IT Alliance for Public Sector
A Division of ITI

April 28, 2016

The Honorable Tony Scott
Federal Chief Information Officer and
Administrator for E-Government and Information Technology
Office of the Federal Chief Information Officer
Office of Management & Budget
1650 Pennsylvania Avenue, NW
Eisenhower Executive Office Building
Washington, DC 20503

RE: OMB Draft Policy on Mobile Category Management Policy

Dear Mr. Scott:

On behalf of the Information Technology Alliance for Public Sector (ITAPS) [1], we are responding to the request for comments regarding the Office of Management and Budget (OMB) Mobile Category Management Policy. The proposed policy sets forth guidance on how federal agencies should improve its policies in procuring mobility services and devices. ITAPS appreciates this opportunity to share our perspectives and comment on these draft guidelines.

With the federal government's increasing reliance on mobile technology and applications to carry out its missions and deliver services to citizens, we think there is value in exploring the manner in which federal agencies procure mobility services and devices. Certainly for conventional wireless services, and at the national level, OMB's recommendation makes sense. Federal agencies need to better understand their mobile inventories, consolidate contracts, and better manage device refresh.   We understand and support OMB's efforts, but we also see further room for improvement and recommend the following policy revisions below.

First, more robust and accurate information on inventory and data usage will, without a doubt, drive more sound and effective/efficient procurement decisions. And the GAO 2016 Annual Report on *Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits[2]* isolates the problem right from the start. Inventory tracking needs to be a centralized agency function and cannot be delegated down to component levels to solely manage.

Second, a reduction in the overall number of mobility contracts should make the procurement process easier for all involved.   By narrowing the field of contracts offering wireless services, the government should expect greater competition, which will drive down operating costs and speed new offerings to the market. But rather than consolidate all wireless requirements under a single GSA Schedule, we recommend having two to five federal wireless contract opportunities in which wireless carriers can bid. As part of these procurements, the procurement agency should utilize the data collected by the Acquisition Gateway report to convey to the carriers the type of usage desired and necessary for each individual agency. The reasons for this are that:

- Competition among government contracts leads to better governance. In choosing where to spend wireless dollars, agencies can compare device and service offerings as well as fees. Agency customers are attracted to contracts that spend their funding wisely.
- Competition keeps contracting activities alert. It prevents one contracting organization from exerting substantial monopoly power over all end users. If agency customers feel that the fees paid exceed the value of their contract services, or technology refresh is falling behind, they can go elsewhere.
- At present, the GSA Schedule does not achieve the speed-to-market required to drive innovation and efficiencies sought by OMB. For instance, GSA's Networx contract levies a 7% fee and currently averages 30 days, at best, to approve new service offerings, while other agency wireless contracts levy no fees and generally move faster.   The current time range to add a new product/service to the GSA's Schedule 70 is six months, and in some cases it can take up to a year.
- Agency requirements vary widely. The needs of national security organizations will differ widely from those working with underserved rural communities. Cost efficiencies can be realized by tailoring offers to agencies that require high levels of international data usage or increased security.
- Consider the need for evaluating security within your strategy. As part of the collection of data, they should also factor in the types of security offerings that may be relevant to their individual agency in order to make sure they are not compromising security while solely evaluating cost and usage.

Thus, if these limited number of contracts conveyed this information as part of its bidding process, carriers could better assess the needs of the federal government and provide plans and services that were better aligned to each individual agency's goals.

Third, guidelines around device refresh can help IT leaders manage employee expectations. The reasons for this are that:

- Long-term policy should encourage the decoupling of carrier-subsidized devices from data plans. This is the current direction path of the private sector.
- But for those plans still relying on device refreshes, we recommend pushing out upgrades to every 24 months, rather than 18 months. By holding onto a device for six months longer, government end users relying on carrier-subsidized devices should expect a newer (first or early second) generation replacement device at the time of refresh versus getting a second/third generation device.   Use of third generation devices, where degradation in software upgrade capacity begins to be seen, should be highly discouraged.
- Procuring older (third generation) devices may achieve short-term savings, but over the long-term, costs savings from old devices are illusory. Older devices not supported by the latest software are more susceptible to cyber vulnerabilities and attack, and; will have limited performance, functionality and ultimately mission delivery. Older devices also are costlier to maintain when beyond life-cycle support and device breakages occur.
- In support of government acquisition mission goals to account for TCO (total cost of ownership), government should ensure the best value for a device incorporates long term utilization, not a disposable short-term device. Benchmarks for reliability, durability, battery life, CPU performance and service of devices should be considered.

Other Considerations

Nonconventional or experimental wireless initiatives should be exempt from the new OMB policy and procured differently. The challenge faced by both government and the private sector is the rate at which something like wireless that was once a simple commodity – data plus device – is evolving into a complex, interconnected ecosystem we call the Internet of Things (IoT). We have moved from an environment where mobility was a smart phone and a person, and data consumption was a primary driver. For this reason, we recommend completely exempting or partitioning off any activity associated with the Internet of Things from OMB's policy.

IoT is a solution, not a commodity. IoT exponentially expands the wireless base from a user + device to include countless autonomous sensors and actuators (e.g. active RFID tags on packages, refrigerators, thermostats, etc.) all generating, consuming and transmitting data. IoT promises huge cost savings flowing from efficiencies other than better device/plan inventories. Today, devices are tied to service plans which can be inventoried. With IoT, however, there will be countless devices, sensors and actuators communicating across multiple platforms untied to a single user's data plan. Thus, there will be no need for device and service plan consolidation since extraneous devices/plans will not be primary cost drivers. To keep up with trends like the IoT and the Mobile Cloud, federal contracts need to be nimble, flexible, easily modifiable, and support diverse set of offers. Cycle times to add services/equipment should be optimized down to days versus months.

Neither government nor industry fully understands the IoT market yet – it is still developing – and could involve a very different model where mobility services are bundled in and respond to real-time with potentially unpredictable demands.

Conclusion

Thank you again for the opportunity to respond to this request and share our viewpoints. We look forward to working with OMB as this policy is refined, and we are available at any time to elaborate on our response. Should you have any questions regarding these comments, please contact Pamela Walker, Senior Director of Federal Public Sector Technology at (202) 626-5725 or pwalker@itic.org.

Respectfully Submitted,

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