



Commercial Platforms 101

July 2020

Key topics

- About Section 846
- Commercial Platforms Opportunity
- Program Approach: Begin with a Proof of Concept
 - About E-marketplace Platforms
 - Benefits of the Proof of Concept
 - Timelines
- Get Involved!
- Appendix (*Background & Implementation Phases*)

Congressional Direction to GSA

FY 2018 National Defense Authorization Act (NDAA)

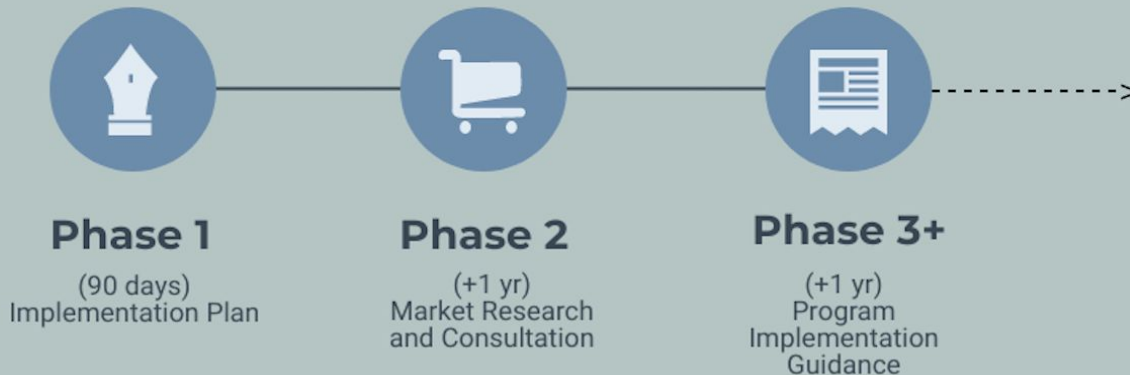
NDAA, Section 846



“[GSA] shall establish a program to procure commercial products through commercial e-commerce portals for purposes of enhancing competition, expediting procurement, enabling market research, and ensuring reasonable pricing of commercial products.”



3+ Phases were outlined...



Micro-purchase
Threshold
▲ to **\$10,000**

Simplified
Acquisition
Threshold
▲ to **\$250,000**

- ✔ Contract must be competitive, with multiple portal providers.
- ✔ GSA shall accept portal provider terms & conditions to the maximum extent practicable.
- ✔ All existing procurement rules and regulations apply.
- ✔ Orders shall not exceed the Simplified Acquisition Threshold.
- ✔ Platforms must be widely used in the private sector and excludes portals managed by Government.

Commercial Platforms Opportunity

Value Proposition:

Federal spend through commercial e-commerce portals is increasing at a rapid pace. Agencies are looking to leverage commercial capabilities to better manage this spend, promote small business and mandatory source purchasing, reduce supply chain risk, and improve internal controls. The Commercial Platforms program will enable agencies to gain these critical insights through partnerships with multiple e-marketplace platforms who offer business-to-business (B2B) capabilities.

GSA's Vision and Objectives:



Modernize

Modernize the commercial product buying experience



Streamline

Streamline commercial product purchasing to allow agencies time to focus on mission oriented acquisition



Analyze

Increase visibility and analysis of online spend to allow for better buying decisions

Starting with a Proof of Concept

Why a Proof of Concept?

To implement the program, GSA is launching the Commercial Platforms Proof of Concept to authorized GSA SmartPay® Purchase Card (GPC) holders who will be able to make purchases through select e-marketplace platforms. This allows GSA to **start small, test, refine, and ultimately grow** the program based on lessons learned.



Proof of Concept Scope

- **'E-marketplace' business model** as a starting point, with a requirement to award to **multiple e-marketplace platforms**
- Per order spending thresholds limited to the **\$10K micro-purchase threshold (MPT)**
- Available to a limited audience of **Government Purchase Card holders** from specific partner agencies (however, ad-hoc buying by agencies is permitted)
- **Collection of spend data and analyze trends** in order to assess impacts, while also making that data available to partner agencies

What is an E-Marketplace Platform?

An **e-marketplace platform** is an online marketplace that connects buyers and sellers, and offers the sellers a way to compete for the sale of each item on the platform. The sellers are typically third-party suppliers, but can also include the portal providers themselves who might sell their own products. Transactions are processed on the marketplace, and the sellers are responsible for order fulfillment.



**Commercial Platforms Landing Page will launch in August 2020*

Awarded E-Marketplace Platforms

GSA awarded no-cost contracts to the following platforms as of June 26, 2020:

– Amazon Business,



– Fisher Scientific (fishersci.com), and



– Overstock.com, Inc.



Awarded platforms offer business-to-business capabilities, to include:

– Tax exemption for all purchases

– Workflows and approvals (using the GSA SmartPay® agency hierarchy)

– Pricing benefits (B2B discounts, tiered pricing, bulk discounts)

Benefits of GSA Proof of Concept vs. Open Market Buys

		Consumer Websites	GSA's Proof of Concept
User Experience	Intuitive and Familiar User Experience	✓	✓
	Detailed Product Information	✓	✓
	Speedy Delivery	✓	✓
	Order Tracking	✓	✓
Pricing Benefits	Competitive, Real-Time Pricing	✓	✓
	B2B Pricing / Discounts	✗	✓
	Volume Discounts / Tiered Pricing	✗	✓
	Tax Exemption (automatically applied)	✗	✓
Management Tools	Identification of Restricted Items / Excluded Vendors	✗	✓
	Support of Mandatory Source programs (AbilityOne) and Small Business	✗	✓
	Approval Workflows / Account Hierarchies	✗	✓
	Product Curation by Agencies	✗	✓
	Spend Analysis (Across all Agency Accounts)	✗	✓

Launching the Proof of Concept

The Commercial Platforms proof of concept **will launch in August 2020** and will be available **through a landing page on GSA.gov** *(coming soon!)*



How to Buy

- The GSA SmartPay® Government Purchase Card (GPC) is the only authorized method of payment.
- GPC holders from participating agencies are encouraged to use the program's e-marketplace platforms for purchases of routine commercial products typically made from consumer websites up to the micro-purchase threshold of \$10,000.
- Cardholders must follow existing purchase card policies (including any relevant agency policies) before purchasing items on the Commercial Platforms proof of concept.
- All micro-purchase purchasing rules apply and must be complied with for purchases made on the e-marketplace platforms *(see FAR 13.2 and 13.301 and consult your agency's GPC coordinator).*

For more details, review the Commercial Platforms proof of concept [ordering procedures](#).

Getting Involved

The agencies listed below are the initial participants in the Commercial Platforms proof of concept. Each participating agency has identified a select group of purchase cardholders that will be bulk loaded into each e-marketplace platform and have received guidance and resources via their Agency Champion.

- ✓ Environmental Protection Agency
- ✓ General Services Administration
- ✓ Department of Veterans Affairs
- ✓ Department of Justice
- ✓ Department of Labor



We will start partnering with the next round of agencies after the initial group is onboarded. If your agency is interested in participating, please email Section846@gsa.gov.

Questions?

Connect with us!



Follow our [Commercial Platforms](#) group on GSA Interact



Email section846@gsa.gov with questions

Appendix

Commercial Platforms: Phase 1

Phase 1: Implementation Planning (Dec 2017 - Mar 2018)

- **Stakeholder Outreach:** 1 Industry Day, 1 Request for Information (RFI), vendor meetings / demos, meetings with federal agency stakeholders
- **Key Feedback Themes:** maximizing flexibility, maintaining a balance, and modernizing competition requirements
- **Two Primary Recommendations:**
 - ✓ Allow GSA to establish the competitive procedures
 - ✗ Increase micro-purchase threshold (MPT) to \$25K (ONLY for buys through GSA portals)
- **Phase 1 Report - Implementation Plan and Policy Assessment** (March 2018)

Commercial Platforms: Phase 2

Phase 2: Market Research and Stakeholder Consultation (April 2018 - April 2019)

- **Significant Stakeholder Outreach:** 2 industry days (Jun and [Dec 2018](#)), 3 RFIs, 50+ vendor meetings / demos, 3 acquisition center design sessions, 1 agency journey-mapping session
- **Key Decision Points:** Plan to start small with an initial proof of concept at the micro-purchase threshold (MPT) with select agencies (around the end of 2019)
 - Start with the e-marketplace business model to assess the impacts, while continuing to consider ways to incorporate features of the e-commerce and e-procurement models
- *[Not adopted]* **Recommended Legislative Change:** Raise the micro-purchase threshold (MPT) from \$10,000 to \$25,000 for a limited period of five years, for only those purchases made through GSA approved commercial e-commerce portals.
- [Phase 2 Report - Market Research and Consultation](#) (April 2019)

Commercial Platforms: Phase 3

Phase 3: Program Implementation Guidance (April 2019 - April 2020)

- Release solicitation for e-marketplace providers
- Agency engagement with additional opportunities to learn more about participation in the proof of concept
- Develop implementation guidance and success metrics for initial proof of concept
- Congressional committee briefings on specifics of report