



Highlights of [GAO-04-486T](#), testimony before the Committee on Government Reform, House of Representatives

Why GAO Did This Study

The General Services Administration (GSA) has initiated planning for its next-generation telecommunications acquisition program, known as *Networx*, which will replace the current Federal Telecommunications System (FTS) 2001 for long-distance and international services. It will also replace contracts for wireless and satellite communications products and services.

Planning for this acquisition is occurring within an environment of tremendous change—in the industry, in underlying services and technology, and potentially in the regulatory environment. In this context, *Networx* can offer a significant opportunity for the federal government to flexibly acquire telecommunications services at competitive rates and apply innovative solutions to improving agency operations.

At the request of the committee Chairman, GAO is providing an overview of acquisition planning steps completed to date, along with its assessment of challenges facing GSA and federal agencies as this acquisition proceeds.

www.gao.gov/cgi-bin/getrpt?GAO-04-486T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Linda D. Koontz at (202) 512-6240 or koontzl@gao.gov.

TELECOMMUNICATIONS

GSA Faces Challenges in Planning for New Governmentwide Program

What GAO Found

Over the past year, GSA has acted to ensure that all interested parties—including industry and agency users—have had a chance to comment on the development of the successor to FTS2001 and associated contracts. In its planning for the *Networx* acquisition, GSA cited five goals for the program: (1) continuity of telecommunications services, (2) best value, (3) strong competition, (4) a broad range of services and providers in a changing marketplace, and (5) expanded opportunities for small businesses. To achieve this, GSA plans two acquisitions: *Networx Universal*—broad-ranging services with global coverage, and *Networx Select*—leading-edge services but more geographically limited. The table below displays GSA's proposed schedule for the two contracts.

GSA's proposed schedule for *Networx Universal* and *Networx Select* acquisitions as of February 2, 2004

Milestone	<i>Networx Universal</i>	<i>Networx Select</i>
Draft RFP ^a released	Spring 2004	Winter 2005
Draft RFP responses due	Summer 2004	Spring 2005
Final RFP released	Fall 2004	Summer 2005
Final RFP responses due	Winter 2004	Fall 2005
Source selection complete	Fall 2005	Summer 2006
Contract award(s)	Winter 2005	Fall 2006

^aRequest for proposals

Source: GSA

To take full advantage of the opportunities offered in these new contracts, GSA will need to address four key challenges:

- Ensuring that an adequate inventory of information about existing telecommunications services and assets is available, to give planners an informed understanding of governmentwide requirements.
- Establishing specific measures of success to aid acquisition decision making and effective program management.
- Structuring and scheduling the contracts to ensure timely delivery of competitively priced telecommunications services that meet agency mission needs.
- Ensuring a smooth transition from the current contracts by initiating appropriate implementation planning actions.

Both leadership from GSA and commitment from stakeholders in resolving these issues will be essential to establishing efficient, cost-effective, and secure telecommunications services. If this can be achieved, the *Networx* contracts will be optimally positioned to leverage the power and creativity of today's telecommunications marketplace to carry the federal government forward well into the 21st century.