

An Insider's View of Government Cloud

Featuring GSA's Bill Zielinski

Chris Cornillie
Federal Market Analyst

Apr. 18, 2019

Bloomberg
Government

Thank You to Today's Sponsor



NetApp provides unified enterprise data storage solutions and is the data authority for hybrid cloud. NetApp provides a full range of options that simplify management of applications and data across both cloud and on-premises environments.

Speakers



Chris Cornillie is a federal market analyst with Bloomberg Government, focusing on information technology, cybersecurity, cloud, and modernization. Prior to joining Bloomberg, he was an analyst with Gartner, where he advised C-suite clients on best practices in information security. He has a bachelor's degree from the University of Illinois and a master's degree from the University of Chicago.

Follow Chris on Twitter at [@ChrisCornillie](#).



Bill Zielinski is the Acting Assistant Commissioner for the Office of Information Technology Category (ITC) in GSA's Federal Acquisition Service (FAS). FAS provides buying platforms and acquisition services to federal, state, and local governments for a broad range of items from office supplies to motor vehicles to information technology and telecommunications products and services. As an organization within FAS, ITC provides access to a wide range of commercial and custom IT products, services, and solutions.

In addition, Mr. Zielinski has also been selected by the Program Management Office for Government-wide Category Management Intelligence, in consultation with Office of Management and Budget, to serve as the Government-wide Information Technology (IT) Category Manager.

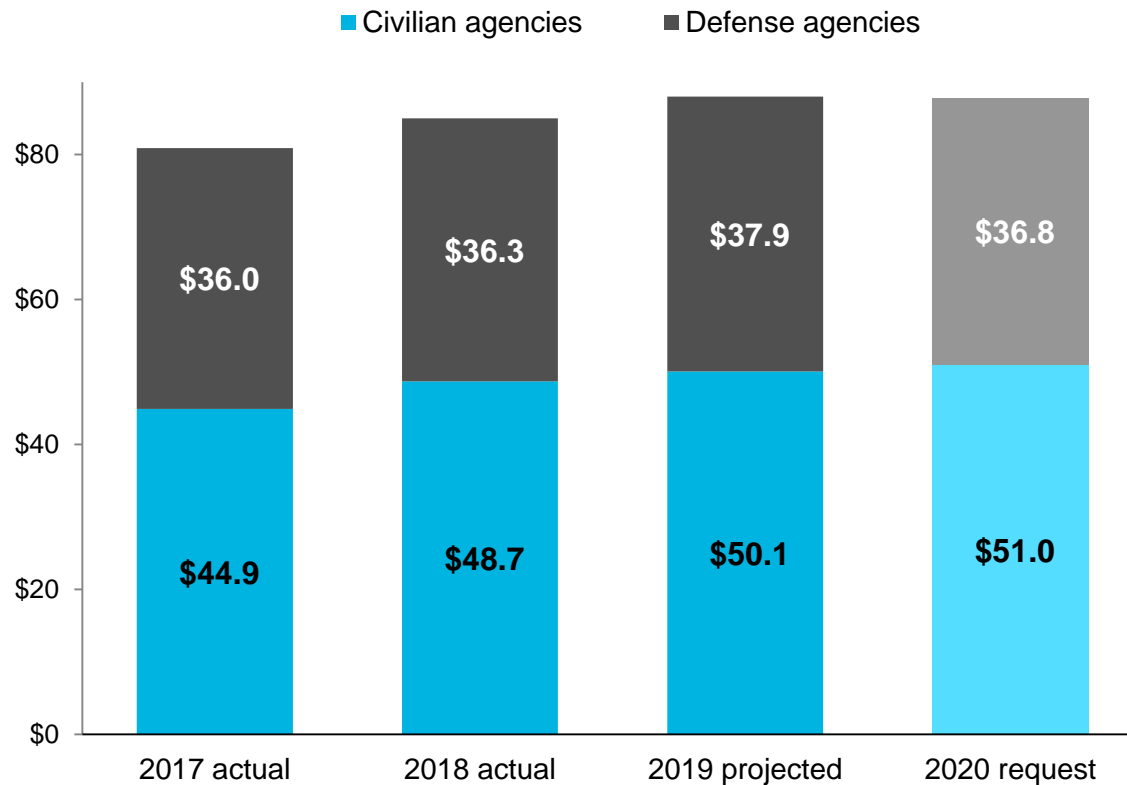
Mr. Zielinski formerly served as the Acting Unit Chief for Agency Oversight in the Office of the Federal Chief Information Officer (OFCIO) in the Office of Management and Budget (OMB).

Follow Bill on Twitter at [@BillZ_IT](#).

Fiscal 2020 IT Budget Topline

White House proposes \$87.8 billion in unclassified IT budget authority

Unclassified IT budget request; dollars in billions



- Top priorities, per FY 2020 IT budget request
 - Technology Modernization Fund
 - Cloud adoption
 - Improving the IT and cybersecurity workforce
 - Reduce cybersecurity risks
 - IT talent management
- Sizeable jump in civilian IT spending between fiscal years 2017 and 2018
- FY 2020 budget request shrinks Pentagon unclassified IT budget

Notes: Figures do not include classified IT spending by defense and intelligence agencies.

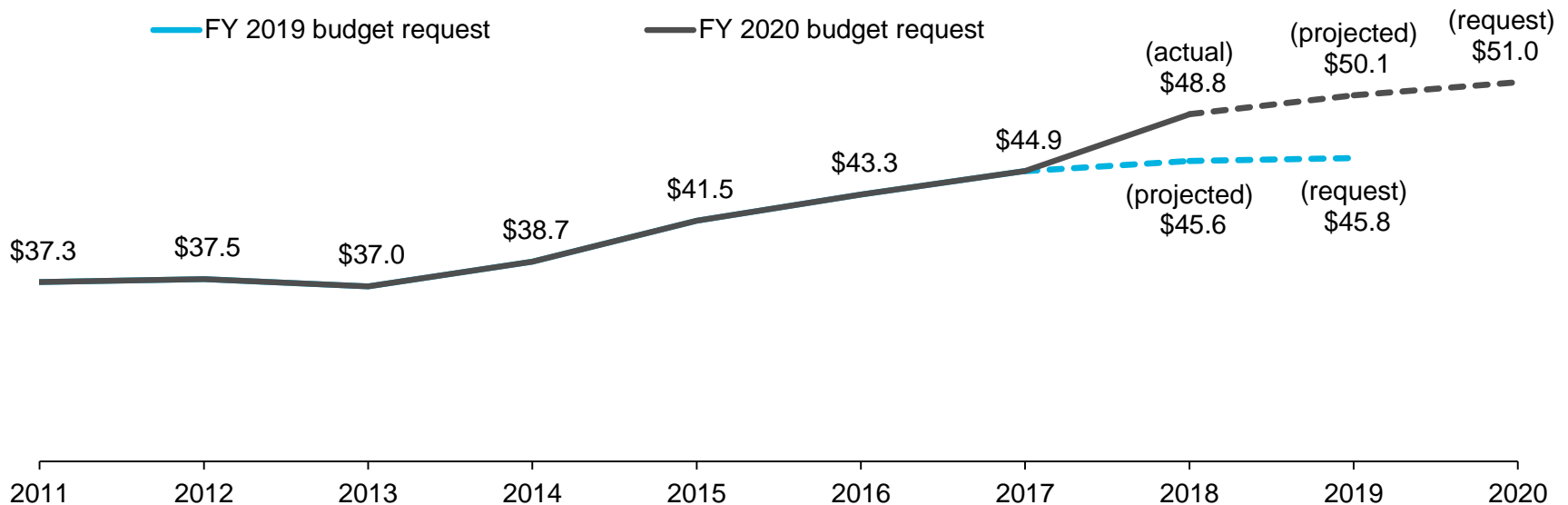
Sources: Fiscal [2019](#) and [2020 Budget Request](#), Analytical Perspectives: [Information Technology](#); BGOV [Cyber, Tech Upgrades, R&D Dominate FY 2020 IT Budget Request](#)

Civilian IT Budget

Civilian IT spending would exceed last year's budget projections

- Civilian agencies spent \$3.2 billion more than they projected for fiscal 2018, are expected to spend \$4.3 billion more than they requested for fiscal 2019
- White House had requested cuts to civilian agencies and flat IT budgets in FY 2019

Civilian agencies' combined information technology budget by fiscal year; dollars in billions



Notes: Figures correspond to actual appropriated figures unless otherwise indicated.

Sources: Fiscal [2019](#) and [2020 Budget Request](#), Analytical Perspectives: Information Technology; BGOV [Trump's FY 2020 Budget Gives Civilian IT Modernization a Boost](#)

What Is ‘Cloud Computing’?

- **Cloud computing according to NIST:**
 - “A model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction.”
- **Deployment models**
 - **Private** – Cloud infrastructure deployed on-premises of the organization or group of organizations
 - **Public** – Cloud infrastructure owned and managed by a third-party cloud service provider
 - **Hybrid** – Cloud infrastructure includes on-site and third-party resources linked via common standards and technologies that enable data sharing and application portability
- **Service models**
 - **Infrastructure as a Service (IaaS)** – Provision of processing, storage, networks, and computing resources by a third party, where the customer controls operating systems and applications.
 - **Platform as a Service (PaaS)** – Provision of customer-built or acquired applications, programming languages, tools, and libraries on infrastructure managed by a third party.
 - **Software as a Service (SaaS)** – Use of software tools or services developed by a third party and supported by third-party infrastructure through a web interface.

Source: [National Institute of Standards and Technologies](#), “The Definition of Cloud Computing”

Getting ‘Smart’ About Government Cloud

- **What is ‘Cloud Smart’?**
 - The federal government’s cloud computing strategy released in October 2018
 - Builds on the 2010 ‘Cloud First’ strategy
 - Pushes federal agencies to go beyond data center consolidation and explore commercial cloud services
- **What challenges does ‘Cloud Smart’ help to solve?**
 - Agencies were not taking full advantage of the benefits of elastic computing
 - Government cybersecurity tools and processes were not designed with the cloud in mind
 - Agencies are not equipped to negotiate favorable service level agreements or adopt a “pay-as-you-go” model
 - The federal IT workforce currently lacks the skills and training to take full advantage of cloud computing



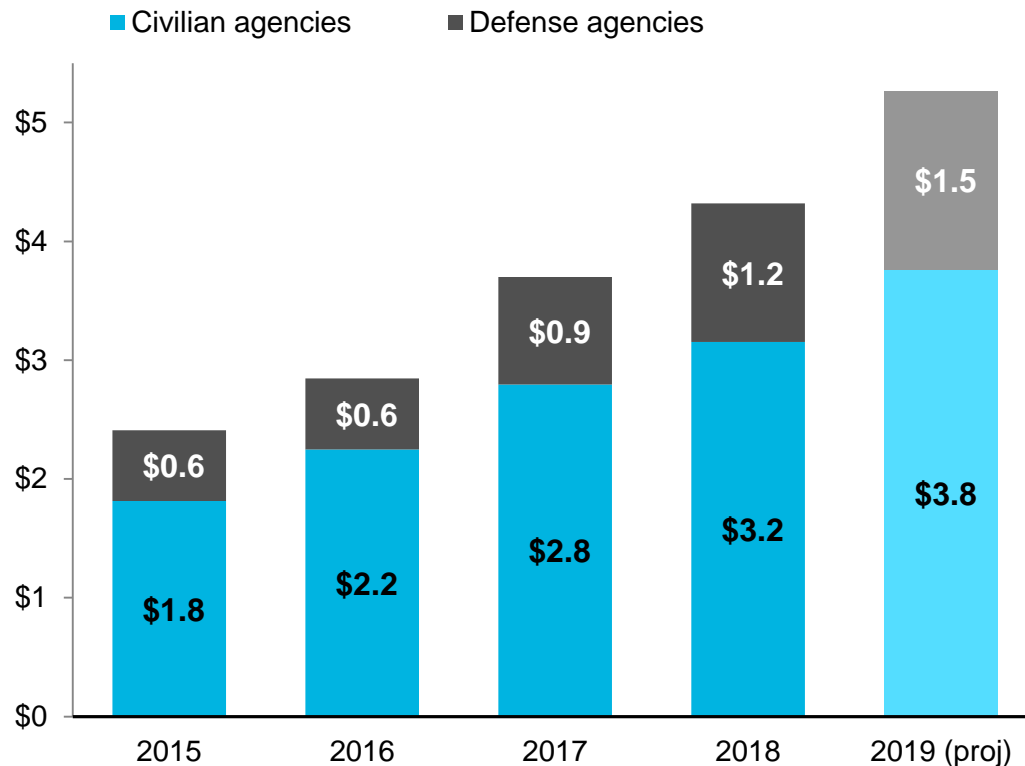
Federal Cloud Computing Strategy

Source: [Cloud Smart Strategy](#)

Cloud Contract Spending

Federal cloud spending is taking off as agencies embrace commercial cloud

Cloud Services obligations by agency in fiscal years 2015 through 2019 (projected); dollars in billions



- Federal agencies spent a combined \$4.3 billion on cloud computing in fiscal 2018
- That figure is projected to surpass \$5 billion in FY 2019
- ‘Cloud Smart’ will help agencies remove security, procurement, and workforce barriers to adoption
- In fiscal years 2019 and 2020, DHS, FBI, State embarking on major IT transformation initiatives
- Cloud spending will grow even faster in FY 2020 with DOD’s JEDI and DEOS contracts

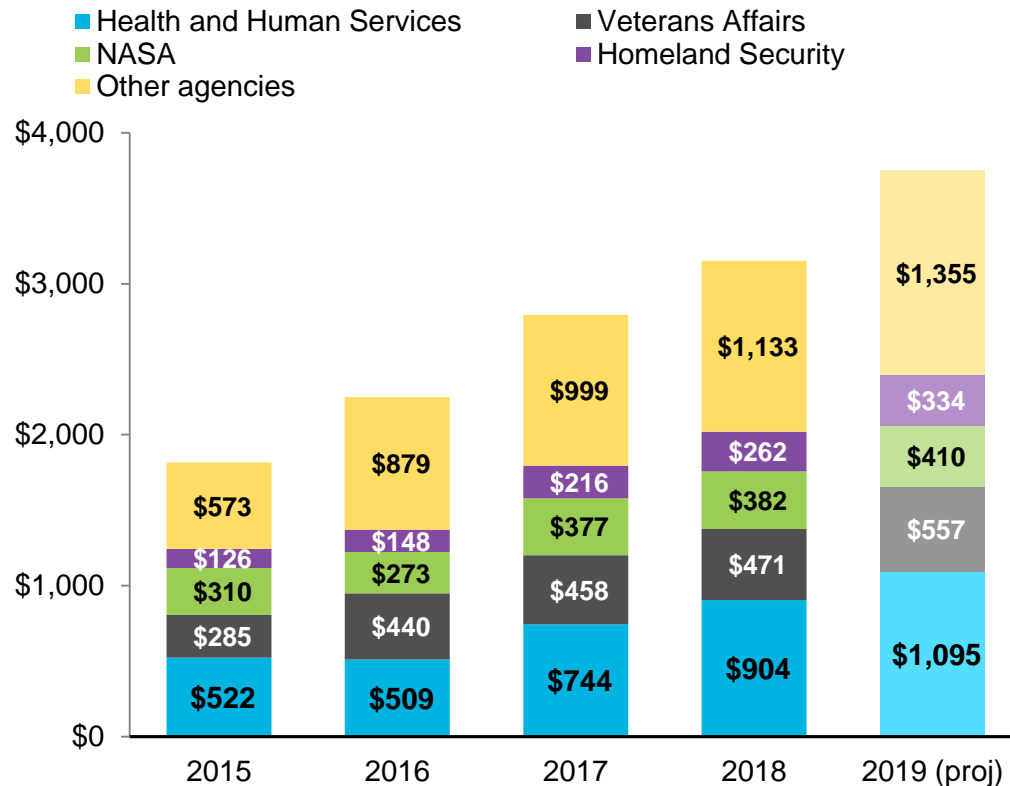
Notes: “Cloud Services” is a BGOV analyst-defined market that captures all unclassified spending on on-premises and commercial cloud infrastructure, platforms, and software, as well as cloud migration and other support services.

Sources: [BGOV Contracts Intelligence Tool](#)

Civilian Cloud Spending

Federal cloud spending is taking off as agencies embrace commercial cloud

Civilian cloud services obligations by agency in fiscal years 2015 through 2019 (projected); dollars in millions



- Civilian agencies spent a combined \$3.2 billion on cloud services in fiscal 2018
- That figure is projected to rise to \$3.8 billion in fiscal 2019
- DHS, DOJ, State, FAA, USDA, and others are embarking on enterprise IT modernizations
- Centers for Medicare and Medicaid Services (CMS) Virtual Data Center was the largest cloud contract governmentwide in fiscal 2018

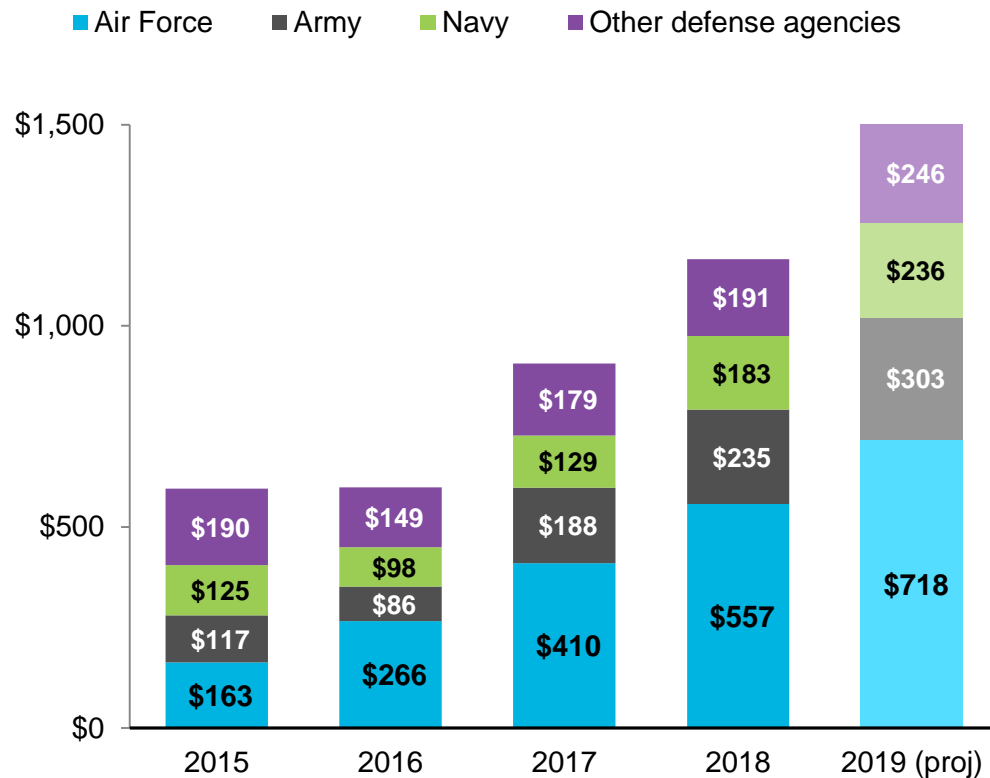
Notes: "Cloud Services" is a BGOV analyst-defined market that captures all unclassified spending on on-premises and commercial cloud infrastructure, platforms, and software, as well as cloud migration and other support services.

Sources: [BGOV Contracts Intelligence Tool](#)

Pentagon Cloud Spending

A late adopter of cloud computing, the Pentagon is rapidly making up for lost time

Pentagon cloud services obligations by agency in fiscal years 2015 through 2019 (projected); dollars in millions



- DOD spent \$1.2 billion on cloud computing in fiscal 2018
- That figure is projected to surpass \$1.5 billion in fiscal 2019
- ‘Fourth Estate’ agencies currently migrating workloads to MilCloud 2.0
- Vast majority of DOD cloud programs are “private” cloud
- \$10 billion JEDI cloud program to serve as the “pathfinder” for commercial cloud adoption

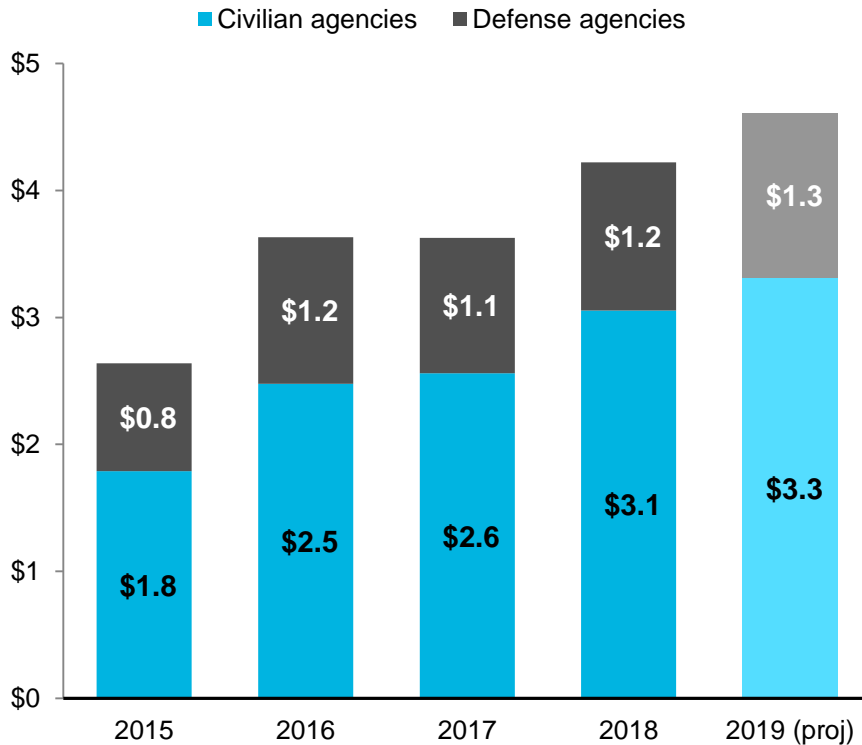
Notes: “Cloud Services” is a BGOV analyst-defined market that captures all unclassified spending on on-premises and commercial cloud infrastructure, platforms, and software, as well as cloud migration and other support services.

Sources: [BGOV Contracts Intelligence Tool](#)

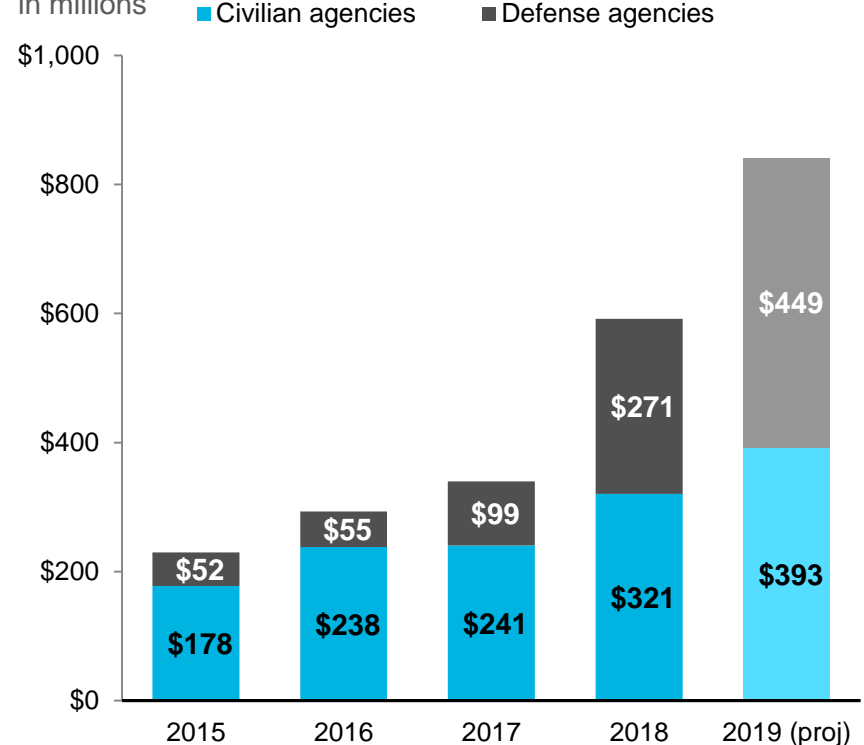
Investment in Cloud-Adjacent Technologies

Cloud computing is a key enabling technology for digital services and artificial intelligence

Digital services obligations in civilian and defense agencies in fiscal years 2015 through 2019 (projected); dollars in billions



Artificial intelligence obligations in civilian and defense agencies in fiscal years 2015 through 2019 (projected); dollars in millions



Notes: "Digital Services" is a BGOV analyst-defined market that captures all unclassified spending on providing web- and mobile-based government services, including web development, DevOps, customer relationship management, e-government. "Artificial Intelligence" is a BGOV analyst-defined market that captures all unclassified spending projects related to artificial intelligence, machine learning, deep learning, neural networks, and self-driving vehicles.

Source: Bloomberg Government data

Cloud Forecast

- **Top active cloud procurements**

- **Joint Enterprise Defense Infrastructure (JEDI)** – Competition has been narrowed to Amazon Web Services and Microsoft; award expected by the end of July
- **Defense Enterprise Office Solutions (DEOS)** – RFQ released 1/31; to be competed by GSA on Schedule 70; award expected by the end of FY 2019
- **DHS Enterprise Cloud Migration and Data Center Optimization** – RFI released 2/19; hybrid/multi-cloud migration strategy, multiple awards expected; awards expected by the end of FY 2019
- **FBI Cloud Computing Services** – RFI released 2/16; BGOV estimates it could be worth \$300 million; RFP expected in Q3 2019
- **NOAA National Mission IT Services (NMITS)** – Industry day held in November 2018; \$2.5 billion BPA to be competed on Schedule 70; RFQ expected Q3 2019, awards expected Q2 2020

- **Expiring cloud contracts and task orders up for recompetete**

- 1630 contracts that agencies use to acquire cloud computing services will expire between now and the end of FY 2020
 - Subscribers can view them by [clicking here](#)
- 1953 cloud-related task orders, which to-date have generated \$10.7 billion, will expire between now and the end of FY 2020
 - Subscribers can view them by [clicking here](#)

Source: Bloomberg Government data

What's Ahead?

- OMB to release a final drafts of the White House's 'Cloud Smart' strategy, Data Center Optimization Initiative, and Trusted Internet Connections policy
- OMB, DHS, and GSA to issue strategic plan to streamline cloud authority to operate (ATO) process
- Federal agencies required to transition paper-based public services to digital based on 21st Century IDEA mandate
- GSA to consolidate IT services under a smaller number of "best-in-class" contracts; evaluating best practices in commercial e-commerce marketplaces
- Agencies expanding IT spending transparency efforts via category management and Technology Business Management (TBM)
- Agencies preparing to issue network modernization task orders on \$50 billion Enterprise Infrastructure Solutions (EIS) by the end of fiscal 2019

Q&A

Follow us on Twitter: [@BGOV](https://twitter.com/BGOV)

About Bloomberg Government

Follow us on Twitter [@BGOV](#)

Delivering news, analytics and data-driven decision tools, Bloomberg Government's digital workspace gives an intelligent edge to government affairs, federal and contracting professionals influencing government action.

For more information or a demo, visit www.bgov.com or call +1-202-416-3450.

On BGOV.com

- [IT Explorer](#)
- [Contracts Intelligence Tool](#)
- [Opportunity Search](#)
- [Federal Budget Dashboards and Data](#)
- [Top 20 Opportunities](#)

Related Analysis

- [The Federal IT Market Grew by 10 Percent in Fiscal 2018](#)
- [JEDI Will Be the Focal Point of Pentagon Multi-Cloud Strategy](#)
- [DHS Unveils Enterprise Multi-Vendor, Multi-Cloud Strategy](#)
- [Trump Issues an American AI Initiative That's Short on Details, Funding](#)

Disclaimer

Copyright 2019 BGOV LLC.

Not for redistribution except by an authorized Bloomberg Government user, and only as expressly permitted in the Bloomberg Government terms of service. All permitted uses shall cite Bloomberg Government as a source.