

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

RESTRICTED
GPA/IC/W/7/Add.5
15 November 1994

(94-2422)

Interim Committee on Government Procurement

Original: English

QUESTIONNAIRE ON INFORMATION TECHNOLOGY
IN GOVERNMENT PROCUREMENT

Response by United States

The attached communication contains the replies from the delegation of the United States to the questionnaire on Information Technology in Government Procurement contained in document GPA/IC/W/4/Rev.1, dated 16 September 1994.

INFORMATION TECHNOLOGY IN GOVERNMENT PROCUREMENT

Replies received from United States

1. What steps are being taken to introduce electronic commerce into public procurement?

The United States has undertaken an ambitious and far reaching initiative to exploit technological advances in electronic commerce to enhance the public procurement process. In October 1993, the President issued a memorandum directing the Federal Government to move from the current paper-based system to an electronic process for conducting procurements. Recently passed process legislation reinforces this effort. It calls for the Government to develop and implement, no later than 1 January 2000, a Federal acquisition computer network architecture ("FACNET") that will be government-wide and provide interoperability among users. FACNET will be introduced gradually, with the initial focus on purchases falling below the simplified acquisition threshold.

Does this cover contracts which are covered under the Agreement presently in force, or under the newly signed Agreement? At all levels of government?

Under both the Presidential memorandum and the recent legislation revising procurement procedures, it is anticipated that all departments and agencies will eventually utilize electronic commerce for all suitable purchases, including larger purchase contracts covered by the agreement. Initially, however, the specific focus is on smaller purchases which fall below the simplified acquisition threshold. It is recognized that the transition to electronic commerce for use in larger purchases will be a gradual process.

2. What function would information technology serve and who will be the users?

The Electronic Commerce (EC) architecture is being developed in such a manner as to permit the exchange of procurement information electronically for all phases of the procurement process. This includes electronically providing notice of contracting opportunities; the ability of the Government to send solicitations and receive offers; process; award; provide notice of contract award; and, where practical, make payment.

3. What are the technical aspects of the systems in use or planned?

Electronic Commerce Hardware and telecommunications infrastructure consists of internal agency automated purchase systems that are interconnected to vendor-automated systems through a hub that, in turn, is interconnected to commercially available national and international value added networks (VANs). In most cases, commercial off-the-shelf software is used to translate agency purchase data into standard electronic formats that are then broadcast to the VANs to be accessed by vendors.

4. What limitations might affect access to information available in systems? How wide is potential access?

Since Electronic Commerce uses commercial VANs as the interface to the business community, potential access to interested suppliers depends on the access capabilities provided by the VANs. For example, several of the international VANs can provide broad global access whereas many national VANs focus on domestic and localized access. In order to maximize the accessibility to operation, the Electronic Commerce system will recognize a wide range of VANs. This will allow both foreign

and domestic vendors the opportunity to access government-wide FACNET databases when they become available.

5. What thought has been given to the question of interaction between electronic tendering and the obligations concerning publication and time-limits imposed by the Agreement?

The underlying objective of the transition to electronic commerce is to promote greater access for both foreign and domestic suppliers to the U.S. Federal procurement system. Rather than restricting access by foreign suppliers, the features of electronic commerce will reduce many of the disadvantages experienced by foreign suppliers due to their distance from the procuring entity, by providing instantaneous notification and response capability.

In the near term, shortened deadlines are generally focused on purchases below the simplified acquisition threshold. Purchases between \$100,000 and \$250,000 could eventually benefit from shortened deadlines, but not until the Electronic Commerce system attains government-wide capability. A small number of pilot tests with shortened deadlines will also be conducted for larger contracts, but these tests will have limited impact as they will be limited in terms of both volume and dollar value. Additionally, the feasibility of forecasting requirements is being studied. If proved feasible, this would significantly reduce the impact of shortened deadlines in procurement actions.

6. For those delegations who use a database which lists government procurement opportunities:

(i) What is the name of this database?

Electronic Commerce architecture provides for the VANs to receive solicitations as they are issued. The name of the database is determined by the VAN.

(ii) How long has the database been operational and how many suppliers use the database?

The procuring agencies have only recently begun to issue electronic requests for quotes, receive vendor quotes and issue purchase orders in standard electronic formats.

(iii) Is a fee charged to suppliers using this system? If so, how much, and what is included in the fee?

The VANs charge the suppliers a fee for using their network services.

(iv) Can suppliers obtain tender documentation electronically? If so, how?

Suppliers can obtain tender documentation directly by contacting a VAN that is participating in the Electronic Commerce program.

(v) How is information on the database organized?

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- (vi) Does the database offer any other features?

Due to the diversity of services available from individual VANs, this question should be directed directly to the VAN providers.

- (vii) What is the approximate number of procurement opportunities listed on the database annually?

Approximately 4 million procurement opportunities are listed annually.

- (viii) Is the system managed by the government or a private company?

FACNET is government-managed.