**Questions for Mr. Zielinski Assistant Commissioner,
Office of Information Technology Category, General Services Administration
Questions from Chairman Gerald E. Connolly**

March 4, 2020, Hearing: "Making IT a Priority for the Federal Government."

1. **GSA has stated that it intends to run a three-year proof of concept and that it will "start with the E-Marketplace model for this initial proof of concept while continuing to assess opportunities to leverage the benefits of the other commercial ecommerce portal models." Is it GSA's intent not to test the other two models until the end of the three-year proof of concept period? If yes, please explain why. If no, please explain when and how GSA plans to test the other two models during the proof of concept?**

    A: GSA is taking an iterative implementation approach driven by an initial proof of concept with multiple e-marketplace platform providers. GSA will start small, test, and refine as lessons are learned. The e-marketplace model was deemed the best fit for this initial proof of concept as it enables GSA to implement more quickly while minimizing Government burden and costs. This model also relies on using existing commercial platforms rather than building a new platform. Moreover, it keeps the user experience as close to existing commercial practice as possible for the commercial e-marketplace platform providers, suppliers, and buyers. Meanwhile, GSA plans to assess the benefits of other models, such as the e-procurement and e-commerce models, throughout the implementation of the initial proof of concept. GSA will begin by determining a cost estimate of implementing each model, with the findings due to Congress one year after the award of the contracts for the proof of concept, as requested in Section 827 of the FY20 National Defense Authorization Act (NDAA).[1] The information and lessons learned from the proof of concept, along with those cost estimates, will help to inform the best manner and/or approach to incorporate the other models.

2. **Can you explain how GSA plans to prevent portal providers from using sellers' data to gain a competitive edge or to favor one seller over another?**

    A: Congress enacted Section 838 of the FY19 NDAA directing GSA to ensure certain data protections were included in the commercial e-commerce portals program. This language dictates that portal providers shall not use supplier data for pricing, marketing,

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[1] House Report 116-333 clarified that the cost estimate would be a range of potential costs or a general order of magnitude for each model.

or competitive purposes, except as necessary to process the transaction. GSA has included this language verbatim in our acquisition package and is currently assessing how e-marketplace platform providers will meet these objectives. As part of the acquisition process, e-marketplace platform providers are required to provide a plan to GSA detailing their approach to complying with Section 838.

GSA also intends to use the proof of concept and its associated spend data to monitor the impacts of the data protection requirements and to better understand and assess data concerns across portal providers and the supplier community.

3. **What steps is GSA taking to ensure that the pilot marketplace in 2020 will address cybersecurity vulnerabilities?**

A: Throughout its process, GSA has focused on challenges associated with cybersecurity and supply chain risk management. For example, GSA has actively explored these concerns in dozens of meetings during the market research phase of the program, which included understanding how commercial e-commerce portals' existing cyber-related capabilities addressed cyber security concerns within their business practices. GSA also dedicated an entire section of the proof of concept acquisition package to needed cybersecurity protections and will assess those capabilities as part of the contract evaluations. Assessment of the capabilities will continue throughout the implementation of the proof of concept.

The proof of concept for Section 846 implementation looks to leverage developed Governmentwide regulation and guidance. This direction will complement the existing commercial supply chain practices of e-marketplace platforms. Lastly, agency access to program spend data will increase visibility into what is being purchased and will help to mitigate those same supply chain risks in the future. This insight will be an improvement over the current open-market buying options being used by agencies and will help to better mitigate supply chain risks.

4. **Did GSA consider starting to sell low risk products on the online marketplace first to assess the effectiveness of the marketplace and later, phasing in implementation of high-risk products such as healthcare and IT?**

A: Yes, GSA met with industry associations from both the IT and Healthcare communities to ensure it understood the risks. GSA found that there are real concerns focused primarily around supply chain security. For this reason, GSA does not intend to start with specialized marketplaces for either of these categories until it has performed appropriate research to know when and how such specialty marketplaces fit into the program. In addition, GSA has stated that it does not intend to focus on existing strategic

contracts or on high-risk categories delegated to other agencies to manage, such as the Veteran's Affairs and their authority with strategic medical products. Instead, GSA will target the range of routine commercial items (which may include low-risk healthcare and IT products) found on today's commercial e-commerce platforms to align the purchasing experience with the commercial market.

5. **Has the GSA considered the specific effects that government procurement reform and the implementation of the e-commerce portals, established in Section 846 of the 2017 National Defense Authorization Act, would have on access to quality healthcare supplies? How would such a program affect access to products during times of emergencies, including natural disasters, product shortages, and pandemic diseases, both right now during the effort to combat the coronavirus and in future national emergencies?**

   A: GSA has met with associations from the Healthcare industry and discussed the potential impacts of the Section 846 initiative. This includes not only supply chain concerns, but also the opportunity this program provides to their member companies to reach a new market of government buyers in a more consistent manner.

   In our recent correspondence with e-marketplace platform providers, GSA is aware of their active involvement with COVID-19 response efforts for low-risk items. Not surprisingly, the recent surge in buying reflects the benefits to online buying and GSA hopes to realize these benefits through our future contracts with e-marketplace platform providers.

   At the same time, it's worth noting the importance of existing strategic contracts that GSA has - Multiple Award Schedules program, the GSA Global Supply program, and various Government-wide Acquisition Contracts (GWACs). These purchasing vehicles offer contracts with thousands of suppliers, including many who are providing critical products and services needed to support COVID-19 response efforts. These contracts provide GSA with the ability to have direct access to those suppliers and leverage the buying power (and demand) of the Federal Government during times of national emergencies and natural disasters.

6. **Published reports indicate that GSA has projected the minimum level of savings of 21% for services available under Enterprise Infrastructure Solutions (EIS), compared to the existing Networx contracts. That means the latest delay of the 15 year $50B EIS contract may potentially cost taxpayers over $700M per year and over $2B over three years in savings. What specific actions is GSA taking to expedite the transfer of services from Networx to EIS by May 2021, before exercising the two additional option years?**

A: GSA continues to work with agencies to help ensure they expedite the transfer of services to meet the published milestone dates for transition. The milestone for 100 percent transition of services off the expiring contracts is September 30, 2022. It may be possible for some smaller agencies to meet the May 2021 date referenced in your question. However, the May 2021 date is not an official milestone nor does GSA believe it is physically possible for the large or medium agencies to meet this timeline considering the size, scope, and complexity of agencies' networks and what is required to modernize the federal government's IT infrastructure. For example, the transition schedule for service outages needs to be coordinated with agencies' blackout dates. The network services cannot be down for such events as tax filing, grant issuance, air traffic control, security operation centers, etc. Additionally, EIS service providers require time to coordinate with agencies to conduct site surveys of facilities to determine technical requirements for transition at each individual site. Time is also required for agencies to validate that contractor staff has the proper security clearances to start work.

GSA is taking steps to curtail growth on the extended contracts. Specifically, GSA is taking actions to encourage agencies to expedite the transfer of services from Networx to EIS. These actions were outlined in a letter GSA sent to Agency Transition Sponsors on March 11, 2020. The specific actions include:

- **Limiting Use of Extended Contracts**. GSA is using a phased approach to limit the use of extended contracts. GSA set a condition on extending the expiring contracts that requires agencies to meet the critical EIS transition milestones in order to be eligible to continue using the contracts during the extended period. The first phase of this limiting use process began April 1, 2020. Users who did not have active services as of that date are being evaluated for disconnection of services. The next phases will occur over the next two years.

- **Freezing Modifications on Extended Contracts**. GSA has curtailed the growth of services on expiring contracts by only adding critical services that cannot yet be added to EIS. Effective October 1, 2020, GSA will also implement controls on its extended Networx, WITS 3, and LSA contracts and will freeze all growth on these expiring vehicles.

- **Contractor-Provided Transition Support**. Since March 2017, GSA has provided agencies with approximately $35M of direct assistance – at no additional cost to the agencies – to expedite their fair opportunity selection of EIS contractors. This support included assisting with gathering requirements, developing solicitations and acquisition strategies, and evaluating proposals, as

requested by the agencies. GSA's technical and contracting experts also provided comments to help agencies select the best solution at the best price.

Moving forward, GSA will refocus its contractor-provided transition support from acquisition-related support to technical support to facilitate the identification of risk and mitigation plans for transition. GSA is exploring the means to provide technical engineering assistance for network, voice, and cloud transition, and will continue to communicate with agencies as the approach develops.

GSA will also continue to monitor progress across the Federal Government as agencies release solicitations, award task orders, and transition their telecommunications and network services to EIS.

7. **GSA's Fair Opportunity Ordering Guide for agencies states that increased competition is one of the core values of EIS and agencies can benefit from increased competition by dividing up task orders based on logical groupings. For example, voice services in one task order and more complex managed services in a separate task order. Increased competition will help agencies maximize efficiencies and cost-savings. What specific steps has GSA taken to implement these underlying policies and ensure competition on the task order level?**

A: Agencies are required to provide a fair opportunity for all vendors to compete for requirements greater than the micro-purchase threshold. Through GSA's direct assistance to agencies for the fair opportunity process, GSA has played an integral part in helping the agencies shape their acquisition strategies in concert with the guidelines and recommendations of the Fair Opportunity and Ordering Guide.

For example, GSA reduced the number of mandatory requirements that needed to be proposed to be eligible for an EIS contract award. GSA achieved this reduction by requiring offerors to propose only four mandatory services that would cover the majority of critical services required by agencies; furthermore, offerors had to provide those services in only 25 major metropolitan locations. As a result, the number of vendors that were able to compete for contract awards increased, and GSA awarded a multiple award Indefinite Delivery/Indefinite Quantity contract to ten vendors[2].

Additionally, combined efforts of GSA employees and GSA's contractors have delivered acquisition packages to 103 agency contracting officers. GSA has examined over 140 solicitations through the scope review process, in which our technical and contracting experts provide comments to help agencies select the best solution at the best price. GSA has trained over 1,000 agency representatives and industry partners in topics

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[2] Since award, two of the ten companies merged. The current number of vendors is nine.

relating to improving competition at the task order level. Ultimately, however, it is the individual agency's Head of Contracting Activity that is responsible for final acquisition plan development and approval.

EIS requires a mandatory price resubmission based on the economic price adjustment of market prices before the award of each five-year option period. EIS also provides pricing transparency so each prime can see their competitors' prices on the contract for the current year. This enables additional price competition at the task order level.

8. **Please detail specific "lessons learned" that GSA has implemented to the EIS transition that were originally recommended in GAO's December 5, 2013 Report, ''TELECOMMUNICATIONS: GSA Needs to Share and Prioritize Lessons Learned to Avoid Future Transition Delays''.**

   A: In report GAO-14-63[3], *TELECOMMUNICATIONS: GSA Needs to Share and Prioritize Lessons Learned to Avoid Future Transition Delays*, December 2013, the Government Accountability Office recommended GSA "fully archive, share, and prioritize lessons learned" from the previous transition to Networx. GSA collected lessons learned from previous transitions, predominantly from FTS2001 to Networx. The GSA Transition Coordination Center Transition Handbook[4] addresses many of them, especially those that pertain to agencies' activities. This handbook is available on GSA's public-facing EIS transition website[5] and accessible to customer agencies.

   Further, GSA captures lessons learned throughout the life of the EIS Transition Program to ensure that lessons can be leveraged for improvements during the course of the program and for future programs. At this time, the EIS Transition Team is actively tracking and analyzing ninety lessons learned, including those from GAO. The Transition Strategy and Management Plan, also available on GSA's public-facing EIS transition website, describes the lessons learned activities and how GSA is implementing the lessons learned. These include:

   - **Involvement of the Agency's Highest Levels and Key Functional Areas.** The engagement of executive management is critical to secure and focus the resources across the agency to plan and implement the transition, to track progress, and to respond to risks. GSA asked each agency to identify, by name, an executive sponsor for the transition. Another fundamental requirement was the early assignment of a Lead Transition Manager and a Transition Ordering Contracting Officer that understands the Federal Acquisition Regulation and the

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[3] https://www.gao.gov/assets/660/659433.pdf

[4] https://www.gsa.gov/cdnstatic/Integrated_Technology_Services/GSA_TCC_Transition_Handbook_v6-5_2019-08-27.pdf

[5] https://www.gsa.gov/eistransition

agency's policies for selecting a contractor. GSA actively communicates with over 330 agency representatives currently-assigned to these roles for EIS Transition developments.

- **Agency Transition Plan.** Agencies were required to develop a transition plan and provide it to GSA. GSA tracked this as a critical milestone which was due to be completed by October 2016, with updates and additional detail as needed throughout transition. GSA Agency Managers conduct weekly outreach to agencies' Integrated Transition Teams (ITT's) to monitor transition progress, collect updated plans, provide guidance and support, and report back to the ITT's on requested actions.
- **Early and Effective Support from GSA to Agencies.** From the earliest agency engagements, GSA provided tailored support to each agency appropriate to its transition approach, especially for the contractor selection or fair opportunity process. GSA also worked with the Networx, WITS 3, and LSA contractors to conduct the initial validation of inventory and has maintained the inventory to aid agencies in requirements development, writing their fair opportunity solicitations, and accurate ordering. The transition inventory contains over 32 million data elements and is maintained at an unprecedented 99 percent accuracy.
- **Phased, Orderly Approach.** GSA coordinated with agencies and contractors to develop a recommended sequence of transition orders to achieve early progress, level resource demands, and minimize backlogs. GSA worked with all stakeholders to guide transition throughout this period.
- **Transparency and Meaningful Reporting.** GSA defined and openly tracked major milestones and reported agencies' progress to the Office of Management and Budget. Measures of transition progress were developed in collaboration with agencies and contractors, and are representative of business volume and the complexity of services being moved. Our Transition Progress Tracking Report Dashboard, published monthly on GSA's public-facing EIS transition website, provides a high-level overview of the status of transition to assist agencies with tracking their progress against critical milestones.

9. **GSA is currently undertaking some large and complicated initiatives such as the E-commerce portal and schedule consolidation, but the Committee has heard from industry stakeholders that their experience with GSA can differ depending on the schedule, contracting officer, and region. What, if anything, is GSA doing to address these fundamental, operational differences and ensure a consistent experience for contractors?**

A: The Federal Marketplace (FMP) Strategy is GSA's plan to modernize and simplify the buying and selling experience for customers, suppliers, and acquisition professionals. FMP includes, amongst other key initiatives, both the MAS Consolidation effort as well

as the Commercial Platforms (Section 846) initiative. The FMP strategy seeks to standardize processes and enable better mission-driven acquisitions across Government.

The goals of these efforts are to:

- Make it easier for buyers to find and acquire products, services, and solutions that meet their mission needs;

- Reduce barriers to doing business with the government, and improve access to opportunities for qualified suppliers; and

- Empower the FAS workforce to spend more time performing the highest value activities and focus on excellence in service delivery.

GSA is executing the FMP Strategy through a coordinated set of policy, process, and technology improvement projects which will enable better mission-driven acquisitions across government by:

- Exploring legislation and policy reform to support transparency and competition,

- Simplifying and streamlining internal and external processes, and

- Providing a modern acquisition experience through innovative and user-friendly systems.