

EXPERT EDITION

Modernizing federal contract management

Insights from

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- General Services Administration
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TABLE OF CONTENTS

End-to-end speedier buying? That's the goal	2
State Department transforms procurement using category management, streamlined processes	3
GSA Advantage gets facelift — improves UX, reduces buying lead time	6
DLA turns to automation to jumpstart incorporating CMMC requirements	9
Modernize your contracting system for efficiency, risk and compliance gains	12



End-to-end speedier buying? That's the goal

I've been writing and editing articles about federal government processes long enough that I well remember — during the boom-boom era of PC adoption within agencies — when every mention of technology seemed to include the phrase “better, faster, smarter.”

You hear it less now, but achieving those three little words still drives digital modernization and transformation efforts. That mantra certainly reflects this ebook's articles about efforts to improve federal acquisition and contracting.

In the pages ahead, we talk to acquisition technologists and leaders at the Defense Logistics Agency, General Services Administration, State Department and [Icertis](#). They shared with our journalists how they aim to help the government and industry speed up buying and make it an all-around better experience for everyone involved. That includes both changes in technology and processes.

And as you read these articles, you will hear indirect and direct references to that idea of better, faster, smarter.

In fact, the General Services Administration's Mark Lee not only talks about making the acquisition process “smarter,” but also explains how GSA's Federal Acquisition Service streamlined the process for modifying contracts on GSA Advantage, reducing it from “34 days to one or two days” — aka faster. ([Read the full article on Page 6.](#))

By moving to digital contract lifecycle management and applying artificial intelligence and robotic process automation, the agencies featured in this ebook are indeed making their acquisitions better, faster and smarter. We hope you discover a few takeaways that help you do the same at your organization.

Vanessa Roberts
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State Department transforms procurement using category management, streamlined processes

BY DAISY THORNTON

The State Department has embarked on a journey to transform how it performs acquisition. It's moving to a category management approach, organizing procurement around its primary categories of spend. In addition, it's launching a lifecycle management approach to help streamline and standardize procurement workflows.

"For the most part, most agencies are trying to buy smarter these days and use best in class vehicles that are established out there. We're certainly doing that," Mike Derrios, deputy assistant secretary for acquisition and senior procurement executive, said on [Federal Monthly Insights — Contract Management Modernization](#). "But the missing ingredient for us really, and for any agency, is aggregating the demand signal. So how can you look internally at the requirements and identify those opportunities before you go to the best in class vehicles? That's really where we get the best bang for the buck, so to speak."

That's why State is reorganizing to have teams focus on specific areas of procurement, such as IT, including cybersecurity and artificial intelligence, for example. The idea is that procurement specialists in those areas will more deeply understand their respective markets, such

as how fast and the ways in which technology changes.

The idea is to use that knowledge of the market to supplement the larger buying power of category management. State wants to interact with industry in a smarter way than it currently does, to get better responses to requests for proposals and take more things — like interdependencies and technology refreshes — into account at the start of the process.

Acquisition strategy on the front end

Derrios said that's part of a larger strategy of focusing on the front end of the acquisition process. Toward that end, State also launched what it calls "procurement planning conferences" in the third quarter of the year, to engage with customers and find out what the upcoming year's portfolio will look like.

"We're trying to get ahead of some of the constraints that are just inherently in the procurement function across the enterprise. Budget cycles seem to be truncated these days, for example — have been for a while," Derrios said on the [Federal Drive with Tom Temin](#). "How can we get in front of that by

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Mike Derrios
Deputy Assistant Secretary for Acquisition and Senior Procurement Executive, State Department

talking to our customers about what they think they might do with their money next year, should they get it that way? We're at least planning together for the major things that are going to require significant effort as well as those that may not be as strenuous for us."

State is using data analytics to get a better idea of what that looks like. Derrios said it's trying to build more dashboard capabilities to provide a better look at the current portfolios, rather than relying on agencies to dig into their own systems and the Federal Procurement Data System to get a retroactive view. The department wants a more concurrent picture, as close to real time as possible.

Streamlining the process

At the same time, the last thing State wants to do is give contracting specialists one more database or tool to incorporate into their workflow. Derrios said they have too many now.

"I would like for us to have an end-to-end system. Frankly, it would be fantastic if we had a system that allowed our customers to be able to work workflow documents into a shared workspace where our contracting




officers and our customers could actually work on documents together,” he said. “I’ll go so far as to say a secure system where industry could submit their proposals in to us. I say that with emphasis on ‘secure system.’ I would love that.”

Right now, that process is largely handled via email, he said, which is unwieldy. Even the documents are in some cases simply too large for companies to submit through email. Unfortunately, Derrios said, that kind of system is not something State is even close to having.

Humans in the loop

While many agencies are turning to technology to streamline workflows and gain efficiencies, Derrios said State is paying particular attention to the limits of such

technologies just as much as the possibilities. That’s why he’s partnering with the head of contracting at headquarters to implement a contract and legal review board.

“Especially on our larger contracts, we’re going to be putting eyes on those and taking a look at things. ... Are the terms and conditions the right ones?” he said. “For us, it’s really about striking that balance. How can we leverage technology to the maximum extent and automate as much of it as possible? But let’s also get back to the old fashioned way. It’s OK to put some human eyes on things.” 

Listen to the full conversation between Federal News Network’s Tom Temin and [State’s Mike Derrios on streamlining the department’s procurement processes](#)

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— *State’s Mike Derrios*

GSA Advantage gets facelift — improves UX, reduces buying lead time

BY DAISY THORNTON

In the battle to modernize and streamline federal procurement, the General Services Administration is on the front lines and in the trenches.

As more public policy objectives make their way into the world of acquisition — supply chain, cybersecurity, sustainability, domestic and socioeconomic sourcing requirements, to name a few — GSA aims to bake those into acquisition vehicles up front so agencies have an easier time complying.

For example, Mark Lee, assistant commissioner for policy and compliance in GSA's Federal Acquisition Service, said FAS recently updated its green procurement population for agencies looking to meet sustainability goals, and it now directs agencies to GSA Advantage to make it easier to acquire those products or services. And that's not the only recent update to GSA Advantage that will make things easier for agencies.

"One of the things that we've been working really hard on is the FAS catalog platform. And really this is all the catalog data that feeds into GSA Advantage, which is really our online shopping site," Lee said on [Federal Monthly Insights — Contract Management Modernization](#).

"We have a legacy processing system that we were supporting, that was twofold. We generally negotiated those pricing and terms and conditions with our contracting officers. And after they awarded those items to your contract, then you had to post that onto GSA Advantage. And so we relaxed that to one process. So it made it super more streamlined. The cool thing too, is that we used to run separately a pricing compliance report, and we're actually running this report before the vendors even submit their modification."

That allows GSA to share transactional line item data with vendors before a modification, so they can see whether they're competitive. Lee said that change reduced the time to modify a contract from an average of 34 days to just one or two.

Improving user experience

One thing GSA did when updating its FAS catalog is explore the user experience to discover pain points throughout the processes. For GSA, that means doing outreach to three groups: its acquisition workforce, the vendors and the customer agencies.

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Mark Lee
Assistant Commissioner for
Policy and Compliance, Federal
Acquisition Service, GSA

That had to be a deliberate process because it's no trivial task to modernize a system that supports around 75 million items, he said. It began with a back end focus on how data was stored and then moved to the front end once that feedback had been gathered. Then, GSA piloted a single vendor initially, then expanded it to 30 vendors, and from there to all products. Currently, Lee said, GSA is in the middle of doing the same piloting process for services.

"It's really making sure that we're doing the right steps along the way, hearing all that user-centered feedback and everything like that. It's also been a great opportunity to bring in other data sources," he said. "The pricing compliance reporter in that catalog platform is fueled by transactional data, and so we're bringing in multiple data sources to bear to improve that user experience for our vendors, our contracting officers and ultimately our customers."

The agency received feedback on what it was like to award products and services, what it was like to get those products and services listed on the Multiple-Award Schedule or GSA Advantage, and what it was like to actually use that site and purchase those things.

"Factoring some of those things in terms of what their ordering experience is and really walking those journeys have helped us really streamline that process and, like I said, get from those 34 days to one or two days," Lee said. "Because we're walking those user journeys, redesigning and improving the business process and then wrapping that around technology so that it really delivers that better user experience."

Homing in on PALT


GSA is also working to streamline procurement acquisition lead time (PALT), a major metric in procurement that measures the time it takes to get from initial industry engagement to buying a product or service. FAS is forced to consider this metric because it's one of 12 key performance indicators of acquisition quality that FAS' performance is measured against. That's why they have multiple ongoing efforts to streamline it.

"One is our recent award of the Commercial Platforms program, which is like the second generation of the program. Basically, this streamlines for purchase card holders the

buying process to access commercial online marketplaces,” Lee said. “We’ve pre-negotiated agreements across the federal government with eight commercial marketplaces, and we’ve seen significant time savings for our customers.”

Surveys with those card holders showed they used to spend roughly 30% of their time, on average, making these purchases. In surveys since FAS made these changes, card holders report recovering roughly 80% of that time.

Another area FAS is addressing to improve PALT is source selection rate: how contractors are evaluated and contract winners are chosen.

“A lot of times we’re using oral and video presentations to do technical evaluation. So rather than get a 200-page volume of technical material for a source selection panel to read through — it’s voluminous — we invite people to come in and they do about typically a 90-minute presentation,” Lee said. “We’ve seen the use of oral video presentations have dramatically streamlined the source selection process. We needed a better experience for industry partners, and this helped us streamline getting to contract award.” 

Listen to the full conversation between Federal News Network’s Tom Temin and [GSA’s Mark Lee on improving buying lead time](#)

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— GSA’s Mark Lee

DLA turns to automation to jumpstart incorporating CMMC requirements

BY DAISY THORNTON

Defense contractors aren't the only ones preparing for the launch of the Cybersecurity Maturity Model Certification 2.0. The Defense Logistics Agency is automating some of its contracting systems, including verifying contractor compliance with the National Institutes of Standards and Technology's Special Publication 800-171.


It's a step in the direction of implementing the [new CMMC proposed rule](#), released last month, which would incorporate CMMC requirements into contracts and solicitations once finalized.

"We're gearing up as we speak to implement that into our processes as well as our automated program to assess the cybersecurity processes or practices, I would say, of our vendors," said Jajuan Evans, systems procurement analyst for DLA, during [Federal Monthly Insights — Contract Management Modernization](#).

"NIST is the precursor. We are in a position now where we validate that a vendor is covered by a NIST assessment if they're going to have access to unclassified data or covered defense information. And then it's going to be an overlap where we start to update our systems to implement CMMC."

Evans said DLA analyzes risk in relation to vendors and the item being purchased, in relation to the price quoted for that item. That's part of the supplier performance risk system, DLA's authoritative source for vendor performance.

As the supplier performance risk system lead for the DLA enterprise, Evans said he's been involved specifically in tying certain cybersecurity assessments into that system, allowing the Defense Department to access



Over the last few years, we really made a push to automate processes where we can. We already have a really robust automated solicitation program.

— Jajuan Evans
Systems Procurement Analyst, DLA



the system security plans of vendors that use controlled unclassified information or covered Defense information.

DLA's efforts to increase the use of automation in the agency's contracting system include using that information to assess a supplier's risk and quality score as a necessary validation before making an award.

Improving contracting efficiency across DLA

DLA already uses an extensive amount of automation in its contracting system, Evans said, as part of a recent push to improve contracting efficiency.

"Over the last few years, we really made a push to automate processes where we can. We already have a really robust automated solicitation program that, without any manual intervention, publicizes solicitations, requests for quotes, as well as an automated award program that will award procurements that meet certain criteria automatically," Evans said on the [Federal Drive with Tom Temin](#). "So really reducing that need for manual intervention or for a contracting officer to make that award decision. We're also leveraging new technology to improve contracting efficiency."

At the end of the day, our goal is to provide that item or that service to our customers, to the warfighter, where it needs to be, when it needs to be there.

— DLA's Jajuan Evans

That includes the use of robotic process automation to free up contracting professionals from repetitive tasks, he said. For example, DLA created a "master solicitation" — a 12- to 15-page list of clauses and provisions that apply to its solicitations. Automated solicitations then refer back to the latest revision of that document, so that vendors can refer to that document, determine what applies to them and their particular proposal, and ensure they're in compliance.


Evans said there's a bit of a learning curve for new contractors working with the federal government. But with a little time and investment, they're able to learn it and use it effectively, he said.

That's not to say every contract goes through this automated process. Evans said some critical solicitations still require manual assembly by a contracting officer. In those cases, it's incumbent upon the contracting officer to manually include the required provisions.

"The goal is to leverage that capability as much as possible where it makes sense," he said. "And then for more complex contract actions, we'll lean on the acquisition specialist or the contracting officer to create those."

Similarly, DLA is using an automated system to make awards in certain cases, where it determines the product is a correct fit and within pricing parameters. In other instances, however, it will flag an award for manual review. For example, it would do so if a contractor objected to a specific term.

Reducing acquisition lead time

DLA has implemented all of this automation as part of a larger effort to reduce procurement acquisition lead time. DLA tracks time to award in on-time deliveries. Acquisition specialists and contracting officers have certain metrics they're required to meet, like specific solicitation or award times. This helps DLA identify and address bottlenecks in the acquisition process. "At the end of the day, our goal is to provide that item or that service to our customers, to the warfighter, where it needs to be, when it needs to be there," Evans said. 

Listen to the full conversation between Federal News Network's Jory Heckman and [DLA's JaJuan Evans on improving contractor compliance, automating acquisition process](#)

Modernize your contracting system for efficiency, risk and compliance gains

BY TOM TEMIN

The federal government stands as the nation's largest entity in many ways. Among them, it's the biggest buyer of goods and services. It spends some \$700 billion a year through contracting.

The act of writing, issuing, monitoring and closing out contracts therefore makes for a major administrative task. More than just paperwork, good contract administration helps assure compliance, performance and stewardship of taxpayer dollars — both for the government and for contractors.

Kim Miller, vice president of industry advisory at [Icertis](#), knows all of this. She spent 26 years in government aerospace and defense contracting. She advocates approaching the modernizing of contracting from a cradle-to-grave viewpoint.

"We're not just looking at the execution of an agreement and then the obligations and requirements of an agreement," Miller said during [Federal Monthly Insights — Contract Management Modernization](#). "We're looking at it from the very beginning, at the time of the acquisition and the campaign, and going through that entire process as well as from the contract closeout standpoint."

Miller added that obtaining such a comprehensive view of the contract lifecycle requires integration of the contracting system with enterprise resource planning (ERP) and other systems that track sales, purchasing actions, inventories and operations. Contractors, she said, should have integration between the buy and sell sides of their operations.

The ability to identify and integrate that risk within a lifecycle contract management solution, providing a potential response or mitigation action based on the contract, is really a game changer.



Kim Miller
Vice President of Industry
Advisory, Icertis

Miller added, "And then [information] flows into the subcontracts. The subcontractors do their closeout, making sure the purchase orders have all been received, invoiced and everything is accurate." This assurance, she said, rolls up to the prime, eventually aiding accurate closeouts.

"The system is the enabler," she said, "and it really looks at how do we track things like obligations, risk management and ensuring that we're in compliance and closing out the contracts compliantly."

Begin at the beginning

Good contract administration starts with a good contract, Miller said. A challenge stems from the fact that government and industry contracts typically contain dozens to hundreds of clauses, not all of which apply to a particular exchange.

A contract writing system, Miller said, should make it easy to choose from a library of clauses to include only the relevant ones. On Icertis' platform, she said, "you have that ability and flexibility to select the format and the template that is going to be used for the contract negotiation."

If there's an objection from a customer or supplier, "you have the ability to provide alternate solutions for that clause," she said.

Miller said government and industry contracting professionals alike seek gains in efficiency, compliance assurance and risk mitigation from their contracting systems. Typical questions might be, "What are the ramifications of the inability to get parts

from a certain supplier? Cost increases, and how do we utilize the contract to its fullest extent possible?"

A generative AI-enabled contract lifecycle management (CLM) system inculcates risk factors such as inflation, commodity interruptions, weather events — anything that could affect the supply chain and contractor performance.

"The ability to identify and integrate that risk within a lifecycle contract management solution, providing a potential response or mitigation action based on the contract, is really a game changer," Miller said.

Properly configured, a CLM system can provide active alerts when occurrences or conditions require attention. Otherwise, Miller said, static paper contracts tend to get tossed into file cabinets. Such lack of visibility can increase compliance risks.

Efficiency comes from simply changing a manual paper process into a fully digital one, Miller said.

"When you have the contracting officers having to monitor the contracts for compliance and ensuring every aspect and obligation within the contract is performed, it's very time-consuming," she said. "When you have a system do that for them, it really is an enabler and efficiency driver."

Automation is possible when the CLM incorporates pricing, terms and conditions, statements of work, purchase requisitions and purchase orders, and related information, Miller said. That approach reduces errors, which can remain hidden until an issue arises.

Agencies often miss the details of contract closeouts, which have legal and financial implications. But when “you’ve been continuously monitoring and tracking throughout the lifecycle of that contract,” Miller said, “when it comes time for the closeout, you actually have everything pretty much completed. You’ve monitored and tracked performance throughout that lifecycle, and you have that summary at the end.” 🎧

Watch or listen to the full conversation between the Federal Drive’s Tom Temin and [Icertis’ Kim Miller on reducing risk through contract lifecycle management technology](#)

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