

[GSA Inches Closer to Agency Marketplace Pilot Program](#)

An online portal would streamline how government agencies purchase supplies.

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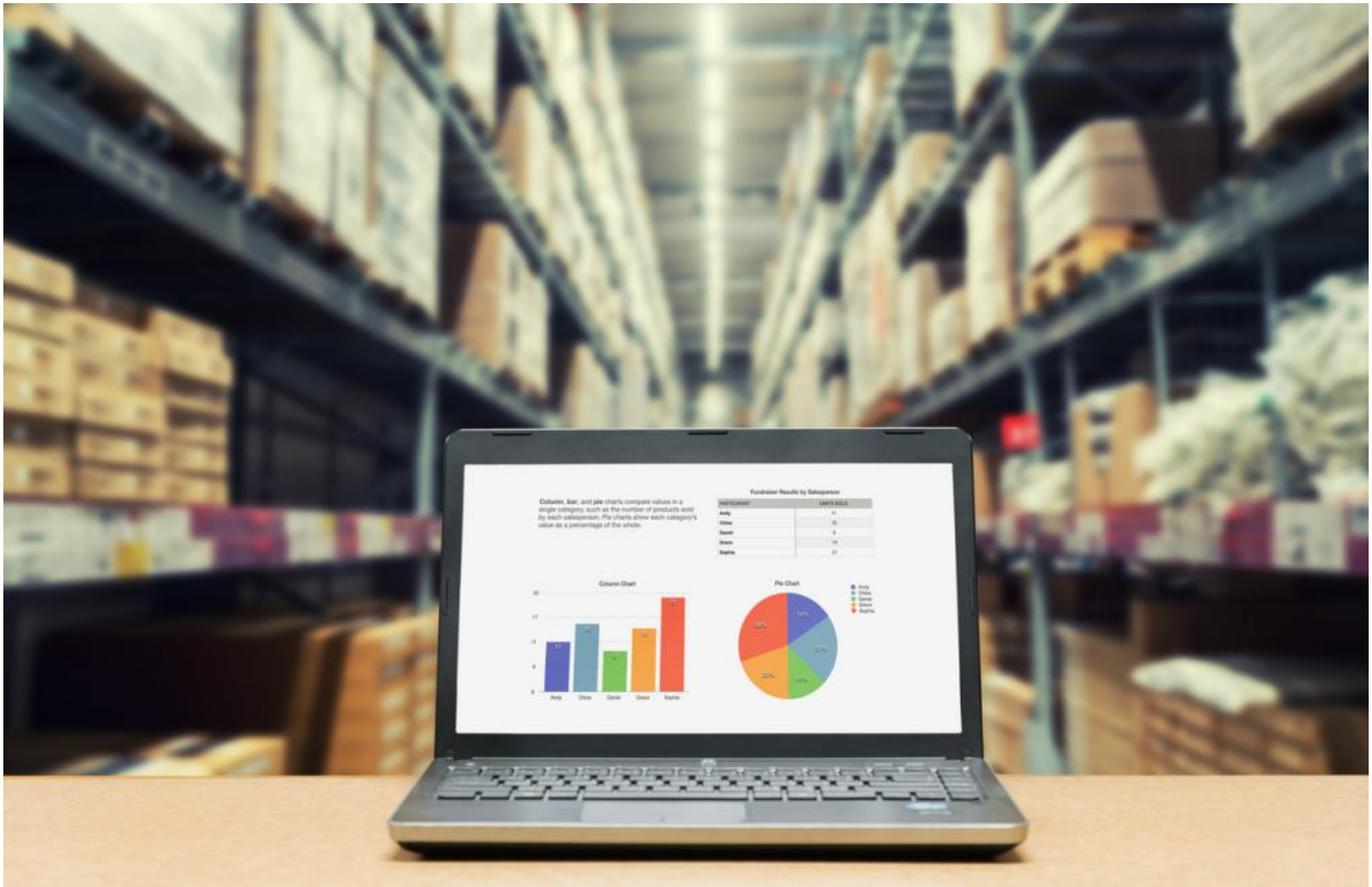


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The General Services Administration hopes to improve agencies' processes for the procurement of office tools and supplies in the commercial market through an e-commerce portal currently in development, the agency said during an update about its upcoming five-year pilot program for the marketplace Thursday.

GSA and the Office of Management and Budget have submitted to Congress its second phase of the program with a focus on market research. As the program now enters its third phase, the agencies will focus on implementation guidance, according to an agency press release. In this third phase, the agencies plan to

launch an initial proof of concept at the end of this year. In third quarter 2019, the agencies will release a draft solicitation for the program, GSA officials said during a press call Thursday.

Section 846 in the fiscal year 2018 National Defense Authorization Act directs GSA to establish such a program in collaboration with OMB. The Federal Marketplace Strategy, which GSA released in November last year, outlines an effort to modernize and simplify the purchasing and selling experience for customers, suppliers and acquisition officials in government without going through the tedious procurement process. The intent for this marketplace, similar to Amazon in the consumer world, is to remove barriers to entry for small businesses, explained GSA Senior Procurement Executive Jeff Koses during the Thursday call.

Toward its effort to implement its initial proof of concept of the e-commerce portal, GSA and OMB outlined three decisions:

1. Begin operational implementation of the program with an initial proof of concept to start small test, and refine as lessons are learned;
2. Limit purchases made through the initial proof of concept to the micro-purchase threshold to drive adoption and mitigate risk; and
3. Start with the e-marketplace model for this initial proof of concept while continuing to assess opportunities to leverage the benefits of the other commercial e-commerce portal models.

"The idea is to start small and define the program as we go," said Mark Lee, assistant commissioner of the Office of Policy and Compliance at the GSA Federal Acquisition Service.

Some concerns during the program's beginnings were that small businesses would have no incentive to provide their products at a discount through the portal. Consequently, the agencies recommended a temporary legislative change to increase the micro-purchase threshold from \$10,000 to \$25,000 for a period of five years for purchases through the portal to encourage industry participation. "And it's only temporary," Koses emphasized, adding that it's an optimal price point to encourage industry participation.

As part of its second phase, the team solicited feedback from its agency and industry partners, who have yet to be identified. Some of that feedback included not over-complicating the process, addressing supply-chain challenges and providing

protection on customer data.

Koses acknowledged the ambiguity of data protection in the National Defense Authorization Act's Section 838 and that data security is being tested during this pilot initiative.

The plan is to scale the pilot across government in 2020. Koses clarified it would be a multi-award contract to prevent an e-commerce monopoly.

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