EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

September 29, 2000

The Honorable David J. Barram
Administrator
General Services Administration
18th & F Streets, NW
Washington, DC 20405

Dear Mr. Barram:

This letter is in response to your July 7, 2000 request for an extension of the designation granted by the Office of Management and Budget (OMB) to the Administrator of the General Services Administration (GSA) to serve as an executive agent for government-wide acquisitions under the Federal Systems Integration and Management Center (FEDSIM) and Federal Computer Acquisition Center (FEDCAC) programs, and other existing GSA government-wide information technology (IT) acquisition programs. I have decided to extend the designation through April 1, 2002, subject to the terms stated in this letter.

Terms of Redesignation

This redesignation, effective through April 1, 2002, is made pursuant to section 5112(e) of the Information Technology Management Reform Act ("Clinger-Cohen Act"), 40 U.S.C. 1412(e), which authorizes the Director of OMB to designate one or more heads of executive agencies as executive agents for government-wide acquisition contracts for IT (GWACs).

As an executive agent, the GSA Administrator is authorized to award and administer task and delivery order contracts on behalf of Federal agencies for government-wide acquisitions of IT (as defined in section 5002(3) of the Clinger-Cohen Act, 40 U.S.C. 1401(3)) through the FEDSIM and FEDCAC programs, as well as through other existing GSA government-wide IT acquisition programs. It is further limited to contracts awarded under programs that are funded on a reimbursable basis through the Information Technology Fund established at 40 U.S.C. 757 and that have already been approved by OMB, or are approved in writing by OMB, as part of the annual cost and capital plan for that fund. Unless otherwise provided by law or directed by the Director of OMB, all contracts shall continue to be made available to agencies on a non-mandatory basis.

If GSA proposes to award any new GWACs with a ceiling amount of $25 million or higher (or recompete an existing GWAC) under a program covered by this designation, GSA shall submit a business case to OMB at least 60 days prior to the planned issuance of the solicitation for any such GWAC. A new GWAC would be one other than those identified in Attachment A of GSA's business case dated July 7, 2000. A listing of those contracts is set forth in Enclosure A.

This redesignation is granted with the understanding that GSA will adhere to and promote the general policies and principles described in Enclosure B in discharging its obligations and responsibilities as an executive agent. It is granted with the further understanding that GSA will provide to OMB, on a semi-annual basis, the information described in Enclosure C. OMB reserves the right to modify data reporting requirements as may be required to inform our understanding of activities conducted pursuant to this designation. Future OMB executive agent designations will be informed by the quality of GSA program performance under this designation.

Finally, this redesignation is granted with the understanding that GSA will work with OMB and other program managers in undertaking steps, if and as necessary, to strengthen management and customer use of inter-agency contracts. Effective inter-agency contracting requires, among other things:

1. continued attention to good contracting practices -- including sound acquisition planning prior to execution of contracts and orders placed thereunder, effective use of competition and contract incentives, and well managed contract and financial administration;

2. a clear understanding of roles and responsibilities between servicing and customer agencies (including appreciation of the shared commitment between program, procurement, information technology, and finance offices within agencies);

3. reasonable data collection to provide agency management with sufficient ongoing insight into the use of inter-agency vehicles (including small business participation); and

4. the application of appropriate metrics to measure results achieved by managers and customers.

Steps OMB may take to improve inter-agency acquisitions will be informed, in part, by a study recently performed by the Information Technology Resources Board (ITRB) on management and use of GWACs, multi-agency contracts, and the multiple award schedules program. The ITRB's study was undertaken at the request of OMB's Office of Federal Procurement Policy. The business cases recently developed by the GWAC program managers, including that prepared by GSA, will also help to inform our thinking.

We intend to coordinate our efforts with the President's Management Council, the Procurement Executives Council, the Chief Information Officers Council, and the Chief Financial Officers Council. As an executive agent, your commitment to ensuring the strategic use of GWACs will be instrumental to the ultimate success of these vehicles in facilitating good acquisitions.

OMB looks forward to working with GSA and the managers of other GWACs, multi-agency contracts, and schedule contracts in positioning agencies to take even greater advantage of the benefits inter-agency contracts offer to effectively meet mission needs.

Sincerely,

Jacob J. Lew
Director

Enclosure A

Existing GSA Government-wide Acquisition Contracts As Identified in GSA's Business Case dated July 7, 2000

1. Applications and Support for Widely-diverse End User Requirements (ANSWER) Contract

Scope: Provides for services in the following areas: requirements and design research, analysis and definition; system development and software maintenance; facilities planning; technical support; local, wide, and metropolitan area networks (LAN, WAN, MAN) and tele-communications system management support; LAN, WAN, MAN and telecommunications network systems operations support services; electronic input; specialized workstation support; and computer equipment maintenance as well as management support services for business, scientific and engineering applications.

2. Millennia Lite Contract

Scope: Provides a wide variety of professional IT support services categorized into four functional areas: planning, studies and assessment; high-end IT services; mission support services; and legacy systems migration and new enterprise systems development.

3. Disaster Recovery Services for Federal Computer Systems and Networks Contract

Scope: Provides computing and communications recovery services to test and refine organizations' contingency plans, and to restore and recover operations in the event of a declared disaster. Recovery services are provided for several platforms including mainframe computer systems; midrange computer systems; and microcomputer systems. Associated consulting services and automated tools are also provided. Other resources include off-site data storage and retrieval data recovery services, mobile recovery facilities, overseas recovery facilities and cleared recovery facilities.

4. Millennia Contract

Scope: Includes a broad scope of IT services including new and emerging technologies. The scope of support is intended to cover all requirements for IT, including computers, ancillary equipment, software, firmware and similar applications, services (including support services), and related resources. The contract is designed for very large systems integration and software development projects. General tasks could fall into three functional areas: software engineering; communication; and systems integration.

5. GSA Seat Management Services Contract

Scope: Offers agencies the ability to acquire by the "seat" full service desktop computing resources (e.g., software, hardware, and technical support services) from general to high performance. Seat management services support scientific, engineering and mixed environments. Integrated services and the required components can be acquired. The services offered encompass the management, operation, and maintenance of the desktop, portable desktop servers, communications, printers, peripherals, and their associated network infrastructure and components as a unified service.

6. Virtual Data Center Contract

Scope: Provides a full range of primary data processing and support services for hardware and software, including: all essential components and resources to service and maintain data center computing; system back-up and disaster recovery services; operations and systems support; systems and application software support; and migration support and acceptance testing support.

7. Telecommunications Integrator Services (Telis) Contract

Scope: Provides telecommunications integrated solutions across voice, video and data technologies. Services offered include: personnel support for design, documenting, programming, implementing, managing, maintaining and supporting LANs and WANs; video equipment and systems; switched voice communication networks; and hardware and software.

8. Smart Card Contract

Scope: Includes the supplies and services necessary to support a common, interoperable, multi-application smart card. The smart ID card will contain information carried on a chip to be used by agencies commonly across applications. The smart card can be used to provide basic visual identification, identification authentication, physical and logical access control, and other value-added features. In addition to the card and accompanying applications, smart card management services and smart card system integration to existing or planned systems can also be ordered.

9. IT Solutions 8(a) Multiple Award Contracts

Scope: Provides a broad range of high quality, IT, non-complex integration services from 8(a) contractors through a small business set-aside multiple award contract under the Federal Acquisition Services for Technology (FAST) program. These services can range from simple connection of personal computers to peripherals, through construction LANs, up through installation of WANs. There is a vast range of related services that can also be provided including, but not limited to, analysis, documentation, and training. Agencies can accomplish anything from partial installations to turnkey installations, including ongoing operations, using commercial-off-the-shelf hardware/software and labor.

Enclosure B

Principles for
Government-wide Acquisitions of Information Technology

Principle 1. The multiple award contract (MAC) underlying the government-wide Acquisition Contract (GWAC) will be a model for effective use of competition, financial incentive, and other good contracting principles.

a. Creation of the underlying MAC.

i. The initial contract must include a SOW, specs, or other description, that reasonably describes the general scope, nature, and purpose of the work to be performed thereunder to enable a prospective offeror to decide whether to submit an offer.

ii. Public offerors must be permitted to compete along with private offerors to become contract holders, pursuant to the provisions of OMB Circular A-76, so that competition achieves the best deal for the taxpayer.

iii. The initial contract should include provisions that reflect the government's buying power (e.g., caps on prices for defined tasks, capped hourly rates).

b. Structuring of orders. Performance-based work statements should be used to define tasks in sufficient detail to permit orders to be awarded on a fixed-priced basis to the maximum extent practicable.

c. Ordering processes. Ordering processes should:

i. incorporate a best value approach and use past performance in determining contractors for individual tasks;

ii. to the maximum extent practicable, and unless a statutory exemption applies, ensure competition for individual, specifically-defined projects that are as narrow in scope and brief in duration as practicable, solve a specific part of an overall mission problem, and deliver a measurable net benefit independent of future tasks or orders;

iii. ensure that longer term orders, if used, are structured with effective "off ramps" to minimize dependence on one contractor;

iv. when practicable, incentivize offerors to invest resources in performing due diligence by quickly narrowing the scope of the fair opportunity process to leading contenders;

v. pose no obstacle to requesting agencies' compliance with OMB Circular A-76, as applicable, with special regard to the conversion of work from in-house to GWAC contract performance; and

vi. be easy to understand and emphasize streamlined, cost effective procedures and electronic processes that minimize customer and contractor costs.

d. Small business participation. The executive agent should, to the maximum extent practicable, structure the MAC so that small businesses (including small disadvantaged and women-owned businesses) can participate at the prime or subcontract levels.

Principle 2. The executive agent must maintain an ongoing, flexible capacity for successfully managing the acquisition of products and/or services within the scope of its designation.

a. Past performance. The executive agent must record and maintain information regarding contractor performance on individual orders and make it available to source selection officials to facilitate maximum practical consideration of past performance in awarding subsequent task orders for the same or similar supplies and/or services.

b. Contract management. The executive agent must establish a contract management structure and employ adequately trained and sized staff to administer and monitor activity under contract to ensure (i) compliance with the terms of the GWAC and the designation and (ii) effective implementation of good contracting practices.

c. Financial management. In accordance with the Statement of Federal Financial Accounting Standards (SFFAS) IV: *Managerial Cost Accounting Standards and Concepts for the Federal Government* with support provided by the Managerial Cost Accounting Standards Guide, the executive agent shall have an accountability structure and financial systems that assure the identification, accounting, and recovery of the fully allocated actual costs.

i. Projected total revenue and costs. Projected total revenue generated by the use of the contract shall not exceed projected actual costs. Revenues generated in excess of the agency's actual costs shall be transferred to the Treasury's Miscellaneous Receipts.

ii. Fee adjustments. Fees should be adjusted so that total revenues do not exceed actual costs.

Enclosure C

Contract Activity Report

I. Data Submission.

For each of the government-wide acquisition contracts (GWACs) identified in Enclosure A (including any recompetition of such GWACs) and any new GWAC with a ceiling amount of $25 million or higher under a program covered by this designation, the General Services Administration (GSA) shall report the following information to the Administrator of the Office of Federal Procurement Policy (OFPP) in accordance with the schedule set forth in section II, below:

(1) for each customer agency, the cumulative number and total dollar value of task or delivery orders awarded (whether by GSA or by the customer agency through delegation), sorted by functional contract area and type of contract (e.g., firm fixed-price, time and materials, cost-reimbursement fixed or award fee, etc.);

(2) total number and dollar value of task and delivery order awards:

(i) subject to fair opportunity; and

(ii) not subject to fair opportunity (see FAR 16.505(b)(2)), including the exception cited;

(3) GSA's projected and actual total revenue and costs (both direct and indirect) for managing and administering each contract covered by the designation, to include number of FTE administering each contract;

(4) the assessment of customer satisfaction with the contracts covered by the designation (using performance measures and benchmarks);

(5) the total number and cumulative value of task orders issued which do not comply with FAR Part 37.6, Performance-Based Contracting; and

(6) total number and dollar value of task and delivery order awards to:

(i) small businesses;
(ii) small disadvantaged businesses;
(iii) women-owned small businesses;
(iv) HUBZone small businesses;
(v) veteran-owned small businesses; and
(vi) small businesses owned by service-disabled veterans.

II. Schedule.

GSA shall report the above-identified information to OMB in accordance with the following schedule:

Activity Between	Submission Due Date
October 1, 2000 – March 31, 2001	May 31, 2001
April 1, 2001 – September 30, 2001	November 30, 2001
October 1, 2001 – March 31, 2001	May 31, 2002