



# NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

---

**CAPSTONE APPLIED PROJECT REPORT**

---

**SMALL BUSINESS PARTICIPATION  
IN FEDERAL E-COMMERCE PROCUREMENT**

---

**June 2023**

**By: Joseph N. Sitterly  
Luz M. Vasquez**

**Advisor: Robert F. Mortlock  
Second Reader: Michael R. Schilling**

*Approved for public release. Distribution is unlimited.*

THIS PAGE INTENTIONALLY LEFT BLANK

<b>REPORT DOCUMENTATION PAGE</b>			<i>Form Approved OMB No. 0704-0188</i>
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington, DC 20503.			
<b>1. AGENCY USE ONLY (Leave blank)</b>	<b>2. REPORT DATE</b> June 2023	<b>3. REPORT TYPE AND DATES COVERED</b> Capstone Applied Project Report	
<b>4. TITLE AND SUBTITLE</b> SMALL BUSINESS PARTICIPATION IN FEDERAL E-COMMERCE PROCUREMENT			<b>5. FUNDING NUMBERS</b>
<b>6. AUTHOR(S)</b> Joseph N. Sitterly and Luz M. Vasquez			
<b>7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES)</b> Naval Postgraduate School Monterey, CA 93943-5000			<b>8. PERFORMING ORGANIZATION REPORT NUMBER</b>
<b>9. SPONSORING / MONITORING AGENCY NAME(S) AND ADDRESS(ES)</b> N/A			<b>10. SPONSORING / MONITORING AGENCY REPORT NUMBER</b>
<b>11. SUPPLEMENTARY NOTES</b> The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government.			
<b>12a. DISTRIBUTION / AVAILABILITY STATEMENT</b> Approved for public release. Distribution is unlimited.			<b>12b. DISTRIBUTION CODE</b> A
<b>13. ABSTRACT (maximum 200 words)</b>  This study investigates the impact of commercial e-commerce portals, specifically on small businesses and federal acquisition stakeholders. Concerns arise regarding competition limitations with the dominance of platforms like Amazon. We explore how e-commerce portals like the General Services Administration (GSA) Commercial Platforms program and FedMall Marketplace can improve efficiency, cost-effectiveness, and procurement processes. Maintaining competition, transparency, vendor verification, and small business support are vital. Our research suggests centralizing e-commerce procurement, promoting small business participation, and negotiating no-fee advertising for small business suppliers. Furthermore, addressing internal acquisition weaknesses involves expanding vendor participation, strengthening technology infrastructure, providing comprehensive small business training, and exploring flexible contract terms. These strategies aim to unlock the full potential of government procurement, fostering a thriving ecosystem that benefits all stakeholders.			
<b>14. SUBJECT TERMS</b> General Services Administration, GSA, Commercial Platforms program, e-commerce portals, commercial off-the-shelf, COTS, small business, AbilityOne, FedMall, Amazon Business, Fisher Scientific, Overstock Government, Department of Defense, DOD, federal agencies, Government Purchase Card, micro-purchase threshold, supply chain management, transparency, market research, procurement process, Section 846			<b>15. NUMBER OF PAGES</b> 65
			<b>16. PRICE CODE</b>
<b>17. SECURITY CLASSIFICATION OF REPORT</b> Unclassified	<b>18. SECURITY CLASSIFICATION OF THIS PAGE</b> Unclassified	<b>19. SECURITY CLASSIFICATION OF ABSTRACT</b> Unclassified	<b>20. LIMITATION OF ABSTRACT</b> UU

NSN 7540-01-280-5500

Standard Form 298 (Rev. 2-89)  
Prescribed by ANSI Std. Z39-18

THIS PAGE INTENTIONALLY LEFT BLANK

**Approved for public release. Distribution is unlimited.**

**SMALL BUSINESS PARTICIPATION  
IN FEDERAL E-COMMERCE PROCUREMENT**

Joseph N. Sitterly, Civilian, Department of the Air Force  
Luz M. Vasquez, Civilian, Defense Contracts Management Agency

Submitted in partial fulfillment of the  
requirements for the degree of

**MASTER OF SCIENCE IN CONTRACT MANAGEMENT**

from the

**NAVAL POSTGRADUATE SCHOOL  
June 2023**

Approved by: Robert F. Mortlock  
Advisor

Michael R. Schilling  
Second Reader

Michael R. Schilling  
Academic Associate  
Department of Defense Management

THIS PAGE INTENTIONALLY LEFT BLANK

# **SMALL BUSINESS PARTICIPATION IN FEDERAL E-COMMERCE PROCUREMENT**

## **ABSTRACT**

This study investigates the impact of commercial e-commerce portals, specifically on small businesses and federal acquisition stakeholders. Concerns arise regarding competition limitations with the dominance of platforms like Amazon. We explore how e-commerce portals like the General Services Administration (GSA) Commercial Platforms program and FedMall Marketplace can improve efficiency, cost-effectiveness, and procurement processes. Maintaining competition, transparency, vendor verification, and small business support are vital. Our research suggests centralizing e-commerce procurement, promoting small business participation, and negotiating no-fee advertising for small business suppliers. Furthermore, addressing internal acquisition weaknesses involves expanding vendor participation, strengthening technology infrastructure, providing comprehensive small business training, and exploring flexible contract terms. These strategies aim to unlock the full potential of government procurement, fostering a thriving ecosystem that benefits all stakeholders.

THIS PAGE INTENTIONALLY LEFT BLANK

# TABLE OF CONTENTS

<b>I.</b>	<b>INTRODUCTION.....</b>	<b>1</b>
<b>A.</b>	<b>PROBLEM .....</b>	<b>2</b>
<b>B.</b>	<b>RESEARCH OBJECTIVE .....</b>	<b>2</b>
<b>C.</b>	<b>RESEARCH QUESTIONS.....</b>	<b>3</b>
<b>D.</b>	<b>SCOPE AND LIMITATIONS.....</b>	<b>3</b>
<b>E.</b>	<b>METHODOLOGY .....</b>	<b>3</b>
<b>II.</b>	<b>BACKGROUND .....</b>	<b>5</b>
<b>A.</b>	<b>THE GSA COMMERCIAL PLATFORMS PROGRAM .....</b>	<b>5</b>
<b>1.</b>	<b>Ordering Procedures—Commercial Platforms Program.....</b>	<b>7</b>
<b>2.</b>	<b>Managing Supply Chain Risk within the Commercial         Platforms Proof of Concept.....</b>	<b>9</b>
<b>3.</b>	<b>GSA Meet the Platform Sessions—December 2022.....</b>	<b>11</b>
<b>B.</b>	<b>FEDMALL.....</b>	<b>14</b>
<b>1.</b>	<b>Background .....</b>	<b>15</b>
<b>2.</b>	<b>FedMall Overview/Benefits.....</b>	<b>15</b>
<b>III.</b>	<b>ANALYSIS .....</b>	<b>19</b>
<b>A.</b>	<b>PRIMARY RESEARCH QUESTION.....</b>	<b>19</b>
<b>B.</b>	<b>SECONDARY QUESTIONS.....</b>	<b>25</b>
<b>C.</b>	<b>SWOT ANALYSIS .....</b>	<b>27</b>
<b>IV.</b>	<b>SUMMARY, CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>35</b>
<b>A.</b>	<b>SUMMARY .....</b>	<b>35</b>
<b>B.</b>	<b>CONCLUSION .....</b>	<b>36</b>
<b>C.</b>	<b>RECOMMENDATIONS.....</b>	<b>37</b>
	<b>LIST OF REFERENCES.....</b>	<b>41</b>
	<b>INITIAL DISTRIBUTION LIST .....</b>	<b>45</b>

THIS PAGE INTENTIONALLY LEFT BLANK

## LIST OF FIGURES

Figure 1.	Comparative Analysis of Features and Capabilities. Adapted from GSA (2021); Mette (2022, 2023).....	20
Figure 2.	Comparative Analysis of GSA Commercial Platform Program and DLA FedMall Marketplace Data. Adapted from GSA (2022a, 2023b); Mette (2022, 2023). ....	21
Figure 3.	Comparative Analysis of Participating Federal Agencies. Adapted from GSA (2023c); Mette (2022, 2023). ....	23
Figure 4.	Categories of Product Spending Comparative Analysis. Adapted from GSA (2022a, 2023b); Mette (2022, 2023). ....	24
Figure 5.	GSA Commercial Platforms Program and FedMall Marketplace SWOT Overview .....	28

THIS PAGE INTENTIONALLY LEFT BLANK

## LIST OF TABLES

Table 1.	Multi-Phased Implementation Approach. Adapted from GSA (2020a).....	6
----------	--	---

THIS PAGE INTENTIONALLY LEFT BLANK

## LIST OF ACRONYMS AND ABBREVIATIONS

AETC	Air Education and Training Command
ARP	Acquisition Research Program
CCA	Clinger-Cohen Act
COTS	Commercial Off-The-Shelf
DAU	Defense Acquisition University
DFARS	Defense Federal Acquisition Supplement
DHS	Department of Homeland Security
DISA	Defense Information Systems Agency
DLA	Defense Logistics Agency
DOD	Department of Defense
ECA	External Certification Authority
FAR	Federal Acquisition Regulation
FPDS-NG	Federal Procurement Data System – Next Generation Reporting
FSS	Federal Supply Schedule
GPC	Government Purchase Card
GSA	General Services Administration
GSAM	General Service Acquisition Manual
IDIQ	Indefinite Delivery Indefinite Quantity
IPR Center	National Intellectual Property Rights Coordination Center
MILSTRIP	Military Standard Requisitioning and Issue Procedures
NDAA	National Defense Authorization Act
NPS	Naval Postgraduate School
NSN	National Stock Number Regulation Supplement
OMB	Office of Management and Budget
PIEE	Procurement Integrated Enterprise Environment
SAT	Simplified Acquisition Threshold
SCRM	Supply Chain Risk Management
UCO	Unlimited Contracting Officer

THIS PAGE INTENTIONALLY LEFT BLANK

## EXECUTIVE SUMMARY

Based on the Acquisition Research Program (ARP) 2022 Sponsored Topic, T20-027, stakeholders involved in federal acquisition have expressed concerns about potential displacement in the market due to the emergence of commercial e-commerce portals tailored for government use. Small businesses, in particular, worry about their ability to compete with dominant tech giants like Amazon. To address this concern, the present study investigates the capacity of e-commerce portals such as the General Services Administration (GSA) Commercial Platforms program and FedMall Marketplace to enhance operational efficiencies for organizations and users while promoting competition and diversity among service providers (Acquisition Research program [ARP], 2021).

Our research concluded that online marketplaces hold tremendous potential to bring significant benefits to government buyers in terms of market efficiencies, cost savings, and streamlined procurement processes. It will be important to maintain open and transparent platforms, implement rigorous vendor verification processes, and actively promote and support small business participation. Small businesses play a vital role in driving innovation, creating jobs, and strengthening local economies, making it imperative to provide them with opportunities to compete and thrive within the government procurement landscape. Through strategic utilization of online marketplaces, we can unlock the full potential of government procurement and foster a thriving ecosystem that benefits all stakeholders involved.

Additionally, through our research, we were able to make the following recommendations: (1) centralize all e-commerce procurement through one program to bring cost savings to the government in maintaining and having to resource only one single platform; (2) authorize agency Government Purchase Card (GPC) users to buy commercial off-the-shelf (COTS) products up to the simplified acquisition threshold, promoting small business participation since purchases over \$10K must be set aside to small businesses; (3) negotiate a no-fee advertising provision for small business suppliers to create more visibility into their products without cutting into their profits or price. This will also facilitate more participation of small suppliers by keeping them relevant and visible.

Last, we recommend senior contracting officers address internal acquisition weaknesses by expanding vendor participation by actively seeking to onboard a wider range of diverse vendors, particularly from small businesses and underrepresented groups; strengthening technology infrastructure by investing in robust technology infrastructure, cybersecurity measures, and disaster recovery plans; providing comprehensive small business training to buyers so they understand the importance small businesses play in the economy and regulations requirements to ensure participation of small business concerns to the maximum extent possible in federal procurement; and exploring flexibility in contracts by evaluating the contractual terms and conditions to provide more flexibility for agency-specific needs, enhancing the attractiveness of the platforms.

## References

Acquisition Research Program. (2021). *2022 Sponsored Research Topics*. <https://nps.edu/documents/105938399/0/2022+ARP+Student+Topics+List+%284%29.pdf/454e3fe5-d376-9a79-9e21-fc6105a3b23a?t=1678211484480>

## ACKNOWLEDGMENTS

Our gratitude goes out to Dr. Robert Mortlock and Mr. Michael Schilling, who served as our advisors for the capstone applied project and helped us immensely. We greatly appreciate their support and advice. Your guidance was crucial in helping us succeed. Many thanks!

We also wish to thank the Acquisition Research Program (ARP) team for all their support and assistance throughout the process; your guidance and direction were instrumental in our ability to successfully complete and submit our project correctly. Thank you for everything!

### *From Luz*

I would like to thank my daughter and son for their unconditional love and patience, my mom and dad for their wisdom and prayers, and my brother, Dr Victor Vazquez, and family for their encouragement and guidance. I also want to recognize the NPS instructors and cohort for sharing their knowledge, my DCMA leadership for sponsoring and placing their trust in me, and a very special thanks to my thesis partner, Joe Sitterly, for taking on this project with passion and navigating this research jointly in an exemplary way.

### *From Joe*

I would like to express my heartfelt gratitude to my cohort for the invaluable learning experience and the incredible support throughout this rigorous program. Special thanks to Luz for entrusting me as her project partner and for her unwavering determination that led to our success. I am deeply grateful to my leadership and the 338 ESS for their constant support and encouragement, enabling me to participate in this exceptional program. Above all, I want to thank my family—my wife for her unwavering support, and my daughter for being my inspiration and motivation to overcome challenges and achieve my goals. Your presence and love have been invaluable throughout this journey, and I am deeply grateful for your unwavering support and encouragement.

THIS PAGE INTENTIONALLY LEFT BLANK

## I. INTRODUCTION

The basis for this research stems from the Sponsored Topic (T20-027) within the 2022 NPS Acquisition Research Program (ARP). The program overview highlights that online marketplaces have become the default method for purchasing commercial goods and services. However, both the Department of Defense (DOD) and the federal government have been sluggish in adopting their acquisition processes to these emerging technologies. Consequently, the DOD has faced challenges in leveraging market efficiencies for procuring commercial items due to the introduction of multiple regulations aimed at ensuring proper execution of these acquisitions (ARP, 2021).

The existing regulations governing the acquisition of commercial off-the-shelf (COTS) products were developed prior to the rise of e-commerce and fail to adequately address the characteristics of today's fast-paced markets. It is essential to update the purchasing process for COTS products in order for the government to fully harness the advantages and fully leverage the potential of commercial e-commerce (General Services Administration [GSA], 2018).

In FY 2018, the National Defense Authorization Act (NDAA) Section 846 was enacted by Congress, which demonstrated their support for modernizing the COTS procurement process for federal agencies. This significant piece of legislation led to the establishment of the GSA Commercial Platforms program, which, in collaboration with three commercial platform providers, offers federal agencies an efficient mechanism for routinely procuring COTS products, under the micro-purchase threshold. Additionally, it enhances transparency and decision-making capabilities through the utilization of data analytics. Presently, there are 27 federal agencies enrolled in the program, which is seven more than FY2021. However, the DOD has shown reluctance to participate (GSA, 2023b).

One possible explanation is that the DOD has their own e-commerce portal through the Defense Logistics Agency's (DLA) FedMall Marketplace, which also provides a streamlined mechanism for federal agencies to procure routine purchases of COTS products under the micro-purchase threshold. The FedMall Marketplace is an e-commerce

system for DOD, federal, state, and authorized local agencies to make open market micro-purchases for COTS products through hundreds of suppliers. The FedMall Marketplace promotes competition based on market dynamics, enabling GPC holders to compare product offerings and prices similar to third-party ordering platforms like Amazon. Moreover, it provides valuable information regarding the utilization of mandatory sources of supply, while also presenting readily available risk scores for DOD suppliers (Mette, 2023).

In the present interconnected ecosystem, the procurement of products and services necessitates efficient supply chain management on a global scale, while also streamlining buyer processes. The research suggests that if federal agencies were to collaborate and adopt a standardized e-commerce method for purchasing COTS products, the federal government could harness the power of commercial technologies on an enterprise level. This has the potential to revolutionize commercial buying practices across the entire enterprise.

## **A. PROBLEM**

Online marketplaces are here to stay and are becoming the preferred way to purchase commercial goods and services. DOD and federal agencies are not moving into online marketplaces at the same pace as private industry. Small Business participation in online marketplaces is slowly emerging. In order to stay relevant in today's economy all stakeholders (DOD, federal agencies, suppliers) need to embrace the future and plan accordingly. Small Businesses are concerned they will not be able to compete with companies such as Amazon (ARP, 2021).

## **B. RESEARCH OBJECTIVE**

As GSA continues to evolve its Commercial Platforms program in response to Section 846 of the NDAA, there is growing concern from small businesses over how they will be able to compete with a company like Amazon running the platform. This thesis, supported by the NPS Acquisition Research Program (ARP), aims to address the concerns, and explore on how existing e-commerce platforms can be effectively utilized by federal

agencies to enhance procurement efficiencies for all, while ensuring fair competition and diversity among providers are not compromised.

### C. RESEARCH QUESTIONS

The research carried out for this thesis aimed to answer the following questions outlined in the 2022 NPS ARP Sponsored Project topic, T20-027 (ARP, 2021):

**Primary Research Question:** How can online marketplaces provide market efficiencies to government buyers without sacrificing competition and diversity among providers?

**Secondary Research Questions:**

- How do online marketplace providers structure relationships with their suppliers/business partners?
- What concerns do small businesses and other interest groups have about the transition to online marketplaces?
- How can small businesses profit and benefit from changing their business processes to better align with this digital acquisition approach? (ARP, 2021, pp. 10–12)

### D. SCOPE AND LIMITATIONS

The objective of this study is to investigate the current e-commerce platforms employed by federal agencies and the procurement processes they follow. The aim is to gain a deeper understanding of how these platforms’ capabilities and features can enhance government efficiency while maintaining a competitive and diverse marketplace. This thesis provides a contemporary viewpoint on another thesis sponsored by the NPS ARP titled *Analysis of Small Business Participation in Online Marketplaces* (Ballenger et al., 2022).

### E. METHODOLOGY

The study was initiated by conducting an extensive examination of publicly available information regarding online marketplaces accessible to federal agencies within the GSA Commercial Platforms program and the Defense Logistic Agencies (DLA) FedMall Marketplace. The goal was to enhance understanding regarding the features and capabilities offered by these marketplaces. An analysis, considering both internal and

external factors, was conducted to identify the strengths, weaknesses, opportunities, and threats (SWOT) associated with federally available online marketplaces. Through an analysis of pros and cons, SWOT, and barriers faced by small businesses we were able to identify strengths, weaknesses, and opportunities within the online marketplace, as it relates to small business opportunities. Our research covers four chapters.

Chapter I introduces our thesis research questions, problem, objective, scope and limitations and methodology.

Chapter II of this study reviews the GSA Commercial Platforms program and FedMall Marketplace to understand how their features and capabilities can improve the procurement of COTS products for the DOD and other federal agencies while maintaining competition among preferred suppliers.

Chapter III addresses the primary and secondary research questions by conducting a comparative analysis of the features and capabilities available to federal buyers through online marketplaces; program and user data; participating agencies; and types of products sold.

Chapter IV summarizes the background and analysis chapters while also providing opined conclusions and recommendations for senior contracting officials.

This chapter outlined the background, purpose, scope and limitations, methodology, and structure of this study. The next chapter we will discuss the GSA Commercial Platforms program and FedMall backgrounds.

## **II. BACKGROUND**

This section provides a synopsis of research conducted on the GSA Commercial Platforms program and the FedMall Marketplace. It gives a comprehensive review of federally available online marketplaces to better understand how their functions and capabilities can provide efficiencies to the DOD and all other federal agencies' procurement processes for COTS products without sacrificing competition among organizational preferred suppliers.

### **A. THE GSA COMMERCIAL PLATFORMS PROGRAM**

Federal requirements make commercial off-the-shelf (COTS) purchases overly burdensome, which slows down federal acquisitions, adds administrative costs, and discourages industry participation (GSA, 2018). In December 2017, "Congress enacted Section 846 of the National Defense Authorization Act (NDAA) for FY2018, Procurement through Commercial E-Commerce Portals, to modernize federal buying practices" (GSA, 2018). This legislation tasked "the General Services Administration (GSA), in partnership with the Office of Management and Budget (OMB), to establish a program to procure COTS products through commercial e-commerce portals" (GSA, 2020a). In response, GSA implemented a multiple phased approach "to establish a program to procure COTS products through commercial e-commerce portals. GSA spent a year conducting significant market research and stakeholder outreach to understand" the complexities of an e-commerce market, resulting in GSA issuing a solicitation requesting proposals from e-commerce portal providers for the GSA Commercial Platforms program (GSA, 2020a). The program provides participating federal agencies a modernized and streamlined approach to buying routine commercial products. Agencies who participate in the program also benefit from having access to online spend data and insights across all federal agencies participating. Understanding an agency's online spend leads to data-driven buying decisions and increased transparency across the federal government (GSA, 2023a). This program's objectives include fostering competition, accelerating procurement, facilitating market research, and ensuring fair and reasonable pricing (GSA, 2018). In March 2018, the

GSA submitted its initial plan, which detailed its multi-phased approach for implementing its Commercial Platforms program, in response to Section 846 (GSA, 2020a):

Table 1. Multi-Phased Implementation Approach. Adapted from GSA (2020a).

	<b>Timeline</b>	<b>Description</b>
<b>Phase I</b>	90 Days from Section 846 Enactment	Implementation plan and policy assessment
<b>Phase II</b>	90 Days + 1 Year	Market Research and consultation
<b>Phase III</b>	90 Days + 2 Years	Implementation Guidance
<b>Phase IV</b>	By End of FY19	Potential Initial Rollout
<b>Phase V</b>	By End of FY20	Assess and Scale Rollout

Note: There is over 6 years of market research data on the GSA Commercial Platforms webpage. Their Commercial Platform Interact platform helps interested parties communicate with platform managers. This thesis contains an examination of the already developed GSA Commercial Platforms program and DOD accessible FedMall Marketplace. Future thesis study may necessitate a detailed review of each individual phase of GSA’s Commercial Platforms program’s implementation.

After two years of thorough market research, the GSA launched the Commercial Platforms Program on June 26, 2020, by awarding three no-cost 3-year contracts to Amazon Business, Fisher Scientific, and Overstock Government. This program allows “federal agencies, as part of a government wide effort, to modernize the buying experience for federal agencies, and help them gain insights into open market online spend occurring outside existing contracts” (GSA, 2020a). With the program, participating federal agencies and their GPC holders can access three e-marketplace platforms for open market micro-purchases of routine COTS products. GPC holders are those individuals issued and authorized to make purchases on behalf of their agency or organization.

The GSA Commercial Platforms program’s ordering procedures defines an e-marketplace platform as “an online platform where GPC holders can evaluate and order COTS products via a portal operated by the portal provider. The e-marketplace platforms can offer portal provider products and/or third-party vendor products. Portal providers and third-party vendors are generally responsible for fulfilling orders for their respective products” (GSA, n.d.). Simply stated, an e-marketplace platform is an online marketplace

that streamlines the procurement process for GPC holders by providing a centralized platform to evaluate and purchase COTS products from different sources. With a centralized platform, federal agencies would be able to track data across the GPC market, which is estimated to account for \$6 billion in annual spend (GSA, 2020a).

“The goal of the proof of concept is to provide a modern buying solution for federal customers and increase transparency on agency spending” (GSA, 2020a). To further highlight this point, Julie Dunne, GSA Federal Acquisition Service Commissioner, noted, “I’m excited for the path ahead—especially the spend data. Such data will help with compliance in areas like AbilityOne, small business, and supply chain risk management” (GSA, 2020a). Additionally, GSA administrator, Emily Murphy, said, “The e-commerce portals proof-of-concept is an important step in offering a solution for purchasing commercial products online that protects our federal supply chain against malicious and counterfeit goods, furthering our national security” (GSA, 2020a). In GSA’s award posting announcement, it was also noted that the program was already showing signs of increased transparency on agency spending (GSA, 2020a). Unfortunately, this data is only available to the participating federal agencies.

The idea of an e-marketplace platform that consolidates spending data from various online platforms for e-commerce procurement is highly intriguing. It seems evident that the government stands to gain significant advantages by leveraging commercial e-commerce technologies to enhance their procurement processes. The ability to track spending across multiple platforms for all federal agencies would enable informed decision-making based on actual data. This centralized approach would facilitate transparency and efficiency in federal procurement, ultimately benefiting the government and its stakeholders.

## **1. Ordering Procedures—Commercial Platforms Program**

The following information summarizes the ordering procedures found on the “GSA Commercial Platforms—Learn More” web page (GSA, 2023a):

- The only accepted payment option for purchases made on the e-marketplace platforms is the GSA SmartPay GPC. Other payment

methods, such as PayPal, Venmo, Google Wallet, and WePay, as well as payments made with any kind of cryptocurrency are not permitted. The SmartPay GPC is the only accepted means of payment, and only authorized purchasing cardholders may use GPCs (GSA, n.d).

- GPC holders are only permitted to spend up to the micro-purchase threshold on COTS items and related ancillary services that are not prohibited by law, regulation, or agency policy. All micro-purchase purchasing regulations are in effect and must be followed. Authorized GPC holders shall follow all applicable guidance in Federal Acquisition Regulation (FAR) Part 13 and agency-specific policies governing the use of the GPC (GSA, n.d).
- Authorized GPC holders must follow FAR 8.002 guidelines governing the use of mandatory government sources first before making any purchases using the e-marketplace platforms. The GPC holder is ultimately responsible for ensuring compliance with the mandatory source standards in FAR Part 8; however, mandatory sources, such as AbilityOne, will be recognized as such on the e-marketplace platforms when they become available (GSA, n.d).
- All applicable Federal Prison Industry (FPI)/UNICOR product requirements, including any required exemptions for purchases above \$3,500, are the buyer's responsibility. 10 U.S.C. 2410 mandates that agency buyers take FPI/UNICOR items into account when making a purchase. To ascertain whether an FPI product is equivalent to those made available by the private sector that best satisfy the agency's requirements in terms of cost, quality, and delivery time, market research must first be done. The agency's contracting official has the exclusive power to decide whether two things are comparable (GSA, n.d).
- In accordance with FAR Part 23, federal agencies are expected to make sustainable product and service purchases to the greatest degree practical. Holders of authorized buy cards can find a comprehensive list of standards for sustainable goods and services for federal purchases on the GSA Green Procurement Compilation website. In the end, it is the authorized purchase cardholder's job to make sure that FAR Part 23 criteria are followed. Accountable for contracts (GSA, n.d).
- In accordance with FAR Part 19, authorized purchase cardholders are urged to consider goods produced or provided by small businesses when using the e-marketplace platforms (GSA, n.d). Authorized GPC holders can make purchases using any awarded e-marketplace platform. For the purposes of the program, the GPC holder should encourage competition by comparing comparable products and prices, as well as price-related terms and conditions, like delivery and warranty terms, from at least two suppliers

within a single e-marketplace portal or across the various portals. (GSA, n.d)

## **2. Managing Supply Chain Risk within the Commercial Platforms Proof of Concept**

On August 3, 2020, the GSA published an announcement that highlighted stakeholder concerns surrounding “supply chain risk management (SCRM) and counterfeit goods” (GSA, 2020b) on the Commercial Platforms Interact group. Additionally, it noted that the amount spent by the federal government through commercial e-commerce sites using the GPC had climbed from 135 million transactions in FY2014 to over 300 million transactions in FY2019 (GSA, 2020b), a 122% increase over a five year period. This danger is increased by the fact that these transactions are spread out over an increasing number of online platforms and suppliers. The risk is likely to continue to rise considering the continuous expansion of online procurement (GSA, 2020b).

The GSA’s public announcement highlighted their efforts to address supply chain security and counterfeit products (GSA, 2020b). In order to ensure the authenticity of products from third-party suppliers, GSA has implemented a range of strategies. These strategies include rigorous supplier screening procedures prior to onboarding and the adoption of advanced technologies such as “machine learning and artificial intelligence” (GSA, 2020b). These technologies play a crucial role in identifying counterfeit goods and detecting individuals involved in counterfeiting activities. GSA also places importance on providing information about the country of origin for products whenever possible. Furthermore, they offer “detailed product descriptions and supplier reviews” (GSA, 2020b), while actively implementing “proactive quality control and monitoring practices for their suppliers” (GSA, 2020b).

In addition to these measures, GSA has incorporated SCRM requirements “within each e-marketplace platform” (GSA, 2020b). These requirements involve the “restriction of purchases from excluded vendors listed on SAM.gov” (GSA, 2020b), as well as limitations on the acquisition of at-risk products as defined by relevant statutes. Moreover, GSA mandates portal providers to “enable agencies to curate, filter, or restrict the purchase of prohibited products or product categories by federal buyers” (GSA, 2020b). To further

enhance security, GSA examines expenditure data to detect any potentially overlooked suspicious purchases. Moreover, they prioritize educating users to mitigate future vulnerabilities (GSA, 2020b).

Furthermore, the GSA mandates that platform providers ensure compliance with Section 889(a)(1)(A), which aims to safeguard national security by restricting government access to covered goods or services produced or delivered by specific firms, their subsidiaries, or affiliates having known ties to the People’s Republic of China. The GSA has incorporated all required FAR clauses into the contracts of e-marketplace platform providers. Consequently, all third-party suppliers must affirm that the contractor is not using covered telecommunications equipment or services (GSA, 2020b). Once the GPC holder’s account is established, these requirements are integrated into their account, ensuring adherence to regulations. This setup enables GPC holders to make purchases without concerns about purchasing from vendors who are not in compliance with the regulations.

On January 24, 2020, the Department of Homeland Security (DHS) published a report to the President of the United States titled *Combating Trafficking in Counterfeit and Pirated Goods* (DHS, 2020). In this report, DHS identified the following 10 “best practices for e-commerce platforms and third-party marketplaces”:

1. Comprehensive “Terms of Service” Agreements
2. Significantly Enhanced Vetting of Third-Party Sellers
3. Limitations on High-Risk Products:
4. Rapid Notice and Takedown Procedures
5. Enhanced Post-Discovery Actions
6. Indemnity Requirements for Foreign Sellers
7. Clear Transactions Through Banks that Comply with U.S. Enforcement Requests for Information (RFI)
8. Pre-Sale Identification of Third-Party Sellers
9. Establish Marketplace Seller ID
10. Clearly Identifiable Country of Origin Disclosures (DHS, 2020, p. 6)

“According to the report, it is crucial to communicate these best practices to all relevant stakeholders in the private sector” (GSA, 2020b). For example, as a government buyer, the presence of comprehensive Terms of Service ensures a consistent purchasing process across different e-marketplace platforms, significantly increasing efficiencies.

The report also suggests that the responsibility of monitoring and reporting the implementation of these best practices should lie with the National Intellectual Property Rights Coordination Center (IPR Center). The IPR Center is specialized in protecting intellectual property rights, including trademarks, copyrights, patents, and trade secrets. It is logical and appropriate for an agency that specializes in safeguarding against intellectual property theft and infringement to assume the responsibility of monitoring and reporting the adoption of the best practices.

In collaboration with the DHS, the GSA has been working to enhance their understanding of how to effectively promote these best practices among the platforms that have been awarded contracts (GSA, 2020b).

### **3. GSA Meet the Platform Sessions—December 2022**

In December 2022, the researchers took part in three of GSA’s monthly “Meet the Platform” events to acquire a firm understanding of each platform’s features and capabilities. These GSA-hosted sessions give platform providers an opportunity to showcase their platforms to government buyers so that they may learn more about the features and capabilities offered. This section summarizes the lessons learned from the three sessions attended to better understand how the program can improve efficiencies to streamline ordering processes within the DOD (Johnson, 2022).

#### ***a. Program Overview/Benefits***

By awarding contracts to multiple online platforms, GSA has developed a federally managed program for agency buyers to purchase routine COTS products. With this strategy, GSA can evaluate, improve, and expand the program, resulting from consumer feedback and lessons learned (Johnson, 2022).

The Commercial Platforms program now offers three platforms for approved GPC holders from participating agencies to purchase routine COTS products within the micro-purchase threshold. Additionally, it enables agencies to gather spending information and spot trends for all partner agencies (Johnson, 2022).

As discussed throughout, the main focuses of this program is to provide a federal marketplace strategy for federal agencies to procure COTS products through commercial e-commerce portals, for purposes of “enhancing competition, expediting procurement, enabling market research, and ensuring reasonable pricing of commercial products” (GSA, 2021). By implementing a federal marketplace strategy, the GSA can fulfill the objectives outlined in Section 846, which aims to modernize and streamline the procurement process for customers, suppliers, and acquisition professionals. This strategy involves leveraging the capabilities provided by commercial platform providers. By doing so, agencies can effectively manage spending, support small businesses and mandatory sourcing requirements—thus increasing competition—mitigate supply chain risks, and enhance internal controls. Additionally, partnerships with multiple e-marketplace platforms offering business-to-business capabilities enable agencies to gain valuable insights and advantages in their procurement practices (GSA, 2021). Additionally, the following benefits were surmised from a November 2021 public briefing, titled *Commercial Platforms Initiative* (GSA, 2021):

- Standardized government approach with cost savings and business-to-business features
- Broad product access with modernized consumer like buying experience.
- Critical insights into online spend and risk mitigation controls.
- Ongoing review of supply chain capabilities, to include counterfeit prevention and best practices from partners like DHS.
- Access to highly competitive supplier pool, including small business and mandatory sources.
- Dedicated program team proactively managing all aspects of the agency’s engagement. Additionally, the team assists with training, change management, and data analytics across the e-marketplace platforms.
- Participation in a government-wide program to inform the future online, open-market purchasing through commercial platforms.
- Access to standard terms and conditions, and business-to-business features/benefits across multiple platforms.
- Partnership with the AbilityOne Commission and AbilityOne distributors for meeting agency goals and targets.
- Pro-active implementation of Supply Chain Risk Management capabilities.

- Government-wide spend data analysis and a focus on achieving goals for Spend Under Management, small business, AbilityOne, and green procurement spend. (GSA, 2021)

***b. GSA Commercial Platform Providers***

**Amazon Business** provides the federal government with solutions to improve operations and modernize the purchasing process for COTS products, all while maintaining the same accessibility, convenience, and low prices that Amazon’s customers have come to expect. **Fisher Scientific’s** online storefront features over 2.5 million products in a wide variety of categories, such as laboratory instruments and supplies, chemicals and consumables, safety gear, personal protective equipment, and maintenance supplies. Products in categories such as office management, furnishings, facilities, construction, industrial equipment, and electronics are all available at **Overstock Government** (GSA, 2022).

The GSA has identified the following features and capabilities presented in each of the GSA Commercial Platform program providers (GSA, 2022a):

1. Intuitive and Familiar Experience
1. Detailed Product Information
2. Speedy Delivery
3. Order Tracking
4. Competitive, Real-Time Pricing
5. B2B Pricing/Discounts
6. Volume Discounts/Tiered Pricing
7. Tax Exemption (automatically applied)
8. Identification of Restricted Items/Excluded Vendors
9. Identification of Sustainable/ “Green” Products Per EPA Guidance
10. Support of Mandatory Source Programs (AbilityOne) and Small Business
11. Approval Workflows/Account Hierarchies

## 12. Product Curation by Agencies

## 13. Spend Analysis (Across All Agency Accounts)

During the GSA's *Meet the Platform* event, the researchers observed the following similarities between all three platforms, verifying the features and capabilities identified by GSA (Johnson, 2022):

Intuitive and Familiar User Experience – With FAR requirements included in the filtering options, agency buyers can utilize familiar e-commerce platforms to streamline their buying processes.

Tax-Exempt – Government buyer accounts are set up to be tax-exempt, so they do not need to worry about allocating orders to non-participating suppliers in the tax exemption program. Only suppliers meeting tax exemption standards will ever be displayed to buyers.

Business Pricing and Quantity Discounts – Registered business account customers have access to price and quantity reductions throughout their buying experience with speedy delivery.

Business Analytics – Customers can access information about their orders, generate and filter reports according to their organization's needs, and view graphs and tables.

Buying Policies – Built-in policies that automatically eliminate vendors that do not comply with the policies and procedures of the federal agency. Examples include Required Sources of Supply and Services (FAR Part 8), Small Business Programs (FAR Part 19), and Section 889 Parts A and B. (Johnson, 2022)

These observations highlight the shared attributes and advantages offered by the platforms, reinforcing GSA's understanding and assessment of their Commercial Platforms program.

## **B. FEDMALL**

This section provides a synopsis of research conducted on the DLA's FedMall. It gives a comprehensive review of the features and capabilities of the e-commerce portal available to federal agencies.

The idea of a web-based commercial marketplace is not a new concept for the DOD. The Federal Acquisition Streamlining Act of 1994 and the Clinger–Cohen Act (CCA) of

1996 pointed out the need for technological business improvements. Further, the Defense Reform initiative of 1997 gave emphasis to adopting electronic business as a best practice leading the deputy secretary of defense to establish the Joint Electronic Commerce Program in 1998.

## **1. Background**

The policy and oversight of the Joint Electronic Commerce program was centralized under the department's chief information officer, who in turn reports to the Deputy Secretary of Defense. The Defense Information Systems Agency (DISA) and the DLA provide the funding and personnel for the program. The Chief Information Officer works with the joint program office to ensure the DOD's electronic commerce program meets the requirements of the CCA. Accordingly, information technology decisions should be implemented at acceptable costs and within reasonable time frames and contribute to improvements in mission performance.

In 1998, the DLA created the DOD EMALL as one of the initiatives in support of e-commerce. The DOD EMALL was "a web-based ordering platform used by the DOD and state and federal agencies to acquire off-the-shelf goods and services from the commercial marketplace and government sources" (Reece, 2015).

Technology changes, customer expectations, and business practices changes coming from companies such as Amazon led to the DLA's need to modernize (Reece, 2015). In 2014, the DLA partnered with GSA in the creation of the new e-commerce system. As such, EMALL was modernized and rebranded as FedMall.

## **2. FedMall Overview/Benefits**

"FedMall is an e-commerce ordering system for the DOD, federal, state, and authorized local agencies to search for and acquire products from government reserves and commercial sources" (Defense Logistics Agency [DLA], n.d.). The ordering system has millions of individual supply items accessible to the customer including DOD and GSA assets and COTS products. According to the FedMall website, it also allows access to requisitions, research, and tracking tools for DLA inventory.

The FedMall website is composed of three user portals, one for customers (buyers), one for suppliers (vendors), and one for the DLA Supplier Account Managers. The customers and vendors need to register to access the system. Customers will have access to the Commerce Portal, and Suppliers will have access to the Supplier's Portal.

FedMall resembled EMALL but made significant improvements to update their technology and address customer expectations. For example, the system has an easier vendor application process and automatic product searches resulting from built-in business rules and requirements based on user preferences. In addition, FedMall allows for the adjustment of item prices based on supply and demand, something that its predecessor did not offer unless there was a modification. FedMall's dynamic pricing model allowed the vendors to add and remove their products and control the pricing. According to Kevin Burke, DLA procurement analyst, "By creating an environment where multiple vendors are fairly competing against each other, we should see costs go down, especially as we attract more customers who are buying the same items" (Reece, 2015). FedMall offers other advantages to the DOD and federal agencies in cost savings realized from automatic reordering, good search engines, and pictures to see and compare items, and gives the customer shipping options such as expediting urgent items. It is a unique marketplace created by DLA that allows vendors and customers to reciprocate their needs with a commercial approach and a single sign-on through the Procurement Integrated Enterprise Environment (PIIE).

Categories of FedMall taken directly from the 2023 DOD Procure-to-Pay & Financial Audit Training Symposium FedMall Overview:

- FedMall Requisitioning: Acquire Defense Logistics Agency (DLA) and General Services Administration (GSA) National Stock Number items. Transactions are routed to DLA Enterprise Business System (EBS) or GSA Global Supply for fulfillment.
- The FedMall Commercial Ordering: Acquire commercial supplies and services by leveraging existing DLA and Service issued Contracts and GSA Schedules: FedMall automatically completes mandated Federal Procurement Data System – Next Generation (FPDS-NG) reporting for these orders.
- FedMall "Marketplace": Make open market micro-purchases for commercial supplies directly from suppliers: FedMall allows

shoppers to compare items and prices like third party ordering on Amazon, but information about use of mandatory sources of supply, DOD supplier risk scores are readily apparent. This option supports market-driven competition and allows for purchases under the micro-purchase threshold. (Mette, 2023)

The FedMall Marketplace supports competition, enables real-time pricing that fluctuates with the market, allows for vendors to upload catalogs without the need of a contract, allows for the use of the GPC for orders under the micro-purchase threshold, and like a commercial site offers shipping options for their products. The system also provides checks and balances for some regulatory requirements during the initial registration of the vendors in which the supplier needs to attest to not being suspended, debarred, or having delinquent federal debt. Suppliers also must attest that the items will not be provided by a third party and compliance with the Barry Amendment, which requires covered items to be produced in the United States (General Service Acquisition Manual [GSAM] 525.1070, 2023). Most importantly, the vendor must attest that the products, photos, and descriptions are accurate, are registered in SAM.gov, and possess a DOD External Certification Authority (ECA) Medium token assurance certificate.

According to Mette (2022), the program updates implemented in FY2021 have successfully eliminated “downtime for code releases” and introduced a “new application architecture” that enables “rapid deployment of new features,” including faster loading of vendor catalogs. Mette (2022) further highlights the supplementary advantages gained from these updates:

- New shopper experience user interface
- Potential for a responsive web interface
- Increased user interface (UI) capability for banners, promotions, and related on-screen content
- Enhanced order tracking (from order to delivery)
- Catalog management
- Reverse auction
- Request for quote
- Order management
- Inventory management

FedMall new architecture supports commerce and supplier portal modernization initiatives saving \$3.9 million in annual licensing costs (Mette, 2022). The integration of FedMall into the Procurement Integrated Enterprise Environment – Single Sign-On (PIEE-SSO) is perhaps the greatest improvement of this tool. “PIEE provides a single platform for users to view and access FedMall and other federal systems integrated with PIEE” (Mette, 2022). Mette points to other improvement initiatives like automatic government access to existing and future appointed Government Purchase Card (GPC) cardholders and interactive features linking to the suppliers Performance Risk System (SPRS) where customers can provide vendor feedback to help vendors improve customer service based on the results. Additionally, items in the Marketplace include intuitive visual markings (e.g., mandatory supply sources of supply, green compliant, MILS compliance). Future upgrades to the site will incorporate the Defense Pricing & Contracting Catalog Data Standard (Mette, 2022).

In summary, FedMall is an ecommerce platform used by federal agencies and authorized users to purchase commercial and NSM products and services. This platform offers one single sign on through PIEE streamlining the log on access not only to FedMall but to other federal applications within this system, Additionally, buyers can pay using a GPC or Military Standard Requisitioning and Issue Procedures (MILSTRIP). The FedMall Marketplace goes one step forward in streamlining purchases for items and services under the micro purchase threshold by not requiring a contract and allowing for a flexible pricing adjustment based on market fluctuations. FedMall Marketplace site features are similar than a privately owned online website; however, in order to be a vendor, it requires some added controls such as the need to register into SAM.gov, a valid authentication certificate, such as a CAC card, PIV card, or a soft certificate and a cage code. There is no need to have an existing contract to participate in the FedMall Marketplace.

In the next section, we will compare and analyze both platforms, GSA Commercial and FedMall to determine if market efficiencies have been realized and explore small businesses participation on the online commercial platforms.

### III. ANALYSIS

This section provides a qualitative analysis of the literature review to show how federally available online marketplaces provide market efficiencies to government buyers while still promoting competition and diversity among providers.

#### A. PRIMARY RESEARCH QUESTION

The primary research question for this sponsored ARP project is: **How can online marketplaces provide government buyers with market efficiencies without sacrificing competition and diversity among providers?**

The researchers conducted a qualitative analysis of publicly accessible information pertaining to the GSA Commercial Platforms program and DLA's FedMall Marketplace to answer this question.

For the GSA Commercial Platforms program review, the team thoroughly reviewed resources such as the GSA Commercial Platforms home page, the GSA Commercial Platforms program "Interact" communication platform, ordering procedures, and participated in virtual training sessions with each platform provider to develop a clear understanding of the features and capabilities offered in the GSA Commercial Platforms program. During the team's research, there was a noticeable lack of access to expenditure data and supplier information of the GSA Commercial Platforms program. Only agencies participating in the program appear to have access to these types of data.

For the FedMall review, the team researched publicly available information on the Defense Acquisition University (DAU) website, FedMall training material, and the 2023 DOD Procure-to-Pay and Financial Audit Training Symposium, jointly hosted by Defense Pricing and Contracting and the Office of the Secretary of Defense (Comptroller).

The FAR and its supplements identify the regulations agencies must follow when procuring goods and services with public funds. Agency buyers are required to follow applicable guidance in FAR Part 13 when purchasing products through online marketplaces. This provides government buyers with a much needed flexibility when it

comes to purchasing COTS products under the micro-purchase threshold (\$10K), because agencies are not required to set aside acquisitions to small businesses per FAR 13.003(b)(1); which states, “acquisitions of supplies or services that have an anticipated dollar value above the micro-purchase threshold, but at or below the simplified acquisition threshold, shall be set aside for small business concerns” (Federal Acquisition Regulation [FAR] 13.003(b)(1), 2023). Currently, if a government agency needs a product that costs less than \$10K a GPC holder can use their card to purchase products through a variety of methods, to include consumer websites. While the FAR provides flexibility, the ability to use multiple procurement methods to purchase the same products introduces a lack of transparency and risk to accountability.

Figure 1 incorporates DLA FedMall Marketplace value-added features and capabilities, observed through research, to those presented in a November 2021, “GSA Commercial Platforms Initiative” presentation (GSA, 2021). It compares the features and capabilities offered to participating agencies on various consumer websites; the GSA Commercial Platforms program; and DLA’s FedMall Marketplace. Determinations are based on information discussed in the literature review and data collected from multiple publicly available sources.

	Features and Capabilities	Consumer Websites	GSA Commercial Platforms Program	DLA FedMall Marketplace
User Experience	Intuitive and Familiar User Experience	✓	✓	✓
	Detailed Product Information	✓	✓	✓
	Speedy Delivery	✓	✓	✓
	Order Tracking	✓	✓	✓
Pricing Benefits	Competitive, Real-Time Pricing	✗	✓	✓
	B2B Pricing / Discounts	✗	✓	✓
	Volume Discounts / Tiered Pricing	✗	✓	✓
	Tax Exemption (automatically applied)	✗	✓	✓
Management Tools	Identification of Restricted Items / Excluded Vendors	✗	✓	✓
	Support of Mandatory Source programs (AbilityOne) and Small Business	✗	✓	✓
	Approval Workflows / Account Hierarchies	✗	✓	✓
	Product Curation by Agencies	✗	✓	✓
	Spend Analysis (Across all Agency Accounts)	✗	✓	✓

Figure 1. Comparative Analysis of Features and Capabilities. Adapted from GSA (2021); Mette (2022, 2023).

Figure 1 demonstrates that agencies participating in the GSA Commercial Platforms program and the FedMall Marketplace have access to a modernized e-commerce buying experience comparable to that of other consumer websites. In addition, they enjoy additional management tools and pricing advantages that are unavailable on consumer websites.

Figure 2 compares the publicly available data for the GSA Commercial Platform program’s first two years with the available data for the FedMall Marketplace. The GSA Commercial Platforms data was obtained from the FY2021 and FY2022 Commercial Platform Highlights (GSA, 2022a, 2023b), while the FedMall Marketplace data was obtained from publicly accessible DAU webinars (Mette, 2022, 2023).

		FY2021 GSA Commercial Platforms Program	FY2022 GSA Commercial Platforms Program	FY2021 FedMall Marketplace	FY2022 FedMall Marketplace
Program/Orders	Overall Spend	\$ 11,700,000	\$ 40,300,000	\$ 2,300,000	\$ 2,200,000
	Avg. # of Orders	42,545	150,373	2,030	2,483
	Avg. Order Size	\$ 275	\$ 268	\$ 1,133	\$ 886
	Third Party Spend (Includes self-certified and SBA-certified small business spend)	Not Available	\$ 32,000,000	Not Available	Not Available
	COVID Related Spend	\$ 2,900,000	Not Available	Not Available	Not Available
Agency/Users	Agency Users	40,000	53,000	32,000	42,000
	Participating Agencies	20	26	Not Available	Not Available
Customer Experience (On a scale of 1 to 10)	Overall Satisfaction	90%	89%	Not Available	Not Available
	Use Platform Again	90%	91%	Not Available	Not Available
	Recommend to other GPC holders	88%	93%	Not Available	Not Available
User Benefits	Saved Time	85%	81%	Not Available	Not Available
	Cited one or more benefits	Not Available	95%	Not Available	Not Available
	Saved Significant Time	64%	Not Available	Not Available	Not Available
	Satisfied with fair and reasonable pricing	88%	93%	Not Available	Not Available
	Satisfied with ensuring compliance	73%	77%	Not Available	Not Available

Figure 2. Comparative Analysis of GSA Commercial Platform Program and DLA FedMall Marketplace Data. Adapted from GSA (2022a, 2023b); Mette (2022, 2023).

In the third year of the GSA's Commercial Platform program (FY2022), the program experienced significant growth. 53K agency users placed around 150K orders, resulting in a total expenditure of approximately \$40.3 million. Out of this amount, \$32 million was spent on third-party suppliers, including self-certified and SBA-certified small business suppliers (GSA, 2022a, 2023b). This marked a substantial increase of 244% compared to FY2021, which had recorded \$11.7 million in spending. The surge in expenditure can be attributed to the addition of seven new agencies joining the program, along with 13,000 new users. The data also indicates a high level of satisfaction among customers and users with the buying experience and benefits of the program. In fact, an impressive 93% of buyers expressed their willingness to recommend the program to other GPC buyers. As users continue to join the platform, the number of suppliers continues to increase, as well as increased visibility into the federal governments overall spend for COTS products.

In contrast, despite conducting a thorough examination of the various FedMall Marketplace-related presentations and online resources, no publicly accessible information regarding customer experience and user benefits could be found. The FedMall Marketplace accounted for approximately 2% of total FedMall sales, equivalent to approximately \$115 million in total expenditures for FY2022. This includes sales of FedMall National Stock Number (NSN) and other commercial contracts. It can be estimated that a portion of the 42K FedMall users placed around 2,000 orders, totaling approximately \$2.2 million in spending. However, the data available indicates that while the GSA program has witnessed significant growth in total spend, placed orders, and number of agencies and users, the FedMall Marketplace has decreased in overall spend, while the number of orders has increased. This suggests an increase in usage while costs are decreasing.

The GSA Commercial Platforms program offers significantly greater potential for suppliers to compete due to its larger user base and higher order volume. In a recent Meet the Platform event, Amazon disclosed that their platform boasts thousands of suppliers, including small businesses and mandatory sources, showcasing its extensive reach (Johnson, 2022). Conversely, the 2023 FedMall Overview briefing conducted by DLA revealed a comparatively lower number of suppliers, specifically 545, on the FedMall

Marketplace (Mette, 2023). This significant difference in supplier counts underscores the contrasting scopes and potential opportunities available to agencies participating in these online marketplaces.

For an overview of the different agencies currently participating in the GSA Commercial Platforms program and DLA FedMall Marketplace, please refer to Figure 3:

GSA Commercial Platforms Program	DLA FedMall Marketplace
Administrative Conference of the United States	Department of Army
Bonneville Power Administration	Department of Air Force
Consumer Financial Protection Bureau	Department of Navy
Defense Health Agency	Department of Marines
Defense Nuclear Facilities Safety Board	Department of Coast Guard
Department of Commerce	Defence Logistics Agency
Department of Homeland Security	General Services Administration
Department of Justice	Other Federal Agencies
Department of Labor	Other DOD Agencies
Department of Treasury	Navy Contractor
Environmental Protection Agency	Air Force Contractor
Farm Credit System Insurance Corporation	Marine Contractor
Federal Aviation Administration	
Federal Housing Finance Agency	
General Services Administration	
Government Accountability Office	
Health and Human Services	
Housing and Urban Development	
National Aeronautics and Space Administration	
Nuclear Regulatory Commission	
Office of Government Ethics	
Pension Benefit Guaranty Corporation	
Small Business Administration	
United States Agency for International Development	
U.S. Department of Agriculture	
Veterans Affairs	

Figure 3. Comparative Analysis of Participating Federal Agencies. Adapted from GSA (2023c); Mette (2022, 2023).

In FY2021 the GSA Commercial Platforms program had 20 participating agencies currently there are 27, a 35% increase (GSA, 2022a, 2023b). The information available for the FedMall Marketplace is not clear on the specific number of participating agencies. The FedMall is available to all federal, state, and local agencies, as well as contractors supporting those agencies. Other than the “service/agency support” information found in a July 2020 webinar, no other participating federal agency information could be found (Mette, 2020).

The following figure identifies various categories of public spending on the GSA Commercial Platforms program and DLA’s FedMall Marketplace.

	<b>GSA Commercial Platforms Program</b>	<b>FedMall MarketPlace</b>
1	Information Technology Peripherals	Office Supplies and Devices
2	Office Equipment & Supplies	Medical/Dental/Veterinary Equipment
3	Office Furniture	ADP EQPT/Software/Supplies
4	Domestic Appliances & Supplies	Hand Tools
5	Apparel & Luggage	Miscellaneous
6	Power Generation & Distribution	Hardware & Abrasives
7	Printed Publications	Fire/Rescue/Safety; Environment Protection
8	Laboratory/Measuring, Observing & Testing Equipment	
9	Printing Photographic, Audio & Visual Equipment + Supplies	
10	Safety Equipment & Supplies	

Figure 4. Categories of Product Spending Comparative Analysis. Adapted from GSA (2022a, 2023b); Mette (2022, 2023).

This comparison shows that both programs are purchasing similar products for the same customers. In a 2023 FedMall overview presentation, it was identified that 42% of the total FedMall Marketplace spend came from Office Supplies and Devices (Mette, 2023). Although this spend data could not be found for the GSA Commercial Platforms Program, it does show Office Equipment and Supplies as the programs second highest

category for product spending. This verifies both programs are competing for the same customers.

In summary, online marketplaces effectively provide market efficiencies to government buyers while maintaining healthy competition and diversity among providers. This is achieved through transparent and fair procurement processes, fostering competition among providers, offering a wide range of products and services from compliant third-party suppliers or contractors, leveraging business-to-business data analytics, and implementing quality control measures.

The data also indicates that the GSA Commercial Platforms program has a larger presence compared to FedMall. The GSA program utilizes a commercial technology-based approach, while FedMall establishes contracts with multiple contractors to offer their products through an online marketplace. This approach seems to create barriers to entry for small businesses, making the GSA Commercial Platforms Program more appealing due to the efficiencies commercial platform providers bring to third-party suppliers.

## **B. SECONDARY QUESTIONS**

- (1) How do online marketplace providers structure relationships with their suppliers/business partners?

The GSA commercial platform has strong relationships with its partners, Amazon Business, Fisher Scientific and Overstock Government, but no direct relationship with its third-party suppliers. This could present a barrier in communication with the small business suppliers.

- (2) What concerns do small businesses and other interest groups have about the transition to online marketplaces?

“The e-commerce industry has grown exponentially, with total e-commerce sales expected to reach \$1.065 trillion by end of 2023 competition is fierce, fulfilling orders can be overwhelming” (Post, 2023). The Post article points to some concerns small businesses have such as: (1) cybersecurity to ensure all data stored is protected; (2) competition; (3) customer experience; (4) quality website traffic.

Cybersecurity plays a major role in small businesses entering or considering entering the online marketplaces. According to a study conducted by HISCOX nearly half of small businesses in the US have suffered a cyber-attack and 65% of small businesses in the US fail to act following a cyber-security incident (Warwick, 2018). The report also points out that small businesses are also less able to withstand the financial impact of a hack or breach and only 52% of small businesses polled had defined strategies around cyber security (Warwick, 2018). DOD requires strict measures of cyber security in order to do business with them and recognizes this as a barrier to entry. The DOD Office of Small Business Program has contracted with Project Spectrum to provide a free resource for the tools and training small businesses need to increase their cybersecurity awareness and maintain compliance with the FAR 52.204 (2)(21) and DFARS 252.204-7012 applicable cybersecurity requirements.

Competition is another concern for small business suppliers. It is well known that any business must keep up with competitive pricing in order to survive. Economies of scale allow large businesses to have more purchasing power which drives down prices. On the contrary, small businesses might not be able to buy the high volume needed to enable them to offer lower prices. They must come up with other ideas to still make them the preferred go to source, and because they are small, they have more flexibility than a large competitor. “Distinguishing yourself from your competitors is crucial to standing out and attracting new customers for your business,” said Harsha Reddy, co-founder of Small Biz Genius “This can be accomplished by making sure your website looks professional and is optimized correctly to suit today’s Google algorithm. Also, by providing a unique product or service, you can focus on a smaller demographic, making it easier for you to increase your domain authority” (Post, 2023).

Customer experience becomes a concern of not being able to offer the same face-to-face exchanges of typical brick and mortar business. **The development of website user feedback tools and surveys becomes a need in order to make improvements to the experience of buying online and optimize operational performance.**

Lastly, small businesses are concerned with the traffic through their product page. **The more traffic the more visibility they have in their products or services, which**

**helps in increasing sales.** The GSA pilot ecommerce platform charges a fee for third party suppliers to advertise their products, this fee cuts into a small supplier's profit, and could potentially lead to higher product prices and less revenue. FedMall does not charge a fee for advertising; however, our research was not able to distinguish how much traffic on their website was driven by small suppliers. Small businesses might not have the budget to enhance their search engines or to make investments need to stay relevant and visible.

- (3) How can small businesses profit and benefit from changing their business processes to better align with this digital acquisition approach?

Small businesses can profit and benefit from changing their business processes to better align with a digital acquisition approach by creating newer opportunities and reaching a broader customer base. In today's world, digital transformation is a must for any business to stay afloat and remain relevant. The COVID-19 pandemic demonstrated suppliers capable of transforming their business to digital were able to stay afloat, offered new options to the traditional store front type of business and an improved customer experience. Another benefit is being able to track customer data which helps with making improvements faster and shifting priorities based on sales and immediate feedback. Further, there are some cost savings realized from needing less overhead, no need for a physical store front, having better logistics, and reaching a bigger audience with possible increases to scalability, and affordability.

### C. SWOT ANALYSIS

The researchers applied the SWOT analysis framework from Braun and Latham's (2014) book, *Mastering Strategy: Workshops for Business Success* to evaluate the government's competitive position in the online marketplace environment. Through a comprehensive analysis of internal strengths, weaknesses, as well as external opportunities and threats, they obtained data-driven insights that inform strategic decision-making (Braun et al., 2014). This SWOT analysis helps federal agencies leverage strengths and opportunities while mitigating vulnerabilities and addressing potential threats. It serves as a valuable tool for contracting senior leaders to understand the transformative potential of online marketplaces in federal procurement. Figure 5 provides an overview of the analysis,

highlighting the main strengths, weaknesses, opportunities, and threats associated with federal agencies using online marketplaces for procuring COTS products below the micro-purchase threshold.

<p style="text-align: center;"><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Streamlined procurement</li> <li>• Increased competition</li> <li>• Improved transparency and accountability</li> <li>• Enhanced compliance</li> </ul>	<p style="text-align: center;"><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• Limited vendor selection</li> <li>• Dependence on technology</li> <li>• Training and adoption challenges</li> <li>• Contractual constraints</li> </ul>
<p style="text-align: center;"><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Increased adoption</li> <li>• Improved data analytics</li> <li>• Collaboration with industry</li> <li>• Expansion to new markets</li> </ul>	<p style="text-align: center;"><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Regulatory changes</li> <li>• Cybersecurity risks</li> <li>• Competition from other platforms</li> <li>• Budgetary constraints</li> </ul>

Figure 5. GSA Commercial Platforms Program and FedMall Marketplace SWOT Overview

Through this analysis, a comprehensive understanding of the platforms’ capabilities and potential impact on the federal procurement process is achieved.

**Strengths:**

The strengths identified in the analysis highlight the advantages offered by the GSA Commercial Platforms Program and FedMall Marketplace. These strengths contribute to more efficient, competitive, and compliant procurement practices within the federal government:

- Streamlined procurement: The GSA Commercial Platforms Program and FedMall Marketplace offer a streamlined procurement process. This means that government agencies can leverage the platforms to simplify and expedite their procurement activities. By providing a centralized

marketplace, the programs eliminate the need for agencies to navigate multiple procurement channels, reducing administrative burdens and saving time and effort.

- **Increased competition:** The programs contribute to increased competition in the procurement process. By providing access to a wider range of vendors and products, government agencies have more options to choose from. Increased competition can lead to better pricing, quality, and innovation from vendors who strive to differentiate themselves and secure contracts. This competitive environment benefits government agencies by driving cost savings and promoting the availability of high-quality products and services.
- **Improved transparency and accountability:** Transparency and accountability are enhanced through the GSA Commercial Platforms Program and FedMall Marketplace. The programs offer a transparent procurement process with clear visibility into transactions and documentation. This transparency fosters trust among stakeholders and ensures accountability in the procurement process. It allows for proper tracking, auditing, and compliance monitoring, reducing the risk of fraud, corruption, and mismanagement.
- **Enhanced compliance:** The programs have built-in compliance mechanisms, reducing the burden on government agencies to ensure compliance with various procurement regulations. By operating within established regulatory frameworks, such as the Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS), the programs help agencies meet legal and regulatory requirements. This reduces the potential for errors or oversights in procurement practices, minimizing the risk of non-compliance penalties.

## **Weaknesses:**

By addressing these weaknesses, the GSA Commercial Platforms Program and FedMall Marketplace can enhance their value proposition, improve user experience, and increase adoption rates among government agencies:

- **Limited vendor selection:** While the GSA Commercial Platforms Program and FedMall Marketplace offer a wide range of products and services, the number of participating vendors may be limited. This limitation can restrict competition and limit options for government agencies. Agencies may not have access to a diverse pool of vendors, which could affect their ability to find specialized or unique products that meet their specific needs.
- **Dependence on technology:** The success of the programs relies heavily on the underlying technology infrastructure. Technical issues, system outages, or cyber-attacks could disrupt the procurement process and negatively impact user experience. Reliance on technology also poses the risk of data breaches, which can compromise sensitive information and erode trust in the platforms.
- **Training and adoption challenges:** Adopting the GSA Commercial Platforms Program and FedMall Marketplace may require significant changes to agency processes and training for personnel. The transition from traditional procurement methods to using these platforms can be met with resistance from agency staff, who may be unfamiliar with the new processes and require training to effectively navigate the platforms. This challenge of change management and adoption can hinder the widespread utilization of the programs.
- **Contractual constraints:** The programs operate under specific contractual terms, which may limit agencies' ability to negotiate specific terms and conditions with vendors. The standardized contracts used by the platforms

may not accommodate agency-specific requirements or allow for tailored negotiations. This can limit agencies' flexibility in establishing terms that align with their unique needs or mission, potentially leading to suboptimal agreements.

### **Opportunities:**

The analysis also identifies several opportunities that can be leveraged to further enhance the GSA Commercial Platforms Program and FedMall Marketplace:

- **Increased adoption:** As more government agencies adopt the GSA Commercial Platforms Program and FedMall Marketplace, the market share and vendor participation are likely to increase. This increased adoption can lead to economies of scale, driving down costs and creating more competitive pricing for government agencies. Additionally, as more vendors join the platforms, there will be a wider variety of products and services available, providing greater choice and flexibility for agencies.
- **Improved data analytics:** The programs have the potential to leverage data analytics to provide valuable insights and trends. By analyzing procurement data, the platforms can identify patterns, supplier performance metrics, and market trends. These insights can help government agencies make informed procurement decisions, optimize their buying strategies, and identify potential cost-saving opportunities. The use of data analytics can enhance the efficiency and effectiveness of the procurement process.
- **Collaboration with industry:** The GSA Commercial Platforms Program and FedMall Marketplace can collaborate with industry associations and stakeholders to develop best practices and standards for procurement processes. Collaborating with industry can help improve the overall procurement experience, facilitate knowledge sharing, and drive innovation. By working together, the programs can incorporate industry

expertise, address common challenges, and develop solutions that meet the needs of both government agencies and vendors.

- Expansion to new markets: There is an opportunity for the programs to expand their services to new markets or industries beyond the federal government. By extending their offerings to state and local governments, as well as commercial organizations, the GSA Commercial Platforms Program and FedMall Marketplace can broaden their reach and impact. This expansion can provide additional revenue streams, attract new vendors, and foster greater efficiency and standardization across different procurement sectors.
- Enhanced supplier diversity: The programs can promote and support supplier diversity initiatives. By actively engaging with small businesses, minority-owned enterprises, women-owned businesses, and other underrepresented groups, the platforms can help increase opportunities for diverse suppliers to participate in government procurement. Supporting supplier diversity not only fosters economic growth and inclusion but also brings a broader range of innovative products and services to government agencies.

## Threats:

Despite the strengths and opportunities, there are also threats that pose challenges to the success of the programs. Understanding and proactively addressing these threats is crucial to ensuring the long-term viability and effectiveness of the GSA Commercial Platforms Program and FedMall Marketplace:

- **Cybersecurity risks:** The programs may be vulnerable to cyber-attacks, which could compromise sensitive information and disrupt operations. As government procurement processes increasingly rely on digital platforms, the risk of cyber-attacks becomes a significant concern. A successful cyber-attack could result in data breaches, financial losses, and disruptions in the procurement process, eroding trust, and confidence in the programs.
- **Regulatory changes:** Changes in government procurement regulations and policies may impact the viability and effectiveness of the programs. Government procurement regulations are subject to change due to various factors such as shifts in political priorities, new legislation, or changes in agency policies. Alterations in regulations can have a direct impact on the operations and requirements of the GSA Commercial Platforms Program and FedMall Marketplace. Compliance with new regulations may require program adjustments, additional resources, or changes to existing processes, potentially affecting the efficiency and effectiveness of the programs.
- **Competition from other procurement methods:** The programs may face competition from other procurement methods, reducing their market share and vendor participation. There are various procurement methods available to government agencies, including direct contracting, multiple-award contracts, and agency-specific procurement systems. These alternative methods may offer their own advantages or cater to specific agency needs, posing a challenge to the market position and adoption rates of the GSA Commercial Platforms Program and FedMall Marketplace.

- **Budgetary constraints:** Reductions in agency budgets may limit spending on the programs, reducing their effectiveness and impact. Government agencies operate within allocated budgets, which can fluctuate based on economic conditions, political priorities, and fiscal constraints. In times of budget cuts or other radical changes, agencies may reduce spending on non-essential programs, potentially affecting the utilization and growth of the GSA Commercial Platforms Program and FedMall Marketplace.
- **Resistance to change and adoption:** Resistance to change from government agencies or stakeholders involved in the procurement process may hinder the adoption and utilization of the programs. Implementing new procurement methods and transitioning from traditional processes can be met with resistance due to concerns over unfamiliarity, training requirements, or perceived disruptions to existing workflows. Overcoming resistance to change and fostering widespread adoption may require effective change management strategies and stakeholder engagement.

Overall, the SWOT analysis serves as a powerful tool for decision-makers involved in the federal procurement process. It equips them with the necessary information to make informed choices that will enhance the efficiency, transparency, and accountability of the GSA Commercial Platforms Program and FedMall Marketplace. By utilizing the insights gained from this analysis, stakeholders can work towards creating a procurement ecosystem that maximizes value for the government, vendors, and ultimately, the citizens.

## IV. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

### A. SUMMARY

In summary, our research answered the following questions:

#### **Primary question:**

1. How can online marketplaces provide government buyers with market efficiencies without sacrificing competition and diversity among providers?

#### **Secondary questions:**

1. How online marketplace providers structure relationships with their suppliers/business partners?
2. What concerns do small businesses and other interest groups have about the transition to online marketplaces?
3. How can small businesses profit and benefit from changing their business processes to better align with this digital acquisition approach?

Government buyers relying on online marketplaces should make a conscious effort to ensure small businesses are afforded opportunities on the ecommerce platforms. This can be achieved by (1) Developing a buyers small business training program and ensuring buyers understand the regulations pertaining to small business and (2) Developing buyers performance standards that tie to small business performance in awarding to small. Online marketplace providers structure relationships with its suppliers differently than a brick-and-mortar company. Suppliers need to plan to have other tools available to evaluate customer experience and traffic to their website in order to make necessary improvements. Online marketplace providers and other interest groups concerns about transitioning to online marketplaces such as cybersecurity measures, competition, a different customer experience, and the quality website traffic and visitor conversion need to be addressed as part of their operational plan to have proper controls and measures of accountability in order to be successful and stay afloat in a market that

will be constantly changing. Last, small businesses can profit and benefit from changing their business processes to better align to a digital acquisition approach by being able to track customer data which helps with making improvements faster and shifting priorities based on sales and immediate feedback. Further, there are some cost savings realized from needing less overhead, no need for a physical store front, having better logistics, and reaching a bigger audience with possible increases to scalability, and affordability.

## **B. CONCLUSION**

The conclusion drawn from the research and analysis is that online marketplaces hold tremendous potential to bring significant benefits to government buyers in terms of market efficiencies, cost savings, and streamlined procurement processes. However, it is crucial to ensure that these benefits are realized in a manner that also promotes small business opportunities, competition, and diversity among providers.

By maintaining open and transparent platforms, implementing rigorous vendor verification processes, and actively promoting and supporting small businesses' participation, online marketplaces can create an ecosystem that fosters the growth and success of small enterprises. Small businesses play a vital role in driving innovation, creating jobs, and strengthening local economies, making it imperative to provide them with opportunities to compete and thrive within the government procurement landscape.

Moreover, by utilizing rating and review systems, facilitating competitive pricing, and bidding, and implementing supplier diversity programs, online marketplaces can ensure that small businesses have a level playing field and equal access to government contracts. This not only supports their growth but also fosters a diverse and inclusive business environment, promoting economic resilience and social equity.

The successful implementation of these strategies will empower government buyers to access a wide range of providers, including small businesses, and make informed decisions that align with their objectives. It will not only result in cost-effective procurement practices but also drive economic empowerment and job creation within small business communities.

In conclusion, online marketplaces have the potential to revolutionize government procurement processes by delivering market efficiencies while simultaneously providing small businesses with opportunities to compete and succeed. By embracing transparency, competition, and supplier diversity, we can create an ecosystem that maximizes benefits for government buyers, supports small business growth, and contributes to a robust and inclusive economy. Through strategic utilization of online marketplaces, we can unlock the full potential of government procurement and foster a thriving ecosystem that benefits all stakeholders involved.

### **C. RECOMMENDATIONS**

The following recommendations are for all senior contracting officials across the federal government. The research and analysis conducted throughout suggests, that with federal agency participation in federally developed online marketplaces, the federal government has an opportunity to revolutionize buying practices for COTS items across the enterprise through e-commerce practices. It is the researchers' assertion, that by acting on the following recommendations, senior contracting officials could implement a standardized and streamlined buying practice for all federal procurement stakeholders to benefit.

- (1) Centralize all e-commerce procurement through one program:

The research initially aimed to understand why the Department of Defense (DOD) was not participating in the GSA Commercial Platforms Program. However, it was discovered that the DOD is already using a similar platform called the DLA's FedMall Marketplace. The analysis revealed that both online marketplace programs offer similar features and capabilities. They are accessible to all federal agencies, provide a wide range of products, and offer accountability and transparency benefits. Both programs offer a convenient and efficient way for government buyers to purchase routine commercial off-the-shelf (COTS) products, while also providing spend analysis data and improving market research efficiencies. To ensure maximum accountability and transparency in federal procurement, it is recommended that federal agencies conduct a business case analysis to determine which program offers the best value and transition to that platform for all micro-

purchase COTS e-commerce procurement. Currently, the total spending through these two programs for micro-purchase COTS products exceeds \$42 million. If all federal agencies were to consolidate their usage into a single program, they would have comprehensive visibility into all micro-purchases of COTS products. In addition, there could be a huge cost savings to the government in not having to maintain a conglomerate of ecommerce platforms and aligning its resourcing to one single platform.

- (2) Authorize agency GPC users to buy COTS products up to the simplified acquisition threshold.

As discussed, government buyers who utilize any one of the online marketplaces must follow FAR part 13 procedures when procuring their micro-purchase orders. To increase opportunities for small business, and to leverage increased cost savings through mass quantity discounts, it is recommended to allow agencies participating in the GSA Commercial Platforms program to authorize GPC purchases up to the simplified acquisition threshold. This would promote small business participation in the online marketplaces because buyers would have to set aside and purchases over \$10K to small businesses.

- (3) Negotiate a no-fee advertising provision for small business suppliers.

The GSA ecommerce platform should negotiate with its partners a no-fee advertisement provision for small suppliers to create more visibility into their products without cutting into their profits or price. This will also facilitate more participation of small suppliers by keeping them relevant and visible.

- (4) Address weaknesses from SWOT analysis:
  - Expanding vendor participation: Actively seeking to onboard a wider range of vendors can enhance competition and increase options for government agencies. Encouraging vendor diversity, particularly from small businesses and underrepresented groups, can enrich the pool of available products and services.

- Strengthening technology infrastructure, and agency partnerships: Investing in robust technology infrastructure, cybersecurity measures, and disaster recovery plans can help mitigate technical risks. Partnerships with agencies such as Regular maintenance, updates, and monitoring can minimize system downtime and enhance the platforms' reliability.
- Providing comprehensive training and support: Offering comprehensive training programs, user-friendly documentation, and dedicated customer support can facilitate the adoption of the programs. By addressing user concerns, addressing technical issues promptly, and providing ongoing support, agencies can feel more confident in using the platforms.
- Exploring flexibility in contracts: Evaluating the contractual terms and conditions to provide more flexibility for agency-specific needs can enhance the attractiveness of the platforms. Allowing for negotiation on certain terms while ensuring compliance with regulations can help agencies establish agreements that align with their unique requirements.

THIS PAGE INTENTIONALLY LEFT BLANK

## LIST OF REFERENCES

- Acquisition Research Program. (2021). *2022 sponsored research topics*. <https://nps.edu/documents/105938399/0/2022+ARP+Student+Topics+List+%284%29.pdf/454e3fe5-d376-9a79-9e21-fc6105a3b23a?t=1678211484480>
- Ballenger B. N., Oakes, G. M., & Strong, A. S. (2022). *Analysis of small business participation in online marketplaces* [Master's thesis, Naval Postgraduate School]. <https://calhoun.nps.edu/handle/10945/70357>
- Braun, M. R. & Latham, S. F. (2024). *Mastering strategy: Workshops for business success*. ABC-CLIO.
- Clinger–Cohen Act of 1996, Pub. L. No. 104–106, Division E. 110 Stat. 679 (1996). <https://www.congress.gov/104/plaws/publ106/PLAW-104publ106.pdf>
- Defense Logistics Agency (n.d.). *FedMall customer and supplier information*. Retrieved January 10, 2023, from <https://www.dla.mil/Working-With-DLA/Applications/FedMall/>
- Department of Homeland Security. (2020). *Combating trafficking in counterfeit and pirated goods*. [https://www.dhs.gov/sites/default/files/publications/20\\_0124\\_plcy\\_counterfeit-pirated-goods-report\\_01.pdf](https://www.dhs.gov/sites/default/files/publications/20_0124_plcy_counterfeit-pirated-goods-report_01.pdf)
- Federal Acquisition Regulation 13.003(b)(1), Policy (2023). [https://www.acquisition.gov/far/part-13#FAR\\_13\\_003](https://www.acquisition.gov/far/part-13#FAR_13_003)
- Federal Acquisition Streamlining Act of 1994, Pub. L. No. 103–355, 108 St. 3243 (1994). <https://www.congress.gov/bill/103rd-congress/senate-bill/1587>
- General Service Acquisition Manual 525.1070. (2023). *Purchases Using Department of Defense (DoD) Appropriated Funds*. <https://www.acquisition.gov/gsam/525.1070>
- General Services Administration. (2018). *Procurement through commercial e-commerce portals—Implementation plan*. <https://www.gsa.gov/cdnstatic/Commercial%20Platform%20-%20Implementation%20Plan%20%20Policy%20Assessment%20%5BSIGNED%5D.pdf>
- General Services Administration. (2020a, June 26). *GSA awards contracts to commercial e-marketplace platform providers*. [https://buy.gsa.gov/interact/community/159/activity-feed/post/99f12682-ae40-4d21-b0e8-30a1721e0b73/GSA\\_Awards\\_Contracts\\_to\\_Commercial\\_E-Marketplace\\_Platform\\_Providers](https://buy.gsa.gov/interact/community/159/activity-feed/post/99f12682-ae40-4d21-b0e8-30a1721e0b73/GSA_Awards_Contracts_to_Commercial_E-Marketplace_Platform_Providers)

- General Services Administration. (2020b, August 3). *Managing supply chain risk within the Commercial Platforms proof of concept*. [https://buy.gsa.gov/interact/community/159/activity-feed/post/813fcd9c-7884-42fd-ba9e-265de9027ce5/Managing\\_Supply\\_Chain\\_Risk\\_within\\_the\\_Commercial\\_Platforms\\_Proof\\_of\\_Concept](https://buy.gsa.gov/interact/community/159/activity-feed/post/813fcd9c-7884-42fd-ba9e-265de9027ce5/Managing_Supply_Chain_Risk_within_the_Commercial_Platforms_Proof_of_Concept)
- General Services Administration. (2021, November). *Commercial Platforms initiative*. [https://www.gsa.gov/cdnstatic/Commercial%20Platforms%20101%20-%20Nov%202021\\_508.pdf](https://www.gsa.gov/cdnstatic/Commercial%20Platforms%20101%20-%20Nov%202021_508.pdf)
- General Services Administration. (2022a, January). *Commercial Platforms: FY2021 Highlights*. [https://www.gsa.gov/system/files/Commercial-Platforms\\_Infographic\\_508\\_FIN.pdf](https://www.gsa.gov/system/files/Commercial-Platforms_Infographic_508_FIN.pdf)
- General Services Administration. (2022b, July 7). *Awarded online programs*. <https://www.gsa.gov/buy-through-us/purchasing-programs/commercial-platforms/awarded-online-platforms>
- General Services Administration. (2023a, January 23). *Commercial Platforms: FY2021 Highlights*. <https://www.gsa.gov/buy-through-us/purchasing-programs/commercial-platforms/program-data>
- General Services Administration. (2023b, February 3). *Commercial Platforms: Learn more*. <https://www.gsa.gov/buy-through-us/purchasing-programs/commercial-platforms/learn-more>
- General Services Administration. (2023c, February 3). *Participating agencies. Commercial Platforms Program*. <https://www.gsa.gov/buy-through-us/purchasing-programs/commercial-platforms/get-started>
- General Services Administration. (2023d, April 28). *Virtual training*. <https://www.gsa.gov/buy-through-us/purchasing-programs/commercial-platforms/virtual-training>
- General Services Administration. (n.d.). *Ordering procedures—Commercial Platforms Program*. Retrieved March 31, 2023, from [https://www.gsa.gov/cdnstatic/Ordering%20Procedures%20-%20Commercial%20Platforms%20Program%20\(Final\).pdf](https://www.gsa.gov/cdnstatic/Ordering%20Procedures%20-%20Commercial%20Platforms%20Program%20(Final).pdf)
- Johnson, S. (2022, December). *Commercial Platforms Program: Meet the platform: Amazon Business* [Video]. <https://gsa.zoomgov.com/rec/play/4JZZsbz57vZfvWqVf1oqy1Yu0O30UuZRxonoKu6aRYeOen1gA-IEiC1Hko1O4oAd-cZdFKVZPWf8jU1N.K6aiKxp02QGdMtH2?startTime=1670873212000>

- Mette, J. (2020, July 22). *FedMall overview small business webinar: How DOD small business can purchase & sell PPE*. Defense Acquisition University. <https://www.dau.edu/Lists/Events/Attachments/263/FedMall%20Webinar%207-22-2020.pdf>
- Mette, J. (2022). *2022 Procure-to-Pay & financial audit training symposium*. Defense Logistics Agency. <https://www.dla.mil/Working-With-DLA/Applications/FedMall/>
- Mette, J. (2023). *2023 Procure-To-Pay & financial audit training symposium*. Department of Defense. <https://www.acq.osd.mil/asda/dpc/ce/p2p/docs/training-presentations/2023/FEDMALL.pdf>
- Post, J. (2023). *Top e-commerce challenges facing SMBs*. Business News Daily. <https://www.businessnewsdaily.com/6028-small-ecommerce-challenges.html>
- Reece, B. (2015). The new mall. *Defense Logistics Agency Loglines*, 5–6.
- Warwick, A. (2018, June 20). *Most small businesses fail to act after a cyber attack*. ComputerWeekly. <https://www.computerweekly.com/news/252443379/Most-small-businesses-fail-to-act-after-a-cyber-attack>

THIS PAGE INTENTIONALLY LEFT BLANK

## INITIAL DISTRIBUTION LIST

1. Defense Technical Information Center  
Ft. Belvoir, Virginia
2. Dudley Knox Library  
Naval Postgraduate School  
Monterey, California



## DUDLEY KNOX LIBRARY

NAVAL POSTGRADUATE SCHOOL

[WWW.NPS.EDU](http://WWW.NPS.EDU)

---

WHERE SCIENCE MEETS THE ART OF WARFARE