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Shared Services Now!

IT'S TIME FOR THE FEDERAL GOVERNMENT TO STOP OWNING GRANT MANAGEMENT SYSTEMS - AND START OWNING THE DATA

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Acknowledgements

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The Shared Services Leadership Coalition (SSLC) is pleased to publish Mr. Peckham's insightful perspectives as valuable contributions to ongoing efforts to modernize and transform the Federal grant administration process. The views expressed are the author's own and are not necessarily endorsed in their entirety by SSLC.

The government doesn't need to own the systems - but it must own the data. With the Grants Quality Service Management Office[1] (QSMO) driving interoperability, the Federal Risk and Authorization Management Principles[2] (FedRAMP) security standards, and centralized data governance[3], agencies can benefit from private-sector innovation while fulfilling oversight, promoting transparency, and diverting more time and energy to mission-critical reporting responsibilities.

[1] https://www.hhs.gov/about/agencies/asfr/grants-quality-service-management-office/index.htm
[2] https://www.fedramp.gov/
[3] https://www.grants.gov/data-standards

Executive Summary

The federal government continues to spend hundreds of millions each year operating outdated, agency-specific grant management systems that duplicate functions, burden recipients, and deliver inconsistent user experiences. This paper argues that the real value in grants management is not the systems themselves, but the ***data*** - the asset that powers oversight, fraud prevention, performance measurement, and transparency. With the Grants QSMO, GREAT Act standards, and modern security frameworks now in place, the federal government has both the mandate and the means to shift from owning monolithic systems to owning standardized, interoperable data that any compliant commercial solution can consume and produce.

As private-sector vendors increasingly deliver modular, scalable, and user-centered platforms, the government's continued investment in custom-built legacy systems no longer makes fiscal or operational sense. Commercial solutions offer continuous innovation, lower lifecycle costs, stronger cybersecurity, and the ability to plug into governmentwide data standards published through Grants.gov. By enforcing data consistency and interoperability - not system uniformity - the federal government can finally unlock the benefits long promised by shared services: reduced duplication, improved accountability, better analytics, and a dramatically simplified experience for recipients and federal staff.

The path forward is clear: decouple data from systems, establish a centralized government-owned grants data fabric, and allow agencies to acquire best-in-class solutions from the QSMO Marketplace. This transition protects the government from vendor lock-in, improves policy and budget decision-making, and positions federal grants management for an agile, AI-enabled future. Ultimately, this paper makes a compelling case that owning authoritative, portable, standardized data - not the technology around it - is what will drive performance, transparency, and mission impact across all 26 federal awarding agencies.

I. The Challenges with Government-Owned Systems

The federal government spends hundreds of millions of dollars annually operating archaic grant systems across 26 grant making agencies, paying steep maintenance and enhancement costs while duplicating functions across agencies. A June 6, 2025, Request for Information (RFI) ("Simpler Grants Management") went out on the Software Integration and Frontend Technology (SWIFT) Blanket Purchase Agreement (BPA) resulting in a Request for Quotations (RFQ)[4]. This action signals an overdue consideration, why does the federal government want to own systems when data drives decision making? There needs to be a pivot away from government owned and operated grant systems and instead mandate the adoption of publicly available private sector owned systems for government use that are reviewed and deemed compliant with the Federal Integrated Business Framework (FIBF) and Grants QSMO interoperability certified standards. The government could then refocus valuable resources on managing the data used by these systems to drive activities that enhance performance, oversight, and interoperability.

Government-Owned Grant Management Systems are emblematic of the aging investment built prior to cloud-first mandates. They are burdened by bureaucratic procurement processes and require substantial Operations & Maintenance (O&M) and Development, Modernization, and Enhancement (DME) funding. The **Federal IT Dashboard**[5] is a resource intended to display annual government investments on IT projects transparently. Unfortunately, reporting on O&M and DME outlays are not always appropriately aligned to the master project, resulting in underreporting of actual spending. Agencies also routinely depend on supplemental funds for patching vulnerabilities and enhancements that aren't always transparently reported.

In the current grant management landscape, recipients and agencies interact with **separate systems** often within a single department (e.g., HHS, HUD, DOJ). This creates inconsistent user experiences, increased recipient burden, and cost for all parties. The government faces challenges like budget uncertainties, multi-year procurement cycles, and rigid federal acquisition rules, leading to slow, incremental legacy system upgrades and outdated user experiences. The government should move away from owning systems and let private vendors openly compete through marketplace standards set by the Grants QSMO[6]. This will promote continuous improvement of products to stay competitive and improve customer/user experience (CX/UX) at competitive costs.

There is a clear need to create a government culture around grants that is focused on data as that is the only way to measure progress on objectives and improve outcomes. **Data is the product** that drives fraud prevention, enables program performance analysis, strengthens public accountability, and budget transparency. By owning the **data and its standards**, the government ensures that it can **analyze, audit, and act** on that information—regardless of which system collected it. Centralizing grant data under federal ownership enables both Congress and the Administration to make faster, evidence-based policy and budget decisions by giving them a unified, authoritative view of spending, performance, and outcomes across all agencies.

[4] Access to the actual RFQ is limited to vendors on the BPA, however an AI summary is available at this link: RFQ – SWIFT BPA Call #4 – Simpler Grants Management - #75P00124A000

[5] Grant system cost can be found on the Federal IT Dashboard - https://www.itdashboard.gov/ - search by system (i.e. GrantSolutions) – note that systems are not easily identifiable without inherent knowledge

[6] https://ussm.gsa.gov/marketplace/grm/

II. Why the Government Should Stop Owning Systems

1. Commercial and Shared-Solution Ecosystems Are Better Positioned

The **Grants QSMO Marketplace**, launched by HHS in 2022 and validated through cross-agency market research, currently offers multiple shared solutions that meet government-wide standards. The private sector is progressively adept at developing modular systems that adhere to established standards, such as the standard data elements published by HHS on Grants.gov. With **Grants QSMO certification** as a gatekeeper, the government can ensure compliance **without owning the tech stack** by designing interfaces and security components for data access, updates, and usages.

There has been a longstanding push towards shared services in the federal government. However, the potential value of shared services remains hard to attain as agencies insist that they operate differently and therefore require unique and custom systems to meet their "special" needs. The "critical path analysis" performed at HHS under the ReInvent Grants Management initiative outlined that grants operate largely the same. Semantics and what many refer to as the "snowflake" perception/effect that every grant is different doesn't align with reality. The functional line of business is called Grants Management because of the similarities of actions that are clearly aligned and only culturally distinct. By focusing on the similarities grants management becomes an ideal business case for shared services. The Grants QSMO has promoted this concept successfully increasing adoption of shared service solutions from 19% to 48% of federal awarding agencies.[7] The foundations of this construct are undeniable:

- Cost efficiency and reduced duplication
- Improved standardization and interoperability
- Higher quality through specialization
- Faster modernization and innovation
- Enhanced cybersecurity and compliance
- Better data governance and analytics
- Scalability and resilience
- Simplified user experience

2. High Lifecycle Cost and Misaligned Incentives

Government-owned platforms require ongoing procurement, modernization, and staffing that strain budgets. Agencies exceeding $5M in O&M or $2.5M in DME must coordinate with the Grants QSMO prior to any system investment. While this review process helps in mitigating duplication it won't eliminate legacy overhead and the technical debt burden of long-time government owned systems still operating today.

In contrast, commercial solutions can offer tiered pricing, scalability, and continuous upgrades aligned with user needs and standards. System ownership requires ongoing, and usually escalating costs, where the government must fund the entire lifecycle of development, security, helpdesk, and modernization (O&M and DME). In the commercial model agencies pay for usage or licensing rather than maintaining an in-house development and support team. Commercial providers spread costs across clients and often offer **multi-tenant Software as a Service (SaaS) solutions** that scale affordably.

[7] https://www.hhs.gov/about/agencies/asfr/grants-quality-service-management-office/index.html?utm_source=chatgpt.com

III. The Role of QSMO and the GREAT Act Standards

1. HHS as Standard-Setting Authority

Under the Great Act of 2019[8] and OMB Memorandum M-24-11[9], HHS has been designated the **government wide standard-setting agency** for grants data. As of August 27, 2025, HHS has published V2.1[10] of the grants data standards, including data elements supporting Assistance Listings, entity types, and mission categories - 339 standards in total.

Standardization enables interoperability across commercial platforms, allowing agencies to use private-sector systems while ensuring that core grant data remains structured, portable, and under government stewardship. This approach directly supports fraud prevention by enabling consistent risk assessments, strengthens program performance analysis through comparable metrics, advances public accountability by making data more transparent and trustworthy, and enhances budget decision-making by enabling spending that can be tracked uniformly across agencies*. In short, standardized data liberates the government from the costly and inefficient business of system ownership, while empowering it to use data strategically to reduce risk and make progress on performance goals.*

The private sector is increasingly capable of building **standards-based**, modular and containerized systems that comply with government standards. There are obvious benefits to utilizing a micro-services approach to break complex systems into smaller, independent components, making them easier to develop, scale, and maintain. They allow teams to deploy and update services independently, improving agility and reducing downtime. This architecture also enhances resilience, since failures in one service are less likely to disrupt the entire system. This is an area where the federal government struggles while the private sector excels.

2. Interoperability and Transparency via Grants.gov

The grants data standards are published via Grants.gov[11] to enable adoption by agencies and vendors alike - reducing recipient compliance costs, enabling analytics, improving interoperability, and enhancing transparency.

Grants.gov, when underpinned by published and widely adopted data standards, becomes more than just an application portal - it evolves into a transparent, interoperable data exchange that unifies the entire federal grants ecosystem and drives accountability, efficiency, and trust across every stakeholder. By enforcing common formats and definitions, agencies can connect seamlessly with commercial grant management systems, while vendors can develop solutions that plug in effortlessly eliminating costly customization and ensuring a unified, data-driven ecosystem. This reduces compliance burdens for recipients who no longer face the inefficiencies of duplicative reporting or reconciling inconsistent requirements across different systems and agencies.

Standardized data flowing through Grants.gov also strengthens government oversight and public accountability. Agencies can apply advanced analytics to detect fraud risks, measure program

[8] https://www.congress.gov/bill/116th-congress/house-bill/150/text
[9] https://www.whitehouse.gov/wp-content/uploads/2024/04/M-24-11-Revisions-to-2-CFR.pdf
[10] https://www.grants.gov/data-standards?utm_source=chatgpt.com
[11] https://www.grants.gov/

performance, and align spending with policy priorities. At the same time, transparent, comparable data empowers the public and Congress to track how taxpayer dollars are used, while enhancing trust in federal grantmaking. In essence, data standards transform Grants.gov into a hub for efficiency, oversight, and transparency rather than a siloed transaction based system.

IV. Government-Owned Data, Not Systems

1. Data Governance and Oversight

Systems are tools that come and go - subject to advances in technology, shifts in the vendor marketplace, and evolving agency needs - while the underlying grant data represents a core public asset that must remain under federal stewardship. By retaining ownership of all grant data, to include transactional records and financial flows for audit purposes, the government ensures continuity of oversight, accountability, and transparency regardless of which commercial or shared service platform is used to manage day-to-day operations.

This principle is rooted in sound governance and oversight practices. With a focus on data ownership the **Government provides safeguards** against vendor lock-in, allowing agencies to switch systems or adopt new technologies without losing access to historical information or the ability to analyze cross-agency trends. This approach also reinforces compliance with the DATA Act, the GREAT Act, and federal open data policies by enabling standardized, reusable datasets that support fraud prevention, budget transparency, and performance analysis across the entire grant lifecycle. Ultimately, while the private sector can innovate and operate systems more efficiently, only the government has the mandate and responsibility to ensure that grant data remains authoritative, comprehensive, and available for public accountability and policy decision-making.

2. Portability and Modular Architecture

Adoption of **modular standards-based solutions** ensures seamless system switching or layering. Agencies could swap out system modules from vendors, provided they adhere to data standards, without data silos or data loss.

By **adopting microservices**[12], each functional component - such as application intake, risk scoring, payment processing, or performance reporting - operates independently and communicates through standardized Application Programming Interface[13] (API). This modularity means agencies can replace or enhance one service without disrupting the others, reducing costs and enabling continuous improvement. Containerization[14] strengthens this model by packaging each microservice with its dependencies, ensuring consistent performance across environments and simplifying deployment, scaling, and recovery.

From a security perspective, microservices and containers **compartmentalize risk**. Instead of a monolithic system where a single vulnerability could expose the entire platform, threats are isolated to individual containers or services, limiting blast radius and enabling faster patching. Combined with portability through data standards, agencies can seamlessly layer or swap vendor-provided modules without losing control of their data, ensuring both operational effectiveness and resilient, secure system design. This approach future-proofs federal grants management by making modernization iterative, agile, and less disruptive.

[12] https://csrc.nist.gov/pubs/sp/800/180/ipd
[13] https://csrc.nist.gov/glossary/term/application_programming_interface
[14] https://csrc.nist.gov/glossary/term/container

V. Recommendations

1. **Cease further enhancements** or O&M investments in legacy monolithic platforms beyond minimal support - for example, begin phasing out by FY2028.
2. **Mandate that agency systems comply** with approved data standards by only using solutions listed on the QSMO Marketplace.
3. **Centralize investment review coordination with QSMO**, ensuring agencies coordinate on any O&M or DME where the Grants QSMO works in conjunction with the COFFA to oversee guiding principles like data ownership and interoperability.
4. **Strengthen the government owned grant data principle**, funded centrally, that stores cleaned, standardized grant data, decoupled from the software platform – a potential repurposing of GrantSolutions under the HHS Simpler Grants moniker.
5. **Invest in expanding the Grant QSMO's Marketplace** of private sector solutions based on the competitive pressures that drive continuous innovation, efficiency, and customer-focused improvements.

Conclusion

Private-sector vendors continuously improve their products to stay competitive by updating UI/UX, adding features, and adopting emerging technologies like AI and machine learning. Private-sector systems are optimized for intuitive design and accessibility where they compete based on ease of use. Commercial vendors also offer **tiered support, onboarding, and user training**, which reduces helpdesk strain on agencies. General sentiment is that federal systems often reflect bureaucratic complexity and lack modern design thinking.

By exiting the business of owning grant systems and instead owning the **data and standards**, the federal government can dramatically improve efficiency, reduce duplication, and empower a dynamic ecosystem of interoperable solutions. The cost savings[15] and performance gains will accrue both to federal awarding agencies and grant recipients. QSMO and the GREAT Act's data standards provide the necessary foundation for this transformation and now is the time to act.

The federal government should **focus on data ownership** and not system ownership because its **public accountability, oversight, and mission performance** responsibilities depend on **trusted, accessible, and interoperable information**, not on controlling the tools used to collect it.

[15] https://files.gao.gov/reports/GAO-25-107795/index.html?utm_source=chatgpt.com

Next Steps

When the Federal Government begins to focus on data management through some form of centralized grants data lake or data fabric we will finally be able to recognize the true value of grant investments. By partnering with private-sector vendors, the government can leverage proven technologies, secure data-exchange methods, and scalable automation that reduce duplication and administrative costs. These collaborations will allow agencies to focus on oversight and performance while ensuring every taxpayer dollar is traceable, effectively usedefficient, and outcome-oriented.

Ensuring that data residency remains under government control promotes hosting in government owned cloud or FedRAMP authorized environments. Implementing modular shared services architecture allows separate application logic from data governance, freeing competition among private vendors to handle the UI/UX and workflow orchestration.

Clear constraints need to outline data stewardship and exit rights in contracts that ensure the government has full rights and ownership to:

- Import/Export all data in structured format at any time.
- Continue operations independently if a vendor fails.
- Audit vendor performance and data integrity.
- Build dashboards and analytics layers on top of standardized data.
- Ensure Privacy, Compliance, and Access Control (i.e. NIST, FISMA, Federal Information Processing Standards[16], and Zero-Trust Architecture[17] principles)

[16] https://www.nist.gov/standardsgov/compliance-faqs-federal-information-processing-standards-fips
[17] https://nvlpubs.nist.gov/nistpubs/specialpublications/NIST.SP.800-207.pdf

Our Mission and Guiding Principles

SSLC is a non-partisan, non-profit organization dedicated to advancing the government's implementation of shared services business models to improve government efficiency and effectiveness.

We promote a marketplace where government and industry service providers can fairly compete to best deliver capabilities to government customer agencies that fully realize the transformative business value of shared services to enable continuous modernization in service delivery.

We also promote immediate actions to accelerate the government's adoption of shared services to more fully and rapidly address 21st Century challenges.

We Advocate for a Government-Industry Shared Services Ecosystem Where:

1. Shared services are:
   - The default delivery model for mission delivery and support services common to multiple agencies throughout the government.
   - Defined based on a clear set of facts regarding what exists, what is intended to be achieved, and how desired outcomes will be realized.
   - Designed to government-defined standards in alignment with Federal regulations, Federal policies, industry best practices and leading technologies.
   - Managed to promote and track important measurable outcomes, including efficiency, effectiveness and customer experience.
   - Delivered in an open marketplace accessible to qualified government and industry service providers, promoting innovation and predictable price models for customers.
2. A transformation vision and roadmap to achieve full operational capability of Federal shared services, including policy, investment strategies and return on investment are well defined and supported by Congressional and Executive Branch leaders.
3. All agencies participate in the shared services marketplace and support more effective agency-wide and government-wide decision-making to enable the seamless and secure delivery of shared services wherever opportunities are identified.
4. All government and industry providers are encouraged and incentivized to leverage commercial investment to keep offerings continuously modernized and delivering value at industry-leading performance levels.

SharedServicesNow.org