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Accounting and Information  
Management Division

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December 16, 1994

The Honorable William F. Clinger, Jr.  
Ranking Minority Member  
Committee on Government Operations  
House of Representatives

Dear Mr. Clinger:

This letter responds to your December 12, 1994, request for information concerning the Post-Federal Telecommunications System (FTS) 2000 program strategy. Specifically, you asked us to initially determine whether the General Services Administration (GSA) followed an appropriate process--one that effectively promoted industry participation--for selecting an acquisition strategy from among several options. This letter provides our quick assessment of the issues surrounding GSA's selection process. While we reviewed GSA's process for making its selection, we did not assess the validity of the proposed strategies. We will address issues concerning the selected strategy as well as other matters concerning the Post-FTS 2000 program at a later time. In performing this work, we reviewed program documentation, including industry comments on the proposed strategies, and interviewed GSA officials responsible for the Post-FTS 2000 initiative.

BACKGROUND

The multibillion dollar FTS 2000 program currently provides intercity telecommunications services for approximately 1.7 million users. GSA awarded the FTS 2000 contracts in December 1988, with expiration scheduled for December 1998. In early 1993, GSA and the Interagency Management Council (IMC) began developing a concept for government telecommunications in the post-FTS 2000 environment. The IMC, which was established in 1988, consists of senior government information resources management officials from agencies using FTS 2000. This council provides guidance to GSA officials in administering telecommunications contracts. The IMC, through its Acquisition Working Group, has overall responsibility for recommending to the GSA administrator an

GAO/AIMD-95-62R Post-FTS 2000 Strategy

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acquisition strategy for the Post-FTS 2000 program.

During an 18-month period, the IMC and its subcommittees began defining the federal government's future telecommunications service needs, identifying potential acquisition strategies for meeting those needs, developing evaluation criteria in coordination with user representatives, and analyzing acquisition alternatives. The IMC also solicited comments and feedback from industry and other interested parties concerning issues such as federal telecommunications requirements, proposed strategies, and the IMC's analysis of acquisition alternatives.

GSA plans to announce its strategy on December 22, 1994. The next major steps for the Post-FTS 2000 program following this announcement are: (1) release of the draft Request for Proposals (RFP) in June 1995, (2) release of the final RFPs in December 1995, and (3) announcement of awards in March 1997.

ACQUISITION STRATEGY SELECTION PROCESS WAS APPROPRIATE

The IMC followed an appropriate process for selecting its Post-FTS 2000 acquisition strategy. This process included early and substantive dialogue with users, prospective vendors, and other interested parties to gather the widest possible array of views concerning the Post-FTS 2000 program.

Beginning with a May 1993 announcement in the Commerce Business Daily, the IMC has actively encouraged all interested parties to participate in a free and open discussion on the planned acquisition of intercity federal telecommunications services. Specifically, the IMC convened two conferences to discuss telecommunications technologies, the evolving marketplace, federal government requirements, and possible acquisition strategies. Further, no fewer than six calls for comments were issued, providing yet another means for industry to participate in the program's development. Taken together, the IMC's use of these information-gathering techniques provided comprehensive input from the telecommunications community.

Highlights of the IMC's process for selecting an acquisition strategy follow.

Post-FTS 2000 Concept Development Conference: In October 1993, the IMC convened a Post-FTS 2000 concept development conference. Over a three-day period, 44 speakers from across government, industry, and academia offered presentations to over 500 attendees on communications technologies, the

telecommunications marketplace, requirements, and acquisition strategies. Industry provided post-conference comments as well.

Post-FTS 2000 Alternative Acquisition Strategies White Paper: In April 1994, the IMC's Acquisition Working Group released a White Paper outlining eight potential acquisition approaches. To stimulate feedback on these approaches, the IMC requested further ideas, comments, and clarification questions in a May 1994 announcement in the Commerce Business Daily.

Joint Concept Review Committee: In a related matter, the IMC's Joint Concept Review Committee released a report in April 1994 evaluating the feasibility of consolidating the Defense Department's communications needs into the Post-FTS 2000 acquisition effort. An announcement in the Commerce Business Daily sought public comment on this report as well.

Post-FTS 2000 Government Security Market Survey Request for Information: In June 1994, the IMC's Acquisition Working Group issued a Request for Information informing industry of the federal government's telecommunications security needs. The request also solicited ideas to assist the government in defining its security needs during its telecommunications services acquisition efforts.

Analysis of Post-FTS 2000 Acquisition Alternatives: Between April and September 1994, the Acquisition Working Group established and convened an Interagency Task Group to support a more detailed analysis of Post-FTS 2000 alternatives. The Working Group issued a report in September 1994 describing the Interagency Task Group's analysis, defining the evaluation criteria used, and presenting the results of the analysis. At the same time, the Working Group invited comments from industry, government, academia, and other interested parties on all aspects of the report, including the assumptions, the methodology used, and the findings.

Post-FTS 2000 Comment Review Panel: The Acquisition Working Group convened a second concept development conference in October 1994 to provide another opportunity for interested parties from industry, government, academia, and elsewhere to comment on the acquisition strategy selection efforts.

In addition to the preceding conferences, reports, and requests for information, the IMC established a Concept Development Record to serve as a public repository of ideas and comments furnished by users, industry, and academia. This record was made available in GSA's Public Reading Room, and, to the maximum extent possible, made electronically

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available via the Internet.

OBSERVATIONS

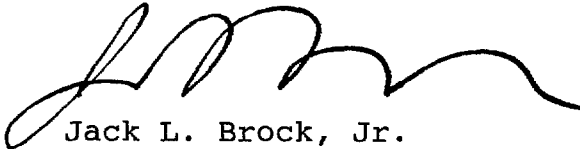
GSA and the IMC have taken significant steps to ensure that industry, federal agencies, and other parties have an opportunity to scrutinize and comment on the acquisition strategy that is selected. As a result, they have laid the groundwork for industry support and participation in the program. On December 22, 1994, GSA intends to publish the final results of the IMC's acquisition alternatives analysis and reveal the strategy that it has selected. The IMC intends to solicit and accept public comment on this strategy through February 15, 1995.

After an acquisition strategy is in place and the Post-FTS 2000 initiative moves forward, the IMC will continue to solicit public comments. The planned release of a draft RFP in June 1995, for instance, will offer interested parties an additional opportunity to publicly review and comment on this important acquisition initiative.

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Please contact me at (202) 512-6240 if you have any questions concerning this letter or other matters involving GSA's continuing efforts to develop the Post-FTS 2000 program.

Sincerely yours,



Jack L. Brock, Jr.  
Director, Information Resources  
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