Consolidating Wireless Contracts to Better Manage Your Agency's Mobile Needs

Among large federal agencies, procuring and managing wireless devices and service plans is normally a de-centralized function that is left to individual bureaus and business units. Unfortunately, this can create a "sprawl" of fragmented contracts and service plans which result in higher costs, lower control, and potentially, higher security risks. This was the situation faced by one of FSSI Wireless' customers in 2014.

To serve the mobility needs of their dispersed user community, the agency held eight separate wireless contracts with different wireless carriers, including both large, national carriers and small, regional carriers. Since its business volume of 2,600 voice devices and 2,800 data devices was spread across many contracts, it lacked the scale required for discounts. This agency needed a way to consolidate its contracting support and lower its wirelesses spend, while at the same time not jeopardizing business operations.

Although lowering total costs was important, maintaining adequate service coverage was critical for the field staff. One of the technical challenges was the notion that only smaller, regional wireless carriers could provide adequate services to remote, low-density areas. Historically, national carriers focused their infrastructure investments in high-density metro markets, leaving less populated areas and remote locations to "mom and pop" service providers. Understandably, field staff was averse to switching. The FSSI Wireless BPAs were a natural choice for contract consolidation, but a major concern was whether FSSI Wireless service provider's networks could adequately serve the agency's field operations.

Getting the Facts First

To counter the resistance to change, the agency identified the geographical service coverage areas that were of greatest concern to their operations. They developed a Statement of Work in their Task Order Request for Quote (RFQ) that asked FSSI Wireless contractors to provide technical level of service data in these key service coverage areas. As part of the acquisition strategy, they independently validated the service level quality ratings provided by each vendor. Their award evaluation criteria included service coverage as one of several considerations in a best value determination. Armed with the objective data, the project team had confidence in the service provider's network coverage as stated in their proposals.
In the end, the agency successfully awarded their entire wireless business to one FSSI Wireless contractor. By aggregating volume, they achieved additional discounts at the point of competition. As a result, they lowered their average price per unit to $38.94, saving an estimated 30% from their prior contracts.

Executing New Vendor Agreements Efficiently Using FSSI Wireless

This FSSI Wireless customer previously procured wireless services through the US Army Information Technology Agency (ITA) contract. In February 2013, the US ITA informed the

agency the existing ITA contract would expire on June 1, 2013, and not be renewed. This agency faced a potential loss of service to 3,700 wireless lines spread across two strategic military bases. The prospect of initiating a new solicitation, along with implementing a transition, in less than four months, was a daunting task. The agency turned to the FSSI Wireless program team for help.
At that time, this customer's service plans consisted of 800 voice minutes/month, plus unlimited texting, and unlimited data. The agency approached FSSI Wireless to see if the FSSI Wireless BPAs could match their requirements and deliver savings. FSSI Wireless' pooled minute structure enabled them to reconfigure their service plan mix (400 Voice pooled minutes and 300 MB pooled data) to better match actual usage levels, while avoiding overage charges.

In addition, the agency needed more technical and business requirements to complete their acquisition. The agency issued a quick Request for Information (RFI) to all BPA Holders. The RFI requested information such as coverage quality maps, supported locations, transition process and costs, and available equipment. The vendor responses helped clarify most open issues and enabled them to finalize an acquisition plan.

Rather than limit competition to a single procurement, they split the primary requirement from the specialized requirement into four separate RFQs; one each for Standard Wireless Services, Secure Wireless Services, Mobile Pilot Services for GSM Devices, and Mobile Pilot Services for CDMA Devices. All BPA holders were given a fair opportunity to submit quotes. A Best Value Determination was used, with non-price factors (such as trade-in considerations, coverage area, delivery terms, etc.) being slightly more important than Total Price.

The agency awarded to different carriers, but consolidated the bulk of business with one vendor. By consolidating business volume, they were able to achieve additional discounted pricing at the point of competition (from the BPA list price). Discounts varied greatly from each vendor due to incentives offered. As a result, the FSSI award resulted in 38% savings over the previous contract.

Leveraging the FSSI BPAs allowed for a "very quick award" and significant savings. However, in their lessons learned, this agency customer recommends allowing more time for an acquisition with complex requirements and ensuring that all costs associated with switching to a new vendor are considered, such as changes due to network type, configuration costs, network changes, etc.

Structuring Task Orders to Account for Enterprise Consolidation and Uncertainty

This FSSI Wireless customer is the contracting arm of a Government Agency who supports warfighters, national level leaders, and other mission and coalition partners across the full spectrum of military operations. They leveraged the FSSI Wireless BPAs to address their approximate 3,800 devices in 25 field sites across the continental United States.

Previously this agency used an acquisition vehicle that required multiple “mini” competitions, often from the same customer. There was little to no standardization associated with the plans, there was no ability to capitalize on pooling, and the process in place added to their procurement lead time. They looked towards the FSSI Wireless BPAs to address their needs seeing that it required:

- Required only one competitive action
- Allowed forecasting of wireless needs over a 5-year period
- Eliminated procurement lead times for funded service orders
- Cost savings due to volume discounts
- Single carrier with standardized devices and service plans
- Collective buying power of the agency / pooling
- Tech refresh

A Unique Approach

The FSSI Program often is asked whether or not it is allowable to place a BPA under a BPA, and the reason for asking often is because of uncertainty (total devices or when devices/plans are up for renewal). Although this is a debated point across procurement, the FSSI Wireless program has always advised on defining the objective that you are seeking to accomplish rather than falling into these semantic traps. Many agencies take a T&M approach to dealing with this, and structure their task orders accordingly. This agency sought to implement strategic sourcing as an enterprise objective in a phased approach.
In February 2015 this agency issued a priced, unfunded task order for their carrier services that was a base-year award with 4 option years. They then issued service orders against this task order. By taking this innovative approach to address their enterprise need they created the ability for consolidation, enterprise execution, and competed pricing that saves money. At the time of award the pricing was 37% below their IGCE, and 29% below list price identified on the FSSI BPAs. Further savings will be achieved via pooling and plan management, which the carriers assist with via “optimization reports” that each are required to provide through the FSSI Wireless BPAs.

Leveraging FSSI Wireless with Telecommunications Expense Management Solutions

This FSSI Wireless agency customer is responsible for managing over 3,000 devices. With the growth of its mobile workforce, they reached a critical point where a solution for expense auditing, expense management, inventory management, facilitating ordering, billing and payment of wireless services, and reporting was required. The agency contracted with a third-party, Telecommunications Expense Management (TEMS) service provider to assist with the tracking, monitoring, and management of their assets and service provider plans across the enterprise.

Often TEMs providers negotiate their own contracts with wireless carriers and “resell” a bundled service that includes the service plan price back to their customers. This practice is convenient to customers, but often results in higher costs. This also creates a “middleman” risk in that customers do not have the visibility into the carrier arrangement.

A Unique Approach

This agency sought to change this business paradigm by leveraging the best of both worlds—by combining their TEMs provider’s capabilities with FSSI Wireless BPAs service plans and capabilities. They implemented a contracting solution that authorized their TEMs provider to buy on behalf of the agency directly from the FSSI Wireless BPAs. The mechanism was a FAR Part 51 deviation to the FSSI Wireless BPAs, along with a Letter of Agency for their TEMs provider.

The result was the TEMs provider was able to buy services at the government’s strategic sourcing cost and pass-through the savings. Using the FSSI Wireless BPA under this arrangement, the monthly average cost dropped by $8.59 per device, or a savings of 18.3% compared to their previous contract.

Furthermore, they gained a valuable “check and balance” to verify the prices and inventory of services billed by the wireless vendor. One of the features of the FSSI Wireless BPAs is that contractors are required to submit a monthly summary billing report (Agency Billing Summary Report) to the agency customer and to the FSSI PMO. For agencies that have multiple carriers, and do not have a TEMs provider, the ABSRs facilitate consolidation of reports across the enterprise. And the FSSI Wireless program takes notice when they see optimization occurring, as happened when the monthly recurring cost (MRC) dropped from $45.99 to under $37.51. We notice and pass this information along to the program, so that they are aware that their middle-man is doing as promised.