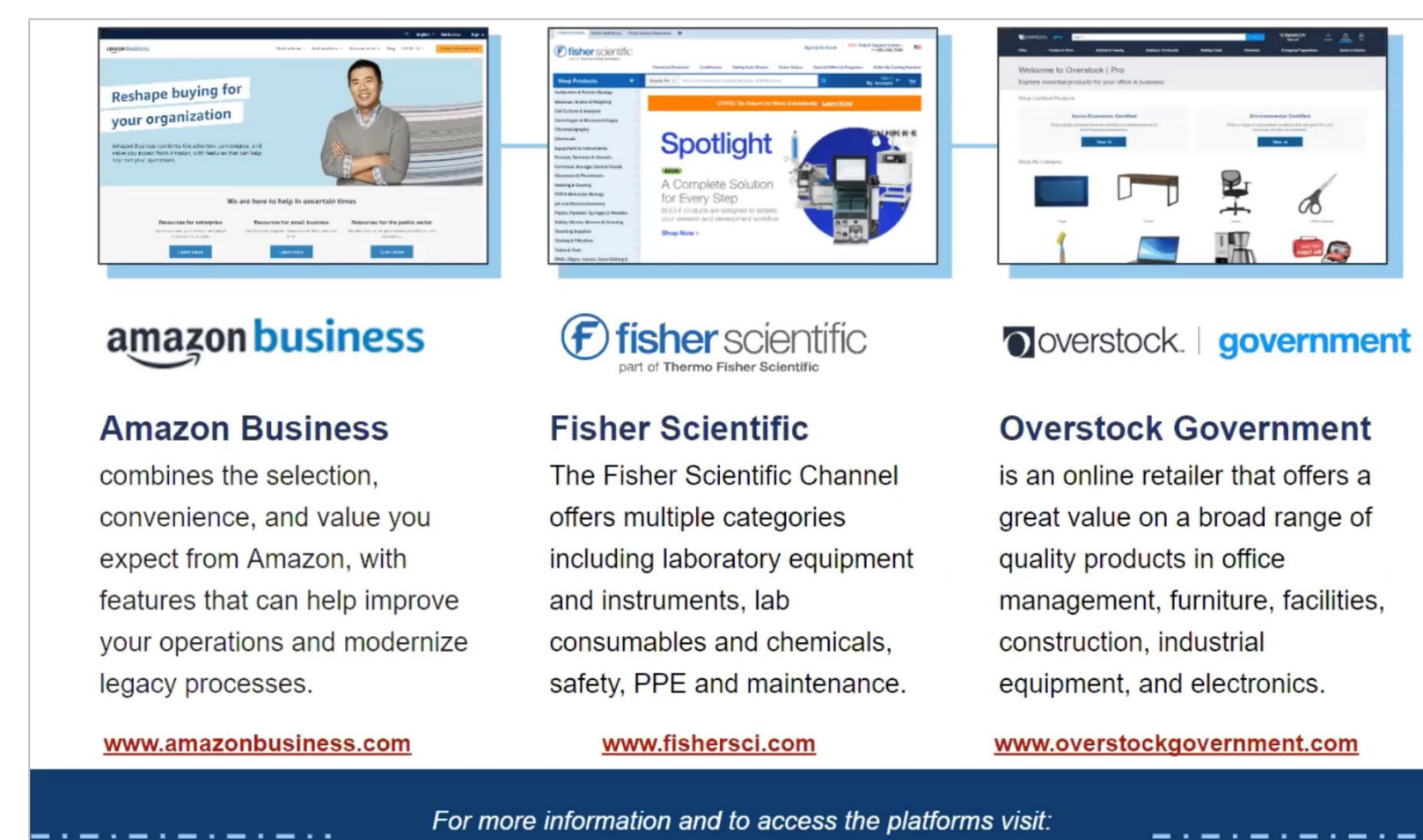


Abstract

- Some federal acquisition stakeholders are concerned that they will lose their place in the market as commercial e-commerce portals are developed for use in the federal government. Small businesses, for example, have expressed concern about their ability to compete with a future technological monopoly managed by a corporation like Amazon. This study investigates how e-marketplace platforms, such as the GSA Commercial Platforms program and FedMall can provide enterprise level efficiencies to organizations and users while maintaining competition and diversity among suppliers.



The Commercial e-Commerce Portals Available Under GSA Commercial Platforms Program

	FY2019 FedMall Data	FY2021 GSA Commercial Platforms Data	FY2022 GSA Commercial Platforms Data
Overall Spend	\$312M	\$11.7M	\$40.3M
# of Orders	90K	45K	150K
Avg. Order Size	\$3.5K	\$260	\$268
Agency Number of Users	37K	35K	53K

Spend Analysis of Competing Federal e-Commerce Programs

Methods

- This study and analysis concentrated on federally accessible e-commerce platforms within the GSA Commercial Platforms Program and FedMall. A thorough examination of these platforms, and DoD policies and procedures were carried out to gain a firm understanding of how the DoD can leverage e-commerce features and capabilities to improve efficiencies within DoD ordering processes without sacrificing small businesses place in the market.
- Quantitative comparative analysis of multiple procurement methods, using publicly available information, was conducted to compare procurement capabilities throughout the federal government.

Results & Their Impact

- The goal of the GSA Commercial Platforms program is to modernize the federal buying process for COTS products through real time trend analysis. Our research intends to help DoD officials understand the GSA's reasons for launching the program and how its features and capabilities can make COTS product purchases more efficient.
- Amazon Business, Fisher Scientific, and Overstock Government platforms offer business analytics and guided buying in an easy-to-use interface. Our research aims to educate customers of the platforms' enhanced market research capabilities.
- In its second year, 53K agency users on GSA's commercial platform program placed 150K orders and spent \$40.3 million (\$32M to SB and AbilityOne), an increase of 244% over FY2021. Our research demonstrates to government agencies the advantages of an expanding e-marketplace in which all participants benefit.
- FedMall offers e-commerce for DoD, other federal agencies, federal, state, and local governments, and DoD contractors under Contractor Logistics Support Agreements. FedMall sells over 63M items and fosters market-driven competition with dynamic pricing and GPC purchases under the micro-purchase threshold. FedMall has 37K active customers and received 90K orders worth \$312M in FY2019, 70% of which were from US Military clients. COVID 19 significantly increased the number of orders, trends show order levels balancing out around 5.5K for FY2020.

Recommendations

- Increase thresholds within programs. Streamlining procedures for the purchase of COTS products should not be limited to a threshold that does not allow for maximum quantity discounts.
- Identify which program or platform federal agencies need to use for purchasing COTS products, and update FAR part 8 to make that program a mandatory source. If all federal agencies are operating out of the same environment, data collected would provide a holistic view of the total COTS spend for all federal agencies.