

Lackluster Spending on GSA's Infrastructure-as-a-Service BPA

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Remember back in 2010 when the cloud computing hype-cycle was shifting into high gear? Articles appeared every day describing the benefits of moving to the cloud, industry partners anticipated high agency demand, and then federal CIO, Vivek Kundra, announced his [25 Point Implementation Plan to Reform Federal IT Management](#). Based on Kundra's plan, the Office of Management and Budget mandated that agencies move 3 systems to the cloud. This motivated the GSA to spend time, money, and effort putting a Blanket Purchase Agreement in place for vendor-provided Infrastructure-as-a-Service solutions. By all indications the great migration was off and running. Analysts projected the swell of cloud adoption would become a wave and the wave a white-topped crest that drove federal IT into a new paradigm of utility-based computing, unlimited scalability, and vastly increased savings.

This is what was supposed to happen. The reality is that agencies dragged their feet and the cloud wave evaporated into puddles that dotted the federal technology landscape. Among the flotsam and jetsam littering the market shoreline was GSA's IaaS BPA. Once anticipated to be THE way that agencies entered the cloud, the IaaS BPA became instead just another little used contract vehicle with poor ROI for the GSA. You can't fault GSA for trying to capitalize on a trend. After all, as an agency driven by the fees it collects from government customers, it was doing what any investor does – try to front-run the market. Alas, the data below showing spending on the vehicle has been the result.

- DHS - \$2.7M
- DOE - \$579K
- NEH - \$124K
- Labor - \$13K
- DOJ - \$11

By my calculations, federal customers have awarded cloud contracts worth approximately \$24 billion since fiscal 2010. In comparison, 5 agencies have obligated a total of \$3.4 million on GSA's IaaS BPA. Prefer to compare spending to spending and not to TCV? According to OMB's data federal agencies spent \$2.1 billion on cloud computing in fiscal 2012. This number rose to \$2.3 billion in fiscal 2013. By any measurement the amount of money obligated for cloud solutions on the IaaS BPA has been very, very low. The numbers break out as follows by vendor over the same period of time.

- CGI Federal - \$3.3M
- Autonomic Resources - \$124K
- AT&T - \$13K
- Verizon - \$11K

CGI Federal's earnings have come from hosting Department of Energy and Department of Homeland Security data, while Autonomic Resources' earnings from a single hosting project at the National Endowment of Humanities. Curiously, both AT&T and Verizon won business providing cloud-based mobile telephony services for the Department of Labor and Department of Justice, respectively.

It's anyone's guess why spending on the IaaS BPAs has been so low. Deltek's cloud contracts data shows that from FY 2010 through FY 2014, federal customers have awarded IaaS contracts worth close to \$13 billion dollars. Most of these contracts have been awarded via Full and Open (\$11 billion), GSA IT 70 (\$299 million), and Alliant Large Business (\$249 million) competitions. It's clear that agency customers prefer to compete cloud infrastructure contracts on their own using more expensive unrestricted competitions and other acquisition avenues provided by GSA. Therefore, the problem with the IaaS BPAs can't be too high a fee structure. It can't cost more to compete contracts unrestricted than to compete them via a BPA, can it?

My guess is that most agency contracting shops simply aren't aware that the IaaS BPA is available. In the end they've chosen to use the methods they know best and the contracts that are most familiar. This conclusion is reinforced by the similarly poor use of GSA's Software-as-a-Service BPA for email. Spending on it too has been lackluster, but I'll save this tale for next week.