

GSA needs transparency on strategic sourcing
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General Services Administration Administrator Dan Tangherlini's testimony delivered March 12 to the Senate Committee on Homeland Security and Governmental Affairs is instructive as to GSA's key initiatives.

However, also instructive is what the testimony does not cover. GSA is a relatively small agency with a very big role to play in delivering value and savings for the U.S. Government. GSA's success is important; the agency however does not succeed in a vacuum. The services and products that customer agencies depend upon from GSA are delivered through government contracts with its industry partners. Yet, recent statements from GSA are silent as to the central role its business partners play in delivering 21st century mission support for customer agencies.

In the spirit of the Office of Management and Budget's Myth-Busters, it is time for GSA to engage in substantive dialogue with its contractors about strategic sourcing—a key objective of the President's Management Agenda. Recently, GSA contractors have been reporting that GSA initiated outreach to industry appears to be a “check the box” exercise for strategic sourcing decisions that have already been made by the agency. The current approach, coupled with the limited dialogue, has created a detached business relationship between customer agencies and contractors.

Strategic sourcing that leads to best value outcomes depends on buyers and sellers developing a deeper, focused understanding of each other's mission, technical requirements, funding profiles and business drivers. The current focus on price as the measure of success in strategic sourcing may, arguably, provide some short term success. However, in the long run, the current strategic sourcing approach will have consequences for the supply chain and GSA's customer agencies. Supplier suppression will reduce competition, limit opportunities for small businesses and restrict access to best in class commercial firms over the long term.

The current Federal Strategic Sourcing Initiative (FSSI) is almost wholly justified based on cost savings across the federal enterprise. For example, in his March 12th testimony, Tangherlini touted the savings resulting from FSSI, but there is very little transparency with regard to how the savings are being calculated, analyzed and documented. This information should be readily available to the public for review consistent with the administration's commitment to transparency.

GSA's recent response to a Freedom of Information Act request seeking analysis, reports, documentation regarding savings calculations for its strategic sourcing vehicles reinforces the lack of transparency. GSA's brief response to the FOIA request was three-fold. First, GSA provided a set of charts explaining the savings calculations for the office supply FSSI vehicles. These charts raise more questions than they answer.

Second, GSA described the strategic sourcing process and stated that given the broad scope of the request it would cost over \$500 to identify, review, and produce the requested documents.

Third, GSA indicated that it would heavily redact the requested documents invoking the “deliberative process” exemption under FOIA. But that exemption is intended only to protect

documents that contain recommendations or express opinions on legal or policy matters—not to shield documents that simply show factual material such as mathematical calculations. In the spirit of Myth-Busters, calculations, analysis, reports and any other documents should be made publicly available. This is especially true given the significance placed on savings by GSA. It also is in the public interest given the long term risk to the supply chain under FSSI.

Now is the time for a transparent Myth-Busters dialogue regarding costs savings and opportunities to improve strategic sourcing. The Coalition for Government Procurement has developed a set of strategic sourcing principles that we hope will spark a dialogue with GSA, customer agencies, and industry regarding the current strategic sourcing approach. After all, best value strategic sourcing depends on robust engagement and dialogue with GSA's customer agencies and its industry partners. GSA cannot succeed without them!