

GOVERNMENTWIDE INFORMATION TECHNOLOGY VENDOR MANAGEMENT OFFICE

Fiscal Year 2023 Annual Assessment

Prepared for the Office of Management and Budget September 15, 2023 The IT Vendor Management Office (ITVMO) was established in fiscal year (FY) 2021, joining the four major Federal Acquisition Programs from General Services Administration (GSA), National Aeronautics and Space Administration (NASA), National Institute of Health (NIH), and Department of Defense (DoD). The ITVMO provides a governmentwide IT acquisition intelligence capability by:

- → Building original equipment manufacturer (OEM) and agency buyer relationships
- → Standardizing contract terms and conditions
- → Mitigating govwide technology operability and cyber risks
- → Improving data quality and use in acquisition strategies
- → Innovating use of tools and knowledge for the federal acquisition workforce

Through these tactics, the ITVMO amplifies the Federal Government's effectiveness by guiding faster, smarter IT buying decisions.



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FISCAL YEAR 2023 Executive Summary

The ITVMO has advanced govwide progress for Presidential Management Agenda Priority 3, Strategy 1 -- Fostering lasting, continuous improvements to the Federal IT Acquisition ecosystem

Goal-1: Market Equity

- Used IT spend to identify niche markets for small businesses (SB) and created guide for using federal data to assess supplier equity
- Evaluated all 13 IT Best-in-Class (BIC) Solutions for Equity, Cyber, and Sustainability compliance

Goal-2: Data & Tools

- Produced Federal Data Health Report and met with 5
 agencies to mitigate data outliers and discrepancies
- Published 8 software buyers guides and launched new Microsoft Acquisition Strategy effort to improve pricing

Goal-3: Workforce

- Held 17 govwide IT acquisition events including 4
 SB-focused to promote knowledge sharing
- Awarded 581 continuing learning points (CLP) in alignment with Federal Acquisition Certification (FAC)

01 Amplified Vehicle Solutions

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- ★ 4 quarterly Cyber Industry Supplier communications releases
- ★ 5 vendor meets to standardize v.9 desktop-laptop configurations
- ★ 2 Vehicles pending award and BIC designation; 13 BICs sustained

02 Bolstered Vendor Relations

- ★ 2 OEM assessments completed on ServiceNow (SN) and Amazon
- ★ Kicked off 2 new OEM assessments on Cisco and Salesforce
- ★ Chartered 2 interagency working groups with industry organizations
- \star Sold out the first annual gov-industry IT acquisition summit
- ★ 60+ small businesses engaged through quarterly events & SB liaison

3 Increased Market Confidence

- ★ 5 marketplace webinars conducted with 2 agency use cases
- ★ 30+ processes evaluated and tested
- ★ Gathered set of recommendations from contracting officers (CO)

04 Generated Category Intelligence

- ★ Evaluated \$7.7B in cyber spend to guide compliance across 13 IT BICs
- ★ Produced 3 SB market guides; created SBA/MBDA roadshow approach
- ★ 433 SB vendors profiled and Cyber Market Report prepared

05 Strengthened Contract Terms

- ★ Launched 2 new OEM service offerings
- ★ Shaped 5 agency pilots with Contract Review Service
- ★ Identified 22 Microsoft terms for govwide addendum
- ★ Conducted OEM panel with 3 vendors on IT modernization
- ★ New "Doing Business with Government" buyer OEM guide

06 Provided Data Tools

- ★ Evaluated Leading Edge Technologies with Gartner & Forrester
- Compiled 28 agency use cases on artificial intelligence (AI)
- Published 85 new IT acquisition resource cards



ITVMO Impact

Govwide practices are driving down costs COST SAVINGS

- **100%** (**12/12**) concessions reached with top OEMs covering price escalation to security to usability
- \$399M of the \$421M (95%) SN spend is from agencies that took the ITVMO SN training

Agency buyers are seeing value

CUSTOMER SATISFACTION

- **94%** out of 327 surveyed found ITVMO information helpful and would apply in their job
- **49.2%** agency email click rate (**+18.7%** higher than industry average) for IT Buyers Bulletins

Acquisition improvements are lasing

EFFICIENCIES GAINED

- **10%** spend under management (SUM) improvement, result of agency meetings
- 81% of service tickets closed with an ITVMO in-house solution (80 current solutions published)

www.ITVMO.gsa.gov

COST SAVINGS

Looks at ability to reduce future costs/expenses for agency buyers. Evaluates cost effectiveness to reduce waste, burden, and/or lower overall costs.

Through crosscutting work with agencies, the ITVMO is piloting new frameworks and working with vendors to <u>secure cost savings</u>.

INFORMATION TECHNOLOGY Vendor Management Office

TOP ITVMO SOLUTIONS DRIVING COST SAVINGS

- → OEM Assessments: working with agency buyers to discover common challenges. Partner with OEMs to solve and employ tactics that deliver agency and govwide cost savings.
- → Govwide Microsoft Acquisition Strategies: Piloting best-in-class terms for prospective follow on initiatives with other large software OEMs that will drive price reduction.
- → IT Buyers Community of Practice (CoP): chartering working groups to identify and implement cost saving initiatives.
- → Category Intelligence Team: supporting agencies with data and category principles that improve their overall programmatic performance to drive down costs.

FY2023 MEASURABLE IMPACTS

- ★ 100% (12/12) concessions reached with top OEMs covering price escalation to security to usability
- ★ \$399M of the \$421M (95%) SN spend is from agencies that took the ITVMO SN training
- ★ 1 flagship win, gained a memo of record on Microsoft Audit Log Resolution

FY2023 Accomplishments

COST SAVINGS: Employed govwide best practices are driving down costs.

- Matured Cyber Category Team's efforts to improve use of IT BIC Solutions for cyber buying needs. Evaluated \$7.7 billion in cyber spend to guide compliance across IT BIC Solutions. Worked within interagency team to examine policy requirements, implications, and strategies to comply within solutions as well as guidance for agency buyers in using the solutions to meet regulatory buying requirements under the Nation's Cybersecurity Executive Order (EO).
- Initiated a multi-year cloud acquisition business case for govwide change. Developed business case to pursue Federal Acquisition Regulation (FAR) changes, which would capitalize on prior suggestions from executive committees. Led to launch of Financial Operations (FinOps) Pilot via Federal Technology and Investment Management (FTIM) CoP and later the Cloud Acquisitions Working Group.
- ★ Maintained and employed v.9 of the Govwide Strategic Solutions (GSS) for Desktops and Laptops. The GSS is an interagency solution from the Core Workstation Category Team which includes BIC Solutions from NASA, NIH, DoD, and GSA. The GSS has continued to trend a \$1.8+ billion revenue increase year-over-year, helping to improve SUM and gain cost savings through use of the BIC Solutions.



Microsoft - ITVMO Vendor Relations

An ITVMO Solutions Success Story -- OEM Assessments

"By working collectively with government through the ITVMO we were able to identify the right way to provide data and resources needed..."

Steve Faehl, Microsoft Federal Security CTO

The Challenge

IT buyers collaborated to recognize many common challenges with Microsoft, including management of Azure (Cloud) consumption, confusion around product lines and stock keeping units, budget planning, license agreement Terms and Conditions, and data log retention features to meet OMB, M-21-31 mandate. These challenges have led to increased costs, under-budgeted obligations, potential contract violations, uncertainty around product upgrades and downstream impact, and issues meeting cybersecurity requirements.

The Solution

The ITVMO following its Discovery Phase of the OEM Assessment held 6+ meeting with Microsoft federal executives to walk through and negotiate the government's 10 primary requests.

The Results

- → Reached concessions with Microsoft on cloud consumption management to include the enablement of payments in arrears, tailored resources on cloud consumption utilization, and monthly billing to more accurately track consumption.
- → Commitment to meet annually with agency acquisition professionals to discuss footprint, requirements, pricing, budget planning, and long term strategy.
- → Microsoft will now offer extended audit log retention capabilities for customers whose license plans did not previously include it.

FinOps Pilot

An ITVMO Solutions Success Story -- IT Buyers CoP

"By adopting the FinOps, the Army can control and predict costs while maximizing the benefits of cloud computing."

Robert J. Schadey, U.S. Army Program Executive Officer for Enterprise Information Systems

The Challenge

Need to mitigate underutilized cloud services and the absorption of unplanned, avoidable costs against appropriated resources.

The Solution

In collaboration with GSA's Office of Governmentwide Policy (OGP) and FTIM CoP, a FinOps Pilot was launched. The pilot evaluated the use of FinOps across Army, VA, Department of Energy (DOE), Office of Personnel Management (OPM), and Nuclear Regulation Commission (NRC) to optimize service and performance. The pilot assisted in maximizing business value and collaboration on data-driven spending decisions. Cross-functional teams employed best practices to improve fiscal stewardship while also ensuring rapid delivery of capability. From the pilot a interagency working group has been chartered to sustain results and further use of the best practices.

The Results

Helped forecast cloud spending and plan for future investments by delivering a unified view of all cloud costs across services, accounts, and resources. It provided the visibility and transparency necessary to track their spending and adjust their budgets accordingly.

- → \$15.3M in avoided costs
- → \$11.3M in cost savings

Targeted Agency Performance Meetings

An ITVMO Solutions Success Story -- Category Intelligence Team

"Our IT spending has been trending away from Tier 0 towards higher SUM/BIC obligations, and we have identified additional opportunities to further raise our BIC obligation percentage from our FY22 total of 10%."

Agency Category Management Team

The Challenge

While overall the Govwide IT Category has achieved its SUM and SB Utilization (SBU) goals in recent years, individual agencies have demonstrated varying levels of SUM and SBU success. Improvement in these areas is critical in building a more equitable, compliant Federal IT Marketplace and avoidance of unnecessary costs.

The Solution

The ITVMO Category Intelligence Team engaged directly with individual agencies who are lower-performing in SUM and SBU key performance indicators (KPI). The team provided detailed views of their spend that highlighted subagency organizations and subcategories with particular opportunity for improvement. The team worked with the respective agency category and IT teams to build an action plan that called for ITVMO assistance and use of tools that better used data to drive informed acquisition and IT financial planning strategies.

The Results

2 of the 3 engaged agencies are on track to meet their SUM goals this year and are demonstrating between 2-10% increase in SUM. All 3 have maintained or grown IT SBU.

Govwide Microsoft Acquisition Strategy

Fiscal Year 2024 Lookahead

EFFORT

Ensure that all federal customers benefit from similar contractual terms through the development and implementation of a multiphased approach to standardize key components of Microsoft agreements.

vendor lock-in.

용 AUDIENCE



Agency Buyers. Provides insight into existing contract terms and pricing data. Work with COs and agency Microsoft SMEs to inform common list of terms and incorporate into agency contracts.

Microsoft. Work directly with OEM to negotiate and solve.

Secure greater value from agency spend to improve software and cybersecurity posture.

NEEDS

Increase efficiencies gained to secure more favorable terms and conditions for Microsoft products and services.



Success Story. Proven pilot for

follow on initiatives with other large

software OEMs, reducing the risk of

Contract Solution, Standard terms

and conditions and agreed-upon

discounts to establish a shared

govwide contract vehicle.

SOLUTIONS

TARGETS

Reduces price variance; Improves cybersecurity posture.

Estimated annual ~2-5 percent cost avoidance (~\$30M-\$75M cost savings).

~20 percent buying efficiency gained.



CUSTOMER SATISFACTION

Identifies the value and return on investment for the ITVMO customers by considering customer loyalty/retention and brand advocacy.

The ITVMO's IT Buyers Community of Practice fosters a whole-of-government approach which has helped expand access to a broader set of knowledge, data, and tools -- boosting <u>customer satisfaction</u>.



TOP ITVMO SOLUTIONS IMPROVING CUSTOMER SATISFACTION

- → IT Buyers CoP: organizing govwide engagement events for agencies and industry to promote knowledge sharing and use of ITVMO services and solutions.
- → ITVMO Service Desk: expanding the ITVMO service catalog that scales organizational agility to quickly address and respond to customer needs.
- → OEM Assessments: collaborating with OEMs to develop buyer guides and resources to best support agency buyer customers.
- → Acquisition Intelligence System: providing an on-demand agency support services to increase the use of govwide data that will inform acquisition planning and customer value.

FY2023 MEASURABLE IMPACTS

- ★ 94% out of 327 surveyed found ITVMO information helpful and would apply in their job
- ★ 49.2% agency email click rate (+18.7% higher than industry average) for IT Buyers Bulletins
- ★ 92 service tickets received and closed with 80% of those closures through an ITVMO in-house solution

FY2023 Accomplishments

CUSTOMER SATISFACTION: Agency buyers are seeing value in ITVMO solutions.

- Formed coalitions with 6 govwide communities. Collaborated with multiple communities to produce gowide outputs to include the FTIM CoP Cloud Acquisition Best Practices; Cloud & Infrastructure CoP Cloud Acquisition Playbook; GSA Centers of Excellence TechAcq's Cloud Acquisition Lifecycle resource guide; Federal Zero Trust (ZT) CoP's cyber forums for ZT acquisition training; GSA OGP IT Acquisition Working Group's IT Acquisition Training Curriculum; and knowledge sharing with the Technology Transformation Services (TTS) Interoperability PMO.
- ★ Organized first annual End-of-year IT Buyers Event. Hosted event in collaboration with all four major acquisition programs from NASA, GSA, NIH, and DOD to promote the 13 BIC Solutions. Attracted 153 participants and received a 98% satisfaction rating. Received kudos from IT Govwide Category Manager on event success.
- ★ Grew the ITVMO Listservs by 32% this fiscal year. This includes maintaining a 9 to 1 ratio of government to industry representation, prioritizing agency buyer support. The ITVMO publications pushed via the quarterly newsletter and newly introduced IT Buyers Bulletin have been used by agency IT and acquisition leaders in National conferences. Melvin Brown (OPM Executive) used the May IT Buyers Bulletin as part of his presentation at the San Francisco FinOps conference.



ITVMO Summit

An ITVMO Solutions Success Story -- IT Buyers Community

"Best session I've attended in years. Very substantive and relevant content with great speakers. Nice mix of industry and government. The networking during lunch was valuable and provided ample time for networking."

Survey Feedback

The Challenge

To improve how the government does business, a whole-of-government approach must be fostered to promote knowledge sharing and scale access to domain SMEs, resources, and information.

The Solution

Convened both industry and government with the goal of increasing knowledge of and fostering collaboration on OEM contract strategies, BIC IT contract solutions, small businesses, and emerging technology. Aim was to foster collaboration between agency practitioners who influence and execute IT buying within their organization.

The Results

- → Sold out event with 50/50 gov/industry representation
- → VIP participation from Federal and industry leaders
- → 56% spike to ITVMO.gsa.gov for resource use
- → Collaboration with Minority Business Development Agency (MBDA)
- → Additional kudos received through survey:
 - "Phenomenal information and very organized! Thank you!...Good breadth of panel speakers."
 - "Love the mix of Gov leadership, industry partners, and working level acquisition stakeholders In IT."

Revolutionizing Federal Procurement with Emerging Technology Working Group

Fiscal Year 2024 Lookahead



Identify governmentwide and agency specific standards for using emerging technologies like AI and natural language
processing (NLP) to revolutionize the federal procurement process.

AUDIENCE

- → GSA IT Category Office of Innovation
- → ATARC's Emerging Tech Working Group
- → TTS
- → Agency Practitioners in procurement, cybersecurity, and technology
- → AI Chatbot Vendors





- Develop agency guidance for how to comply with pending new Al/emerging technology policy.
- 2. Create an acquisition strategy
- that the optimizes the buying process and helps agency's procure the right AI solution.
- Establish frameworks for repeated use for future emerging technologies and related needs.



Federal Event. Enable a deeper understanding of emerging tech opportunities and risks associated both with the procurement and the use in the procurement process. Working Group. Charter an interagency team with industry support to produce govwide resources for use of Al to improve the federal acquisition system.



100+ participation at Fed Al Day with 50/50 registration from government and industry.

1 govwide playbook or tool that will be seen as a best practice by agencies and industry.



EFFICIENCIES GAINED

Provides insight into the efficiency of processes and workflows across the IT marketplace through use of ITVMO services/products.

Through the ITVMO's OEM Initiatives, the program is standardizing terms and buying resources to gain <u>efficiencies</u>.

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TOP ITVMO SOLUTIONS THAT ARE GAINING EFFICIENCIES

- → Contract Review Service: aiding agencies in their next contract renewal to avoid duplicative efforts.
- → OEM Assessments: expanding OEM resources to streamline contract renewal processes and maximize use of common terms.
- → **IT Buyers CoP:** unifying IT buyers to scale and gain access to best practices and acquisition intelligence for govwide use.
- Acquisition Intelligence System: building a centralized system to resolve data issues and increase use in planning.
- Category Interagency Teams: chartering teams with the IT BICs to employ buying guides that ensure govwide compliance and streamline procurement processes.

FY2023 MEASURABLE IMPACTS

- ★ 10% SUM improvement, result of agency meetings
- ★ 81% of service tickets closed with an ITVMO in-house solution (80 current solutions published)
- ★ 5 agency requests within first 2-months of new service launch (Contract Review Service)

FY2023 Accomplishments



EFFICIENCIES GAINED: Acquisition improvements are lasing

- ★ Obtained significant policy and customer service commitments from the OEMs. In collaboration with SN, the ITVMO facilitated a 6-part webinar series, led by the OEM's representatives, with a focus on implementation preparedness and governance of the platform. Agencies that implement the best practices highlighted can expect significant efficiencies reductions in cost by limiting infrastructure sprawl, an issue that commonly plagues SN customers. The webinars were attended by representatives from 25+ of federal, state, and local agencies.
- ★ Launched Contract Review Service. Gained quick agency response for new service marketed in April IT Bulletin. Shaped 5 agency pilots to include Veteran Affairs, Housing and Urban Development, U.S. Army, Treasury, and Department of Education. The service offers SMEs and guidance via targeted, agency-specific software contract reviews to better prepare agencies for their next renewal and streamline their contract process.
- Streamlined ITVMO Service Desk and agency support functionality. Responded to 92 service desk tickets -- 38% Tier 1, 60% Tier 2, and 2% Tier 3. 81% of those tickets were closed with an ITVMO in-house solution. Today, the ITVMO Service Catalog not includes 80+ ITVMO-created solutions.



Adobe Vendor Assessment

An ITVMO Solutions Success Story -- OEM Assessments

"Heather and team shine light on dark confusing areas of commercial vendor practices, as a result of their work, we can understand, action, and realize decisions leading to the best possible outcomes for our agency..."

Howie Cohen, Defense Media Agency

The Challenge

Frequent product roll-outs and upgrades create multi-versioning and a lack of understanding about product features, leading to duplicative spend to acquire features that may already be available from owned Adobe products.

The Solution

The ITVMO conducted an assessment on Adobe, through that assessment common agency challenges were identified. Those challenges were submitted to the OEM with invitation to meet and solve collectively. From these meetings the ITVMO sustained a working relationship with Adobe. The ITVMO partnered with Adobe to provide customized educational material on Adobe products, features, and options based on case studies of different environments.

The Results

From the assessment and completed webinars, the ITVMO consolidated guidance on how to standardize Adobe versions and gather agency-wide inventory data. The ITVMO met 1:1 with agencies requiring Adobe assistance to promote the resources and guide their use of the data and tools.

- → With the information and resources provided by the govwide ITVMO, the DMA was able to move forward faster on the acquisition of technical services
- → The ITVMO accelerated ability to get to a decision point faster

Agency Acquisition Intelligence System

Fiscal Year 2024 Lookahead

EFFORT Create an automated workflow process to receive, process, and satisfy acquisition data intelligence requests from agency buyers that helps to eliminate data outliers and discrepancies.

AUDIENCE



Agency Buyers



Allow ITVMO to trend agency IT acquisition requests, project govwide needs, and identify any needed interventions.



SOLUTIONS

Master Acquisition Intelligence System. Universally available to all federal agencies. Standardizes across government the metrics and processes used. Scalable structure will allow for continued addition of data. Data is captured from all procurement phases to provide a robust picture of the IT marketplace.



Assess the shifts in IT spending patterns over time.

Improves data reliability, availability, and accuracy.

Increases use of federal IT acquisition intelligence to inform data-driven decisions.





Operating Plan



ITVMO Offerings

Federal Governmentwide IT Vendor Management Office

Providing meaningful acquisition intelligence to inform smarter, faster buying decisions.

OEM and Acquisition Initiatives

Providing thought leadership, consulting, and research services in IT policy, acquisitions, technology and operability, and analytics to increase acquisition efficiencies.

Vendor Assessments

Software Integrated Data Collection

Contract Review Service

Govwide Acquisition Strategies

IT Buyers Community Experience

Offering a mix of engagement opportunities to Create, Solve, Engage, Train, and Innovate lasting, continuous improvements for the federal acquisition system.

IT Buyers Community of Practice

Service Desk & Agency Support

Small Business Engagements

Content & Research Services

IT Category Management

Driving down federal IT costs through compliance, spend under management, and cost avoidance to advance category management performance.

Strategy & Implementation

Vehicle Management

Category Intelligence & Performance

Cross-Category Support

Year Four of Operational Growth

FY 2021

FISCAL YEAR 2024 INITIATIVE

- \rightarrow Vendor Management: Negotiate greater value from OEM products and terms to gain greater efficiencies and better operability through best in class terms
- Vehicle Solutions: Amplify IT Best-in-Class solution \rightarrow success to improve spend under management and increase market equity and compliance
- **Community Experience:** Unify IT buyers, govwide \rightarrow programs, and industry partners to scale acquisition best-in-class resources and foster continuous, lasting federal acquisition system improvements
- Market Intelligence: Generate assessments to inform \rightarrow data-driven opportunities for best-in-class, supplier diversity, market capabilities, and potential innovations



FY 2024 Implementation Plan

Diversity; Availability of Products on BICs

ALIGNMENT TO GOVWIDE CM PRINCIPLES



FAC-approved Trainings; Govwide Playbooks

Assessments

★ Efficiencies Gained: Issue and Risk Mitigation; Knowledge Sharing; Negotiated Concessions

FY 2024 High-level Schedule (notional)





Closing



Annual Customer Satisfaction Survey

Opens September 26, 2023 Closes November 9, 2023

The ITVMO hopes to hear from federal IT buyers, program managers, and practitioners as well as industry partners, suppliers, and businesses on:

- Customer Loyalty -- what keeps the customer coming back and promoting ITVMO solutions to others.
- → Services and Solutions -- is the ITVMO offering the right solutions that address the customer's needs.
- → Market and Knowledge Sharing -- does the ITVMO have what the customer is looking for and is it easily found.
- → Customer Services -- is the ITVMO responsive and trusted as the buyer's and vendor's advocate.

Get more engaged by emailing us at <u>ITVMO@gsa.gov</u> to share your interest.

Share your data, knowledge, and expertise.

Bringing together the most critical players in the federal IT acquisition landscape to solve challenges agencies and vendors face when buying and selling IT products and solutions.

Why work with the ITVMO

- ★ Customer-focus. Trusted advisors to agency buyers with significant domain expertise.
- ★ Convenience. One-stop shop for IT acquisition and market intelligence and resources.
- ★ Cost Savings. Solutions to assist buyers in getting the best value (smarter, faster).
- ★ Compliance. Strong policy acumen to inform agency acquisition strategies.

visit us ITVMO.gsa.gov

CONTACT US

