



October 14, 2021

Laura Stanton
Assistant Commissioner
Office of Information Technology
General Services Administration
1800 F Street, NW
Washington, DC 2006

Subject: Industry Feedback in Response to GSA Multiple Award Cloud BPA RFI

Laura,

The Coalition for Government Procurement (The Coalition) appreciates the opportunity to submit member feedback in response to the Request for Information (RFI) for the General Services Administration's (GSA) Multiple Award Blanket Purchase Agreement (BPA) for commercial Software-As-A-Service (SaaS), Platform-As-A-Service (PaaS), and Infrastructure-As-A-Service (IaaS).

The Coalition is a non-profit association of firms selling commercial services, products, and solutions to the Federal Government. Our members collectively account for tens of billions of dollars of the sales generated through the GSA Multiple Award Schedules (MAS) program and IT GWAC's. Coalition members include small, medium, and large businesses that account for 40 percent of Federal IT spending, more than \$24 billion in Federal IT contracts, and more than \$145 billion in Federal Government contracts. The Coalition is proud to have worked with Government officials for over 40 years towards the mutual goal of common-sense acquisition.

The Coalition appreciates GSA's consideration of this feedback on the Cloud BPA and looks forward to continuing the dialogue on this matter.

Government-wide, Generic BPAs

Generic, government-wide multiple award BPAs create vertical contract duplication, that is, redundancy in the administrative processes and terms of the contract, which, in turn, increases costs for FSS contractors, GSA, and customer agencies, creating additional barriers to entry for commercial cloud providers. Here, GSA is asking Federal Supply Schedule (FSS) contractors to negotiate and administer their FSS contracts, compete for and manage a generic, government-wide multiple award BPA, and, then compete for and manage a task order issued under the BPA. As a result, generic, government-wide, multiple award BPAs create an additional layer of cost, administration, and process that increases costs for all.

The use of generic, government-wide BPAs simply increases costs and complexity in the Schedules program resulting in new barriers to entry for commercial cloud solutions. The result will be reduced competition, efficiency, and value for customer agencies, GSA and its industry partners, including

potential new entrants to the market. As such, the approach is inconsistent with the Administrator's goal of streamlining the Schedules program.

The RFI and previous generic, government-wide BPAs also raise questions regarding how GSA accounts for additional fees to customer agencies when those agencies already can compete their unique requirements directly against the top-level FSS contracts, rather than second-level generic BPAs. The use of a generic, government-wide BPA also prompts concerns regarding the underlying FSS contract terms. To the extent that GSA is seeking to include BPA terms and conditions that would apply government-wide, the appropriate avenue for consideration of those terms is at the FSS contract level. To that end, GSA should engage with its industry partners and agency customers to determine whether supplemental BPA terms should be negotiated at the FSS contract level. Many times, an added feature from a BPA could have been included at the contract level.

Competition and the Task Order Process

Coalition members believe that the competitive task order process with clear evaluation criteria focused on an agency's unique requirements is the most appropriate acquisition strategy for cloud acquisitions rather than a generic, multiple award BPA. Specific requirements, volume commitments, and/or guaranteed minimums for BPAs lead to enhanced competition and market-based pricing. Commercial cloud services, however, particularly when utilized on an enterprise-wide basis by a Federal agency or department, are highly customizable in order to meet the specific needs and requirements of a Government agency. At the overall solution level, as described in the RFI, commercial cloud services are not "repetitive requirements." As a result, the very large variation in the ultimate delivery format and construct of cloud service offerings provided to an agency makes a BPA intended to be used for repetitive needs an ill-suited acquisition strategy.

GSA should focus on utilizing the FAR 8.4 competitive task order process, whereby FSS commercial cloud contract holders can propose custom solutions responsive to individual agency requirements. A generic, government-wide BPA simply is not an effective contracting strategy for the highly customizable and constantly evolving cloud marketplace. The FSS contracts that offer cloud services provide a sound competitive platform/baseline, allowing user agencies to request competitive quotes from existing FSS contractors to meet individual agency requirements. That competitive process currently works well and properly serves user agencies and the public served by those agencies. Promoting competition will foster critical innovation. Limiting competition to only BPA cloud service awardees does not enhance the ability of the broader commercial cloud service provider community and contractors to provide the very best value solutions to meet agency requirements in the future.

Competition and Scope of the BPA

An additional issue with the proposed BPA award process is that the RFI anticipates that the BPA would be available to all eligible FSS users, which encompasses virtually every agency and department in the Federal Government. The BPA regulations in FAR Part 8.4, however, recognize the limited circumstances under which other agencies are to be authorized to use an agency's BPA award. Those circumstances are limited to only "if the multi-agency BPA identifies the participating agencies and their estimated requirements at the time the BPA is established." It does not seem plausible that GSA could estimate, as part of the BPA solicitation, the requirements of each potential agency or entity user for the various types of cloud services and professional services listed in the RFI for the expected period of performance of the

BPA. As such, the generic BPA contemplated by the RFI is inconsistent with FAR 8.4 and will not provide for meaningful competition based on clearly articulated requirements.

Evolving Nature of Cloud Computing

Federal agency cloud computing needs continue to evolve rapidly, and cloud service providers are innovating rapidly to meet those needs. Cloud computing capabilities, including, but not limited to, business analytics, machine learning, and artificial intelligence, and their capacity to address the needs of the Government will continue to accelerate in the years ahead. A generic, government-wide BPA procurement vehicle adds an additional procedural layer for FSS contractors and customer agencies to navigate when seeking to keep pace with and deliver the most innovative technology to the Government.

The FSS contracts are the appropriate platform for adding, modifying, and adopting new cloud technologies and solutions to meet customer agency needs. The FSS contracts provide the framework and scope necessary for adding new cloud technology components, offerings, and services. As is evident from the almost constant adding and deleting of line items offered by cloud services providers on existing GSA Schedule contracts, it is not clear how the BPAs, awarded to multiple contractors, but not for identical offerings, would properly and fairly accommodate such additions and deletions on a uniform and equal basis among the BPA holders and among the cloud service providers. Indeed, the generic, government-wide BPAs would be wholly dependent on the underlying FSS contracts' cloud components, offerings, and services. GSA should look to enhancing the management and operations of the FSS cloud contracts to foster efficient and effective task order competitions for agency specific requirements.

Given the evolving and customizable nature of cloud computing capabilities, dividing the awards into three separate pools limits options on how cloud solutions can be provided to customer agencies. Moreover, it is inconsistent with commercial practices. Firms may be awarded in one pool, but not another, yet the customer may want to purchase a total integrated cloud solution instead of just one component. This separation adds difficulties for the customer in deciding what pool to order from. Separating into pools creates a stovepiped program that is not integrated, but instead risks being obsolete.

Corporate Revenue Requirement

One of the requirements for Sub-Pool 3-1, which would consist of awardees that provide cloud professional services that support the adoption of, migration to, governance of, or management of commercial cloud computing solutions, is that "50% or more of Corporate Revenue is derived from Application Services, Applications Modernization Services, Fortran Programming Language professional services (*e.g.*, core business competency)." This requirement has no rational relationship to the Government's minimum needs and the application of the requirement will distort the FSS market for cloud services. For example, the requirement means that a firm with a corporate revenue of \$50 million with \$20 million derived from the mentioned services would be ineligible, but a firm with \$5 million in corporate revenue with \$2.5 million derived from those services would be qualified. As such, this requirement appears to be unreasonable and unduly restrictive, and it would have a detrimental effect on the number of professional services firms available for award. This requirement does not take into account other factors that would determine whether a firm is qualified to deliver these services, such as past performances and experiences. Firms may also have a difficult time confirming or proving this financial information.

The Coalition appreciates GSA's outreach to industry thus far, and we look forward to continuing the dialogue at future meetings and industry days. If you have any questions about these comments, please contact me at RWaldron@thecgp.org.

Regards,

A handwritten signature in black ink, appearing to read 'RWaldron', is written over a light gray rectangular background.

Roger Waldron
President