



June 25, 2004

**MEMORANDUM FOR REGIONAL ADMINISTRATORS  
HEADS OF SERVICES AND STAFF OFFICES (HSSO)  
FTS ASSISTANT COMMISSIONERS  
FTS CHIEF FINANCIAL OFFICER  
FTS CHIEF INFORMATION OFFICER  
FTS ASSISTANT REGIONAL ADMINISTRATORS**

**FROM:**

**SANDRA N. BATES  
COMMISSIONER (T)**

A handwritten signature in black ink, appearing to read "Sandra Bates", written over the printed name and title.

**SUBJECT:**

**Professional Services (PS) – Phase II Implementation**

Effective May 1, 2003, Federal Technology Service (FTS), began an exciting and promising new product line called Professional Services. In addition, FTS established a new business relationship with the Federal Supply Service (FSS). These two events represented an incredible opportunity. Not since the Federal Telecommunications Service became the FTS, had there been such a significant redefinition of our business model. Our IT Solutions and Network Services product lines have had successful track records in assisting our customers in buying technology and related services. Over the last twelve months, FTS have extended these services to the non-IT markets that are PS and are available on General Services Administration Schedules. Agencies have called on FTS during that time to provide the same acquisition, project, and financial management service that FTS is known for. FTS has provided that assistance to agencies in crafting statements of work, developing solutions, selecting the provider that best meets the agency needs and managing the task and its finances.

Phase I implementation included three FSS Multiple Award Schedules (MAS). Those were the Management, Organization, and Business Improvement Services, Professional Engineering Services, and Logistics Worldwide.

FTS have faced many challenges as FTS have progressed through Phase I. FTS have gained invaluable experience to prepare us to move into Phase II. Phase II represents the natural maturation of the PS product line, as FTS add more products in additional professional service markets. It is important for FTS to expand this product line to attract more customers. FTS must be able to provide total solutions to customer requirements. The continued development of the PS product line will allow us to do that. The Office of Professional Services has coordinated and will continue to coordinate the FTS entry into this exciting product line.

Throughout Phase I FTS have cultivated and grown effective relationships with the FSS Acquisition Centers, the FSS regional Customer Support Divisions, and the FSS Office of Marketing. FTS must continue to build on these relationships to insure the continued and future success of the Professional Services product line.

Phase II implementation will include offering assistance to Federal agencies on five additional FSS MAS. They are the Language Services, Financial and Business Solutions, Advertising and Integrated Marketing Solutions, Environmental Services (all SINs except 899 8), and Energy Services (all SINs except 871 203 & 204).

The expansion of the PS product line shows the commitment that GSA FTS has made towards providing best value solutions on behalf of our customers. FTS know agencies have a need for assistance and that need exists in many markets. GSA FTS is committed to expanding our product offerings to cover those markets where the demand exists. I thank each of you for your efforts and dedication as FTS have launched this new product line and I ask you to continue to use our best skills to achieve excellence for our customers.



May 1, 2003

Memorandum for FTS Assistant Commissioners  
FTS Assistant Regional Administrators

FROM: Thomas V. Brady  
Acting Assistant Commissioner  
Office of Professional Services (TA)

SUBJECT: Professional Services - Phase 1 Implementation

Effective January 12, 2003, the GSA Administrator established the Office of Professional Services<sup>1</sup> within the Federal Technology Service (FTS) under my leadership. Our office has leadership for providing assistance on a cost reimbursable basis in the areas of acquisition management, project management, and financial management. See attachment 1. It also has responsibility for developing policies and procedures, and for coordinating PS activities across FTS. Accordingly, this letter is intended to establish clear and concise direction regarding execution and performance. In this phase, all FTS business lines are to provide service delivery: Network Services, IT Solutions, and Professional Services.

The mission of the Office of Professional Services is to:

- Manage and direct the FTS entry into the Professional Services business line,
- Coordinate and support the implementation of professional services activities across GSA,
- Develop policies, procedures, and practices for deployment of professional services across GSA, and
- Build a strong and effective relationship with the GSA community, our customers, and industry partners for successful program implementation.

The following are policies and practices to be used for implementation during Phase 1:

1. During Phase 1 of the PS business line implementation, FTS will only accept orders for MOBIS, LOGWORLD, and PES beginning May 1, 2003. Marketing, sales and acquisition support will be limited to these three GSA schedules. Only the Office of Professional Services (TA) may approve exceptions. If customers express an interest in any of the other five PS schedules, please enter that information in the FTS Customer Relationship Management (CRM) tool in

<sup>1</sup> Professional Services as defined in this document are those contracts offered through the following GSA schedules: Management, Organizational, and Business Improvement Services (MOBIS); the Professional Engineering Services (PES); Logistics Worldwide (LOGWORLD); Environmental Management Services; Language Services; Marketing, Media and Public Information Services; Financial and Business Solutions Services; and Energy Management Services.

order to help us determine which programs to expand into next. It is our plan to begin work on the other five PS schedules in FY2004. See attachment 2 for a brief description of the GSA schedules in the FTS Professional Services business line.

2. While the PS Users' Guide for FTS Associates, Customers, and Industry Partners is being developed, the PS business line will operate in accordance with the IT Solutions Concept of Operations dated April, 2001; the Network Services Concept of Operations dated September, 2000; the Milwaukee Accords; and the Sales CONOPS. Because of the previous successes in assisted procurement services and wide use of task order contracts, these concepts of operations serve as the most effective models for implementing Professional Services.

3. Early task orders will be closely reviewed to assure legal and contract policy compliance. This review will also enable identification of best practices and the development of templates that will serve as model task orders. The FTS Office of Professional Services and the FSS Acquisition Centers, along with Network Services and IT Solutions, will collaborate to identify best practices and refine the templates. TA will share these best practices and templates with all business units as soon as they become available and will incorporate them in future PS training.

4. Use of the General Supply Fund. The General Supply Fund (GSF) is a revolving fund under 40 USC 321. A sub-ledger, 295X, under the GSF has been established for the FTS Professional Services business line. The following rules apply:

A. Valid Obligation by Client Agency. In order for a client agency to record a proper obligation, the requirements of 31 U.S.C. 1501 must be met. In order for an amount to be recorded as a valid obligation by the client agency in its accounting system:

- (1) The funds must be available for obligation by the client agency, and
- (2) GSA and the client agency must execute a binding reimbursable agreement, and
- (3) The agency must have a current specific need for the goods or services (bona fide) to be provided by FTS at the time the agency enters into a reimbursable agreement.

In other words, for an amount to be recorded as an obligation there must be documentary evidence of a binding agreement between an agency and another person (including an agency), that is in writing and for a purpose authorized by law. Additionally, the agreement must be executed before the end of the period of availability of the funds. Inter-agency agreements entered by GSA must meet these criteria in order to be recorded as an obligation by the client agency.

The GSF provides the financial mechanism through which costs are paid to vendors and then billed to and reimbursed by the client agency. In Phase 1, FTS will only expand into these three schedules: Logistics Worldwide (LOGWORLD), Management, Organization, and Business Improvement Services (MOBIS), and Professional Engineering Services (PES).

**B. Inter-Agency Agreements and the Economy Act.** Inter-agency agreements entered into for Professional Services are entered into pursuant to the authority of 40 USC 501 and are independent of the Economy Act. As such, these agreements are not subject to the fiscal year restrictions contained in the Economy Act. The funds obligated by a requesting agency for an existing bona fide need of an agency under an inter-agency agreement are available for the entire period of performance, even if such performance crosses fiscal years. This authority may not be used to do indirectly what an agency cannot do directly under the constraints and limitations of the appropriation enacted by Congress, such as extending the availability or purpose of the budget authority. Any excess funds must be de-obligated once the agreed-upon work is completed. Each Inter-agency agreement entered into pursuant to this authority must specifically cite 40 USC 501.

**C. GSA's System of Administrative Controls.** The Administrator of GSA has established, and the Director of the Office of Management and Budget (OMB) has approved, a system of administrative controls to ensure that expenditures do not exceed the funds legally available and to assign responsibility should violations occur. (GSA Order ADM 4200.2A). For the new PS program (Fund 295X), the GSA/CFO will issue (via Pegasys) an "Allotment" to the Commissioner of FTS to cover nationwide Fiscal Year 2003 Operating Expenses. Operating Expenses include all Costs of Operations, i.e., all Program Expenses and all Administrative Expenses. (Basically, all expenses except Cost of Goods Sold). Based on the latest Pro Forma Income Statement, this "Allotment" will be for \$2,192,000. The FTS/CFO will then issue (via Pegasys) regional "Allowances" to each FTS region. Each Regional Administrator/ARA for FTS will be responsible/accountable for not exceeding the regional "Allowance". This system of administrative control is similar to the system used today for the General Supply Fund (Funds 255X and 455X) and for the Information Technology Fund (Fund 299X).

Any increase in Operating Expenses will be approved only if the PS program rates on current business (Cost of Goods Sold) are adequate to cover the additional costs. If losses continue beyond the first year (FY 2003), operating costs must be reduced or rates increased to a break-even position. The latest Pro Forma Income Statement for FY 2004 is projecting a Net Operating Result/profit of \$2.0 million.

**D. Initial Capitalization.** FTS has estimated that the initial capitalization required to start the PS program will be \$30 million. In order to ensure financial solvency of the

PS program and to minimize the negative cash drain on the General Supply Fund, the GSA/CFO will establish a \$30 million CAP on the PS program. FTS will be expected to adhere to this CAP. The Greater Southwest Finance Center will monitor collections from client agencies and disbursements to commercial vendors in the PS program on a regular basis and advise the GSA/CFO, the FTS/CFO and the FSS/CFO if the cash balance gets close to a negative \$30 million. If this CAP is exceeded the GSA/CFO will ask the Commissioner for FTS to stop accepting new business from client agencies until the cash situation can be resolved.

**E. Monthly Financial Status of the Professional Services Program.** Beginning with the May 31, 2003 accounting reports, the FTS/CFO will include the financial status of the PS program as part of the monthly financial results materials submitted to the GSA/CFO and presented to the Executive Committee and Regional Administrators. This status will include the month-end cash balance of the PS Program.

**F. Retention of Earnings:** The PS business line should operate in a break-even condition. FTS should establish a rate/fee structure that will recover all costs. Any net income/profits generated by the PS program at year-end can not be retained by the Professional Services Program.

**5. Order Placement Process and Financial Transactions.** The Professional Services business line will be chargeable to and have access to the General Supply Fund only. This means that any orders placed on MOBIS, LOGWORLD, and PES contracts require that all funds used for that contract will flow through the GSF and not the IT Fund.

**A. Inter-agency agreements entered into under the authority of 40 USC 501 as well as the cost of products and/or services requested by the client agency, plus the FTS reimbursable rate are reimbursable through the GSF (and not the Information Technology Fund, 40 USC 757).** Any inter-agency agreement that includes both Information Technology (IT) and non-IT products and services must be contracted for separately. In other words, two separate orders will be issued. The IT contract/order will identify an IT Fund cite and the non-IT contract/order will identify a GSF fund cite. (No IT orders should go through the GSF).

**B. Manual processes must be used for Professional Services transactions pending the completion of modifications to automated systems used to manage the financial transactions of the Regional IT Solutions Programs (ITSS/CODB/ITOMS).** The manual process description and points of contact are included in attachment 3. No electronic transmission of financial transactions will be accepted until automated systems modifications are complete and written statement is received from the AC, Office of Professional Services, indicating that manual processing is no longer required. Questions pertaining to manual process should be addressed to Linda Chero, FSC-Philadelphia, phone 215-446-4803, fax 215-446-5139.

**C. The Greater Southwest Finance Center will monitor the number of transactions processed each month using the manual process.** If business

volumes/transactions begin to increase significantly, before the modifications to the automated system are completed, and if there are subsequent delays in providing billing information to the finance center, these actions will have an adverse impact on cash in the PS program. Based on the planned growth in this program, it is imperative that an automated system be available for use by July 2003.

6. Recording revenues and expenses: GSA FTS is fully responsible for the financial integrity of the transactions recorded in the new ledger of the General Supply Fund (GSF). The following guidance is provided:

A. Direct Costs. Professional Services Central Office and Regional direct costs are costs that are directly traceable and identified to the PS Business Unit, such as labor, travel, and other operating expenses of the CSC. These direct costs are to be coded to the business unit.

B. Indirect Costs. There are three categories of indirect costs. First, GSA GM&A and second CO FTS G&A are indirect costs that are to be allocated by the FTS/CFO. These costs are allocated by Cost Accounting Standards that are based on business volume and direct labor expense. The third category is Regional indirect costs. These costs are costs that benefit the Professional Services business unit, but are not directly traceable and identified to a specific business unit (for example, the labor costs of the FTS ARA). These regional indirect costs should be allocated to Professional Services using the same criteria used to allocate the Central Office indirect costs.

C. Revenues. Revenues will be accrued to the Professional Services GSF account based on the work performed or services provided under each task order. Revenue can not be recorded until it is earned. When an order is placed, it takes time (several weeks) for an order to be filled and the service to begin. Revenue will be recorded through the accrual process as the revenue is earned, based on the period of performance. The accruals will then be adjusted when vendor invoices are received.

7. Fees and Rates for PS. The fee structure for Professional Services ranges from 3% to 5%. The fee structure is consistent with the IT Solutions fee structure, in that it may be flexible in accordance with the size of the order, the effort involved in putting the award in place and managing the order, and other factors considered. Variances from this range must be approved by the AC, Office of Professional Services, after the business case for the variance has been approved by the Regional ARA or, ACs for the national revenue-producing programs (e.g. TF, TR, and TO).

8. Staffing. Each ARA and AC for the national revenue-producing programs (e.g. TF, TR, and TO) may align staff within their organization as required to provide Professional Services. Staffing requirements and adjustments must be accomplished within FTS policy and procedures currently in place. This may include but is not limited to assigning PS as a collateral duty using separate FTE and/or contractors. It is expected that each organization will provide the same level of customer service for the PS business line.

9. Network Services, IT Solutions, and PS associates will develop and use Initial Opportunity Plans and enter data in the Siebel CRM Tool. Professional Services associates are to attend Siebel training as soon as practical. We have attached word documents for Initial and Full Sales Opportunity Plans to be used if there is limited access to the Siebel Tool. See attachment 4a and 4b. These forms are to be completed and forwarded to [manny.devera@gsa.gov](mailto:manny.devera@gsa.gov). Full Sales Opportunity Plans should be completed for large complex Professional Services projects.

10. Business Development Planning. To facilitate planning and coordination for target account selling of Professional Services, all business units in coordination with the appropriate FSS organization will develop market research plans. In addition, Opportunity Plans and Call Plans for Professional Services should be developed and shared with the Office of Professional Services and the appropriate FSS Acquisition Center or Regional FSS Office.

11. Training. FSS will update all FTS Associates on the use of GSA schedules including compliance with Section 803 as it applies to DOD. On April 25<sup>th</sup> FSS initiated this training on-line at their web site, [www.fss.gsa.gov/umas](http://www.fss.gsa.gov/umas). Also, classroom training is provided every two weeks. Point of Contact for training in the use of schedules is Betty Feit, phone 703-305-3099. Over the longer term, FSS will develop and offer to FTS a training curriculum of at least 3 classes aimed at proper use of schedules. FSS will issue certificates of completion, once all classes are completed. Additionally, both the Management Services Acquisition Center (Auburn, WA.) and the Service Acquisition Center (Crystal City, VA) will provide specific training on their schedule business lines (MOBIS, LOGWORLD, and PES) for FTS Associates who will be involved in selling and providing professional services. The initial orientation for these three GSA schedules took place during a conference call for each FSS business line on April 2<sup>nd</sup>. Also, on April 10 at Region 11, training for MOBIS, LOGWORLD, and PES took place. Additional training dates are now set for May 15<sup>th</sup> at Fort Worth, May 22<sup>nd</sup> at Atlanta, and May 28<sup>th</sup> at Oakland. IT Solutions and Network Services are requested to provide both Ron Decker and Manny DeVera a list of participants for the regional training on May 15<sup>th</sup>, 22<sup>nd</sup> and 28<sup>th</sup> as soon as possible.

12. *Performance-Based SOW/Task Orders*. Performance based contracting should be emphasized and used in all possible situations. It is critical that FTS provide the customer with acquisition processes that provide the greatest potential for success and best value. Sample Performance-Based SOW/Task Orders will be provided to PS POCs separately via email.

13. Section 803. The FTS Acquisition Policy Letter endorsed by the Commissioner states the FTS implementation policy for Section 803. See attachment 5. Competition of tasks in accordance with DFARS Section 803 applies to all orders for services placed under the schedules program.

14. Program Management Relationship with FSS Acquisition Centers. The Office of Professional Services is establishing a cross-Service team (Team GSA) to facilitate



change management, for coordination and decision making, and to model the collaboration between FSS and FTS that will assure successful results for the customer, the industry providers and the two Services. Attachment 6 describes Team GSA objectives, membership, and roles.

**15. Goals and Objectives (Performance Measures).** Each CSC is to complete one Opportunity Plan and one task order in FY03 for Professional Services. The following specific performance measures, at a minimum, will be monitored to determine successful expansion into Professional Services:

- Number of Opportunity Plans
- Number of task orders
- Business volume
- Customer Satisfaction
- Average age of receivables
- Contribution index (Contribution Index = Gross Margin/Total Program Expenses)

**16. PS Organization:** Until such time as the Office is formally organized and staffed, the following Program Directors have the following coordination responsibilities:

**Ron Decker:** a) review opportunity plans and task orders that intend to use the PES schedule; b) coordinate requests for action(s) and issues to be undertaken by the Services Acquisition Center in Crystal City, Virginia such as training and topics discussed in this implementation memo; and c) focus on assisting Regions 2, 3, 4, 7, and 9 in growing this business line, monitor their compliance with regard to FTS policies and procedures, and review their PS budget requirements for the FY04 budget process.

**Manny De Vera:** a) review opportunity plans and task orders that intend to use the MOBIS or LOGWORLD schedule; b) coordinate requests for action(s) and issues to be undertaken by the Management Services Acquisition Center in Auburn, Washington, such as training and topics discussed in this implementation memo; and c) focus on assisting Regions 1, 5, 6, 8, 10 and 11 in growing this business line, monitor their compliance with regard to FTS policies and procedures, and review their PS budget requirements for the FY04 budget process.

**Curtis Turberville:** a) marketing coordinator for Office of Professional Services; b) senior program manager for special actions; and c) research analyst.

In conclusion, this is an implementation and planning document. It serves the purpose of providing initial guidance, policies, procedures, and information for the first phase of implementation. We have addressed many issues including those that you and your staffs have brought to our attention. While some are only partially resolved and others require more time, for example, automating the business process, we are committed to

**making our procedures more efficient. We will continue to work with all of the parties to refine or reengineer the way we do business as we move into subsequent phases.**

**Please distribute this to all of your associates.**

**Thanks to each of you for your assistance and continued support.**

**Attachments:**

- 1. FTS Professional Services and Business Process**
- 2. Program Area Descriptions (MOBIS, LOGWORLD, PES)**
- 3. Order Processing/Financial Transactions**
- 4. Opportunity Plans (Attachment 4b separate electronic file)**
- 5. Commissioner's Section 803 Letter (separate electronic file)**
- 6. Team GSA**

Attachment 1

**FTS Assisted Services**

The FTS Office of Professional Services provides national program leadership for the delivery of value added services and solutions to clients with specific needs, including, fulfilling customer orders in the pre-award, award, and post-award phases of provisioning Professional Services. FTS Assisted Services for Professional Services to customers consists of the value-added offerings for: technical services, acquisition planning and execution, program management and financial management services including:

- Providing assistance in the development of requirements and statements of work;
- Developing the procurement and technical solutions for task orders;
- The competition and award of task orders on an appropriate contract as determined by FTS;
- Technical and acquisition consulting for a specific client;
- Project management and contract administration. Contract administration includes all contracting officer technical representative (COTR) duties include:
  1. management of order delivery;
  2. reviewing and approving invoices for payment;
  3. financial management of the customer's account;
  4. providing any other needed customer service; and
  5. managing customer satisfaction;
  6. Managing milestones, schedules, Cost, and Performance Management
- The contract development, award, maintenance, and administration of single agency contracts, a specific contract developed and awarded on behalf of a specific agency.
- Problem Resolution and Risk Reduction; and
- Manage Project Funds and Report to Customer

**Attachment 1 (continued) Business Process Description**

- FTS identifies a sales lead
- FTS qualifies a sales lead
- FTS meets with the customer
- Customer identifies a need (requirements definition)
- FTS and customer jointly develop a statement of work, bill of materials or statement of objectives
- FTS develops an acquisition strategy
- FTS and customer determine evaluation criteria
- FTS solicits potential business partner(s) via an automated web enabled procurement tool
- FTS evaluates proposal(s)
- FTS negotiates with business partner(s), if necessary
- FTS makes award
- FTS ensures partner(s) performs / delivers as promised
- FTS manages milestones and performance metrics.
- FTS reviews and processes all contractor invoices and receiving reports
- FTS evaluates and issues any modifications to the task order, if necessary
- FTS resolves all contractual issues or disputes
- FTS manages customer project funds and reports status to customer
- FTS performs all contract close outs

Attachment 2

**Descriptions for GSA Schedules in the FTS  
Professional Services Business Line**

**Logistics Worldwide (LOGWORLD), Schedule 874 V**

This schedule provides Federal agencies with access to comprehensive logistics solutions using the latest concepts, methodologies and technologies in material, resource, distribution and supply chain operations management. The top 10 customers using or potential users of the schedule include the U.S. Marshal Service for seized assets, NASA for Operations and Maintenance Services and the new Transportation Security Administration for Homeland Security needs. The forecast for the size of the market is over \$600 million. A single contractor, Brown & Root Services Corporation received over 50% of the procurements in FY01 amounting to \$343M. The greatest growth potential is in the area of operations and maintenance, which will allow Turnkey services support, once the MSC modifies (mods) the schedule.

**Management Organization and Business Improvement Services (MOBIS).**

This schedule provides Federal agencies with access to a streamlined procurement device to access management services for the implementation of quality management and other related system and organizational improvement processes within their agencies. The services include consultation, facilitation, survey, training, privatization support services and documentation (A76), program integration and project management (one MOBIS prime contractor can be used to integrate activities across schedules), and alternative dispute resolution. The top 10 customers include the Army and Navy, Agency for International Development, Defense Mapping Agency, and the Department of Energy. The forecast is a \$2.5B market. The greatest growth potential is in the area of government mandates such as the Government Performance and Results Act (GPRA), OMB Circular A-76 (outsourcing reviews) and the Federal Activities Inventory Reform (FAIR) Act.

**Professional Engineering Services**

This schedule provides customer agencies contracts for obtaining chemical, civil, electrical and mechanical engineering services as well as many sub-disciplines. The schedule is set up to follow the logical progression of our engineering project. The Top 10 customers include Department of Defense, Air Force, Agriculture, Marine Corps, Navy, Departments of Treasury, and Transportation. The forecast for the size of the market is under \$36B. The greatest growth potential is in the areas of technical and structural analysis; CAD, CAE, and CAM work; project management, business case analysis; and design specifications.

Attachment 2 (continued)

Please note that the following schedules will not be implemented immediately.

**Language Services**

This schedule provides Federal agencies with access to comprehensive language solutions that include translation, interpretation, training services and educational material, credentials, security clearances and other professional standards. The schedule has been expanded to include specialized services for Braille material and to make web pages compliant with the new requirements of Section 508 of the 1998 amended Rehabilitation Act. Additional coverage is needed to meet requirements of the Department of State. The top 10 customers include NASA, the Department of Justice, the Air Force, the IRS and the Social Security Administration. The forecast is a \$60M market. The greatest growth potential is in the area of languages of the Middle East.

**Energy Management Services**

This schedule provides Federal Agencies with the tools to achieve energy efficiency and obtain power at competitive rates. The schedule includes program support, audits, procurement and use of natural gas, electricity, and energy from renewable resources and access to newly developed power services. The largest customer is the GSA Public Buildings Service (PBS). Other customers include the Air Force, NASA and the Army. The forecast is an estimated \$2.5B market, however, the Federal Procurement Data System (FPDS) records purchases of under \$200M in FY00. Many states are still regulated and could remain so due to the failure of deregulation in California. Also, there are not enough contractors on this schedule. The greatest growth potential is in the area of those states deregulating the procurement of natural gas and electricity and the use of renewable energy sources. The services on this schedule demonstrate the need for the close interaction between FTS and FSS.

**Environmental Management Services**

This schedule provides Federal agencies with access to environmental consulting type services to address requirements and support compliance with various laws such as the Clean Air and Water Acts, the National Environmental Protection Act (NEPA), the Resource Conservation and Recovery Act (RCRA) and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). The Schedule has been expanded to include recycling, remediation, addressing biological and chemical warfare threats and geographic information systems. However, it has not been expanded to include construction or road building, tree thinning or rebuilding a cleaned-up site. The top 10

Attachment 2 (continued)

customers, existing and potential, include the Corp of Engineers, the Department of Energy, the Environmental Protection Agency and the Army Material Acquisition Command. The forecast is a \$1.2B market. Competing contracting vehicles are wide spread. The greatest growth potential is in the area of the Nations reaction to chemical and biological threats. Services such as remediation carry high degrees of risk for GSA. Special attention will be paid to remediation before the inter-service panel will approve offering Professional Services in this litigious area.

**Marketing, Media and Public Information Services:**

This schedule provides the full range of marketing and media series including market research commercial cost and graphic design services; commercial photographing; web site design and maintenance; press and public relations; trade shows/exhibits and conference and events planning; public education and outdoor marketing; radio, television, and public service announcements; videotape and film production services; and direct mail services. The top 10 potential customers include Census bureau, Departments of Agriculture, Treasury, Defense, Air Force, Marine Corps and National Guard. The forecast for the size of the market is more than \$3.7B. The greatest potential is in the area of marketing and media services.

**Financial and Business Solutions (FABS)**

This schedule provides contractors that can assist Federal agencies in the following types of financial services: Compliance with the Government Performance and Results Act (GPRA), the Government Management Reform Act (GMRA), the Chief Financial Officers (CFO) Act, the Inspector General Act, and the Debt Collection Improvement Act (DCIA); financial audits, economy and efficiency audits, program audits, cost recovery audits, and transportation audits; full range of services in financial management; budget formulation, execution, and monitoring; accounting; consumer and commercial credit reports; and origination, evaluation, management, resolution, and disposal of various assets. The Top 10 customers include the Executive Departments, the Air Force, Navy, Army, EPA, and NASA. The forecast is a \$5B market. The greatest growth potential is the area of custom computer programming services and administrative management and general management consulting services.

### Attachment 3      Order Processing/Financial Transactions

The current automated system used to manage the financial transactions of the Regional IT Solutions Program, the Integrated ITSS/CODB/ITOMS System, will be modified in order to process Professional Services Program transactions; however, the system changes will not be immediately available. The Legacy ITSS/ITOMS system will not be modified to process transactions for the Professional Services Program since the intention is for those regions still using the Legacy System to migrate to the Integrated System in the next few months. While the system enhancements are being programmed, FTS must use manual processes to execute orders under the Professional Services business line.

While these manual processes are in place, the Regional Program Offices **may not use** either the Legacy ITSS/ITOMS System or the Integrated ITSS/CODB/ITOMS System to issue task orders for the Professional Services business line. All tasks issued in both systems are automatically coded to Regional IT Solutions, and will not be captured as Professional Services Orders. In addition, the IT Fund will be cited on orders that legally may only be issued using the General Supply Fund. Regions still using the Legacy ITSS/ITOMS system may not use ITSS to issue the purchase order, print the order, manually change the appropriation coding and then delete the task from ITOMS. *If this work-around is used, these orders will be improperly migrated into the Integrated System as issued Regional IT Solutions Orders once that Region converts their legacy data for use in the Integrated System.* The Integrated ITSS/CODB/ITOMS System **may be used** for Professional Services business line orders **once planned enhancements are implemented.**

The following manual processes must be used to process Professional Services transactions until the necessary System enhancements are made:

- The Regional Program Office will accept funding documents from the Client Agency.
- The Regional Program Office will certify funds and assign ACT Numbers for each Purchase Order and modification.
- The Regional Program Office will issue a purchase order. If the PEGASYS System is used, the Program Office must insert the 8 numeric character ACT Number data in the Title Field. This is *critically important in allowing billing transactions to be traced to the proper order.*
- If the Regional Program Office issues a manual purchase order, they will send the Financial Services Center (FSC) the Finance Office copy of the purchase order, a copy of all associated funding documents, an e-mail indicating the applicable surcharge rate or flat fee to be applied to the order and the order in which funding documents should be billed if multiple funding documents are used to fund an order.
- If the Regional Program Office issues a purchase order in PEGASYS, they will inform the FSC by e-mail of the ACT number of the order issued, the applicable surcharge rate or flat fee to be applied to the order, the order in which funding documents should be billed if multiple funding documents are used to fund an order, and will send a copy of all associated funding documents (preferably scanned images) to the FSC.
- The FSC will send the Finance Office copy of manually issued Purchase Orders to the Greater Southwest Finance Office and will retain a copy for its own files.
- The Greater Southwest Finance Office will manually obligate all manually issued Purchase Orders and will insert the 8 numeric character ACT Number data in the Title Field.



- The FSC will manually produce ACORN master file Document/s and will transmit to the Greater Southwest Finance Office along with a scanned image of the Funding Document.
- The FSC will establish income and expense accruals based upon the task order's period of performance. Accruals will be adjusted upon service delivery (receipt of invoice).
- The vendor will submit invoices to the Greater Southwest Finance Center.
- When the vendor submits an invoice, the Regional Program Office will review the invoice and obtain client acceptance, consistent with existing regional client acceptance procedures.
- The FSC will process the Receiving Report.
- The FSC will prepare the ACORN Billing Document/s applying the applicable surcharge percentage or flat fee to accepted vendor invoices. Flat Fee Surcharges will be billed out at the time the first invoice is processed. Percentage Surcharges will be applied to each invoice processed.
- The FSC will submit the ACORN Billing Documents to the Greater Southwest Finance Center for processing.
- The Greater Southwest Finance Center will process the ACORN Billing Documents, and produce the IPAC or manual bills for the customer.
- The Greater Southwest Finance Center will collect on bills by way of the IPAC system or by receiving checks from customers not part of the IPAC System.
- The FSC will follow up on all delinquent customer bills.
- The FSC will review transactions in the accounting system for accuracy and request adjustments as necessary.
- The FSC will review monthly reports to ensure task orders are accurately stated in the accounting system.
- The Regional Program Office will maintain a listing of all funding documents accepted by the Regional Program Office but not forwarded to the FSC and will send a listing by the 20<sup>th</sup> of each month to the FSC. The FSC will combine this information with information it is maintaining on funding documents received to develop the Unfilled Customer Orders Report.
- The FSC will forward the Unfilled Customer Orders Report to the Greater Southwest Finance Center by the 25<sup>th</sup> of each month.

**FSC Point of Contact for Policy Issues:**

**Linda Chero**

**Phone: 215-446-4802**

**Fax: 215-446-5139**

**FSC Point of Contact for Transaction Processing:**

**Marge Tierney**

**Phone: 215-446-4811**

**Fax: 215-446-5139**

**Attachment 4a Initial Opportunity Assessment**

SALES OPPORTUNITY		SALESPERSON	
ACCOUNT LOCATION		COMPETITOR(S)	
ORDER AMOUNT	CLOSE DATE	SOLUTION PROPOSED	

Write in the date and assess your position using + or -. If you don't know, put a question mark. Assess your competitor's position. Repeat at critical points in the sales campaign.

**IS THERE AN OPPORTUNITY?**

1	CUSTOMER'S APPLICATION OR PROJECT	DEFINED UNDEFINED	+ -
2	CUSTOMER'S BUSINESS PROFILE	STRONG WEAK	+ -
3	CUSTOMER'S FINANCIAL CONDITION	STRONG WEAK	+ -
4	ACCESS TO FUNDS	YES NO	+ -
5	COMPELLING EVENT	DEFINED UNDEFINED	+ -

**CAN WE COMPETE?**

6	FORMAL DECISION CRITERIA	DEFINED UNDEFINED	+ -
7	SOLUTION FIT	GOOD POOF	+ -
8	SALES RESOURCE REQUIREMENTS	LOW HIGH	+ -
9	CURRENT RELATIONSHIP	STRONG WEAK	+ -
10	UNIQUE BUSINESS VALUE	STRONG WEAK	+ -

**HOW WILL WE WIN?**

11	INSIDE SUPPORT	STRONG WEAK	+ -
12	EXECUTIVE CREDIBILITY	STRONG WEAK	+ -
13	CULTURAL COMPATIBILITY	GOOD POOF	+ -
14	INFORMAL DECISION CRITERIA	DEFINED UNDEFINED	+ -
15	POLITICAL ALIGNMENT	STRONG WEAK	+ -

**IS IT WORTH WINNING?**

16	SHORT-TERM REVENUE	HIGH LOW	+ -
17	FUTURE REVENUE	HIGH LOW	+ -
18	PROFITABILITY	HIGH LOW	+ -
19	DEGREE OF RISK	LOW HIGH	+ -

DATE			
OUR CO.			

DATE			
OUR CO.			

DATE			
OUR CO.			








Tactics

Prime Tactics

- Prove your value
- Retrieve missing information
- Insulate against competition

- Minimize your weaknesses
- Emphasize your strengths


**Attachment 4b and Attachment 5 are separate electronic files.**

Attachment 6

**Team GSA – Phase 1**

To assist and facilitate the FTS/FSS realignment and to implement the Professional Services initiative, the Office of Professional Services is establishing "Team GSA," a inter-Service team, to facilitate change management, for coordination and decision making, and to model the collaboration between FSS and FTS. This will help assure successful results for the customer, the industry providers and the two Services.

Implementing the Professional Services program requires close coordination and rapid decision-making between FTS and FSS. In addition, our customers and industry partners have expressed the need to see FTS and FSS working together. This can best be accomplished by ensuring a "Tiger Team" approach is in place. Immediately, FTS and FSS must quickly demonstrate working together internally and externally at all management levels (especially the front lines) as a unified and professional acquisition group serving the Federal government. Team GSA intends to do just that. At the management execution level for Professional Services, Team GSA formalizes the relationship between FTS and FSS.

The objectives of Team GSA are to:

1. Provide leadership and advice to the new FTS Professional Services business line in the implementation phase;
2. Manage change effectively within FTS and FSS and face the challenge in making this new business line successful;
3. Implement a new model that leverages the relationship across the two services and augment the skill sets and talents to support the Professional Services business line;

Team GSA members are:

Acting Assistant Commissioner, Office of Professional Services (Tom Brady, FTS)  
Director, Management Services Acquisition Center (Gerri Watson, FSS)  
Director, Services Acquisition Center (Sue McIver, FSS)  
Director, Office of Budget, GSA (Debbi Schilling, GSA/CFO)  
Acting Director, Office of Finance (Brad McCall, GSA/CFO)  
Comptroller, FSS (Jon Jordan, FSS)  
CFO, FTS (Tony Tisone, FTS),  
Assistant Commissioner, Office of Contract Management (Jeffrey Koses, FSS)  
ARA Heartland Region (Ron Williams/Sharon Henry, FTS)  
ARA Greater Southwest Region (Marcella Banks/Sharon O'Toole, FTS)  
Acting ARA, Northwest/Arctic Region (Gary Casteel, Bob Campbell, FTS)  
ARA, NCR (Craig Kennedy/Michel Kareis, FTS)

Deputy Assistant Commissioner for Sales (Mary Davie, FTS)  
Assistant Commissioner for Marketing (Gary Feit, FSS)  
Budget Officer, GSA/CFO (Wayne VanOster, GSA)  
Deputy Director, Services Acquisition Center (Len Pinkey, FSS)  
Director, Center for National Plans, Programs, and Resources FTS/CFO (Robin Short, FTSCFO)  
Program Director, Office of Professional Services (Ron Decker, FTS)  
Senior Program Manager, Office of Professional Services (Curtis Turberville, FTS)  
Program Director, Office of Professional Services (Manny De Vera, FTS)

Team GSA outcomes are:

1. Team GSA and the Office of Professional Services will insure a consistent new look and feel across FTS while at the same time maintaining the same high standard of service delivery as IT Solutions.
2. GSA customers will be able to quickly identify a new cooperative spirit between FTS and FSS by seeing the two services working together.
3. The GSA Office of Marketing will be able to create and promote this Team GSA image as a model of the FTS and FSS relationship.
4. Team GSA will be able to focus decisively and efficiently on operational issues and track implementing actions and decisions to ensure quick and smooth deployment.

The first meeting was held April 9<sup>th</sup>. Committees will be established to analyze and resolve potential issues. Work sessions, coordination meetings, use of conference calls and videoconferencing will be used extensively. The Team GSA approach is consistent with the corporate message that the FSS Office of Marketing is trying to establish – One GSA.



**FTS Commissioner**  
**Sent by: Maryanne B.**  
**Green**

**To: &FTS Central Office and Regions**  
**cc:**  
**Subject: Implementing the Milwaukee Accords**

10/12/2000 02:31 PM

Last week, Charlie Self and I held a Sales Strategies working session with the FTS Steering Committee. The primary purpose of the session was to understand and resolve issues that have occurred in implementing our sales policy, developed last year by the FTS Steering Committee, known as the 'Milwaukee Accords.'

The key outcome of this important session was the reaffirmation of commitment by all, to the spirit, principles and intent of the Milwaukee Accords.

We also agreed on several clarifying points that directly affect how we implement the Milwaukee Accords:

1. Customers are best served by the local FTS organization. Local FTS staff need to establish and maintain high-quality relationships with the customers in their respective regions. Excellent service delivery is a critical success factor that helps to build trust and customer loyalty. The local FTS organization must play a significant and visible role.
2. The local FTS ARA has decision authority regarding how best to serve local clients. The key question in those decisions is: What is best for the customer?
3. No FTS region is authorized to conduct marketing activities outside their regional boundaries. Business opportunities that come to you from outside your region are to be referred to the customer's host region.
4. Transitions of existing business must be characterized by communication, partnership, efficient processes, and joint commitment to customer service.
5. Rates are to be uniform across FTS. Any pricing exception requires National Business Line approval.

The original one and one half page Milwaukee Accord document is attached to this message. I expect everyone in FTS to be familiar with the policy, and to conduct business accordingly. Successful implementation of the Milwaukee Accords depends upon each of us, as individuals, to act in accordance with our core values of trust, respect, integrity, fairness, and professionalism.

I found our meeting last week to be a real reflection of those values, as evidenced by the honest

conversation, true community, and commitment to progress and moving forward exhibited by every participant.

The work that started last week will continue. The Client Support Center leaders are working the transitions and partnerships needed to resolve past problems. Charlie and I will be checking in on their progress at the November Steering Committee meeting. The IT Directors will continue the work at their meeting in early December. I am encouraged and confident that FTS is on a positive path to even greater levels of business success.

Sandy Bates

Attachment



Account dn



## MILWAUKEE ACCORDS

The Federal Technology Service (FTS) provides information technology (IT) and telecommunications products, services, and solutions to worldwide Federal clients through the use of contracts with industry partners. FTS is organized into regional telecommunications service delivery groups and IT Solutions Client Support Centers (CSCs).

It is FTS policy that

- These products, services, and solutions be made available to all Federal clients regardless of physical location if possible.
- A region should seek to develop long term relationships with clients located in their specific region, and they should market all FTS products and services to those clients.
- FTS employees should not encourage clients to cross regional boundaries for support.

FTS recognizes that there are some acceptable reasons when a region might support a client outside its regional boundaries, e.g., prior client relationships and subordinate units reporting to a headquarters in another region. However, there are conditions and behaviors that encourage clients to ask for support from outside its FTS regional boundaries that are not acceptable and are contrary to FTS policy. We have identified six such behaviors or conditions and this accord documents our strategies for addressing them.

**Industry Partner Marketing:** Industry partners may prefer working with a certain region for any number of reasons and may attempt to steer clients toward that region despite the client's physical location. Solutions Development Centers (SDCs) and contract managers will educate industry partners on the locations of regional offices and their field offices. SDCs will explain regional boundaries and FTS' preference that Federal clients not be encouraged to work with a regional CSC other than that CSC responsible for their geographic region. (See attached Policy Letter.)

**Better Service/Better Prices:** One region may be more efficient at providing service delivery or more skillful at negotiating with vendors to achieve a best value solution than counterpart regions. The IT Solutions Regional Service Center and Office of Regional Services will address this problem by sharing best practices among regions and monitoring performance measures to identify areas requiring improvement.

**Predatory Pricing:** A client or vendor may try to auction one region's prices or surcharges against another's. FTS employees will not participate in such auctioning. Regional IT or Network Services Directors will call the other involved region immediately upon suspecting that this is occurring, and will agree upon a "FTS price and service level" to offer to the client. Further, an FTS region will not establish prices and rates for particular customers just to undercut another region.

**Clients Don't Know Their Options:** Some clients may not realize that a source of IT or network services products and services can be found at their local regional office. To correct this problem, FTS employees will continue to educate clients and potential clients within their

regions about all FTS products and services. The IT Solutions Regional Service Center and Office of Regional Services will improve program level marketing to help reach all potential clients. For example, the IT Solutions Regional Service Center will coordinate the publication of FAST program marketing tools to and ensure that they become national assets providing visibility for all regional CSCs.

**Regional Marketing:** Regional personnel will not travel outside their region for the purpose of marketing or selling products and services in another region unless such travel is performed under mutual agreement between the two regions. If travel is required to provide service to an existing client, the travel will be coordinated by e-mail with the regional IT Solutions or Network Services Directors, as appropriate. Regional personnel will not market or sell in general, e.g., e-mail and newsletters, outside their region unless such marketing or selling is performed under mutual agreement with the other region(s).

**Acquisition Risks:** One regional organization may be willing to take increased acquisition risks during the conduct of a procurement or issuance of a task/delivery order. The FTS Office of Acquisition will identify areas of vulnerability and will issue standards and guidelines for conducting FTS acquisition activities. All FTS organizations will adhere to these standards and guidelines.

**Authorities Matrix for all CSCs (both regional and national) and all SDCs<sup>1</sup>**  
**12/01/00**

Action/Task	Solutions Development Centers	Client Support Centers
Awards and manages Government-wide contracts or multi-agency contracts or BPAs	Yes when approved by the FTS Commissioner.	No <sup>2</sup>
Awards and manages contracts or BPAs for specific clients	Yes at the request of a CSC.	Yes
Awards and manages contracts or BPAs for specific clients -- more than \$5 million	Yes at the request of a CSC and/or the client.	
Issues and manages orders	Yes at the request of a CSC.	
Issues and manages orders more than \$1 million but no more than \$100 million	Yes for FTS contracts <sup>4</sup> at the request of a CSC. Yes for non-FTS contracts at the request of a CSC and with business line approval.	Yes for FTS contracts with business line approval. Yes for non-FTS contracts with business line approval.
Issues and manages orders more than \$100 million	Yes at the request of a CSC and with business line approval.	Yes with business line approval. <sup>6</sup>

**Notes:**

1. Authorities relate to all aspects of support including acquisition, financial, technical, and project management. This is not solely an acquisition authorities matrix.
2. Client support centers are not in the business of awarding contracts.
3. Amount refers to the total evaluated award amount including all options.
4. This authority applies to contracts "owned" by that SDC, e.g., the FTS ANSWER SDC could issue orders against ANSWER at the request of a CSC.
5. The client would remain the client of the CSC in all cases. The SDC and CSC would team to support the CSC's client. The CSC would get the SDC involved prior to making a commitment to the client. Level of support would be agreed upon between SDC and CSC.
6. In all cases, business line approval would be obtained prior to making a commitment to the client.