

GSA Acquisition Workforce Forum

--Informing the GSA acquisition workforce on the latest acquisition news and events!

EDITION EIGHT
SUMMER 2005

SPECIAL POINTS OF INTEREST:

- **How the PMR Team Ensures We Get It Right!**
- **What the GSA SDVOSB Program is About!**
- **How to be a “green” computer user!**
- **What is Strategic Sourcing?**



CAO Corner—

Risk Management and You!

Risk may be defined as the possibility of loss or injury, or someone or something that creates a hazard. To manage is to handle or direct with a degree of skill or to work upon or try to alter for a purpose. Risk management, in the context of the federal acquisition process, is concerned with future events, how to deal with uncertainties, and identifying the range of outcomes. Why should you be concerned about all of this?

Let’s start with a fact that everyone will agree on: risk is inherent in any acquisition. So, what can you/should you do about this? What steps can you take to identify and minimize risk in your acquisitions? How do you stay in the risk management mode and avoid practicing “crisis” management (and we all know what that is!)? Who should have the primary responsibility for identifying and minimizing risks throughout the acquisition process? So many questions and only a short column to answer them.

INSIDE THIS ISSUE

From the Desk of the Editor

Report from FACE ‘05	3
Guidance for Procuring Construction Contracts for DoD	4
OCAO Announces APW Version 2.0	4
OCAO Issues PBSA Deviation	4
GSA IT Acquisition Services Center Cut-Off Dates for FY’05 PRs	5
Professional Development—	
Policy Letter 05-01 Released	6
OCAO Presents 2005 Ida Ustad Award	8
OCAO Launches Second Phase of ALC	8
NIGP Memberships Still Available!	9
Usability University Update	9
New England Region Conducts Telework Awareness Forum	9
Getting It Right at GSA!	
PMR Team Ensures We Are Getting It Right!	10
PBS Getting It Right	11
Southeast Sunbelt Region “Gets It Right”	11



Heartland Region Holds First Acquisition Team Conference 12

Rocky Mountain Region Hosts Acquisition Meeting 12

Small Business Corner—

The GSA Veteran-Owned and Service-Disabled Veteran-Owned Program 6th Annual Jacksonville Acquisition Excellence Conference 12

NCR Participates in Small Business Conference 14

Southeast Sunbelt Region Veterans' Small Business Outreach Conference 14

Mid-Atlantic Region Co-Sponsors Procurement Fair 15

GSA Participates in SBA Expo '05 15

NCR Hosts Small Business Conference 16

Native American Small Business Conference 17

FSS IT Acquisition Center and Great Lakes Region Participate in Small Business Development Program 17

Great Lakes Region Honors SDVOSBs on Flag Day 17

Green Procurement at GSA—

Promoting Sustainable Electronics Stewardship in the Federal Government 17

Green Purchasing by the Sustainable Landscape Design Program at NCR 19

Earth Day Celebration in Missouri 20

GSA Recognized as One of Top Green Power Purchasers 20

IAE Corner—

GSA Meets with the Moroccan Government 21

Buy Accessible Wizard Update 22

Strategic Sourcing

Strategic Sourcing Solutions from JWOD 23

GSA Partners with OMB and DoD on SmartBUY Agreement` 24

SmartBUY and Strategic Sourcing 24

Did You Know? 26


Check It Out! 26

If you begin the acquisition process with good planning (as in preparing a good acquisition plan using the Acquisition Planning Wizard), you will address risk in terms of cost, scheduling, and technical issues, as applicable. This initial planning should involve everyone in the acquisition process and be comprehensive in nature and scope. This should be looked at on a continuing basis throughout the pre-award, award, and post-award phases as new information becomes available and additional risks may be identified. The contracting officer and the program/project manager, together with the entire program team need to stay involved and focused on potential risks and plans to minimize those. Depending on the nature of the acquisition, the team may also consider seeking help from outside experts who have knowledge in critical risk areas.

So, the following steps should be considered: an acquisition plan that effectively and comprehensively addresses issues of risk; a clear and concise statement of work (performance-based when possible); a good working relationship with the customer, industry, and other appropriate participants; a structured risk management process throughout the life of the acquisition; continual reassessment of the risks through risk assessment reviews or other means; and development of metrics to measure how we are doing in addressing the risks identified. You may come up with other ideas and steps, particularly in complicated acquisitions, such as information technology development.

Finally, a good reference for exploring this topic further is the "Risk Management Guide for Department of Defense (DoD) Acquisition," Fifth Edition, June 2003, which is found at http://www.dau.mil/pubs/gdbks/risk_management.asp. While this is geared towards the DoD acquisition process, there is





a lot of useful information for you to ponder and adapt to your acquisitions. Identifying, planning for, and properly addressing risks throughout the acquisition will contribute big-time to a successful acquisition, helping to ensure an efficient and effective acquisition process.



**From the Desk of the Editor—
Report from FACE '05 by Judy Steele**

We hope you were able to attend this year's Federal Acquisition Conference & Exposition (FACE)—over 650 acquisition professionals did! Held June 7th and 8th, 2005, at the new Washington, D.C. Convention Center, FACE was a great success. David Bibb, Deputy Administrator, GSA, welcomed the large audience, a mix of DoD and civilian attendees. The keynote address, “New Administration Initiatives,” was given by David H. Safavian, Administrator, OFPP, who stated development of the acquisition workforce was OFPP's major goal. 70% of acquisition upper management are eligible to retire in the next five years. What is startling is that currently the biggest group of acquisition professionals leaving the government workforce is in grades 9-12. They are taking their portable retirement system and leaving the government after a few years to get non-government experience. These two factors mean that recruitment and retention of the acquisition workforce is at a critical stage.

Plenary sessions held at FACE were on Acquisition: Mission Iraq, Acquisition: Mission Emergency Response and Congressman Tom Davis (R-Virginia) addressed the latest

acquisition hot topics on the Hill, including the FTS/FSS reorganization and the Get It Right program. Break-out sessions covered topics ranging from Competitive Sourcing, Green Purchasing, Performance-Based Services Acquisition (PBSA), the Integrated Acquisition Environment (IAE), and topics on Professional Development. Information was available from over 40 exhibitors in the well attended conference exhibit area. The second day featured a rousing Keynote Address by Deidre Lee of DoD, an Awards Luncheon and agency meetings as well as two sets of break-out sessions. If you didn't attend FACE this year, be sure to catch it next year!



In this edition of the “Forum” we highlight several topics discussed at FACE: Professional Development, the Get It Right Program, Small Business Initiatives, Green Procurement, IAE, and Strategic Sourcing. On May 20, 2005, OMB issued a letter to all agencies concerning the need for agencies to develop a plan to implement strategic sourcing. Since this is a major OMB initiative, the articles on strategic sourcing in this edition should be very helpful. Due to the length of the article by Tom Kireillis, which is a general discussion of strategic sourcing and, in particular, SmartBUY, Part 2 will be published in the Fall newsletter.

We welcome any comments, suggestions and articles for the newsletter. The “Forum” is here to meet the needs of the GSA acquisition community and we can't do that without your



input! We also welcome any individually authored articles on acquisition issues that would be of interest to the GSA acquisition audience. Please contact the Editor, Judy Steele, at judy.steele@gsa.gov or 202-501-4994 with comments or suggestions.



OCAO Announces APW Version 2.0

The new Acquisition Planning Wizard (APW) Version 2.0 was released by the OCAO on April 22, 2005. It is still accessed at <http://apw.gsa.gov>. Use your existing user name and password.

The new APW includes many new features designed to make the system easier to use while supporting a more collaborative team approach to acquisition planning. One important change in the new APW is that your planning team, including the “Approval Authority,” will now be required to log in to the new APW in order to indicate their review and acceptance of your acquisition plan. You will no longer be able to do this yourself as the “Planner.” This is an important change and will require closer communications with your team in order to avoid having the planning process slowed while the plan awaits approval. The e-mail notification process has been improved to include instructions and links directly to the page necessary to work on your plan. For more information, contact Jerry Zaffos at Gerald.zaffos@gsa.gov or 202-208-6091.




Guidance for Procuring Construction Contracts for DoD

In March 2005, the Office of the Chief Acquisition Officer (OCAO) issued a memorandum, “Laws and Regulations Applicable to DoD Construction Contracts (DoD Construction Requirements Survey),” to the Public Buildings Service (PBS) Commissioner and asked that it be disseminated to the PBS acquisition workforce. This memorandum provides a list of laws and regulations identified by DoD as applicable to general defense construction. It was issued in support of GSA Acquisition Letter V 04-05, “Purchases on Behalf of Other Agencies,” dated February 11, 2005, which was replaced by GSA Acquisition Letter V 04-06, dated April 27, 2005. This memorandum, along with the requirements and the acquisition letter, has been posted on the OCAO website under Construction Brain Trust. To review the memo, go to www.gsa.gov and at “search” enter “Construction Brain Trust,” then click on “Library” and “DoD Construction Requirements.” For more information, contact Cecelia Davis at Cecelia.davis@gsa.gov or 202-219-0202.

OCAO Issues PBSA Deviation

On May 20, 2005, the OCAO issued GSA Acquisition Letter V-05-07 “Federal Acquisition Regulation (FAR) Class Deviation—Quality Assurance Surveillance Plans (QASP)” which provides guidance for implementing the requirements of FAR 46.103 and FAR 46.401 regarding preparation of a QASP for service contracts. This deviation specifically permits a contracting officer, when using performance-based service acquisition (PBSA) processes, to require the QASP as a deliverable from the contractor or as part of the contractor’s





proposal. It was pointed out to us that the language of the FAR and the guidance in the Inspector General (IG) Audit guidance appeared to be at odds: the FAR requires a QASP as part of the RFP; the IG Audit Guidance permits the delivery of the QASP as part of a contractor's first deliverable in a performance-based services acquisition. This deviation remedies that apparent conflict while the change to the FAR is in process.

GSA associates should also be aware that the Office of Federal Procurement Policy (OFPP) has determined that for purposes of measuring whether a contract is performance-based, that only 50% of the contract need be performance-based. It is up to the acquisition associate to determine whether a contract is performance-based at the time they enter the data into FPDS-NG. Any questions about the deviation or the OFPP policy on PBSA should be addressed to Jerry Zaffos at Gerald.zaffos@gsa.gov or 202-208-6091.

GSA IT Acquisition Services Center Cut-Off Dates for FY '05 PRs

The GSA Information Technology (IT) Acquisition Services Center has established the following cut-off dates for receipt of fiscal year (FY) 2005 IT procurement requests (PRs):

- Sole source and open market requirements over \$25,000 – July 25, 2005
- GSA Schedule orders or other GWAC orders – July 25, 2005
- Maintenance renewals for FY 2006 – July 25, 2005
- Micro Purchases (typically credit card orders) \$2,500 and below – August 22, 2005
- Modifications to and/or options to existing orders – August 22, 2005

- Exercising options to blanket purchasing agreements – August 22, 2005

PRs must include all of the necessary information, including Statements of Work or specifications, acquisition plans, signed funding documents, independent government cost estimates, evaluation methodology/criteria, and any justifications and approvals, as necessary. All requests should be submitted to Barbara Marshall (Barbara.marshall@gsa.gov) and must be received by the close of business on the dates specified to ensure that they will be completed prior to the end of the fiscal year.

The GSA IT Acquisition Services Center cannot guarantee year-end processing (prior to October 1, 2005) for any requests received after the specified cut-off dates. For all requests, please follow up with an e-mail or call Barbara Marshall at 202-501-2933 or Sharon Rogers at 202-501-2007. For more information, contact Curtis Glover at curtis.glover@gsa.gov or 202-501-1853.



Professional Development—

Policy Letter 05-01 Released

By Gloria Sochon, Director, Federal Acquisition Institute (FAI)


There is significant news about your acquisition career. On April 15, 2005, OFPP issued Policy Letter 05-01, "Developing and Managing the Acquisition Workforce," emphasizing the importance of the federal acquisition workforce and establishing new training and development requirements. Policy Letter 05-01, which replaces Letters 92-3 and 97-01, was created to improve the governmentwide acquisition workforce by closely aligning DoD and civilian agency requirements for education, training, and experience for advancement in the acquisition career field. The Policy Letter applies to all executive agencies, with the exception of those agencies subject to the Defense Acquisition Workforce Improvement Act. As expressed in the April 18, 2005 Federal Register notice, the following are the principle purposes of the new Policy Letter:

- Define the acquisition workforce to include additional acquisition-related functions and create a multi-disciplined acquisition community by:
 - Aligning civilian (non-DoD) and defense acquisition workforce training requirements.

- Emphasizing the importance to federal managers and the workforce of continuous learning.
 - Adding program and project managers to the definition of the acquisition workforce.
 - Expanding the responsibilities of agency acquisition career managers.
- For the first time, establishing a common standard for training civilian agency contracting personnel aligned with DoD contract training, which will promote more effective development and greater mobility.
 - Raising the requirement for continuous learning for GS-1102s from 40 hours to 80 hours every two years.
 - Requiring that Contracting Officer Representatives and Contracting Officer Technical Representatives receive 40 hours of continuous learning hours every two years.
 - Calling for the establishment of a federal contracting certification program and recommendations for a federal certification program for program and project managers.
 - Designating the Acquisition Career Management Information System (ACMIS) as the central database for acquisition workforce management information.

FAI will have a key role in implementing several of the new policy initiatives, and will do so by focusing on the following priorities:

Establishing performance measures. FAI shall establish general performance measures that agencies may use in assessing their acquisition workforce development programs.



Supporting core competencies and curriculum. In partnership with DAU, FAI shall support the identification and maintenance of core acquisition workforce competencies and a core curriculum to develop these competencies governmentwide. FAI shall develop curriculum content, if necessary, to support the civilian workforce needs.

Establishing career development programs. To assist the workforce in obtaining the necessary competencies and skills, FAI shall establish career development programs. This may include developing a rotational program among agencies, managing a governmentwide intern program for agencies that don't have their own, developing mentoring programs, or identifying other career enrichment experiences. The FAI Board of Directors will assist FAI in prioritizing the development of these programs.

Establishing federal acquisition certification programs. FAI shall develop and administer, with agency involvement, the federal acquisition certification programs. Certification program requirements for the GS-1102 series shall be submitted to the Chief Acquisition Officers' Council (CAOC) for approval not later than January 1, 2006. Recommendations for the requirements for the program and project management certification shall be submitted to the CAOC, and other organizations, as appropriate, not later than October 1, 2006. The Board shall direct FAI to prepare recommendations for other certification programs as needed.

Managing the Acquisition Workforce Training Fund (AWTF). In accordance with the Services Acquisition Reform Act (SARA), FAI shall manage the AWTF fund. The Administrator of OFPP and the Administrator of GSA, in consultation with the FAI Board of Directors, shall provide direction to FAI on the

allocation of these resources. The AWTF is a supplemental budget that does not replace existing agency training budgets; therefore, agencies should continue to budget separately for their acquisition employees' education.

FAI will provide tools to help managers and the workforce meet the challenges of making strategic business decisions in support of agency mission accomplishment. Our partnership with DAU will help us foster a learning environment that provides you the skills and resources to perform effectively. FAI encourages every acquisition workforce member to review and become familiar with the new policy, and to remember that your career is in your hands. We will provide the tools; it's up to you to take advantage of them and prepare yourself for emerging opportunities!

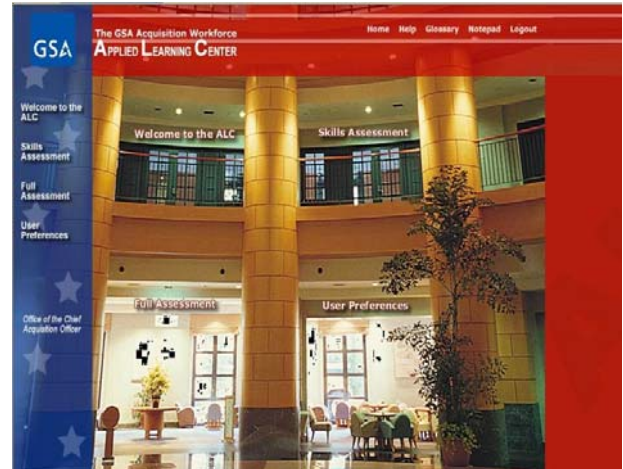
For more information on this article, contact Gloria Sochon at Gloria.sochon@gsa.gov or 703-805-5017 or go to www.fai.gov. For more information on Policy Letter 05-01 visit: http://www.whitehouse.gov/omb/procurement/policy_letter_05-01.html.



Mary Pat Shanahan, 2005 Award Winner


OCAO Presents 2005 Ida Ustad Award

The OCAO presented the 2005 Ida M. Ustad Award for Excellence in Acquisition to Mary Pat Shanahan of the Department of the Army at FACE. Shanahan is a Supervisory Contract Administrator for the Army Reserve Contracting Center Satellite Office at Coraopolis, Pennsylvania, which is responsible for contract award and administration, as well as management of the 99th Regional Readiness Command's government purchase card program. The office supports more than 181 reserve facilities and 22,000 soldiers in Pennsylvania, West Virginia, Maryland, Virginia, Delaware, and Washington, D.C. The award is named for the late Ida M. Ustad, a pioneer in the federal acquisition arena for 28 years and longtime Deputy Associate Administrator for Acquisition Policy and Senior Procurement Executive. For more information, contact Bev Cromer at Beverly.cromer@gsa.gov or 202-501-1448.



OCAO Launches Second Phase of ALC

The OCAO launched the second phase of the online competency assessment tool, the Applied Learning Center (ALC), on March 28, 2005. The ALC is designed for associates in the 1102 series and has the goals of measuring skill gaps and providing a way for contract specialists to earn a permanent waiver to the Clinger-Cohen training requirements and/or to earn college or training credit. To achieve these goals, the ALC has two major components, the Skills Assessment (mandatory) and the Full Assessment (optional). Data from the Skills Assessment will help individual 1102's and their supervisors prioritize individual training goals. The aggregate data will help GSA prioritize training needs organizationally. The second phase consists of an objective assessment which includes a combination of scenarios where you can apply your knowledge and multiple choice questions. This Objective Assessment is mandatory for all GSA 1102's and you will be given 60 days to complete it. All portions of the Skills Assessment can be taken only once since the purpose is to give GSA a snapshot of the organization's skill gaps. This snapshot will provide a baseline upon which to measure improvement and will also provide valuable information for planning training needs and resources. The timeframe for future



retesting has not yet been determined. The results will not be used for any promotional or disciplinary actions. For more information, contact Bev Cromer at Beverly.cromer@gsa.gov or 202-501-1448.



NIGP Memberships Still Available!

GSA still has agency memberships available to the National Institute of Governmental Purchasing (NIGP). These agency memberships are available to program offices without additional cost on a first come, first serve basis. NIGP is a professional association of Federal, State, and Local Government Buyers that provides its membership with education, research, technical assistance and networking opportunities in public purchasing. If you are interested in membership for your program area, please give Bev Cromer a call at 202-501-1448 or email her at beverly.cromer@gsa.gov.



Usability University Update


The Usability Solutions Group is proud to announce the Usability University's Fall 2005 schedule. We will be offering seven paid two-day courses and six free seminars. This semester we will be offering our traditional classes such as "Usability Basics," "Writing for the Web," "Usability Testing that Gets Results" and "Advanced Usability Topics 2005." In

addition, we will also be offering instructions on "Improving the Usability of Search," "Return On Investment of Usability" and an "Infrastructure Architecture Introduction Course." Our seminars will be brief two-hour sessions on topics such as security and usability, plain language, card sorting and much more. For a complete listing of our Fall 2005 Semester training program as well as to register, please visit www.usability.gov at the end of July. For more information, contact Kristen Johannessen at Kristen.johannessen@gsa.gov or 202-501-1926.

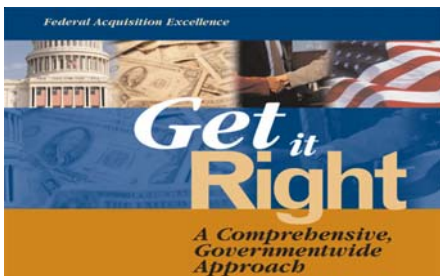
New England Region Conducts Telework Awareness Forum

On April 15, 2005, the New England Region conducted a Telework Awareness Forum in Boston to provide associates an overview of the telework program. More than 50 associates attended and participated in presentations given by the Region's Telework Committee. Regional Administrator Dennis Smith gave the opening remarks via conference phone while teleworking. The forum reviewed the roles and goals of the Telework Committee and program improvements and initiatives. The committee also provided information on the Region's Telework website, the document library, and telework features such as automated application process and workflow, the annual certification process, and educational opportunities and initiatives.

Feedback received from the session was extremely positive with 83% rating the Forum "Outstanding!" Many indicated the need to repeat the event for those not in attendance and for those at remote Field Offices. The Committee is planning to schedule similar sessions at the Field Offices in the near future. For the most part, the group in attendance was encouraged by the Committee's efforts to date and the willingness to accept and solicit



feedback from the associates. The sentiment was expressed that it is important for supervisors and associates to hear top management's support for the program and many felt that having the Regional Administrator call in to the group while teleworking was a great idea. The idea of an automated Telework Application process was a big hit and we are anxious to implement the new tool this month. Jim Leverso of our Systems staff is leading the programming and deployment of the Automated Telework Tool for Region One. Assistant Regional Administrator for FTS, Sharon Wall, chaired the forum and the Telework Committee. For more information, contact Dennis Wholey at dennis.wholey@gsa.gov or 617-565-5762.



Getting It Right at GSA!

There are a number of efforts underway to “Get It Right” at GSA—we list several of them below. If your organization wishes to publicize a GSA “Get It Right” event or initiative, please forward the information to the Editor, judy.steele@gsa.gov.

PMR Team Ensures We Are Getting It Right!
By Allison VanOcker, Procurement Management Review Division.

In support of the Get it Right Plan, Administrator Perry established the Procurement Management Review (PMR) Division as part of the OCAO. The PMR Team has been tasked with the initial responsibility to ensure that acquisition functions are being performed in

compliance with all applicable internal and external regulations, policies and procedures.

The Team is comprised of several acquisition, contracting and agency experts from various acquisition professional specialty areas within GSA. The PMR process basically consists of an entrance briefing for the Regional Administrator and staff, the actual review of contract and lease files, and an exit briefing. The process then concludes with a draft report to the region for comment and then the Team prepares a final report with findings and recommendations.

The PMR Team began their visits to each region in November 2004. Currently we have completed seven reviews at the following GSA Regions: Philadelphia (R3), Fort Worth (R7), Chicago (R5), Denver (R8) Kansas City (R6), Boston (R1) and Auburn (R10). New York (R2) was reviewed in June. We have also completed a PMR on a National Program. We will conclude our first annual scheduled reviews in September 2005, having visited every GSA Region. The PMRs will continue to be conducted annually at each region and selected major contracting activities.

We appreciate the assistance the regions have provided the PMR Team in assessing the GSA acquisition operation. Your assistance in identifying the internal best practices, your willingness to allow us in assisting you in identifying any problem areas; if applicable, as well as providing feedback and assistance for suggesting corrective actions to ensure future compliance is greatly appreciated.

We welcome any comments, suggestions and constructive feedback. The PMR Team is here to meet the needs of the GSA acquisition community and we cannot do that without your valuable input! An important component of this effort is the collaborative efforts from

associates within each of the service areas and Regions. If you have an interest in assisting the Team please contact your Acquisition Executive. For more information, contact Suzy Bell at Suzanne.bell@gsa.gov or 202-219-0310.



Associates attend a “Get It Right” training session in the ROB auditorium in January. The session focused on the role of regional associates in acquisition planning.

PBS Getting It Right

In January, PBS regional representatives met to begin defining a national baseline of standards for the PBS implementation of “Get It Right.” While a PBS national implementation plan is in the works, Joy Walker, NCR’s Procurement Management Division (WPP) Director states, “We have been working on improving contracting operations within the Region even before the Get It Right plan was issued last year.” Some of the things the Region is doing to get it right are:

- ✓ **Contract Awareness and Networking Exchanges:** These exchanges highlight different contract vehicles and give associates an overview of the contract scopes. The contractors are typically present and available for questions. To date, these exchanges have been

successfully held for Construction Management Services, Comprehensive Workplace Solutions and Services, and FSS Multiple Award Schedules.

- ✓ **Procurement Bulletins:** WPP issues procurement bulletins to the contracting personnel to keep them abreast of new policies and issues. These bulletins are available on NCR Insite.
- ✓ **Pre-Award Review Board:** This board was established in June 2004 to review contracts over \$500,000. The board is made up of members of the Procurement Management Division and ensures the contract is in compliance with the FAR.

For more information, contact Joy A. Walker at joy.walker@gsa.gov or 202-260-4462.

Southeast Sunbelt Region “Gets It Right”

The Southeast Sunbelt Region FTS continues their “Get It Right” efforts by providing two full days of pre-award training. Topics addressed were lessons learned on the e-approval process, other direct costs evaluation procedures using FAR 8.4 procedures and using FAR 8.4 procedures in conjunction with FAR 15 when requesting technical proposals, using the acquisition planning wizard, performance-based statement of work format, customer service, sole source justifications and exception to fair opportunity, e-approval acquisition and audit lessons learned, quality assurance surveillance plans, freedom of information requests, small business opportunities and socioeconomic goals, commodities acquisition procedures, GSA and FTS policies and acquisition notices and FPDS-NG updates, and other direct costs. The training/instruction was given by Contracting Officers, Legal Counsel, the Contracting Activity



Competition Advocate, FTS Branch Managers and Senior Acquisition Analysts. For more information, contact Gary Mote at gary.mote@gsa.gov or 404-331-2774.



David Drabkin and members of the Heartland Regional Acquisition Team

Heartland Region Holds First Acquisition Team Conference

Deputy Chief Acquisition Officer and Senior Procurement Executive, David Drabkin, gave the keynote address recently at the first Heartland Regional Acquisition Team Conference. Drabkin spoke about ensuring future success with GSA's "Get It Right" Program and how the IG audit guidance and the PMR Team all contribute to acquisition excellence. Regional Administrator Brad Scott kicked off the three-day event that provided regional contracting officials an open forum to emphasize, refine, and explore "Get It Right." The conference was attended by Regional PBS, FTS, and FSS associates. For more information, contact Jim Ogden at jim.ogden@gsa.gov or 816-926-7217.

Rocky Mountain Region Hosts Acquisition Meeting

On May 23, 2005, Acting Chief of Staff Ed Fielder and Deputy Chief Acquisition Officer, David Drabkin, visited the Rocky Mountain Region to meet with all acquisition associates, including contracting officers, contracting

specialists, project managers, contracting officer representatives, and realty contracting officers. Drabkin and Fielder discussed IG Audits and the "Get It Right" program. Other topics discussed included preparation for IG audits, managing risk in contracting, and moving GSA to "green" in contracting performance. Drabkin and Fielder also took questions on the FTS/FSS reorganization, upcoming IG audits, and moving GSA from "Get It Right" to "Got It Right." For more information, contact Cara Hoevet at cara.hoevet@gsa.gov or 303-236-7478.




Small Business Corner—

The GSA Veteran-Owned and Service-Disabled Veteran-Owned Program

By Thomas (Tom) F. Brown, Office of the Regional Administrator

GSA Administrator Stephen A. Perry is leading the charge to publicize service-disabled veteran business opportunities for government contracts. GSA has been working on its service-disabled veteran business initiative for more than a year, partnering with the Department of Veterans Affairs (VA), the Small Business Administration (SBA), and other agencies. We are continuing to work with our partners to publish our progress for the veteran community.





In October 2004, President Bush tasked GSA with establishing a Governmentwide Acquisition Contract (GWAC) specifically for Service Disabled Veterans. Over the next several months, GSA will identify a number of prime contractors for GSA's new competitive Veterans Technologies GWAC (VETS GWAC). The VETS GWAC will be awarded in March 2006 based on submissions received by the June 2005 deadline. It is one of the most visible efforts in the federal government and has been praised by the veteran community.

Why we need to do it? GSA and other government agencies have a history of meeting socioeconomic procurement goals established by Congress and the President. Even when targeted small businesses can be identified, it is often difficult to reach goals for doing business with them without a preferential procurement mechanism such as authority to set aside certain procurements for the targeted category.

Perhaps former VA Secretary, Anthony J. Principii, best summarized this precept for all governmental agencies when he said, "We possess both a unique opportunity and a unique responsibility to serve America and its veterans by expanding business opportunities for veterans who own small businesses."


We do it—For them! The Service-Disabled Veteran-Owned Small Business (SDVOSB) set-aside category was created to help a subset of veteran-owned businesses become more competitive in the federal market. Although many federal agencies initiated aggressive outreach programs to improve SDVOSB prime and subcontracting opportunities, the government, in general has not met the 3% goal associated with this set-aside category.

To further increase opportunities for SDVOSB vendors in government contracting and to aid federal agencies in achieving their 3% goal, the

President and Congress enacted the "Veterans Entrepreneurship and Small Business Development Act of 1999" (Public law 106-50), "The Veteran's Benefit Act of 2003" (Public law 108-183) and Executive Order 13360 "Providing Opportunities for Service-Disabled Veteran Businesses to Increase their Federal Contracting and Subcontracting." Collectively these emphasize the importance of meeting this socioeconomic goal and allow agencies to provide sole source and set-aside contracts to SDVOSB vendors. Welcomed by GSA and other contracting agencies, these measures help the agency expand business opportunities to service-disabled veterans and devote at least 3% of the total value of all prime contract awards to their small businesses.

GSA procured more than \$10 billion in goods and services for federal agencies through the third quarter of FY 2004. Of that amount, around 42%, \$4.2 billion, went to small businesses. In the past, GSA procurement dollars have gone to small and disadvantaged businesses, woman-owned small businesses, minority-owned small businesses, and small businesses located in economically depressed areas. In addition, GSA has been a leader in providing contracting opportunities for persons with disabilities by championing procurements with Javits-Wagner-O'Day (JWOD) agencies. GSA decided to increase its leadership role by providing business opportunities to service-disabled veteran-owned small businesses (SDVOSB). To date, GSA's achievements in both the veteran-owned and service-disabled veteran-owned categories have left room for improvement. During FY 2004, GSA awarded less than 1 percent of its contract dollars to veteran-owned small businesses and 0.55 percent to service-disabled veteran-owned small businesses.

Why is Work Needed? In the past, GSA's failing to meet its goals for SDVOSB



contracting was due to the lack of identified SDVOSB vendors. The VA estimates that the service-disabled veteran population will stay between 2.1 and 2.5 million veterans through 2030. Additionally, the Census Bureau reports more than 4.2 million veteran-owned businesses with 320,000 of them designated as a SDVOSB. Only a fraction of those businesses are on the Central Contractor Registry and on www.vetbiz.gov as federal government contractors, with an even smaller fraction of those listed on GSA schedules (approximately 500).

Administrator Perry has challenged the GSA management team to aggressively begin planning and implementing steps to meet the SDVOSB goal. We know that there is still much to be done. GSA is demonstrating that our path to progress represents our best efforts and good faith in complying with the spirit and intent of the law. For more information on the SDVOSB program, contact Tom Brown at Thomas.brown@gsa.gov or 816-823-2009.

6th Annual Jacksonville Acquisition Excellence Conference

The Southeast Sunbelt Region sponsored the Jacksonville Acquisition Excellence Conference in Jacksonville, Florida, April 13-14. More than 600 military and civilian acquisition associates participated. The conference was sponsored by the U.S. Navy, GSA, SBA, the Florida Procurement Technical Assistance Center, and the University of North Florida's Small Business Development Center. Deidre Lee, Director of Defense Procurement, and David Drabkin, GSA's Deputy Chief Acquisition Officer and Senior Procurement Executive, gave a joint keynote presentation on the "Get It Right" Campaign. FSS associates provided a series of workshops on logistics, professional services, facilities and maintenance services, GSA Global Supply,

GSA Advantage, and e-Buy. For more information, contact Melinda Wagoner at Melinda.wagoner@gsa.gov or 404-331-9662.

NCR Participates in Small Business Conference

NCR's Small Business Utilization Center participated in the 15th annual Office of Small and Disadvantaged Business Utilization procurement conference in Upper Marlboro, Maryland, April 21, 2005. Over 1,500 small business owners nationwide met with representatives from over 50 federal agencies. Center Director Shaunta Johnson taught the "Getting on GSA Schedules" workshop, and Arnetta Cook of the NCR Women's Business Advocate provided marketing and program advice during the one-on-one counseling segment. For more information, contact Shaunta Johnson at shaunta.johnson@gsa.gov or 202-708-5804.



William Elmore, Associate Administrator, Office of Veterans' Business Development, SBA and William Campbell, State Director, Alabama Small Business Development Consortium at the Veterans Conference

Southeast Sunbelt Region Veterans' Small Business Outreach Conference

The Southeast Sunbelt Region participated along with 10 other government agencies and four prime contractors at this year's Veterans' Conference "Strategies for Small Business

Success,” sponsored by the Alabama Small Business Development Consortium on April 25. The event was attended by approximately 100 small businesses, representatives from surrounding military bases, such as Anniston Army Depot and Redstone Arsenal, and prime contractors such as Boeing and B.L.Harbert International. Government agencies included GSA, the National Aeronautics and Space Administration, SBA, and the Army Corps of Engineers. Dinora Gonzalez, Small Business Technical Advisor with the Regional Office of Small Business Utilization, counseled and provided small businesses with information on getting on schedule and marketing their schedule contracts. For more information, contact Dinora Gonzalez at dinora.gonzalez@gsa.gov or 404-331-3031.



Mid-Atlantic Region Co-Sponsors Procurement Fair

The Mid-Atlantic Regional Office of Small Business Utilization and the PBS co-sponsored a free procurement fair for SDVOSB and veteran-owned small businesses on April 26, 2005. The event, held in the Germantown Field Office in Philadelphia, Pennsylvania was attended by more than 100 vendors. Presentations were made by GSA, SBA, and VA with representatives in attendance from the Environmental Protection Agency and the Delaware University and Lehigh University Procurement Technical Assistance Center offices. Contracting officers from all three GSA Service offices participated in a networking

session with the vendors following the presentations. For more information, contact Mari McNally at mari.mcnally@gsa.gov or 215-446-4934.



President Bush addresses SBA Expo '05

GSA Participates in SBA Expo '05

Administrator Perry and members of NCR's Small Business Utilization Center and Procurement Management Division joined President George W. Bush in participating in SBA Expo '05 April 26-28, 2005 in downtown Washington. The event celebrated National Small Business Week with over 1600 attendees. Expo '05 included the announcement of the National Small Business Person of the Year from among 53 state small business winners; "Celebrating Women in Business" honoring a dynamic group of women entrepreneurs; "Hall of Fame" recognizing successful companies that started with SBA's assistance; an Expo floor featuring NCR's Small Business Utilization Center and more than 180 other exhibitors; and Business Matchmaking that paired small business sellers with government buyers to make on-site contracting deals.

President Bush addressed attendees at a luncheon held on the second day of the event. The President reflected on the contributions of small business owners, complimenting them on their drive to take on risks, pursue their dreams, and create jobs for millions of American citizens. He praised entrepreneurs as some of the great American innovators with a vision to see beyond what is, and the courage to pursue what might be.

During the event, Administrator Perry and SBA Administrator Hector V. Barreto signed a Memorandum of Understanding (MOU) renewing the agencies' agreement to strengthen our relationship and share information about small business contracting opportunities in order to encourage more small business participation in GSA's federal contract procurement process. The MOU also brought GSA and SBA together to disseminate information about opportunities for contracts, training, workshops and matchmaking-type events taking place across the country.

NCR associates Shaunta Johnson, Arnetta Cook, and William Cone provided one-on-one counseling to small businesses during the SBA Matchmaking session. (Also attending was FTS's Carolyn Day Hecox who was participating in NCR's Shadowing Program for the day.) These sessions, 15-minute marketing opportunities, allowed Expo attendees to discuss their company's capabilities with representatives from more than eighty federal agencies and organizations. Cook and Giovanni Wade represented GSA at the agency's exhibit on the trade floor. For more information, contact Shaunta Johnson at shaunta.johnson@gsa.gov or 202-708-5804.




Regional Administrator Donald Williams addresses Conference

NCR Hosts Small Business Conference

NCR hosted a Small Business Fair on May 10, 2005 for opportunities on two of GSA's major construction projects. Regional Administrator Donald Williams opened the conference for more than 100 small business representatives. The conference addressed opportunities for work on the 330,000 gross square foot, \$50 - \$60 million, six-story Food and Drug Administration's (FDA's) Center for Drug Evaluation and Research Office Building II (CDER II), part of a multi-phase construction project for FDA, in White Oak, Maryland, and a 591,000 gross square foot, \$80 - \$90 million modernization of the Mary E. Switzer Building near the U.S. Capitol.

Christine Kelly, Contracting Officer, and Charles Berry, Project Manager, from NCR/PBS Property Development Division, provided a project overview and pre-proposal conference for the Switzer Building. Bonnie Echoles, Contracting Officer, and Shapour Ebadi, Project Executive, discussed the CDER II Office Building project. Tami Riggs, Acting Deputy Assistant Regional Administrator for PBS, offered remarks. Designed to educate and develop relations with small business owners and primary contractors and to acquaint them with the resources available, the conference was a marketing and networking opportunity for small business entrepreneurs. For more



information, contact Shaunta Johnson at shaunta.johnson@gsa.gov or 202-708-5804.

Native American Small Business Conference

The Southeast Sunbelt Region, along with twenty other government agencies and eight prime contractors, participated in this year's Native American Small Business conference in Orlando, Florida. The conference, "Strategic Growth, Planning for Future Generations," attracted approximately 150 small businesses across the country, most of which were Native American Small Businesses. The event gave small business owners an opportunity to meet with buyers, contracting officers, small business specialists, and technical resource providers, major military bases, such as Eglin and Patrick Air Force Bases, and prime contractors. GSA associates Dinora Gonzalez of the Office of Small Business Utilization, Eddie Kephart, Director of the Native American Business Center in Denver, and PBS Small Business Specialist David Gibson presented a workshop on GSA Schedules, counseled and provided small businesses with information on marketing their schedule contract. Unique to the event was a session called "Talking Circles" for small groups, which provided participants with an opportunity to share their thoughts on selected topics. For more information, contact Dinora Gonzalez at dinora.gonzalez@gsa.gov or 404-331-3031.

FSS IT Acquisition Center and Great Lakes Region Participate in Small Business Development Program

On June 25 the FSS IT Acquisition Center and the Great Lakes Region participated in the small business development program sponsored by the Regional Learning Alliance of the University of Pittsburgh. Gary Cook of the IT Acquisition Center spoke on how to obtain a GSA

schedules contract and how to market their GSA contract. Thomas Brown of the Great Lakes Region made a presentation on how GSA is supporting Administrator Perry's outreach to disabled veterans and how those companies can utilize their business set-aside status to their best advantage. 60 companies in the Pittsburgh area originally signed up to take part in the program while 72 actually arrived and took part. For more information, contact Gary Cook at gary.cook@gsa.gov or 703-305-6827.


Great Lakes Region Honors SDVOSBs on Flag Day

Representatives of 40 veteran-owned firms and 75 federal agencies attended a Service-Disabled Veteran-Owned Small Business (SDVOSB) Expo and Training Event sponsored by the Great Lakes Region on Flag Day, June 14. Regional Administrator James Handley opened the all-day event, which included 11 training sessions on acquisition regulations for the SDVOSB program and use of Federal Supply Schedules, GSA Advantage! and e-Buy. Information on how to become a GSA Schedule contractor was presented by the Regional Office of Small Business Utilization. The program also featured displays and information booths by 22 firms that are GSA Schedule contractors. The VA and SBA partnered with the Region on the Expo. For more information, contact Sara Johnson at sara.johnson@gsa.gov or 312-886-8959.

Green Procurement at GSA—

Promoting Sustainable Electronics Stewardship in the Federal Government
By Edwin Piñero, the Federal Environmental Executive

The federal government has always been a strong advocate of sustainable environmental



stewardship in its mission of safeguarding the welfare of all its citizens. This is especially the case when new environmental challenges surface, such as the management of our electronic assets.

The federal government is the largest block purchaser of electronics in the world. In fiscal year 2004, federal agencies awarded a total of \$155 billion in IT contracts for products and services. The majority of the 1.8 million employees in the federal government have a personal computer (PC); therefore, given an “average” three-year lifecycle, the government discards approximately 10,000 computers each week. In addition to the volume of waste generated, the volume of hazardous chemicals such as lead and mercury associated with the electronics waste is also an issue.

But the environmental issues relating to electronics go beyond how we dispose of them; they also include how we use them; and even how they are made. On November 15, 2004 (America Recycles Day), the Executive Office of the President, together with 11 federal departments and agencies, committed to advancing the electronics stewardship goals and practices in the government. The Memorandum of Understanding (MOU) signed by the largest IT purchasers and users in the federal government will become the foundation for building and nurturing practices and approaches that improve the quality, performance, and environmental management of federal electronic assets throughout their lifecycle.

The combined purchasing power of the charter signatories represents approximately 80% of the total annual IT budget for the federal government. Together, we will shift the marketplace towards more environmentally-sustainable electronic products and services. Our combined purchasing power will help to

transform the availability of IT products and services that are environmentally sustainable in the federal marketplace and will make such products and services available for the general consumer as well.

The MOU signatories have committed themselves to the following electronics stewardship goals:

- Increase demand for more energy efficient and environmentally sustainable electronic equipment that is cost-effective, while maintaining or improving equipment quality and performance.
- Promote the implementation of best lifecycle management practices for electronic equipment and share identified best practices with those outside of the federal government.
- Reduce the economic and environmental life cycle costs of federal electronic equipment.
- Promote the growth of the market and infrastructure for the reuse, de-manufacturing, and recycling of obsolete electronic equipment; and
- Coordinate and cooperate on other public and private sector efforts aimed at achieving similar objectives.

Signatories have also become partners in the Federal Electronics Challenge (FEC), a voluntary partnership program that encourages federal departments, agencies and facilities to purchase more environmentally-sustainable electronic products, reduce the impact of electronic products during use, and manage obsolete electronics in an environmentally safe and cost-effective way. To date, 44 federal facilities have joined the FEC.

Bonneville Power Administration (BPA), a Gold level pilot partner, used the FEC in both a top-down and a bottoms-up approach to ensuring integration among the different lifecycle phases of electronics from purchase/use to end-of-life management. Some of the many accomplishments include extending the lifespan of their PCs to five years, making 100% of their electronic equipment purchases Energy Star compliant, and including environmental attributes; such as low or no mercury content, recyclable content, and potential for take-back, in their electronics procurement contracts.

Brian Furusama, Chief Information Officer for the BPA, agrees that the FEC has “provided the structure to strengthen communications and served as the resource for employee awareness and education to develop a common understanding about electronics stewardship.”

We believe that each federal employee has the opportunity to make a significant contribution to promote the management of our electronic assets in an environmentally sound and energy efficient manner. By participating in the Federal Electronics Challenge, we can lead by example and collectively make a big difference that will gain long term benefits for our environmental and natural resource conservation efforts. If you are interested in learning more about the FEC, how you can become a partner, and how you can help us implement greener, more effective, and efficient electronics lifecycle practices


across the federal government, please visit our website at www.ofee.gov or go to the FEC website at www.federalelectronicschallenge.net. (Reprinted with permission from the “Federal Times,” Jan.10, 2005, vol.40, No.46)



“Green” equipment bunker

Green Purchasing by the Sustainable Landscape Design Program at NCR

Our landscape program has been working closely with the Environmental Protection Agency (EPA) to green up their facilities at the Federal Triangle. As discussed in the “Forum” in the Winter 2004 edition, “Greening the EPA” has included establishing four rain gardens along Constitution Avenue and a cistern in their Ariel Rios south courtyard to capture rain water for use in irrigation. This summer two additional rain gardens will be installed in the courtyard, as well as permeable paver walkways, a second cistern to handle parking lot run-off, and a new landscape design featuring sustainable, low maintenance, and native plants. When purchasing materials for projects, it is our policy (Environmental Bulletin 00-01) to do so in a



sustainable manner. In addition, the Resource Conservation and Recovery Act (RCRA) and Executive Order 13101 require us to use Comprehensive Procurement Guideline (CPG) items and report annually on our success in doing so. The EPA has designated six CPG items for landscape use. These are listed at their website <http://www.epa.gov/cpg/> and include the following: compost made from yard trimmings for food waste, organic hydraulic mulch, lawn and garden edging, and plastic lumber landscaping timbers and posts. Two more, compost made from manure or biosolids and fertilizers made from recovered organic materials, have been proposed. We routinely compost trimmings collected during landscaping activities and look for opportunities to incorporate CPG items into our projects. Recently, for the first time, we found the right application for plastic lumber at the EPA site to add to the other Low Impact Development features there. Equipment bunkers (see photo, above), framed with plastic lumber make a nice addition to the demonstration projects already in place and those planned for the future for EPA. For more information, contact Michael D. Carter at Michael.carter@gsa.gov or 202-708-6950.

Earth Day Celebration in Missouri

As part of the Earth Day celebration at the Federal Records Center (FRC) Field Office, an annual sapling give-away was held with support from the Missouri Department of Conservation. This year's saplings were given to tenants at the FRC in St. Louis, Missouri, plus the U.S. Courthouse and Post Office in Hannibal, Missouri. Dan Frank, Buildings Management Specialist at the FRC, coordinates this event each year. It starts out with pre-publicity, getting time on the local agencies closed circuit TV system and posting flyers of the event. A couple of the tenants joined with the celebration and helped to hand out the young saplings.

Additionally, the children and staff of FRC's "Just U.S. Kids" on-site day care facility were each given saplings to take home and plant. The banner at the entrance to the FRC facility says it all: "Earth Days: A Greener Government: April 25-29: It All Comes Back To Us: Recycle - Reuse - Conserve." Stocks given away this year were the Missouri Dogwood and Red or Cherry Bark Oak. Plans to expand the program again next year are already underway. For more information concerning this event, please contact Dan Frank at dan.frank@gsa.gov or 314-538-4203.

GSA Recognized as One of Top Green Power Purchasers

Pepco Energy Services recognized GSA's Energy Center of Expertise as the fifth largest purchaser of green power by the EPA. Under GSA's three-year contract, Pepco Energy Services is supplying more than 100 million kilowatt-hours of renewable energy certificates to the EPA's headquarters in Washington, D.C. To read the entire press release and learn more about GSA's Energy Center of Expertise, go to <http://www.gsa.gov/energy>. For more information, contact Mark Ewing at mark.ewing@gsa.gov or 202-708-9296.



Earl Warrington and the Moroccan Delegation

IAE Corner—GSA Meets with the Moroccan Government

In October 2004, GSA played a prominent role in discussions with a delegation from the Moroccan Government. The program was organized by the U.S. Department of Commerce Commercial Law Development Program (CLDP) and funded by the U.S. Department of State Middle East Partnership Initiative (MEPI.) The objectives were to provide technical support in accordance with the Free Trade Agreement that had been signed between the U.S. and Morocco. The Moroccan Government was interested in GSA's role in setting public procurement policy, and in providing acquisition services for federal agencies. They were also interested in learning how IAE provides the support services that enable federal agencies to meet their acquisition needs more efficiently.

After the agreement was signed in June 2004, CLDP offered trade and commercial law assistance to the Government of Morocco. In March 2005, GSA's Earl Warrington, Deputy Program Manager of IAE, was invited to serve with representatives from GAO as a subject matter expert to over 100 Moroccan governmental officials and private property

groups at a seminar and during individual Ministry meetings in Rabat, Morocco. Earl Warrington gave a presentation about GSA's role as an acquisition agent for the federal government and its continued leadership in establishing federal regulations and public policy. Then he discussed IAE, emphasizing how it brings visibility, transparency, competition and integrity to the acquisition process. The audience was curious about business relationships for firms wanting to gain entry into the U.S. government market, the Central Contractor Registration and ease of use, FSS schedules, obtaining DUNS numbers, and how an organization finds itself on the Excluded Parties Listing System (EPLS).

Discussions on many topics among the Moroccan and U.S. delegation continued for the rest of the week. One particular area of interest was the method that developing countries use to post and advertise government business opportunities, and that IAE's FedBizOpps already meets the Free Trade Agreement requirements in part. The U.S. delegation's focus was on the transference of practical information regarding the U.S. acquisition processes and building strong relationships.

Morocco's current procurement policies and reforms are greatly influenced by close ties with the World Bank, African Banks, World Trade Organization and the European Union. The leaders are considering how Moroccan business could compete in the U.S. government marketplace and how it can achieve higher visibility and transparency in their procurement processes. The desired end result is a stronger international marketplace for U.S. and Moroccan goods and services. For more information, contact Lisa Cliff, IAE Office of Communications, at lisa.cliff@gsa.gov or 703-872-8593 or email integrated.acquisition@gsa.gov.



Buy Accessible Wizard Update

As reported last October in the GSA Acquisition Workforce Forum (Edition Five, Fall 2004), GSA introduced the Buy Accessible Wizard, a web-based application to help government buyers of electronic and information technology (E&IT) quickly, easily, and accurately determine:

- if Section 508 applies to an acquisition; and,
- if Section 508 does apply, which specific standards apply for the particular product or service being acquired.

The Buy Accessible Wizard addresses two major responsibilities for federal buyers of E&IT for Section 508 compliance outlined in the FAR: determining applicability and performing market research. Since October there have been a number of significant additions to the Buy Accessible Wizard that clear the way for federal agencies to make the Wizard an integral part of their E&IT procurement process.

ATO. The Wizard application underwent a security review to determine conformance with security requirements. An Authority To Operate (ATO) was issued in April documenting the acceptability of the Wizard as meeting security guidelines. The ATO can be used by any agency to certify the security acceptability of the Wizard application for operational readiness.

Micropurchase exception sunset. With the sunset of the micropurchase exception on April 1, 2005, a simple process for accessing vendor-provided accessibility information as

part of the acquisition market research responsibilities was needed. The Wizard was enhanced to include a more streamlined approach for those making acquisitions that meet the micropurchase criteria.

Configurations. The current version of the Buy Accessible Wizard is available for use by federal agencies as both an Internet and an Intranet application within any agency. The Intranet implementation allows users to save information generated by their agency while using the Buy Accessible Wizard. The advantages are more sharing of experience among buyers and simplified Section 508 acquisition management reporting. The Intranet configuration can use either MySQL or Oracle as the data base management system.

Plans. Development of the Buy Accessible Wizard continues, and in September, 2005, a market research capability will be added. The Buy Accessible Wizard will offer users access to the Buy Accessible Market Research Data Center, which will include the latest product accessibility information provided by vendors.

The Wizard can be accessed at www.buyaccessible.gov. For more information about Section 508, please visit www.section508.gov. For more information about the Buy Accessible Wizard, contact Terry Weaver at terry.weaver@gsa.gov or 202-501-4906.



Leon A. Wilson, Jr., at FACE

Strategic Sourcing Solutions from JWOD

The 2005 Federal Acquisition Conference and Expo (FACE) provided a forum for acquisition professionals and policy makers to discuss current acquisition issues, including strategic sourcing. Participants who attended the session entitled “Maximizing Return: Strategic Sourcing,” learned how the Javits-Wagner-O’Day (JWOD) Program, the single largest employer of people who are blind or have other severe disabilities, could help federal agencies succeed in meeting the goals of this important presidential initiative.

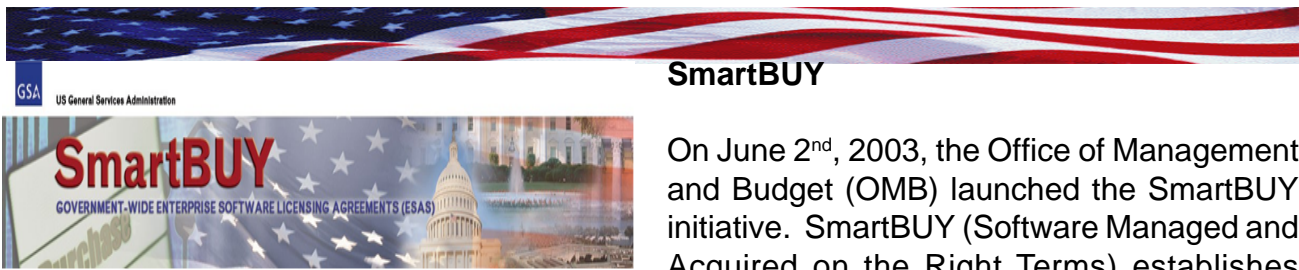
Leon A. Wilson, Jr., Executive Director of the Committee for Purchase From People Who Are Blind or Severely Disabled (the federal agency which oversees and administers the JWOD Program) and an ex-officio member of the Chief Acquisition Officers Council, represented the JWOD Program at FACE. In addressing the fact that federal agencies are beginning to approach acquisition as a governmentwide strategic business improvement process, Mr. Wilson explained how JWOD provides an ideal opportunity for federal agencies to leverage their buying power to optimize their

performance. According to the May 20, 2005 OMB letter on strategic sourcing, any strategic sourcing plan must be balanced with socio-economic goals, including the JWOD Program.

With a nationwide network of experienced nonprofit agency providers, the JWOD Program is a collaborative business partner that delivers customer satisfaction and best value solutions. The JWOD Program furnishes many products and services that may be considered “commodities” or high volume, leverage-able requirements, such as office supplies, medical and subsistence items, administrative services, and janitorial services. New JWOD Program lines of business, such as document management/destruction, fleet management, and warehousing and distribution, also support value-added, strategic acquisition.

Some advantages of strategic sourcing with the JWOD Program include standardized acquisition business processes and product/service delivery, reduced total cost of ownership for acquired goods or services, and increased realization of socioeconomic goals. The JWOD Program’s priority status also provides federal customers flexibility in determining the best solutions for their needs.

If you would like to view a copy of the JWOD Program presentation provided at FACE, which includes examples of the JWOD Program’s successful participation in strategic sourcing initiatives, please visit the FAI website at www.fai.gov. For more information on the JWOD Program, please visit www.jwod.gov. For more information on this article, contact Stephanie Lesko of the Committee staff at slesko@jwod.gov or 703-603-0036.



SmartBUY

GSA Partners With OMB and DoD on SmartBUY Agreement

GSA has partnered with OMB and the DoD in a governmentwide SmartBUY agreement with Oracle USA, Inc. The agreement provides significant savings on Oracle database, application servers, and other products. The joint GSA and Defense negotiating team has been nominated for a CIO Council Executive Leadership Award for their efforts. SmartBUY is a governmentwide enterprise software licensing initiative to streamline the acquisition process and provide best-priced, standards-compliant information technology products. The SmartBUY Program Office is headed by Robert Suda and is located in FTS. For more information, contact Pebble Randolph at pebble.randolph@gsa.gov or 703-306-7594.

SmartBUY and Strategic Sourcing

by Tom Kireilis, SmartBUY Senior Program Manager

“Strategic Sourcing” is an approach where the buyer (the government) analyzes what it’s buying, what the market conditions are and who can supply those goods or services. Then the buyer uses that information—plus innovative contracting techniques—to find the best value available in the marketplace. The focus of this article is to examine some current approaches to strategic sourcing. It should be noted that these approaches are not mutually exclusive and should be used to compliment one another in order to maximize buying power.

On June 2nd, 2003, the Office of Management and Budget (OMB) launched the SmartBUY initiative. SmartBUY (Software Managed and Acquired on the Right Terms) establishes contracting vehicles leveraging the buying power of the federal government while reducing acquisition and support costs including software asset management and increasing the use of standards-compliant software. OMB wants government managers to track their IT assets (including actual software usage) and participate in enterprise buys to lower costs.

GSA is the designated Executive Agent for the SmartBUY interagency initiative (under Section 5112(e) of the Clinger-Cohen Act) and leads the interagency team in negotiating governmentwide enterprise licenses for software. The contracting vehicles most often used are GSA Schedule-based Blanket Purchase Agreements under which a number of select fulfillment partners can be designated. These are similar to the way Enterprise Licensing Agreements (ELAs) are established under DoD’s Enterprise Software Initiative (ESI). In fact, ESI and SmartBUY work very closely with one another and are in continuous discussion to determine where agreements can be co-branded. The first such agreement, between the Army and Eyak Technology LLC, allows all federal agencies to purchase WinZip software at 98.4 % below retail price.

The key to the success of SmartBUY rests with OMB’s ability to consolidate IT requirements governmentwide and GSA’s ability to make an enterprise buy. This is extremely challenging in the government where Congress appropriates money at a program level and program managers are seldom rewarded to give up budget for the “greater good” of an agency-wide acquisition. Accomplishing this, though, is (to borrow a phrase) like “herding cats.”





Experienced enterprise technology salespeople know that the sales and contracting process for an agency-wide enterprise license is unpredictable and extremely time consuming. Companies continue to pressure their sales force to penetrate individual agencies and programs. It is the job of the SmartBUY staff to reign in, or consolidate, similar requirements within and across all agencies.

When negotiating with software publishers, an extra-deep discount a company gives in the final hours of a tough quarter to close a sale could be used as the starting point for future price negotiations. The days of widely varying discounts across the government are ending, at least for products in the categories targeted by OMB and GSA: Office Automation; Geospatial, Network Management; Antivirus; Disaster Recovery, Enterprise Resource Planning, Database; Document Imaging, Business Modeling Tools; and Open source software support. Because it has never been done before, the level of effort to implement such governmentwide agreements is immense and extremely complex. The initiative is slowly gaining traction—some very large Agreements are very close to being signed as of this writing. With SmartBUY being identified as a deficit reduction tool in the President's budget, expect mounting pressure on agencies to consolidate their software acquisitions through the initiative.

Among the challenges facing SmartBUY are the many competing interests for the government to make a true enterprise-wide commitment. Commercially, an enterprise agreement usually means that 1) the enterprise is standardizing on the technology; 2) the enterprise can be precisely defined; and 3) the licensor can audit the licensee for compliance and enforcement. In return for these assurances, deep discounts can be granted because the company knows they have a predictable revenue stream from


annual maintenance subscriptions, upgrades and new products.

The government hasn't traditionally agreed to true enterprise-wide terms and commitments for many reasons. Standardization, the basis for any enterprise-level commitment, is risky because technology innovation is accelerating and standardizing reduces future options. The government's budget and acquisition planning processes operate at the program level, seldom across the entire agency, and rarely, cross-agency (OMB's e-Government and Lines of Business initiatives are notable exceptions). The government includes dozens of discreet entities, plus thousands of contractors who also need usage rights making drafting an accurate and legally enforceable license very difficult, if not impossible. Additionally, the government seldom agrees to licensor audit rights even for narrowly defined groups of licensees. Since the government as a whole cannot make the commitments inherent in true enterprise-wide deals, it must resort to aggregating annual expenditures, in general terms, in hopes of inducing a manufacturer to agree to a price that reflects that overall volume. This is what SmartBUY is all about.

The problem for a manufacturer is that unless the government standardizes through a large commitment, the company must continue to maintain a sales and marketing organization to grow its federal market share. When a company grants a huge discount without the long-term commitment of standardization, it loses the revenue needed to maintain and grow market share. Salespeople and contracting partners have no incentive to sell those products and competition begins making inroads.

From the government's perspective, it is extremely frustrating to know that we are subsidizing sales and marketing costs when, in aggregate, we are typically the company's





largest customer. But the reality in the marketplace is that until the government as a whole can actually commit to some level of standardization, the company has to continually fight for every user, desktop, or server making cost of sales the manufacturer's primary concern. This is what prevents most companies from granting enterprise level discounts in the absence of commitment.

Future Outlook

Strategic sourcing is perhaps the area of business strategy that is most often overlooked or poorly addressed and yet it can deliver huge benefits in terms of better focus, radically improved delivery and reduced costs. It involves clearly identifying business inputs and services, establishing the strategic context for key decisions about how to source them in order to best achieve corporate goals and then focusing on the areas that will yield the greatest benefits. For more information on this article, contact Tom Kireillis in the FTS Office of IT Solutions at Thomas.kireillis@gsa.gov or 703-306-7698.



Did You Know?

Did you know that in March OFPP convened a team to review the process of reporting contractor past performance information that is used by the federal acquisition community? During this time of rework, the requirements to report performance data and use it in accordance with the FAR and OFPP guidelines are still in effect. Reports from GSA should be submitted to the NIH Contractor Reporting

System, as usual, and retrieval should be via the common Past Performance Information Retrieval System (PPIRS). These systems are all active and continue to be the method for completing government performance evaluations. OFPP issued a publication in May 2000 entitled "Best Practices for Collecting and Using Current and Past Performance Information." To review this document go to: <http://www.acqnet.gov/Library/OFPP/BestPractices/pbsc/library/OFPPbp-collecting.pdf>. To review all of the performance reporting policies go to <http://www.ppirs.gov/ppirsfiles/policy.htm>. For more information, contact Lisa Cliff at lisa.cliff@gsa.gov or 703-872-8593.



Check It Out!

"Check It Out!" highlights upcoming conferences and events of interest to the GSA acquisition community. If you'd like to have your conference or event listed in this column, please send an email to the Editor, judy.steele@gsa.gov with the pertinent information and a point of contact.

43rd Annual Aerospace and Defense Contracting Conference

Hyatt Regency Long Beach

Long Beach, CA

July 28-29, 2005

www.ncmahq.org



2005 Network Services Conference

“Soaring to New Heights”

Chicago, IL

August 15-18, 2005

www.networkservices.gsa.gov

Federal Real Property Conference

Ronald Reagan Building & International Trade Center

Washington, D.C.

October 18-19, 2005

<http://www.frpa.us>

Contact: Rebekah Pearson 202-208-1850

Government Procurement Conference of the Americas

Westin Peachtree Plaza Hotel
Atlanta, GA

November 1-3, 2005

www.fgpca.org

Contact: Edward Loeb at
Edward.loeb@gsa.gov

We thank our guest authors for their contributions to this newsletter. Guest authors express their own views, which are provided for the information of our newsletter readers.

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We welcome any comments, suggestions, and articles. We also welcome any individually authored articles on acquisition issues that would be of interest to the GSA acquisition audience. Please contact the Editor, Judy Steele, at judy.steele@gsa.gov or 202-501-4994 with comments or suggestions.