



U.S. General Services Administration

Federal Acquisition Service

Network Services Programs Lessons Learned

**Network Services Programs
Integrated Technology Services
Federal Acquisition Service
General Services Administration**

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Introduction and Purpose

- GSA's Network Services Programs (NSP) currently offers telecommunications products and services to the Federal Government through a broad portfolio of national and regional contracts, the largest of which are FTS2001 and its successor, Networx.
- Significant changes have taken place in the telecommunications marketplace in terms of the technologies and services that are now available and the types of telecommunications carriers that can deliver those services.
- With the end of the transition process from FTS2001 to Networx approaching, the NSP has compiled and analyzed lessons learned.
- The findings address both the National and Regional network services programs.
- These findings will serve as a foundational element in the planning for the next generation of programs, known as Network Services 2020 (NS2020).
- Follow-on documents will address the forward-looking strategy and portfolio of services.



Background

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- Part of the GSA Federal Acquisition Service (FAS), Integrated Technology Services (ITS)
- Establishes and manages a range of acquisition programs to meet the needs of Federal agencies for telecommunications and networking services
- Strategic program providing services to most civilian and defense agencies
- Despite significant contract price reductions, FTS2001/Networx Business Volume increases have far outpaced the overall Federal IT market growth rate, and that volume is predominantly technologically advanced IP-centric services
- Provides strategic sourcing for the Federal Government by aggregating agency requirements
- “Single stop shop” for all network and IT services

\$9.1B more for Agency missions and 82% price reduction since 1999



Contracts

- Networx (\$1.4B FTS2001/Networx revenue in FY13)
- Local Telecommunications Services Contracts (e.g. WITS-3)
- SATCOM II/Future COMSATCOM Services Acquisition (FCSA)
- CONNECTIONS-II
- Federal Relay
- Wireless Telecom Expense Management Services (TEMS)
- Wireless Federal Strategic Sourcing Initiative (FSSI)

Findings:

Themes

Lessons Learned

Recommendations

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Overview of Lessons Learned Process Flow



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Strategic Themes

Aggregated Requirements

Acquisition Efficiency

Tailored Customer Service

Operational Efficiency

Customer Partnership

Significant Lessons Learned

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| <ul style="list-style-type: none"> ✓ Competitive pricing, achieved through strategic sourcing, is a program strength ✓ Systems and methods, including price visibility, have successfully promoted price competition | <ul style="list-style-type: none"> ✓ Network contract and support structure did not match Agency buying methods or support rapid procurement ✓ Fair Opportunity process slowed Networkx transition ✓ Service inventories were inaccurate or incomplete ✓ Contracts provide a broad spectrum of desired services | <ul style="list-style-type: none"> ✓ Insufficient direct GSA support for Networkx transition, including Fair Opportunity guidance and support ✓ Declining telecomm expertise across Government ✓ Vendor performance management did not meet expectations | <ul style="list-style-type: none"> ✓ Billing and Operations Support Systems added value but could be improved ✓ Independent operations and inconsistent processes across Regions ✓ Unnecessary contract overlap added confusion and increased operating cost | <ul style="list-style-type: none"> ✓ IMC provided insufficient program governance ✓ More specialized programs (e.g. SATCOM) have strong partnerships ✓ GSA data on Agency buying patterns can aid better decisions |
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Strategic Themes

Aggregated Requirements

Acquisition Efficiency

Tailored Customer Service

Operational Efficiency

Customer Partnership

Recommendations

- ✓ Critical to leveraging the buying power of the government in telecom market
- ✓ Requires agency commitment
- ✓ Match portfolio structure to agency buying and market segments
- ✓ Price visibility
- ✓ Business Intelligence

- ✓ Consider speed and ease of use, not just low prices
- ✓ Simplicity in contract structure, pricing, communications
- ✓ Flexibility to match Agency buying methods
- ✓ Simplified fair opportunity
- ✓ One stop shopping
- ✓ Flexible and agile portfolio of offerings

- ✓ Range of support services from self-help to full support
- ✓ Transition support
- ✓ Improved vendor performance management
- ✓ Centralized and direct billing

- ✓ Systems modernization with improved ordering, billing and inventory management
- ✓ Coordinated service delivery channels
- ✓ Reduced contract overlap

- ✓ Effective shared governance approach
- ✓ Key to successfully aggregating requirements

Significant Lessons Learned

Further Detail

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Acquisition Efficiency

Service transition from FTS2001 to Networx was too slow

Recommendations:

- Good pricing alone is insufficient to realize cost saving or to incent transition; ease of use and speed of purchase must be considered in future acquisitions.
- GSA's award of an overall contract followed by agency award of individual Fair Opportunity (FO) decisions may have delayed transition. Considerations for future transitions:
 - Make FO decisions for some agencies as part of the original award.
 - Perform FO process for Micro agencies.
 - Engineer a gradual transition methodology.
 - Offer pre-awarded, "turn-key" services
 - Groom circuits and order excess trunk line capacity for GSA switches in advance
- Service inventory inaccuracies or incompleteness slowed transition. Greater support for inventory validation and ordering, billing and inventory system improvements should be pursued.

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Acquisition Efficiency

Contract & support structures should be designed to match preferred agency buying methods

Recommendations:

- The means should be found to increase contracting flexibility while maintaining other program strengths, and any tradeoffs should be identified and resolved with stakeholder input.
- Future NSP contracts should facilitate an agency's use of customized statements of work within the scope of the broader contract rather than relying on a customer's ability to build a solution from pre-priced Contract Line Item Number (CLIN) tables.

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Acquisition Efficiency

Current NSP programs deliver a broad spectrum of desired services

Recommendations:

- The ability for agencies to buy comprehensive network solutions from a single source (GSA) should remain an important one in planning for NS2020.
- Enable access to solutions through the entire ITS portfolio of services and capabilities.
- Establish an integrated portfolio of contract vehicles to serve the full range of agency needs.
- Establish complementary contracts matching agency buying patterns to market segments.

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Tailored Customer Service

Lack of direct GSA transition support to agencies slowed the transition from FTS2001 to Networx

Recommendations:

- GSA should anticipate agency customers to increasingly require NSP to:
 - Provide significant support to facilitate transitions, and/or
 - Structure the contracts and transition processes to ease agency workloads.
- GSA should provide a means for agencies to obtain third party acquisition assistance either directly through the NSP or through a partnership between NSP and other GSA service.

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Tailored Customer Service

The decline of network services expertise across government created challenges

Recommendations:

- Future NSP program initiatives must be explicitly developed and evaluated in light of the customer agencies' probable levels of telecommunications expertise.

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Tailored Customer Service

Vendor performance management did not meet customer expectations

Recommendations:

- Future contracts should consider increased use of performance requirements with sufficient penalties at the base contract level rather than performance monitoring at only the order level.
- Where viable, GSA should consider enforcement of SLAs to be part of a customer service done on behalf of the agencies.
- Cost of measurement and enforceability must be considered when developing SLAs.

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Operational Efficiency

Billing and Operations Support Systems (B/OSS) modernization can add efficiency

Recommendations:

- NSP should evaluate the feasibility of consolidating Enhanced Monthly On-Line Records and Reports of Information Technology Services (EMORRIS), Telecommunications Ordering and Pricing System (TOPS) and Network Hosting Center (NHC) functionality into fewer platforms.
- NSP should consider defining standard interfaces using Extensible Markup Language (XML) or similar protocol with vendor Operating Support Systems (OSSs) rather than levying extensive requirements on the vendor systems.
- Promote or require electronic invoice submission and processing for local service agreements.

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Operational Efficiency

Organization alignment of the regional and national programs could be improved to facilitate portfolio management and enhance customer service

Recommendations:

- The NSP national and regional offices should cooperatively plan the future program portfolio that addresses the variable needs of agency headquarters and field units using an appropriate mix of national and regional contracts.
- The regional business model, including service offerings, should be adjusted to account for changes in technology.

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Customer Partnership

NSP needs a stronger and more effective collaboration approach

Recommendations:

- GSA's stakeholder outreach efforts should be extended and strengthened to increase the early involvement and buy-in of higher-level Federal managers such as CIOs and their immediate representatives, as well as OMB.
- GSA should establish an outreach and governance model that recognizes the perspectives of finance, acquisition, and information technology, and promotes coordination between senior executives in these organizations.
- NSP should propose a replacement to the Interagency Management Council (IMC) that reports to Federal executive council(s) (e.g. Federal Chief Information Officer Council). This will ensure top-level attention to infrastructure activities.

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Customer Partnership

GSA has existing customer relationships both regionally and nationally

Recommendations:

- Existing customer relationships should continue with a focus on account ownership and with defined roles and responsibilities.
- GSA should improve customer account management, including developing a concept of operations defining specific roles and responsibilities for managing customer relationships and clearly define who has responsibility for customer satisfaction, regardless of Network Service acquisition, being used.
- NSP should continue to work across GSA to implement improved account management tools and techniques that better integrate National and Regional account management. Expanded insight into customer operations, needs, and plans will allow better integration of the portfolio of GSA offerings.

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Aggregated Requirements

Competitive pricing remains a program strength

Recommendations:

- NSP should endeavor to maintain its position as the market leader in competitive pricing for network services purchased by the Government.
- NSP should seek to secure a high level of agency commitment in order to aggregate the government's buying power.
- NSP should continue to provide easy access to available price information that tends to promote competition and lower the price of services for government.

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Aggregated Requirements

Standardization of government requirements places limits on service providers

Recommendations:

- GSA should remain aware of the service providers' perspectives and communicate with Industry during formulation of the NS2020 strategy.
- To decrease overall acquisition costs and maximize utilization of advanced and efficient technologies, GSA should first consider procuring services similar to what the carriers offer to their commercial customers and minimize required changes. However, this should not preclude the ability to enable like-for-like price comparisons.

Next Steps

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Transforming Federal Telecommunications

- NS2020 will redefine the Network Services Programs
- Savings and services to support mission-critical requirements:
 - Mobility
 - Cybersecurity services
 - IT infrastructure outsourcing
- Alignment with current priorities and on-going initiatives (i.e., 25 Point IT Reform Plan, Digital Gov Strategy, Shared Services, etc)
- Solutions that are agile and flexible
- Maintain leveraged buying power and savings story
- Efficient transition
 - Accurate inventory
 - Gradual transition

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NS2020 Government Infrastructure Strategy

