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## Seat Management:

*A Federal IRM Perspective*

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**I. Introduction**

Downsizing--realignment of business processes--personnel

and skill shortages--lengthy acquisition cycles--rapid technology turnover--competition for the precious budget dollars. In one way or another, these have all had a real impact on desktop technology, on agency management, and on the end user. How does one effectively manage in this type of "in flux" environment? One solution being fostered by GSA's Federal Technology Service, as well as other industry and Government IT providers, is a program known as Seat Management—a program in which computing to the desktop has been compared with service provided to the home by a public utility.

Seat Management has been defined in many ways. The reason for the variability of definitions is Seat Management's flexibility to meet the needs of the customer and its newness to the Federal Government. One definition of Seat Management is "...agencies will pay an outside company or a group of companies working as a unit a fee for fulfilling the technology needs associated with each staff position requiring a computer." "Seat Management in the Federal Government: A Market Assessment", Washington News Bureau, Washington, D.C., Spring 1998. The Seat Management contractor will provide desktop computing as a unified service which encompasses the day-to-day operational control and support of the desktop and its associated network infrastructure. Some have identified Seat Management as only the leasing of computers, which is not the case. Others have identified Seat Management as the contracting out of all IT functions including Government policy making; this is not the case, either. Seat Management is not just leasing of assets, nor is it a program intended to usurp the Government manager's policy-making function. Rather, it is a customer-selected set of desktop and networking functions which may

include contractor-provided personal computers and network hardware, desktop and network software, the management of the hardware and software assets, help desk, training, and the maintenance of the hardware and software.

The Association for Federal Information Resources Management (AFFIRM) ends each program year with a white paper on a topic of significant interest to the Federal Government. With so much recent emphasis being placed on Seat Management, AFFIRM selected it as the topic for this year's paper. For the reader's ease, **Executive Summary—Seat Management Survey Results** is offered in Section III. The actual body of the white paper is found in Sections IV through VIII: Section IV is **The History of the Desktop**; Section V is **Seat Management—A View from the GSA Program Manager**; Section VI is **Seat Management—A CIO's View**; Section VII is **AFFIRM's Seat Management Survey—Results and Discussion**; and, Section VIII is **Conclusions**.

AFFIRM and its Emerging Issues Forum team hope you find this white paper of value. Questions on it are welcomed, and can be sent via email to **[affirminfo@affirm.org](mailto:affirminfo@affirm.org)**.

## **II. Survey Methodology and Responses**

Copies of AFFIRM's Seat Management survey were distributed to senior information technology and finance community officials and managers within Federal

departments, agencies, and other Federal entities. Of 288 survey questionnaires distributed, 41 (14%) were completed and returned. This is less than previous years' responses, which may be indicative that more information is required on this topic. Even so, the survey reflects the thoughts of the Federal officials who responded. A copy of the survey instrument is located in the Appendix along with the results of the survey.

### **III. Executive Summary—Seat Management Survey Results**

Desktop computing has long been of interest to the Federal Government; Seat Management is an innovative means of handling the desktop environment. Because of recent interest in Seat Management throughout the Federal Government, AFFIRM chose it as the subject of this program-year culminating project white paper.

To gain a sense of what Government organizations are thinking about Seat Management, AFFIRM conducted a survey of the Federal IRM and financial communities. The key points arising from the survey responses are the following:

- Most survey respondents (48%) were undecided about their organization's making use of the Seat Management program; 15% said that they would. Thirty-seven percent said they were not intending to implement Seat Management. However, for those saying "No," over

half stated that they would implement some sort of Seat Management pilot program.

- For those saying "No" to implementing Seat Management, the top two reasons given were: (1) Not convinced program is in agency's best interest; and (2) Do not believe cost savings will be significant.
- The primary reason given for using Seat Management is to free agency staff to focus on core missions.
- The single biggest concern with the Seat Management program rests with agencies' being able to accurately determine the current baseline total cost of ownership.
- Most respondents believed Seat Management would deliver improved IT services to the agencies.
- Vendor past performance was chosen as the most important factor, by a very wide margin, in the selection of a Seat Management contractor.

With many of the respondents "Undecided" about Seat Management, it appears that potential users are taking a wait-and-see approach while they gather further information and Government evidence about the program.

For more discussion of the survey results, please see Section VII.

**IV. The History of the Desktop** This section is extracted from a paper written by Dr. John L. Okay, Senior Vice President, Federal Sources, Inc., entitled "The Road Behind: A History of Desktop Computing in the Federal Government."

The advent of the personal computer created the world of desktop computing and changed forever how Federal

managers and employees use computing resources. We have seen dramatic changes in governmental and private sector organizations in the past 15 years. Many of these changes have been driven by widespread adoption of the personal computer, software and associated devices such as modems and laser printers. They have altered not only how Government does things, but also some of the things that Government does.

The PC gave all non-ADP personnel access to their own computing capabilities and freed them from dependency on the central computer facility. Programming in BASIC was crude but effective. Early versions of packaged software for word processing, spreadsheet computations and data base management opened the door to new desktop capabilities doing it yourself was faster than waiting for the central development shop. A slowly growing number of pioneers braved the difficulties of rather crude software, suffered the ridicule of "computer professionals" and slowly brought the PC into Government.

The 1981 - 1986 period was one of detailed Government specifications, large bid teams, multi-year procurements, iron-fisted contracting officers, low-bid contract awards, systems integrators, protests, and fortunes made on contract modifications. Often the first post-award meeting between an agency and the winning vendor was the start of negotiations on upgrading or swapping out all the hardware and software specified in the contract because technology had been marching forward during the protracted procurement process. Desktop computing grew on the strength of demand and perseverance by Government managers and staffs, in spite of a costly and inefficient procurement system.

Client-server systems developed in the late 1980s and early 1990s through the synergy of desktop computers, new software tools and advanced telecommunications network capabilities. Terminal-to-host systems were becoming technically obsolete. During that period it was common to hear "this is the year the mainframe will go the way of the dinosaurs." We're still waiting because two things happened. First, few agencies obtained enough funding to reengineer their legacy applications to the client-server environment. This contributed to the Y2K problem being as big as it is today. Second, the proliferation of PCs throughout Government agencies gave many more people access to mainframe applications to retrieve information needed to do their job. One could argue that in the end the personal computer helped preserve the mainframe. Its function changed, however, from being the principal computing device to being an exceptionally large server in client-server systems.

### **The Pace Picks Up**

An accelerating pace of change in technologies has hit desktop computing in the past five years. Some of the more significant technologies introduced in that period include Windows 3.1 and '95, Intel's Pentium and Pentium II chips, inexpensive CD-ROM drives, high-speed LAN's and robust LAN management software, the World Wide Web, web browsers, modem transmission rates that jumped to 56,000 bps, and LAN-enabled office software suites.

The functionality and services available from agency-wide

LAN's, intranets and the Internet has led Federal managers to install network computers on the desk of virtually every Federal white-collar employee. A basic infrastructure is now in place across Government. Many Government offices have tools that facilitate interworking, so that Government employees can now share information and expertise easily from their desktops.

### **Looking Ahead**

Desktop computers will have an ever-expanding role in the administration of Government and in delivery services to the public. The merger of computing, telephony and data and video communications will change office work more than we can conceive of today.

Changes in Federal procurement law, especially the Clinger-Cohen Act of 1996, have eased the burden of procurement for Federal officials. Today it is easy for agency personnel to buy all of the components of a desktop computing environment and, if needed, the outside support services to make them work together. Buyers may choose from agency-specific and Government-wide IDIQ contract vehicles and GSA's multiple award schedule.

However, separate contracting vehicles are often used to purchase PC's, desktop software, network hardware and software, network communications, technical support, help desk support, maintenance, and training. At a minimum this requires technical and program management staff to specify the requirements and manage the contracts to ensure proper integration. Agency procurement officials are involved to a degree depending on the choices of

contract vehicle. As desktop hardware and software require upgrades and the users become better trained, the contracting and management treadmill for desktop computing keeps turning.

### **A Place for Seat Management?**

Each agency CIO is responsible for the overall architecture and investment plan, which must include plans for desktop computing. In practical terms, how will the CIO keep the agency's systems intact when nearly everyone in the organization can buy all the pieces with a credit card?

The loss of key people from Federal downsizing and retirement affects staffs across Government. Many agencies are losing the in-house capacity to support increasingly complex desktop computing systems to meet demands of today's sophisticated end-users.

Seat Management promises to dramatically alter the way Federal managers acquire and support desktop computing services. This approach to desktop computing may well be the only practical way to ensure that the evolution begun in 1981 continues into the next century. It may be a concept whose time has come, just as the IBM PC and Lotus 1-2-3 combined to launch the infant personal computer on the path to becoming the hub of the work environment in Federal agencies. Years from now we may look back on 1998 as the year in which Federal ownership of desktop computing resources took a dramatic turn. Someone will be writing the next chapter in this history in a few short years.

## **V. Seat Management - A View from the GSA**

**Program Manager** This AFFIRM white paper focuses on GSA's Seat Management program and, in instances, on seat management in general. The details in this section reflect the specific implementation of GSA's approach.

GSA's Seat Management evolved from the observation that many Government organizations are chasing, without any hope of catching up to, the desktop information technology cycle. In fact, the technology cycle has become so much faster than the project acquisition and development cycle that there is little hope of becoming and staying technologically current. Why has this chase become so arduous and painstaking?

- The pace of technology changes so rapidly that by the time a specific technology has been accessed, acquired, deployed, and implemented it may no longer be current or, to some degree worse, commercially supported.
- The demand for staff skilled in information technology and evolving management tools far exceeds the available supply at the present time.
- The network and systems management tools and support processes used to manage and control technology are becoming more and more sophisticated and are very complex to implement correctly.
- It is becoming more difficult to predict and manage IT ownership costs from year to year.

**GSA's Seat Management goal: mirror commercial managed life cycle support of the desktop and adapt to Federal Government.**

GSA's Seat Management Services concept was conceived after conducting an unrelated site visit to an outsourcing facility operated by an industry leader and provider of Information Technology outsourcing

services. GSA's Seat Management Services concept, modeled after commercial practices, has been refined over time to better meet the needs of the Federal Government. The prevailing goal of GSA's Seat Management Services concept is to mirror the commercial practice of providing managed life cycle support of the desktop within Government. GSA's Seat Management will provide Federal agencies with the

capability to better control the technology cycle and better manage the desktop environment.

GSA's Seat Management Service technical concept is based on the following principles:

- There is a range of technology that is commercially available and supported by general industry at any point in time. As a rule the labor resource skill sets will move as technology moves. The further away a particular system is from the commercially available range of technology, the more expensive support services become.
- Life cycle management encompasses a variety of functions from design to maintenance. Moving to an integrated delivery environment, provided by a single contractor, reduces the number external interfaces and the associated risk and cost.
- A higher priced, higher quality product, when factored into life cycle management functions, may result in a lower overall cost of service.
- A distributed computing environment with centralized control and a standardized IT environment fosters efficiencies through economies of scale.
- Performance-based service allows a greater leveraging of resources than the traditional labor hour approach.

### **GSA's Seat Management Services Approach**

GSA's Seat Management Services contract is designed to provide Government organizations with a vehicle that offers desktop computing as a unified service. This primarily encompasses the day-to-day operational control and support of the desktop and its associated network infrastructure. GSA's Seat Management Services, which also encompasses full life-cycle support for the distributed computing environment, are available from eight indefinite delivery, indefinite quantity (IDIQ) contract holders. Each contract has a five-year base period and one five-year optional period.

Through GSA's Seat Management Services contracts, Government organizations will be able to acquire the desktop-computing environment as a utility. The basic resource in delivering the majority GSA's Seat Management Services is performance-based service levels. The desktop-computing environment includes support services and commercial off-the-shelf hardware and software. All Contractor-provided hardware and software components will remain the property of the contractor, with the Government receiving the right to use the components for specified periods of time. Contractor-provided hardware and software are subject to technology refreshment, as new technology becomes commercially available. To accommodate transitional periods, provisions are addressed in the contracts to support Government furnished equipment (GFE) until such time that the GFE equipment is replaced with Contractor-provided equipment.

There are two major groups of offerings in the Seat Management contract. The first group is a series of interrelated services. This services group is the primary

resource for operations and maintenance. The second group consists of labor categories and is the primary resource for transitioning an infrastructure to a Seat Management Services environment. Operations effort commences once the infrastructure for Seat Management Services is established. There may be some overlap between transition and operations efforts, especially if it is a large, geographically dispersed infrastructure. The services group is built around the following nine environments:

- General Purpose Desktop
- General Purpose LAN Server
- General Purpose Enterprise Server
- Scientific and Engineering Desktop
- Scientific and Engineering LAN Server
- Scientific and Engineering Enterprise Server
- Communications
  - Internal LAN Communication
  - Intra-network Communications
  - Inter-network Communications
  - Remote Access Server Communications
- Network Printer
- Portable Computer

For each of the nine environments mentioned, the Government has established generic configurations, based upon varying hardware and software specifications. Each Contractor offered COTS software packages it will support for use on the generic hardware configuration offerings. Additionally, the Government has established "service bands" for the core service areas of Infrastructure

Management, User Support (Help Desk), User Support (Maintenance), and Asset Management. Each service band identifies the service level and the varying metric by which that service level will be delivered and measured.

Together, the nine environments provide all the necessary components to service the desktop computing environment. The hardware configurations and service bands identified by the Government in the Request for Proposals were incorporated in Seat Management Services awarded contracts, along with offered fixed ceiling prices for each. (It was never intended that a Government agency would acquire the exact hardware configurations or core service bands identified, rather the intent was to establish pricing points so the Government could determine price reasonableness when negotiating a client agency's specific requirements at the task order level.) Once an agency's environment is defined, a per-Seat price can be calculated by dividing the sum of the prices for the components/ service areas by the number of users.

**Agency "desktop" environment definition could include the desktop, mid-level server environment, and WAN environment.**

It is the task order structure that allows Government organizations (the clients) to define its enterprise and to segment users by location, level of service, organizational element, or any other parameters. Given the organization's "desktop" requirements, the described enterprise could include the desktop, Local Area Network environment encompassing shared devices such as servers and printers (the more traditional approach) and the Wide Area Network environment, up to mainframe operations which

impacts the desktop as well. This truly would be an all-inclusive approach. Once defined, the agency task order request will be competed among the Seat Management contract holders. A task order may include a transitional period with a phased implementation to accommodate existing contractual commitments. For example, the Seat Management Services contractor might not perform desktop hardware maintenance until the existing maintenance contract expires. In this case, GSA's Seat Management Services contractor may be required to interface with the Government's existing maintenance provider.

A task order may not be structured to acquire hardware/software or fragmented services. For example, a client may not acquire just help desk support, nor can a client lease or acquire hardware or software through this contract vehicle. Task orders may have up to a ten-year period of performance with a base period of up to three years (each fiscal year's performance being subject to the availability of funds) and a number of options covering the remaining years. The client agency determines the basis for awarding a task order. The basis of award may be defined as low cost or best value. Each task order request may have unique source selection evaluation criteria based on the organizations' specific requirements. Some criteria that might be applicable in a general sense include: (1) Migration plans with emphasis on continuity of service in transitioning to a pure Seat Management Service environment; (2) Flexibility in terms of procedures and pricing for unscheduled technology refreshments.

The goal of GSA's Seat Management Program Office is to

revolutionize the way Government manages the desktop environment through this new and innovative concept called "GSA's Seat Management."

The Seat Management Program Office believes that Seat Management is a critical and necessary contract vehicle that will provide Federal managers with a tool to measure and predict ADP expenditures in light of spiraling costs. GSA's Seat Management Services is a true performance-based contract in accordance with the National Performance Reviews direction. The premise of this vehicle, performance based service levels, makes it easier for Senior Level Executives to understand the cost benefit trade-offs associated with different levels of technology and service in plain English. The rapid pace of innovation, the need to communicate world-wide through distributed computing environments, and the shortage of expertise in the ADP field within both Government and industry, are the driving forces behind GSA's Seat Management concept and program goals.

An analogy often used to describe the inefficiencies of the historic, a la carte acquisition of desktop computing products and services is the purchase of an automobile. Purchasing individual components at an automobile parts store costs significantly more than purchasing a new automobile from a dealer. The management and technical issues for constructing a fleet of automobiles from the component parts are also analogous to desktop computing. Seat Management will provide one-stop shopping for desktop, networking, and other IT services at a predictable price that should be lower than the acquisition of the individual pieces. The Government resources and challenges of managing desktop computing will be

drastically reduced. The technology provided to the end user will keep pace with the marketplace. While Seat Management may not be a panacea, it will go a long way to improve the management of IT within the Federal Government and the productivity of the employees.

## **VI. Seat Management - A CIO's View** This section presents the view of a Federal Government CIO.

Both in the IT industry in general, and certainly within the Federal IT community, there has been a great deal of discussion of late regarding Seat Management as a technique for managing the computing infrastructure.

We probably all agree that our computing infrastructures continue to increase in importance as enablers in performing our respective missions. One of the key implications is the trend towards an increasing importance of continuity of operations and service; another is the trend towards spending an increasing portion of support dollars on the computing infrastructure. These trends have increased the focus on managing our computing infrastructure both to improve reliability and to control cost, and have led to the development of numerous strategies towards this end.

Most of us find ourselves today managing both the host-centric network we have traditionally managed, and also the distributed networks we added in the mid-to-late 1980s. To complicate matters, the refresh rate for technology is ever increasing, and the cost of labor to

manage our IT infrastructures is as well.

It might be helpful to think of our computing infrastructure improvements in terms of a framework consisting of standardization, consolidation, organization, and a resourcing strategy. Each of these components is described below.

*Standardization* - A key strategy is to remove complexity from our computing infrastructure; this leads to lower costs, mostly via reduced labor costs. The means to this end is the standardization of our operating systems, systems software, office automation software, and database and software development environments.

*Consolidation* - This component refers to the creation of more mass in our infrastructure by replacing many working parts with fewer, more capable parts, and saving primarily labor costs as a result. For example, many organizations are effectively consolidating by using fewer but more powerful servers to service what traditionally required many servers.

*Organization* - This component focuses on creating mass as well. Rather than focusing on the parts, however, it focuses on creating mass in the user base via common management by removing organizational barriers. More specifically, it focuses on crafting geographical, versus organizational, bases for our LAN environments. This creates the ability to push consolidation further.

*Resourcing Strategy* - Today many Federal desktops are resourced by both Federal and contractor labor. Seat Management is considered a refinement on these current

practices, and provides a more comprehensive strategy for resourcing LANs, by procuring services instead of procuring assets and labor and managing service delivery.

What are the implications to the Federal CIO? To manage our computing infrastructure efficiently, we need to standardize, consolidate, and deal with our organizational issues. These are the key management issues. Only after we address these items, can we make fact-based decisions on how to resource our LANs. The keys to the resourcing decision are to be able to examine the value basis for the alternatives that exist, and to implement a contractual relationship that compensates according to the level of performance received. Value in this matter is best expressed as cost per service level. The implications for the Federal CIO are clear - to position ourselves to understand the value basis of the alternatives, understand what our total costs are today for providing this service, and the service levels we are able to achieve. And to ensure that our contracts are performance based, with measures that reflect real service levels achieved.

## **VII. AFFIRM's Seat Management Survey—Results and Discussion**

The added-value of this AFFIRM white paper rests in the results of the survey of Federal Government IT/IRM/finance officials. It became clear, after some introductory research, that there is a lack of information about Seat Management, and that Government agencies are

wondering what other agencies are doing with Seat Management. There is a need for information sharing; an AFFIRM white paper on Seat Management, with survey results, can assist in that need. Though important primarily to Government, the survey results can also share information with industry as to how Government survey respondents view this new program. Is there going to be real, ample opportunity for the industry bidders?

The order of questions in this section, with discussion reflecting respondent input, follow the order of questions in the survey instrument; the survey questionnaire with result counts, and other added comments, is found in the Appendix. The survey results do not represent the entire Federal sector, but they provide interesting insights and suggest areas where further inquiry is warranted.

**Question 1: Which of the following Seat Management services is most important to your organization?**

When looking at Seat Management services, respondents picked "Hardware" (28%) as the most important item. But, the results also show that "Help desk services" (23%) and "Software" (20%) were almost equally important. These results may reflect individual organizational needs and areas of interest. Though there were several "Other" responses, one respondent stated that Seat Management services were important to the organization because it provided "... a completely unified, standard, fully-supported hardware, software and network platform. Each of the items (selections) noted above can be obtained through any number of sources, but not as a single, fully-

integrated package."

**Question 2: Why would Seat Management be considered for use within your agency? (What is the single most important advantage? Select three).**

There were five major reasons why an agency would consider the services of Seat Management. In order of priority, but with near equal votes, they are:

- Free staff to focus on core mission (41%) Percentages in this question reflect the number of respondents who selected these choices as one of their top three.
- Improve service delivery (including less down time) (41%)
- Eliminate daily management headaches related to managing networks and desktop computers (39%)
- Reduce per Seat costs (cost savings) (32%)
- Make it easier to implement the latest desktop software (32%)

The choices receiving the greatest number of responses may indicate a desire to focus agency resources on functional mission performance and improved IT management and operations through Seat Management services. For those saying "Yes" to Seat Management, they stated that the single biggest advantage was being free to focus resources on the core mission. The second and third biggest advantages for using Seat Management were to improve service and eliminate the daily management headaches related to managing networks and desktop computers.

### **Question 3: What is the single, biggest concern with the Seat Management Program?**

#### **Total cost of ownership.**

The single biggest concern, receiving almost twice the number of votes compared to its nearest competitor, was "Determining the current baseline total cost of ownership" (32%). This seems to be a reasonable concern since one metric for evaluating Seat Management might be to compare the current cost against the future cost of a Seat under the Seat Management program. As was reflected in Question 2, one of the top reasons for implementing a Seat Management program would be to realize cost savings per Seat. To make a valid determination, the current total cost of ownership must be accurately computed, rather than based on intuition and value judgment. One respondent did state that Seat Management "... will be too expensive." For those saying "Yes" to the Seat Management program, the top concerns were "Determining the current baseline total cost of ownership" and "Human resources issues." For those saying "No," the biggest, near equal concerns about Seat Management were "Determining the current baseline total cost of ownership," "Losing control," "Human resources issues," and "Convincing senior management that Seat Management is a good idea."

### **Question 4: Who would most likely be making the decision to implement Seat Management?**

Two-thirds of the respondents indicated that the CIO or the agency head is most likely to make the decision to implement Seat Management. This is consistent with a later question (#6) which shows that almost all hardware buying decisions are made by departmental or agency heads. These are the individuals who apparently would

need the hard data to justify the transition to the Seat Management concept.

**Question 5: Please estimate what portion of your overall support for your distributed computing environment is currently performed with contractor support.**

Responses to this question show that there is a wide range of dependence on contractor support. Most of the respondents depend on contractors for over half their environment support (27% rely on contractors for 51-75% of their support; 24% rely on contractors for 76-100% of their support.) Only 10% of the respondents indicated that they depend on contractors for less than 10% of their support.

**Question 6: At what level in your organization is the hardware buying decision made and executed?**

When asked about at what organizational level the hardware purchase decision is made, respondents most frequently said agency level (34%) followed by the department level (27%). The third largest category was "Other" which received 20% of the votes. Though most decisions are made at the department/agency level, clearly other levels and entities do get involved with this decision. See the Appendix for the complete list of entities in the "Other" category.

**Question 7: Does your organization currently have or is it planning on implementing a Seat Management task order?**

**Most survey respondents were undecided about implementing Seat Management.**

Nearly half (48%) of the respondents stated that they were "Undecided" about implementing Seat Management; 15% said "Yes", that they are planning to. Surprisingly, 37% responded "No", that they are not going to implement a Seat Management task order. Though 15% stated that they are planning to implement Seat Management, almost 58% of the total respondents stated that they would partially implement Seat Management or at least consider a pilot project (Question 9). Furthermore, those respondents who said "Yes" have significant contractor involvement already and have either started planning for Seat Management or plan to do so by FY99 (Question #5). Those who said "No," tend to have medium to limited involvement with contractors.

**Question 8: If "Yes" (to Question 7 above), when did/would the process to acquire Seat Management services begin?**

There was not a large variance in responses, but 80% of the respondents said that they have already begun the process to acquire Seat services or will do so by Fiscal Year 1999. Twenty percent are looking to FY2000 and beyond before they start the process to acquire Seat services.

**Question 9: Would you implement Seat Management in part of your organization or consider a pilot project?**

**A pilot project is still possible.**

Fifty-eight percent of the total respondents stated that they would implement Seat Management in part of their organization or consider a pilot project; 37% were undecided. Two responded that they would not. This is a significant variance from Question #7, in which 37% said that they would not implement Seat Management. On the contrary, the results of Question #9 seem to indicate agencies would at least be willing to give Seat Management a try in some fashion. For those who said "No" to implementing a Seat Management program, 64% said they would implement some sort of a Seat pilot program, 36% were undecided, and only one respondent said "No" to the Seat Management Program and "No" to a pilot. In response to question #10 which asked why the organization would not implement Seat, the "No" respondent chose "Do not believe cost savings will be significant enough" and "Do not believe service improvement would be significant enough."

**Question 10: If your organization does not plan to use Seat Management, why not?**

**May not be in agency's best interest.**

**Cost savings and service improvements may not be significant.**

The respondents stating that they were not going to implement Seat Management in their agencies gave varying reasons. The most frequent, in order of priority, were:

- Not convinced program is in agency's best interest.
- Do not believe cost savings will be significant.
- Do not believe service improvement will be significant.

- Have similar services in place.

**Question 11: Do you believe the use of Seat Management will lead to improved IT services within the Agencies?**

More than 50% of the respondents thought that Seat Management would lead to improved IT services within the agencies. Forty-one percent were undecided. **Of interest is that no one thought that Seat Management would NOT lead to some improvement in IT services.** Of those who said "Yes" to Seat Management, all but one (Undecided) said "Yes", that Seat Management would improve IT services within the agencies. Sixty percent of the respondents who said "No" to implementing Seat Management within their agencies still thought that the program would improve the agency's IT service; the other 40% were "Undecided."

**Question 12: Do you believe the use of Seat Management will lead to an overall reduction in the Agency's IT budget?**

Seventeen percent of the respondents thought the use of Seat Management would lead to an overall reduction in Agency IT budgets; 27% said that it would not. The remainder were unsure. In Question #2, when asked to select three reasons as to why Seat Management would be considered for use, 32% of the respondents included the "Reduce per Seat costs" choice as one of their three

selections. Though respondents would like to see lower costs resulting from Seat Management, it is not clear from the responses that these savings are considered likely to be significant enough to lead to an overall agency IT budget reduction—if such savings are realized.

**Question 13: Do you believe the use of Seat Management will lead to a reduction of agency IT employees?**

Most respondents (44%) did not believe that use of Seat Management would lead to a reduction of agency IT employees; 37% believed that it would.

**Question 14: What do you think will most likely happen to the Government FTE staff positions that are assumed by a Seat Management contractor?**

Respondents most frequently stated (41%) that Government employees would be offered different Government positions with the same functional area. Surprisingly, only 8% believed that a Government employee would become a Seat Management contractor employee as a result of Seat Management actions.

**Question 15: How accurately do you believe your organization can determine the baseline total cost of ownership of the current IT infrastructure?**

Almost 50% of the respondents said that they could determine the total cost of ownership within a "70-89%"

accuracy range; 90% said that the total cost of ownership could be determined with at least 50% accuracy. Only four respondents indicated that TCO accuracy would be less than 50%. Though determining the total cost of ownership was the single biggest concern of implementing a Seat Management program (please see Question #3), respondents still believe they could be somewhat successful in making such a determination.

**Question 16: What item is Seat Management not offering that you would like offered?**

This question was asked in the survey to see if potential users wanted something more than what is being offered under the Seat Management contract. No patterns became apparent. There were specific requests for:

- Telecommunication services
- System integration
- Security
- Disaster recovery

Other comments ranged from respondents' being unclear as to what the contract would finally offer, to the contract's being quite comprehensive. There were other comments calling for more flexibility, and for Seat Management's being responsive to worldwide support under wartime conditions. Again, no specific patterns became apparent. The one comment that was most frequently made was that the Seat Management contract seemed to be complete in its offering.

**Question 17: What is the most significant transition issue in moving to a Seat Management-like contract?**

Clearly the two most important areas in transitioning to a Seat Management-like contract were "Continued smooth operations" (51%) Percentages in this question reflect the number of respondents who selected these choices as one of their top two. "Seat contractor performance" (46%). A somewhat distant third was concern over the "Transfer of ownership of existing equipment" (24%). One other comment is of significance to the Department of Defense, "Will they [presumably referring to Seat Management contractors] go to war or peace actions with us?" This support for the U.S. war fighter has become somewhat of a minor recurring theme in the survey responses and may require additional inquiry from the GSA Seat Management Program Office.

**Question 18: What is the most important factor in selecting a Seat Management contractor?**

**Vendor past performance is most important.**

Per the survey respondents, the single most important factor in the selection of a Seat Management contractor will be "Vendor past performance" (71%). The second and third factors receiving votes were "Cost" (15%) and "Architecture/technological design" (12%). Contractor performance, whether past or present, was highlighted as being very important in both questions 17 and 18. This certainly sends a clear signal to industry.

**Question 19: What factors do you think would be used to evaluate Seat Management contractor performance?**

**User satisfaction, service levels, and cost rate highest.**

When asked to choose two performance evaluation factors, respondents selected "User satisfaction" first (71%) Percentages in this question reflect the number of respondents who selected these choices as one of their top two. A close second and third were the evaluation factors of "Service levels achieved" (54%) and "Cost performance" (49%). Other available possible contractor evaluation choices appeared to be fairly insignificant compared with these three.

**Question 20: Does your organization use prescribed standard hardware and software for the desktop?**

Sixty-six percent of the respondents stated that their organization did use prescribed standard hardware and software for the desktop. The fourteen organizations that do not have prescribed standard hardware for the desktop would probably have an even more difficult time transitioning to Seat Management.

This completes the responses to the survey questions.

## **VIII. Conclusions**

- There seems to be a wait-and-see attitude about Seat Management as is evidenced by the preponderance of "Undecideds" with regard to potential use of the program.
- Apparently, there is a higher likelihood that an agency will implement Seat Management if the agency has a greater use of contractor personnel in the performance of the agency IT mission.
- If used, respondents believe Seat Management will deliver improved IT services to the agency.
- Not expecting significant (emphasis on significant) cost savings and service improvements were given as reasons for not implementing Seat Management. Nonetheless, more than half of these respondents would still consider a Seat Management pilot program.
- Vendor past performance will be important in the selection of an agency Seat Management contractor.
- At this juncture, the Seat Management market has not been established; it is possible industry Seat Management contractors will have to assist in doing this.

The advantage of Seat Management is that the Government can pick and choose those functions that make good business sense to be performed by a contractor for the organization. Some of the functions can be implemented at contract award while some can be phased in as other contracts expire. From a lofty perspective, it seems that Seat Management can reduce the Government's need to acquire and manage a multitude of services and contractors. The efficiencies gained can permit the Government IT managers and staff to focus on the core organizational missions and not the desktop technology.

Many organizations are adopting a wait-and-see attitude

for Seat Management while they gather more information about the program and try to learn from other Government experiences. From implementing the program, improved IT services appears to be a recognized outcome—but at an undetermined cost or savings. Only time will tell if Government agencies will embrace this program. AFFIRM will be a keen observer and will continue to track its status—perhaps in another future report.

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## Appendix

### Seat Management Survey and Responses

1. Which of the following Seat Management services is most important to your organization? [select only one]

11 Hardware.

9 Help desk services.

8 Software.

6 Other (insert response here).

5 Networking.

1 Maintenance.

0 Training.

- All
- Enterprise Management
- LAN Networking
- a completely unified, standard, fully-supported hardware, software and network platform. Each of the items noted above can be obtained through any number of sources, but not as a single, fully-integrated package.

2. Why would Seat Management be considered for use within your agency? (What is the single most important advantage? [Select the top three])

17 Free staff to focus on core mission.

17 Improve service delivery (including less down time) .

16 Eliminate daily management "headaches" related to managing networks and desktop computers.

13 Reduce per seat costs (cost savings) .

13 Make it easier to implement the latest desktop software. .

7 Improved asset management. .

6 Centralized management/single point of contact. .

5 Simplify the procurement of hardware, software, network and help desk.

4 Standardize equipment and software. .

3 Consolidate contracts and reduce acquisition costs.

2 Other (insert response here). .

1 Better predict desktop automation costs. .

0 Provide bundled user training.

- services.
- Improved customer focus at lower price.
- Speed upgrades as necessary.

3. What is the single, biggest concern with the Seat Management Program? [select only one]

13 Determining the current baseline total cost of ownership.

8 Losing control.

6 Security considerations.

5 Human resources issues (loss of employment, lowered morale, etc.).

5 Convincing senior management that Seat Management is a good idea.

4 Other (please write in).

3 Other:

- Being able to acquire a viable program.
- Ensured funding stream in out years to pay for it.
- Unfamiliar with core mission and the programs associated with it.
- It will be too expensive.

4. Who would most likely be making the decision to implement Seat Management?

23 CIO.

10 Agency Head.

7 Other (insert response here).

- Business Tech. Council
- Assistant Commissioner
- Initially CIO; final—Agency Director
- Agency Head based on recommendation of CIO
- All

1 CFO.

1 Network Manager.

5. Please estimate what portion of your overall support for your distributed computing environment is currently performed with Contractor support?

11 51 - 75%.

10 76 - 100%.

8 11 - 25%.

8 26 - 50%.

4 0 - 10%.

6. At what level in your organization is the hardware buying decision made and executed?

14 Agency.

11 Departmental.

8 Other (insert response here).

- Program Office—unique to our agency, equates to a Federal Bureau
- Depends on which portion of the organization
- Garrison/installation
- Bureau
- Agency, Regional, Field Office and Program
- It varies, but for the most part, each individual office buys their own hardware.
- The level at which decisions are made is dependent on the scope of the procurement. The larger the procurement, the higher the decision level.
- CIO

7 Field Office.

1 Regional.

7. Does your organization currently have or is it planning on implementing a Seat Management task order?

19 Undecided at this time.

15 No.

6 Yes.

8. If yes, when did/would the process to acquire Seat Management services begin?

3 Before today.

3 In FY 1999.

2 By the end of FY 1998.

1 In FY 2000.

1 Beyond FY 2000.

9. Would you implement Seat Management in part of your organization or consider a pilot project?

23 Yes.

15 Undecided.

2 No.

10. If your organization does not plan to use Seat Management, why not? [select only two]

11 Can acquire similar services through other means.

6 Am not convinced that it is our best interest.

6 Other (insert response here).

- Tendency not to trust services not done in house.
- Not yet conducted analyses.
- Have seen no evidence yet of customer satisfaction with seat management or tangible cost/time savings.
- Organization has not yet decided.
- Not enough knowledge of procedure at this time.
- Waiting for other Gov. experience.

5 Do not believe cost savings will be significant enough.

3 Do not believe service improvement would be significant enough.

3 Do not have up-front budget to implement.

2 Have similar services in place.

0 Do not believe in the program.

11. Do you believe the use of Seat Management will lead to improved IT services within the agencies?

24 Yes

17 Undecided

0 No

12. Do you believe the use of Seat Management will lead to an overall reduction in the Agency's IT budget?

23 Unsure.

11 No.

7 Yes.

13. Do you believe the use of Seat Management will lead to a reduction of agency IT employees?

18 No.

15 Yes.

8 Unsure.

14. What do you think will most likely happen to the government FTE staff positions that are assumed by a Seat Management contractor?

16 Offered different government positions within the same functional area.

13 Don't know at this time.

7 Offered employment elsewhere in the same department/agency.

3 Become an employee of the Seat Management contractor.

0 Offered employment elsewhere in a different federal department/agency.

15. How accurately do you believe your organization can determine the baseline total cost of the ownership of the current IT infrastructure?

18 70-89%.

9 50-69%.

8 90-100%.

4 below 50%.

16. What item is Seat Management not offering that you would like offered? (insert response here)

- Telecommunications services.
- System integration.
- Security.

- Disaster recovery services.
- More flexibility.
- Knowledge of the core mission and related programs.
- Hardware/PC upgrade on demand.
- Responsive world-wide support in all areas of the world under war conditions.
- Big proponent of using SM...Current procurement/support process for client/server platform NOT working.
- None known for desktop support.
- I am not clear on the scope of activities covered by Seat Management. It's different things to different people. We are sending staff to seminars to understand the process further.
- Don't know until we see final GSA contract.
- Unknown/Not Sure
- Nothing other than what's already mentioned.
- All known contingencies appear to be addressed.
- Nothing. The contract is quite comprehensive.

17. What is the most significant transition issue in moving to a Seat Management-like contract? [select two]

21 Continued smooth operations.

19 Seat contractor performance.

10 Transfer of ownership of existing equipment.

6 Security.

6 Responsibility for problem resolution.

5 Contractor access to government data.

4 Other (insert response here).

- Phasing out of existing contracts, methods and procedures in conjunction with establishing a viable management program.
- Giving up internal control.
- Will they go to war or peace actions with us?

- In the long term, contract work usually costs more than government provided (based on over 20 years of experience).
  - It is crucial that interconnectivity be maintained without interruption.
- 1 Lowered system performance and/or availability.

18. What is the most important factor in selecting a Seat Management contractor? [select one]

29 Vendor past performance.

6 Cost.

5 Architecture/technological design.

1 Other (insert response here).

- It's a combination of all these factors (best value contracting) with vendor past performance being a highly weighted factor.

0 Name recognition of the company(s).

19. What factors do you think would be used to evaluate Seat Management contractor performance? [select two]

29 User satisfaction.

22 Service levels achieved.

20 Cost performance.

5 Development of a mutual partnership.

4 System availability.

1 Other (insert response here).

- Hardware, software and contractor performance.

20. Does your organization use prescribed standard hardware and software for the desktop?

27 Yes.

14 No.

0 Unsure.

**ADDITIONAL COMMENTS**

9. Would you implement Seat Management in part of your organization or consider a pilot project?

- Is a cost savings realized from Seat Management?

14. What do you think will most likely happen to the government FTE staff positions that are assumed by a Seat Management contractor?

- Most of our IT activities which are covered under the seat management concept have already been contracted out.
- "Become an employee of the Seat Management contractor" and then let go after one year, losing many government retirement benefits, in order for the contractor to lower his costs and increase his profit margin.

18. What is the most important factor in selecting a Seat Management contractor?

- Customers of the Seat Management contract would be placing a high degree of trust in an external agent for the continuity, reliability, stability and performance of a mission-critical tool.

20. Does your organization use prescribed standard hardware and software for the desktop?

- (response of No) Organizational work is a mixture of administrative and scientific; exchange information daily with other Federal and State agencies, intergovernmental councils and commissions, academia and industry.

