Shared Services: Acquisition Challenges

Presentation to Shared Services Leadership Council in partnership with the National Academy of Public Administration and the Senior Executive Service
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## Why Shared Services?

### Challenges

- Antiquated legacy systems
- Poorly designed processes
- Budget constraints
- Understanding life cycle costs
- Data rights
- Cyber security

### Opportunities

- Transforming people, processes, and technology
- Workforce of the future
  - 9 to 5 is dead
  - Gig economy
  - Knowledge economy
- Rapid tech change
  - Artificial intelligence
  - Robotics
Acquisition: A Balancing Act

- Government aims to make best use of taxpayer dollars
- Procurement interests can be in conflict
  - Lowest price vs. public policy objectives
    - e.g. sourcing requirements, socio-economic and small business participation
  - More expensive tailored solutions vs. less expensive standard configurations
Considerations for Acquiring Shared Services

Shared Service Objectives
• Standardization
• Scalable
• Reduce Costs and Contract Duplication

Acquisition Objectives
• Protect tax dollars
• Best value
• Socio-economic goals
• Competition
# Standardization vs. Customization

## Acquisition Trade-offs

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<th>Impact</th>
<th>Standardization</th>
<th>Customization</th>
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<td>Efficiency</td>
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<td>Contracts</td>
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<td>Competition</td>
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<td>Small Business Participation</td>
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Case study: Commercial e-Commerce Portals

- Required by Section 846 of FY2018 National Defense Authorization Act (NDAA)
- GSA charged with establishing e-commerce portals to:
  - Leverage commercial technology
  - Streamline purchasing
  - Improve buyer experience
- Challenges:
  - Rethink “what is competition?”
  - Promote competition: how many portals?
  - How to balance public policy objectives (e.g. sourcing requirements) vs. ease of procurement
Acquisition Considerations

**Competition**
- What are barriers to Federal participation?
- Is a critical mass needed?
- How many contracts to award?
- How do we ensure socio-economic and small business participation?
- How do we maintain a healthy marketplace?

**Contracts**
- What contract types work for various solutions?
  - e.g. fixed price or “pay-by-the-drink” model
- How do we incentivize contractors?
  - Performance vs. outcome based
- How do we ensure the Government isn’t locked in to one provider?
What’s the Impact of A-76?

● OMB Circular A-76, “Performance of Commercial Activities”
  ○ Whenever commercial sector performance of a Government operated commercial activity is permissible, in accordance with this Circular and its Supplement, comparison of the cost of contracting and the cost of in-house performance shall be performed to determine who will do the work.
  ○ Current moratorium on conducting competitions

● Impact of FAR clause 52.207-3 -- Right of First Refusal of Employment
Other Acquisition Challenges?

• What have we missed?
• What are your experiences?
Next Steps

Share your Acquisition Challenges, Use Cases, Lessons Learned & Best Practices

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Thank You