

September 20, 2012

Mr. Ben Reed
Contracting Officer
General Services Administration

VIA EMAIL: ben.reed@gsa.gov

RE: SIIA Response to GSA Cloud Brokerage Request for Information

Solicitation Number: QTA00AH12BRI0002

On behalf of the Software and Information Industry Association (SIIA), thank you for your ongoing leadership and expertise to help guide the US Government to successfully implement cloud computing and for your work on the IT cloud service offerings provided by the Cloud Computing Services Project Management Office (Cloud PMO) in the Federal Acquisition Service (FAS) Integrated Technology Services (ITS). We appreciate the opportunity to submit comments to the above referenced RFI.

SIIA is the principal trade association of the software and digital information content industries, with more than 500 member companies that provide software and electronic content products and services. SIIA is also a leading voice for innovative technology companies providing services to the federal government. SIIA played a key role in the development and legitimization of the Software as a Service and Cloud Computing Industries, and many of our member companies, both large and small, are enablers of this approach.

SIIA and many of our member companies have participated extensively in the various Federal cloud initiatives including those promoted by GSA and the National Institute of Standards and Technology (NIST) cloud computing program. SIIA supports the central roles of OMB, GSA and NIST to advance federal cloud computing standards and implement the FedRAMP program, collaborating with USG agency CIOs, private sector ex-

perts, and international bodies. We also support the goals of the Shared Services Strategy, announced earlier this year.

SIIA continues to fully support efforts to move the federal government to cloud computing. With an estimated \$20 billion of the federal government's \$80 billion IT budget potentially being spent on cloud computing services, we believe it is important that the government develop new and innovative ways to acquire these services, reducing time to market and maximizing value.

While still a relatively new idea, the concept of cloud brokerage – an intermediary acting on behalf of outside entities to sift through the various cloud offerings and advising on what's best to meet an entity's needs – is evolving and maturing like cloud computing itself. Also like the term cloud computing, the term “cloud broker” means many different things to many different people.

As we explain below, there are still a lot of unanswered questions about how a cloud brokerage model would work and what benefits it would provide to the Federal government. As GSA continues to explore whether and how the use of “cloud brokers” could help achieve its stated objectives, we encourage GSA to continue working closely with industry to ensure that any cloud implementation strategy meets its goals of reducing costs, while increasing competition, interoperability and innovation.

Defining “Cloud Broker”

According to NIST, a cloud broker is an entity that manages the use, performance and delivery of cloud services and negotiates relationships between cloud providers and cloud consumers. Services provided by cloud brokers are envisioned to include intermediation, aggregation, and arbitrage. This definition, operates at a basic level, but is not sufficient if the cloud broker concept is going to be fully implemented in the federal government. Industry is continuing to work with NIST on a definition of the term “cloud broker”, which in addition to the terms used above is also often used to describe a variety of cloud-like service providers including resellers and service integrators. The clarity of this definition is extremely important to cloud service providers and we recommend that GSA refrain from any procurement or policymaking related to cloud brokerage until the government – in consultation with industry -- has developed and promulgated a clear and un-

ambiguous definition of the term cloud broker.

Ensuring Competition in Federal Procurement

The federal government rightly wants to enhance competition, promote innovation and aggregate buying power to ensure that the government is getting the best deal for its cloud investment. However, if not implemented effectively, the brokerage concept could serve to increase complexity, strangle innovation and limit competition.

To avoid policies that would undermine the government's ability to achieve its goals, SIIA recommends that GSA:

- Standardize and simplify cloud and related IT acquisition processes, as a foundation for effective implementation of innovative technology in the federal government
- Allow flexibility to promote innovation and ensure that agencies have access to the most up-to-date cloud offerings
- Aggregate buying power by consolidating demand rather than limiting access to suppliers

Cloud Brokerage Contract Vehicle

SIIA does not have a specific recommendation as to the type of contract vehicle that is needed to accomplish the goals expressed in the RFI. However, we believe that if this is a required vehicle for an agency's cloud implementation, GSA must ensure that there is adequate capacity among the contract awardees to handle the expected volume of cloud transactions and that the cloud broker(s) selected have sufficient resources to represent multiple governmental entities and CSPs simultaneously to avoid creating a bottleneck.

Ensuring Acquisition Flexibility

Defining the specific services to be provided by the cloud broker and the role that the cloud broker would play is of the utmost importance to this process and of some concern to SIIA. If GSA were to move forward with the cloud brokerage concept, addressing all stakeholders' concerns, it would still be critical for GSA to evaluate the full scope of the

cloud computing marketplace before applying this concept too broadly.

The current GSA acquisition model for procuring certain cloud services from vendors has been effective in fostering cloud adoption by government agencies, while ensuring flexibility. Outsourcing procurement to "cloud brokers" has the potential to increase government acquisition costs, as these entities would be in the position of selecting the service features and providers that public sector agencies should ultimately use. The proposed cloud broker model could also potentially increase the discrepancies between the needs of the consumers and the features offered by service providers, as the "cloud broker" would serve as an intermediary for that relationship. Similarly, creating a new government cloud services clearinghouse for federal agencies beyond FedRAMP would not provide any value-add, cost-savings, or efficiency improvements, and would add unnecessary complexity to the procurement process.

If the U.S. government moves forward in implementing a cloud brokerage concept, we recommend it do so only for those cloud implementations that are deemed by the acquiring agency as complex and in need of brokerage services. Within those complex acquisitions a cloud broker could offer a full suite of cloud and cloud-related services as part of its service offerings. This could include Infrastructure as a Service (IaaS), Platform as a Service (PaaS), Software as a Service (SaaS), as well as other cloud-related services.

Addressing Potential Conflicts of Interest

As presently envisioned, the cloud broker concept holds the potential for conflict of interest to possibly hinder private sector participation and therefore competition in the cloud brokering model. There are a couple of potential conflicts that might emerge. One is that any cloud service provider would have an inherent conflict if that service provider also wanted to participate as a cloud services broker. The lack of clarity on this potential conflict by the government might cause cloud service providers to avoid participation as a cloud services broker unless the government specifically addresses how it wants this issue to be mitigated. Also, since the broker is in position to negotiate with multiple service providers then to have a role in "matching" government requirements to a service provider that fills those requirements, we see the potential for the broker to potentially favor one service provider over the others based on relationships, fee structures, or other factors. We believe that the government needs to address these potential conflicts of in-

terest clearly to enhance participation and competition.

Optimizing the Value of Software Licensing

Innovation in the licensing of software is a key driver in the federal market as agencies demand licensing terms that optimize the value of their software investment. The movement to a cloud brokerage concept could potentially harm the ability of software contractors to meet the needs of their customers if a cloud broker were to impose contract terms, parameters of SLAs or utilization measures that impair a CSP's ability to improve their products or be innovative in developing new ones. As such, we recommend that GSA avoid policy or standard development activity that might infringe on the licensing terms of software manufacturers.

Thank you for the opportunity to provide a formal response to the Cloud Brokerage RFI and we look forward to continuing to work with you to effectively define this concept for the federal government.

Sincerely,

Software & Information Industry Association