



846 Reasons to Modernize E-Commerce



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Breakout Session #: Ao8

Presented by:

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Date: July 23rd, 2018

Time: 11:15-12:30PM



- Section 846 Overview
- Phase I Recommendations
- Initial Proof of Concept
- Observations on feedback to date
- Road ahead

NDAA, Section 846 calls the Administrator of GSA to: “...establish a program to procure commercial products through commercial e-commerce portals for purposes of enhancing competition, expediting procurement, enabling market research, and ensuring reasonable pricing of commercial products.”

GSA’s Unique Opportunity: To change Federal buying behaviors by modernizing the buying experience in partnership with commercial ecommerce providers.

GSA’s Vision and Objectives:

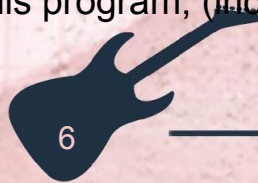
- Modernize the commercial product buying experience
- Simplify and streamline COTS item purchasing to allow agencies time to focus on mission oriented acquisition
- Increase transparency into COTS items spend to allow for better buying decisions



- Federal Register Notices / Public Meetings:
 - January 9--Conducted day long public meeting (200+ in-person attendees, 300+ online)
 - January 16--Received over 80 public comments (250+ pages) in response to RFI
 - June 15 -- Released 2 RFIs: RFI 1: Suppliers RFI 2: Portal Providers
 - June 21 -- 2nd Public Meeting (150+ in-person, almost 200 online)
- Hosting meetings with Industry / Portal Providers
- Agency outreach to identify proof of concept participants

Phase I: Policy Recommendations

- Key themes were around maximizing flexibility and maintaining a balance
- Policy recommendations focus on modernizing competition requirements -- existing policies were created before the advent of e-commerce and online marketplaces
- The 4 policy recommendations include:
 - To empower GSA to develop modernized competition requirements for the program;
 - To authorize GSA to take advantage of contractual arrangements that maximize efficiency for buyers, portal providers, and sellers;
 - To clarify and broaden the definition of 'commercial e-commerce portals' to take advantage of both current and future business models; and
 - To increase the micro-purchase threshold (MPT) to \$25k to facilitate simple comparison shopping for purchases made under this program; (increase is **ONLY** for purchases on these platforms)



How did GSA select the \$25K MPT and what rules will apply?

What is the intent regarding a competitive acquisition for the commercial e-commerce portals?

How does GSA envision portal providers and suppliers participating in this, particularly as it pertains to the data?

What are the expected impacts to small business and the socioeconomic community?

Initial Proof of Concept

- Targeted for 2019, small proof of concept to begin collecting spend data and analyzing trends
- Focused on select product categories (as defined through Phase II research and feedback)
- Currently identifying prospective agencies to participate with their GPC cardholders and limits up to the proposed \$25k MPT threshold
- Potential to have multiple small 'prototyping' efforts as part of offering
- Note: Key assumption for the proof of concept is that the recommended legislative proposals are passed into law in the FY19 NDAA





Share your insights

We ask questions. You help shape our implementation!



July 2018

What product categories should we include?

What are the central supply chain issues that need to be accounted for?

Our recommendation is to raise the MPT to \$25k for purchases through this platform, which will shift spending from COs to GPC holders.

How will this shift affect you?

**If there are multiple portals,
how can we create a seamless
user experience?**

Thank you!

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platform-initiative](https://interact.gsa.gov/group/commercial-platform-initiative)

