

Spending on GSA's Email-as-a-Service BPA

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In last week's post we took a look at lackluster spending on the GSA's Infrastructure-as-a-Service BPAs. This week's post provides some analysis of spending on the GSA's sister vehicle to the IaaS BPA, the Email-as-a-Service (EaaS) BPA. With a ceiling value of \$2.5 billion, the EaaS BPA was awarded to 20 vendors at the end of August 2012. Unlike its IaaS predecessor, the EaaS vehicle was established at a time when the federal cloud computing market had already begun taking shape. Federal agencies had awarded cloud contracts worth hundreds of millions of dollars in fiscal 2011 and 2012 and the GSA sought to get in on the action. Many agencies identified email as one of the simplest systems to move to the cloud and so the GSA put together a vehicle that would facilitate the expansion of cloud-based email across government. The \$2.5 billion ceiling of the vehicle offers an indication of how much work the GSA expected to flow through the EaaS BPA.

Despite the optimistic projections, use of the EaaS contracts was not forthcoming. As the most recent data below shows, federal government customers have largely ignored the BPAs.

- Commerce - \$975K
- Smithsonian Institution - \$17K
- Treasury - \$13K

Impressive, eh? Since their inception at the tail end of FY 2012, three federal agencies have obligated a grand total of \$1 million on the contracts. Arranged by vendor this spending works out as follows.

- Unisys - \$975K
- Onix Networking - \$30K

The obligations to Unisys are related to the installation and maintenance of a unified messaging system for the National Oceanic and Atmospheric Administration. The obligations to Onix Networking are for the Smithsonian and Treasury cloud-based email projects.

How does spending on the GSA EaaS vehicles stack up against the overall adoption of cloud-based email/messaging systems across the federal government? Regular readers may remember the chart from a June post entitled [Cloud Trends: Feds Buy Communications and Collaboration Solutions](#) which showed that since fiscal 2010, federal agencies have implemented 27 instances of cloud-based email/bundled communications.

What I didn't provide in the June post is a dollar value for these implementations. That total, based on awarded contract value, not obligations, is \$2.8 billion. Anyone see the irony in this figure? The ceiling value of GSA's EaaS BPAs is \$2.5 billion and agencies have awarded contracts worth \$2.8 billion. It turns out the GSA wasn't far off in its estimate of market demand. The trouble for the GSA vehicle is that federal customers went elsewhere to procure the service.

Why they chose not to use the EaaS BPAs is a mystery. In part, a lack of awareness of the vehicles is probably to blame. The ubiquitous availability of cloud-based email via other procurement avenues is likely another factor contributing to the lack of use. For example, since FY 2010 agencies have used GSA's IT 70 schedule to award contracts for email/bundled communications solutions totaling \$2.5 billion in value. Contracts totaling an additional \$200 million in value for these solutions have been competed and awarded on an unrestricted basis over that span of time. For the EaaS BPA this total is \$2 million. Remember, this figure is contract award value, not obligations, explaining its difference from the \$1 million mentioned above. Even using awarded contract value as a measurement the conclusion is the same – very little money is flowing through the EaaS BPAs.

What this data tells me is that overworked and understaffed agency contracting shops use the easiest, most available avenue for procurement. In this case that avenue is GSA's Schedule IT 70. Notice that full and open competitions are second in line. Given the fact that almost every vendor has an IT 70 schedule, I see those competitions as roughly the same as unrestricted competitions.

In conclusion it is easy to see why no one uses the EaaS BPAs – they don't provide advantages over other potential procurement options. In competing and awarding BPAs for an emerging technology all the GSA did was attempt to split off work that is easily available on its standard schedule. In doing so they cost vendors precious bid and proposal dollars that could have been put to better use elsewhere. Finally, note that GSA is now [proposing a new Special Item Number \(SIN\)](#) to help agencies acquire cloud services on IT 70. It seems the agency has also noted the use of its standard IT schedule in preference to its cloud specialty vehicles.