

**IT Industry Government Council (ITIGC)
Newsletter**

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A Word from the Chairman

GSA's Federal Supply Schedules and GWACs are among the most successful examples of government-wide acquisition reform in operation today. The phenomenal growth of business through these vehicles over the last decade speaks volumes about that success.

The IT Schedules alone, for example, have grown from \$4 billion in FY1994 to over \$17.8 billion in FY2004 with projections for similar continued growth in the future, and with almost half of that growth occurring in services.

Just as important as the growth in sales through GSA FSS Programs, however, is the continuing growth of a real partnership between GSA, its Industry Partners and its government end-user customers.

As a consequence of GSA's continuing efforts to work in partnership with industry and agency customers, we are seeing a real-time evolution toward ***"Government contracting at the speed of need"*** along with refinements of policies, processes and insight/oversight to help ensure all sides of the partnership are able to ***"Get It Right"***. Industry and end-user customers are participating in this evolution by working with GSA to help identify and incorporate commercial best practices into the way government obtains what it needs to accomplish its mission successfully.

One tangible and impressive example of this partnership at work is seen in the very successful formation and ongoing work of the IT Center's Industry Government Council. The following summary of that Council's creation and efforts to date, along with the agenda it has established for 2005, are highlighted in the paragraphs that follow.

Ed Naro, Northrop Grumman Information Technology
ITIGC Chairman

History of the Council

Established in July of 2003 as an advisory group for the IT Acquisition Center, the ITIGC serves strictly in an advisory capacity. It does not create or establish policy or new programs for the IT Acquisition Center. Council members were selected by GSA through an application process. Members were selected objectively and serve three-year terms. Members were selected from GSA Schedule holders to represent all business concerns. The council currently consists of members from GSA, the IT Industry, and customer agencies.

The ITIGC makes recommendations to GSA as outputs from either existing committees or as ad hoc issues arise and teams are formed to discuss the views of all involved parties in order to offer recommendations. The ITIGC had five active committees during FY2004 and the committees formed around the following initiatives:

- Cooperative Purchasing
- Teaming and Subcontracting
- E-Tools
- Training, Education and Communication
- Economic Price Adjustment

The council meets quarterly and subcommittees established by the group meet in between these quarterly council meetings. Any interested parties may become involved on the subcommittee level of the Council.

From the first council meeting on November 21, 2003 through today the communications within this partnership of government and industry has helped to create a greater understanding of issues that require clarification and has also provided the perspective to allow recommendations to be made that are conducive to a true government-industry partnership.

The council operates in pursuit of the following mission:

The ITIGC will stimulate, support and make recommendations to improve the continuing evolution, development and implementation of the IT Center's GSA Schedule programs and the GSA – intergovernmental- industry partnership.

A Word from the Assistant Commissioner of the Office of Commercial Acquisition, Neal Fox

The Office of Commercial Acquisition had a highly successful FY2004, and IT figured prominently in that success. Although not the only measure of success, our customers continued to vote with their dollars and gave the IT Schedule a big vote of confidence, taking sales close to the \$18 billion mark, up nearly \$3 billion from 2003.

The IT Center re-organization was finalized, setting the stage for major improvements and an expansion of the Center. The re-organization will be implemented during 2005, setting the stage for improvements that will begin to show in 2005, but will be fully evident in 2006. These changes are putting the IT Center in a position to ensure GSA can keep pace with the changes in the IT sector. There were major accomplishments with regard to electronic processes, as e-Offer and e-Mod were both implemented, beginning with the IT Schedule. Cooperative Purchasing continued to expand, and IT Center personnel worked with State and City governments to explain the benefits of using the program. A change in leadership occurred that was extremely orderly, and that will continue to build on the foundation that was laid by Roy Chisholm. The Alliant GWAC program was launched, and much progress was made. The status of IT programs in Commercial Acquisition is very strong, and the future is bright. Thanks to the ITIGC for the great work, and to Ed Naro for his exceptional help in getting it started.

Subcommittee Accomplishments in FY2004 and Goals for FY2005

• Cooperative Purchasing

In FY2004 contact was made with Tom Davis's office. The group has been assigned a point of contact within the Congressman's office to work with them and participate in future subcommittee meetings. The subcommittee also had meetings with three state and local purchasing officials from Virginia and Maryland. A procurement official from Fairfax County has agreed to participate on the subcommittee and will be a valuable source of information particularly with respect to creating messaging to send out to the state and local procurement community. The group also made contact with a number of professional associations that have an interest in cooperative purchasing. A representative from the National Institute of Government Purchasing (NIGP) has agreed to participate in future meetings.

For FY2005 the subcommittee plans to focus on messaging and gaining momentum for the program. The group will continue to look for examples of successful applications of Cooperative Purchasing that can be publicized or presented as "Best Practices". The subcommittee continues to look for success stories from both the state and local and vendor community.

• Teaming and Subcontracting

In FY2004 the subcommittee worked with GSA's Office of Contract Management to define GSA Teaming and Contractor Team Arrangements (CTA). The group assisted in determining areas of risk in current CTA practices and identified the Assignment of Claims clause as a barrier to executing CTAs. GSA has rewritten the GSA frequently asked questions (FAQ) webpage to better describe CTAs and is also in the process of developing a clause in which each team member agrees that payment will be made to the team lead, who will then distribute payment to each team member. The clause will also indicate that each team member agrees that, in the case of a dispute involving the distribution of payment between the team lead and the team members, the dispute will be resolved by the team, not the government.

For FY2005 the committee would like to focus on the Time & Material Payment clause and open market procurements on Schedule buys.

- **E-tools**

In FY2004 the subcommittee met with the Systems Management Center in the Office of Acquisition Management of the Federal Supply Service on a regular basis. The group participated as beta-testers for system upgrades and provided input back to FSS.

For FY2005 the subcommittee plans to continue its efforts in suggesting improvements to GSA's systems used by vendors and customers alike.

- **Training, Education, and Communications**

In FY2004 this subcommittee has supported a number of initiatives. The group reviewed, analyzed, and documented GSA results on the 2003 Business Partner Satisfaction Survey and recommended actions for improving the communications between GSA contract holders and GSA staff. The committee also conducted various surveys to determine the effectiveness of existing GSA Communications Media. In particular, it was determined that "GSA Steps", an existing GSA newsletter, could expand their coverage. GSA reacted and used the GSA Expo in Orlando to collect e-mail addresses to expand the reach of the "GSA Steps" newsletter. The major industry special interest groups were also added to the distribution list. The group has also partnered with the Services Acquisition Center's Industry Government Council and contributed to their "One GSA" White Paper presented in January 2005.

The group's plan for FY2005 is to support and report on the activities of all the ITIGC subcommittees and to also establish a closer relationship with the Services Acquisition Center's Industry Government Council in order to support recommendations that cut across all of the Schedules. The group hopes to position the subcommittee as a resource that can partner with GSA to make recommendations that will help GSA to move beyond "Get It Right". The group also plans to recommend the creation of a summary of ITIGC committee meetings that could be reported via a column in the "GSA Steps" newsletter.

- **Economic Price Adjustment**

In FY2004 this subcommittee prepared and delivered a White Paper on the Economic Price Adjustment Provision. The recommendation portion is provided below:

GSA has already made progress by modifying the EPA language in the adoption of Quick Mod. Based on the above rationale, GSA should use the language from Quick Mod to guide their response:

"The economic price adjustment provisions (EPA) contained within contract clauses 552.216-70, Economic Price Adjustment, FSS Multiple Award,

Schedule Contracts, and I-FSS-969, Economic Price Adjustment, FSS Multiple Award Schedule, pertain to contract unit pricing. Under Quick-Mod, unit pricing is removed from the contract and contract pricing is re-established to "discount off of list price" or "markup over the cost the contractor paid to acquire the item." This allows for market driven pricing based upon increases and decreases to the list price and/or cost of an item. Therefore, the EPA provisions of contract clauses 552.216-70 and I-FSS-969 do not apply to pricing re-established under Quick-Mod." For FY2005 it is the subcommittee's intention to monitor the progress of this recommendation and determine next steps required at future ITIGC meetings.

Getting Involved with the Council

To become involved with the council on the subcommittee level or attend a council meeting, please contact Lindsay Levine at GSA:

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For meeting minutes or more information about the council please go to the council's website at: www.gsa.gov/itigc
(Meeting minutes and other attachments are available under the "IT Industry Government Council Library".)