

GAO Highlights

Highlights of [GAO-18-578](#), a report to congressional committees

Why GAO Did This Study

The National Defense Authorization Act for Fiscal Year 2018 (NDAA) directs GSA and OMB to establish and implement a program to procure commercial products through commercial e-commerce portals. The NDAA directs GSA to carry out the program through contracts with multiple commercial portal providers. The NDAA also required OMB and GSA to develop an implementation plan.

The NDAA contains a provision for GAO to review the required implementation plan. This report (1) describes the key elements of the implementation plan and (2) identifies issues for GSA and OMB to consider as they implement the e-commerce portals program.

GAO reviewed the requirements of the NDAA, the implementation plan, and public comments GSA obtained before developing the plan. GAO also interviewed officials from GSA, OMB, a government procurement program, and an industry group that organized a public discussion of the e-commerce portal plan.

What GAO Recommends

GAO is not making any recommendations in this report. GAO will continue to track the implementation the e-commerce portals program and, consistent with the NDAA provisions, will undertake further review of the program's implementation 3 years after the first contract with a commercial e-commerce portal provider is awarded.

View [GAO-18-578](#). For more information, contact William Woods at (202) 512-4841 or woodsw@gao.gov.

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BUYING COMMERCIAL PRODUCTS

Assessment of the E-Commerce Portal Implementation Plan

What GAO Found

The General Services Administration (GSA) and the Office of Management and Budget (OMB) developed a plan that outlines an e-commerce program for federal agencies. The e-commerce program is meant to provide a method for federal agencies to purchase commercial products through portals. The plan, which was required to be submitted as Phase 1 of the program, provides a timeline for implementing the e-commerce portals program in several phases over the next 2 years. It also outlines three portal models, and recommends legislative changes that GSA officials stated are needed to fully implement the program. The plan describes three portal models from the private sector that GSA and OMB identified for possible use in the federal program:

1. **E-Commerce Model:** Product vendors sell their products directly to the consumer through their own e-commerce portals. These portal providers are responsible for the fulfillment of product orders, including invoicing and delivery.
2. **E-Marketplace Model:** An online portal is run by one vendor—the portal provider. The marketplace can offer third party vendor products and the portal providers' products as well. Portal providers and third-party vendors are generally responsible for fulfilling orders for their respective products.
3. **E-Procurement Model:** In this model, a third party provides software that enables price comparisons across multiple portals. The third party does not sell products directly to the consumer. Suppliers on these portals are responsible for fulfilling orders.

According to GSA officials, the e-commerce program ultimately implemented may involve a mix of aspects of the three models.

GAO identified a number of issues that GSA and OMB will need to consider as they move forward with Phase 2 of the program, including:

- How will the portals program impact existing procurement programs?
- How will the portals program operate within the current procurement framework?
- How will data be obtained on purchases through the e-commerce portal?
- How will GSA and OMB measure the progress of the e-commerce portals program during its early implementation phases? What metrics will be used?

GSA and OMB officials stated that they plan to conduct detailed analysis and market research as part of Phase 2, and GSA officials acknowledge they still have many issues to address as they move forward.