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WASHINGTON, D.C. 20503

OFFICE OF FEDERAL  
PROCUREMENT POLICY

May 12, 2004

MEMORANDUM FOR FEDERAL ACQUISITION COUNCIL  
AGENCY SENIOR PROCUREMENT EXECUTIVES

FROM: Robert A. Burton *Robert A. Burton*  
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SUBJECT: Utilization of Commercially Available Online Procurement  
Services

This memorandum is intended to encourage agencies to utilize commercially available online procurement services for the acquisition of commercial items, including goods and services. Because these tools have become more efficient, readily available, cost-effective, and verifiable, agencies should increase their utilization of such tools to meet agency procurement goals and budget objectives.

A number of federal agencies currently rely, in part, on commercially available online procurement techniques to automate many of the steps of the procurement process, including identifying potential suppliers, communicating specifications, and collecting bid response data. However, many agencies have yet to utilize these techniques to increase operational efficiencies.

Numerous commercial entities offer federal agencies a variety of online procurement services. For example, one electronic tool affords government buyers the opportunity to conduct reverse auctions on the web, allowing suppliers to submit multiple bids. If used correctly, the reverse auction approach can ensure that the government receives competitive prices. Other online procurement services enable government buyers to purchase from electronic catalogs and allow online bidding for delivery orders.

Applying electronic technologies to the acquisition of commercial items generally results in savings for the taxpayer by increasing both government efficiencies and broader supplier participation. These technologies can also enhance opportunities for small businesses by increasing their awareness of, and access to, federal procurement opportunities. Therefore, in order to meet the government's objective of maximizing productivity gains from technology, we are asking each agency to explore increasing the use of commercially available online procurement services.