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April 27, 2005

The Honorable Stephen A. Perry
Administrator of General Services
General Services Administration
1800 F Street, NW
Washington, DC 20405

Dear Administrator Perry:

I applaud your efforts in restructuring the General Services Administration's operations, particularly the Federal Supply Service (FSS) and Federal Technology Service (FTS), to meet the demands of the current government market and to address GSA's management challenges. I am also encouraged by your "Get it Right" initiative aimed at ensuring that all GSA contracting vehicles are used in accordance with applicable laws and policies.

I recognize that it will be a significant challenge for GSA to carry out these critical and complex reorganization and reform activities while at the same time maintaining its day-to-day mission as the best value supplier of products, services, and technology to its federal government customers. In addition, GSA is moving forward towards issuing a final Request for Proposals (RFP) on the government-wide NETWORKX acquisition. This critical program will serve as the government's acquisition infrastructure for telecommunications for the next decade. NETWORKX must be designed and implemented correctly. GSA must focus its resources on this enormous and complex multi-billion dollar acquisition.

Given these daunting challenges, I am concerned that GSA appears to be undertaking a number of initiatives that have the potential to drain GSA's limited resources. I understand that GSA has recently commenced two proposed simultaneous acquisitions: Alliant and Alliant SmallBusiness. Alliant is to be a 10-year, multiple award, indefinite delivery, indefinite quantity (IDIQ) contract for a "wide range of information technology support services" carrying a \$50 billion ceiling. Alliant Small Business is for similar

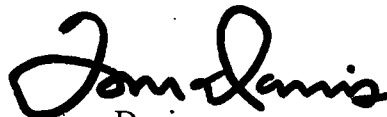
The Honorable Stephen A. Perry
April 27, 2005
Page 2

services and valued at \$15 billion. Together, the two programs are projected to encompass awards of up to 60 contracts. While it is yet to be seen exactly how the Alliant program will co-exist with the NETWORKX program, I am concerned that the two programs will lead to confusion among agency customers as to which program provides the best solution to meet its telecommunications and information technology needs. Compounding the management challenge, I understand that the Alliant programs are to be run out of two different GSA regions.

On top of this, I understand that various GSA Regions are conducting, or plan to conduct, comprehensive acquisitions for local telecommunications services that seem, at least in some instances, to impinge upon the requirements to be solicited through the NETWORKX program. While it may be necessary to contract for some local services at the regional level outside of the NETWORKX program, I do not believe there is a pressing need for these local telecommunications acquisitions. I am concerned that comprehensive local acquisitions including services that will likely be offered through NETWORKX send the wrong signal that it is acceptable for the GSA regions to go off on their own. I fail to see any type of coordinated strategy between the GSA regions and GSA headquarters to ensure a smooth transition of the appropriate local services to NETWORKX. We all recall the problems that plagued an earlier round of local telecommunications acquisitions conducted by various GSA regions under the Metropolitan Area Acquisition (MAA) program. The management of the MAA program was roundly criticized by GAO in a report issued in 2003 (*Telecommunications: GSA Needs to Improve Process for Awarding Task Orders for Local Service*, GAO-03-369). The negative impact of the program is still being felt among its participants.

My concern here is the apparent lack of management coordination among these disparate but related programs. It appears that GSA will be strained to manage all of these moving parts, and it will likely affect its ability to serve customer agencies. Given the load on GSA's limited management capital and the potential that the competitive markets for these acquisitions could be negatively affected, I ask that you conduct a comprehensive review of these acquisitions to determine whether GSA has the capacity to manage them all concurrently. I urge you to carefully assess these initiatives in the context of GSA's resources and its mission of providing its customer agencies with best value acquisition services they need to achieve their missions to the American people.

Sincerely,


Tom Davis
Chairman