Initiative* published November 8, 2012 on FedBizOpps.

The Coalition for Government Procurement is a non-profit association of firms selling commercial services and products to the Federal government. Our members collectively account for approximately 70% of the sales generated through the General Services Administration's (GSA's) Federal Supply Schedule (FSS) program and about half 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 over the past 30 years towards the mutual goal of common sense acquisition.

In general, the Coalition supports the use of strategic sourcing for Federal agencies to procure best value commercial-off-the-shelf (COTS) software. However, there are certain elements to strategic sourcing that should be incorporated to make it successful. For the FSSI SmartBUY initiative, we recommend that the government focus on strategic sourcing Blanket Purchase Agreements (BPAs) at the agency level, improving requirements development, including volume commitments, and relying on commercial terms and conditions in order to achieve lower pricing for COTS software.

### **Strategic Sourcing Model**

The Coalition supports the use of strategic sourcing BPAs at the agency level to reduce federal spending on COTS software. Agency-level FSS BPAs are a streamlined, flexible acquisition tool that can effectively leverage agency requirements to provide best value as

authorized by Federal Acquisition Regulation (FAR) 8.405-3. In addition, GSA's electronic quote tool, e-Buy, provides transparency and enhanced competition for BPAs and task orders under FSS contracts. As noted throughout FAR subpart 8.4, an ordering activity's use of e-Buy to transmit Requests for Quotes (RFQs) provides fair notice of agency needs to all FSS contractors capable of meeting the requirement. Most importantly, the FSS program provides the federal government with access to millions of commercial products and services and the underlying competitive environment that is the commercial marketplace.

### **Requirements Development**

Although the Coalition generally supports efforts to strategically source COTS software through agency-level BPAs, we believe that improved requirements development is vital to SmartBUY's success. Improved requirements development for commercial solutions and effective communication with FSS contractors will increase competition while reducing overall costs for government and industry. The Coalition is concerned that a number of the current government-wide FSSI BPAs, such as Managed Print Services, do not include well-defined requirements or volume commitments upon which effective competition can be based. Generic, governmentwide BPAs inevitably result in unnecessary contract duplication that increases bid and proposal costs for both government and industry. In fact, GSA has included a supplemental industry funding fee of 1.25 percent to be added to a number of existing FSSI BPAs for a total fee to customer agencies of 2 percent. This additional fee is designed to offset GSA's operational costs associated with the establishment of the FSSI BPAs.

### **Agency Commitments**

Competition for well articulated requirements with corresponding volume commitments will increase savings for customer agencies and the taxpayer. If GSA would like for COTS software vendors to lower pricing, the government should make specific volume commitments in order for companies to offer these discounts. Without guaranteed minimums, it is difficult for vendors to negotiate lower prices compared to what is already offered under the current GSA Schedule program. Further, commitments from Federal agencies should address specific volumes rather than issuing general statements about the intent to use the government-wide FSSI BPA.

### **Use of Standard Commercial Clauses**

The Coalition recommends that the FSSI SmartBUY initiative include standard commercial clauses to the maximum extent practicable to reduce costs for customer agencies and the taxpayer. Government unique requirements that are inconsistent with commercial practice, such as some data collection requirements, increase costs. In order to reduce costs for both government and industry, GSA should engage in a "myth-buster's" dialogue with the private sector to ensure that the terms and conditions of the FSSI SmartBUY BPA reflect what is

already offered in the commercial market. In addition, GSA can help customer agencies reduce costs by providing agency-level sample BPAs that include standard commercial clauses.

### **BPA Best Practices**

Commercial contractors offer their best terms and prices to customers who provide the most detailed information about their requirements and usage. As the Coalition's BPA Best Practices describe, customers that receive the best deals share the following traits. They have:

1. Known, requirements which they share with potential suppliers
2. Commitment to acquire a specific volume
3. Centralized program management
4. Strategies for partnering with suppliers

Specific information about the factors listed above, when included in a statement of work, have great potential to enhance the government and COTS software suppliers' ability to provide best value to the taxpayer. In addition to our comments above, we ask that GSA consider our BPA Best Practices attached.

The Coalition sincerely appreciates the opportunity to provide comments in response to the Federal Strategic Sourcing Initiative (FSSI) SmartBUY Initiative RFI. We would be happy to meet with you discuss our recommendations in more detail.

Sincerely,

A handwritten signature in black ink, appearing to read 'Roger Waldron', with a long horizontal flourish extending to the right.

Roger Waldron

President