

## Customer Success Story

# GSA MANDATES E-SIGNATURES FOR BILLIONS OF DOLLARS WORTH OF PROCUREMENT CONTRACTS

The U.S. Federal Government procures \$400 - \$500 billion annually in goods and services. More than \$66 billion<sup>1</sup> of this is spent via the General Services Administration (GSA). Through its Federal Acquisition Service, the GSA establishes contracts with businesses to provide government organizations and the military access to over 11 million commercial products and services. The GSA is essentially a purchasing agent, negotiating preferred pricing on behalf of the government.

When businesses sell to the Government through GSA, different kinds of contracts are used. The largest contract is the GSA Schedules program. More than 19,000 GSA Schedule contractors sell to U.S. Federal Government agencies worldwide, as well as to state and local governments, via 31 Schedules. Each Schedule represents millions or even billions of dollars of Federal spending. For example, "IT Schedule 70" is the GSA's largest Schedule, responsible for \$16 billion of IT procurement annually, providing direct access to products and services from over 5,000 technology vendors<sup>2</sup>.

## ELECTRONIC SUBMISSION AND MODIFICATION REQUESTS MANDATORY

As companies launch new products/services, or when they change existing offerings, they need to modify their GSA Schedule listings. Some businesses on the Schedule submit modification requests almost weekly, which for years resulted in overwhelming volumes of paper processing, data re-keying and paper storage.

In 2004, GSA implemented its eOffer/eMod system as the paperless means to streamline the contract award and modification process. This web-based application allows vendors to electronically prepare and submit contract offers and modification requests. E-signatures were deployed the same year as an essential technology, enabling an all-electronic process.

Between 2004 and 2010, e-signature adoption by vendors stood between 60 and 70 percent, which while considered a strong adoption rate, was still well short of the Agency's goal of a 100 percent electronic contracting process and environment.

In accordance with Executive Order 13514-Federal Leadership in Environmental, Energy, and Economic Performance, which establishes the need for "an integrated strategy towards sustainability in the Federal Government", and the GSA's goal for a "Zero Environmental Footprint" (ZEF), GSA had pledged to reduce the amount of paper used and move towards a completely electronic contracting environment.

## THE CHALLENGE

When the GSA first deployed e-signatures, a key challenge came in defining the environment for their new system. The Agency knew that they needed to bring the process online; however, from the early 1980s up to that point, the GSA had

## EXECUTIVE SUMMARY

### Business Objectives

- GSA's eOffer/eMod platform demonstrates the Agency's commitment to environmental leadership and sustainability.

### Additional benefits include:

- Improved customer experience
- Dramatic reduction in the amount of paper processed
- Reduction of errors
- Accelerated process
- Eliminated mail, fax and overnight delivery fees during the contracting process
- Reduced need for paper storage space
- No more lost or misplaced paper records



invested over a million person-hours in the development of a mainframe system. Whatever solution GSA implemented had to interface with this legacy system, leverage the GSA portal, and support their existing SF-30 form for Schedule modifications.

The Agency also needed an e-signing solution that was easy to use. By opting for a zero-download solution, GSA was able to minimize hardware and software compatibility issues and eliminate installation challenges. The chosen solution also had to support the distribution of fully executed, verifiable contracts to each party involved in the transaction.

## CUSTOMER SUCCESS STORY

As contractors complete applications and modifications over the web, electronic approvals are captured through the web browser using e-SignLive™ Enterprise Edition (formerly Approvett Web Server). It enables users to apply an enforceable electronic signature to documents using nothing more than a browser. To the user, the experience is similar to clicking an “I Agree” button, but the agency benefits from the capture of electronic evidence during the approval process. An electronic signature is embedded into each document and a final, signed and verifiable copy is distributed to both parties after the documents are submitted to GSA.

GSA leveraged e-SignLive's electronic signature solution to develop the eOffer/eMod system. One of the first paperless contract award options in the federal government, its user-friendly, electronic screens guide businesses through the process, authenticating user identities using digital certificates, and keeping proprietary information confidential. eOffer/eMod is based on open source software, web services and digital signature encryption. With Linux at its foundation, the system uses Java2 Enterprise Edition Apache Web Server freeware, and the Tomcat application server software with a backend database from Sybase.

## THE BENEFITS

In the past, during the process of becoming a GSA contractor and modifying the schedule, forms frequently would be submitted without key information such as the

vendor's signature or DUNS (Data Universal Numbering System) ID number. Before e-signatures became mandatory, this would create the need for several mail packages, faxes and overnight delivery packs to facilitate the back-and-forth negotiation – adding significant delays to the process. The e-SignLive e-signature platform eliminates this by incorporating workflow rules into the automated process, to keep forms and documents from being submitted if they are missing signatures or if data fields are not filled out.

For GSA, e-signatures have translated into a better customer experience. Vendors and other external business partners save a lot of time with the electronic process. Richard Stanton, an owner of Digital Visual Display Technologies Inc. in Atlanta, says, “With the paper process, it's very difficult to make sure you fill out everything properly because there is so much small print. EOffer breaks it down into easy-to-follow steps, so you know exactly what to do.”

According to Stanton, “eOffer cut the Schedule 70 application preparation process by at least half.”<sup>3</sup>

The Agency now stores the final contracts electronically, reducing the need for physical storage space. Prior to moving to the eOffer platform, GSA's paper files occupied a full floor of the Agency's Washington headquarters. While the contract information requires a 42-tab electronic file cabinet for every contract, this is all done electronically in a virtual filing system so it is easy to index, archive and retrieve information such as solicitations, contract proposals, etc.

Overall, e-signatures enabled a 100 percent electronic contracting process but the move to make e-signatures mandatory was a bold step forward in realizing the Agency's goal for a Zero Environmental Footprint. Looking to the future, the GSA is considering offering e-signatures as a shared service to other agencies based on the large number of inquiries received regarding the technology.

<sup>3</sup> From Washington Technology, <http://washingtontechnology.com/articles/2004/07/15/gsa-unveils-eoffer.aspx>

*On October 1, 2011, it became mandatory for all Schedule offer submissions and contract modification requests to be submitted using e-signatures.*

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