



February 28, 2018

Shay Assad
Director, Defense Procurement and Acquisition Policy
Department of Defense
3060 Defense Pentagon
Washington, DC 20301-3060

Dear Shay,

The Coalition would like to thank you and your staff for continuing the dialogue through our quarterly policy meetings. Coalition members find these meetings very informative, providing insights and analysis regarding the Department's key procurement policies and programs. We look forward continuing this dialogue.

At our most recent meeting, one of the Coalition's questions focused on e-commerce pilots that are either underway or under consideration across the services. As a follow-up, we are requesting additional information regarding any pilots for e-commerce portals (either on-going or planned) within the Department of Defense. Coalition members support efforts to explore e-commerce solutions to improve the efficiency, effectiveness, and transparency of the procurement system. As such, they are very interested in gaining a better understanding the Department's current approach to e-commerce platforms and purchases below the micro-purchase threshold.

Among the areas of concern to our members are the following:

- (1) what criteria were used to select firms to participate in the pilots;
- (2) the number of pilots existing or planned;
- (3) the goals of the pilots;
- (4) how success is being measured within the pilots; and
- (5) the specific terms and conditions and/or agreements governing the relationship between the Department and the e-commerce portal providers.

To the extent there are any understandings between the Department and the e-commerce portal providers for services to support micro-purchases, these understandings/agreements should be considered contracts.

Coalition members also have questions/concerns regarding the potential overlap of the Department's pilots with GSA's and OMB's current efforts to evaluate and implement Section 846 of the 2018 NDAA, as well as the significant work the Department has undertaken to perfect the FedMall marketplace initiative. Additionally, our members are very concerned that the pilot strategy may "pre-select" a vendor or vendors, thereby unduly restricting competition over the long term, and the benefits that flow therefrom, yielding long-term negative consequences for the

Department and the federal market from the standpoint of prices and access to cutting edge technology. Along these lines, our members continue to be concerned about whether and how the implementation and management of pilots will assure compliance with important law and policy, like the Trade Agreements Act, the Berry Amendment, cybersecurity, and socio-economic programs.

Thank you for any information and guidance you can provide. Coalition members look forward to your response and continuing the e-commerce dialogue.

Sincerely,

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

Roger Waldron
President