

June 24, 2014

The Honorable Thomas Carper Chairman Senate Homeland Security & Governmental Affairs United States Senate Washington, DC 20510 The Honorable Tom Coburn
Ranking Member
Senate Homeland Security & Governmental Affairs
United States Senate
Washington, DC 20510

Re: Carper/Coburn Amendment to H.R. 1232, the Federal Information Technology Acquisition Reform Act (FITARA)

Dear Chairman Carper and Ranking Member Coburn:

On behalf of the Information Technology Alliance for Public Sector¹ (ITAPS), I am writing to thank you for your continued dedication to eliminating duplication and waste in federal information technology acquisitions and management. Your amendment to H.R. 1232, the Federal Information Technology Acquisition Reform Act (FITARA), includes some key improvements to the bill and areas that we believe should be addressed as the bill advances.

In particular, we support Sections 101 on the Chief Information Officer (CIO) authority enhancements and Section 102 on enhanced transparency and improved risk management in information technology (IT) investments. ITAPS supports enhanced authority for CIOs, including consolidation of the position to improve management of IT investment decisions, reduce redundancy, and drive efficiency across the entire department. We further support provisions establishing direct executive agency personnel engagement in the IT investment strategy for the agency.² Also, we support provisions that seek to create effective data center optimization plans. These plans would establish metrics for optimizing data center usage and drive efficiencies in their utilization, while also encouraging the wider use of commercial data centers and commercial cloud services. The amendment seeks to eliminate non-optimized data centers, and, subject to appropriations, use the savings achieved to promote other IT capabilities and services throughout the agency involved.

The amendment also reflects significant change to the original proposal and as the bill advances we encourage you to consider the following important modifications.

¹ The IT Alliance for the Public Sector (ITAPS), a division of ITI, is an alliance of leading technology companies from the telecommunications, information technology and defense industrial base sectors offering the latest innovations and solutions to public sector markets. With a focus on the federal, state and local levels of government, as well as on educational institutions, the IT Alliance team advocates for a competitive marketplace and improved procurement policies and practices, while identifying business development opportunities and sharing market intelligence with our industry participants. Visit itaps.itic.org to learn more.

² OMB 25-point plan for IT Investment and Management

H.R. 1232, Federal Information Technology Acquisition Reform Act Carper/Coburn Amendment June 24, 2014 Page 2

Section 103, Governmentwide software purchasing program

Section 103 of the amendment calls for the establishment of a strategic sourcing initiative "to enhance Governmentwide acquisition, shared use, and dissemination of software." In establishing this initiative, the Administrator shall allow for the establishment of a Governmentwide software license to the maximum extent practicable.

Strategic sourcing has not been validated with solid metrics as a contracting modality superior to those that already exist. This fact is recognized implicitly in the House version of the National Defense Authorization Act (NDAA) (HR4435) for Fiscal Year 2015. Section 813 of the H.R. 4435 specifically includes a provision to review the Federal Strategic Sourcing Initiative impact on small business. Under these circumstances, our previously articulated concerns about strategic sourcing are only exacerbated. There simply is not enough data on all the costs associated with this approach to understand whether it is suitable for use governmentwide.

As for governmentwide software licensing, it is not clear how the government will derive benefit from this language. First, the language assumes that software requirements, even requirements associated with the same application, are so identical that "one size fits all" agencies. That assumption may not be the case, as the defined missions of agencies may drive varying implementation requirements. Moreover, the ability of vendors to price such licenses is very difficult, precisely because of these mission requirement deviations and the fact that the number of users may not be identified clearly. Thus, rather than reducing cost to the government, this requirement could increase government cost, as vendors will be forced to account for the risk/ambiguity associated with the license.

Based on the forgoing, ITAPS believes that Section 103 is problematic, increases risk to the government, and burdens vendors competing in this market. For this reason, ITAPS opposes Section 103 and asks that it be stricken from the amendment.

Section 201, Portfolio review

In Section 201(1)(C) and (D), the language focuses on preventing duplication and waste and achieving cost savings through a review of software licenses. We believe that in order to achieve maximum efficiency and cost savings, the language should not limit itself just to software, but include all IT assets. By focusing only on software, the proposal ignores several important considerations. For example, how can an agency determine if it has redundant software licenses if it does not accurately know how many devices or users may need the capability the software delivers.

ITAPS believes that Section 201(1)(C) and (D) either need to be modified to include more technology neutral language, or should be removed from the amendment altogether if no modification can be made.



H.R. 1232, Federal Information Technology Acquisition Reform Act Carper/Coburn Amendment June 24, 2014 Page 3

Additionally, we believe that there were some sections from H.R. 1232 that are still in alignment with the goals of the amendment, yet they were dropped from the bill. We believe that these sections should be added back in and included in any further consideration of the bill.

Section 302, Website consolidation and transparency

ITAPS supports the provisions in H.R. 1232 that seek to consolidate government websites and create better transparency and openness for the government user. Duplication and waste currently exist, and this provision supports the removal of duplicative and overlapping sites. It also ensures that all public-facing websites are accessible to individuals with disabilities. This consolidation effort will save valuable taxpayer dollars and drive efficiency in how the government communicates with the public.

Section 303, Transition to the cloud

ITAPS strongly supports the provisions that promote the government's transition to a cloud services environment. Industry has emphasized the need for government to utilize the most innovative advancements in information technology to increase efficiency and reduce costs, and transitioning to the cloud will provide the government with more reliable, more affordable and more flexible access to IT infrastructure than currently exists.

ITAPS also strongly supports the funding flexibility for agencies wishing to transition to the cloud. We see this as a significant improvement to the current appropriations process that will allow the government acquisition of technology to keep pace with innovation, and to provide more flexibility in budget models than currently exists. In fact, the President's FY 2015 budget materials highlights cloud investments as a way to transform the government IT portfolio³, and as a result of the Administration's Cloud First policy, federal agencies adopting cloud-based IT systems are increasing operational efficiencies, resource utilization, and innovation across the government. We further believe that flexible funding mechanisms should be extended to all IT investments as was recommended in the OMB Twenty-Five Point Plan.⁴

Section 411, 412, 413, Improvements to the Acquisition Workforce

ITAPS is very supportive of provisions that enhance the IT acquisition workforce's capabilities. These provisions, particularly regarding the development of a career path for IT program management, represent a key step to meaningful improvements in the management of IT investments.⁵

OMB 25-point plan for IT Investment and Management



³ President's FY15 Budget

⁴ OMB 25-point plan for IT Investment and Management

H.R. 1232, Federal Information Technology Acquisition Reform Act Carper/Coburn Amendment June 24, 2014 Page 4

While ITAPS believes that components of this amendment take a step in the right direction, a broader discussion is necessary to achieve true acquisition reform. Solutions to the complex issues surrounding federal acquisition must include a restoration of commercial item preferences, continued emphasis on improving management of IT investments, a focus on improving the acquisition workforce, a rationalization of the oversight environment, more flexibility in IT investment and funding options, and an alignment with the realities of our trade interests and a global market. This amendment addresses some of those items, but more discussion is still needed in order to achieve true federal IT acquisition reform that delivers best value to the end user and the taxpayer. The issue of acquisition reform is complex and further efforts ideally should be focused in a coordinated manner based upon the results of the work now being done both by the Congress and Administration.

Thank you again for your dedication to improving the way the federal government procures information technologies and for recognizing the need for management and acquisition solutions. We look forward to continuing to work with you and your colleagues as the language progresses. Should you have any questions, please contact Erica R. McCann at emccann@itic.org.

Respectfully submitted,

A.R. "Trey" Hodgkins, III

Senior Vice President, Public Sector

Cc: Senate Homeland Security and Government Affairs Committee

