



How to reorganize — that is the question

GSA says it will have a draft plan by May

BY [Michael Hardy](#)

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As General Services Administration officials work on a plan to merge two of the agency's three major branches, the leader of the House Government Reform Committee is prodding them to carry through with reforms.

Rep. Tom Davis (R-Va.), chairman of the committee, said it no longer makes sense for GSA to offer technology procurement services through one organization and contracts for commonly purchased supplies — including the popular GSA schedule contracts — through another. Speaking at a committee hearing last week, Davis urged GSA officials to combine the Federal Technology and Federal Supply services.

Technologies such as laptop computers, wireless phones and e-mail are now as ubiquitous in offices as desks and telephones, Davis said.

"Two separate buying organizations operating out of different funds has become a barrier to coordinated acquisition of services and the technology needed to support the total solutions agency customers demand," he said.

GSA has been under pressure to do a better job of enforcing procurement rules and to streamline inefficiencies and eliminate redundancies between FSS and FTS. The Bush administration's proposed fiscal 2006 budget would require agency officials to combine the services and their two funds. GSA officials have formed an internal team to develop a plan to do that.

The proposal does not have universal support, however. Some Democrats on the committee, including Rep. Henry Waxman (D-Calif.), the ranking minority member, called for a more cautious approach.

"They don't seem like a natural fit to me," he said of FSS and FTS. "There's a big difference between purchasing paper and purchasing technology, and no consolidation will erase that."

However, he added, he is keeping an open mind on the merits of combining the two.

Waxman's concern is that the proposed solution has not been studied adequately and that people are rushing to agreement. It's a worry others share.

"The FSS and FTS missions are very different," said Phil Kiviati, a consultant

at Guerra, Kiviati, Flyzik and Associates. "The solution to the problem is not smashing together two very different organizations."

Eugene Waszily, assistant inspector general at GSA, told the committee that his office supports merging the IT Fund with the General Fund because too much time is spent on discussions about whether something is IT. Those debates slow the procurement process for the sake of ensuring that the purchase is made out of the correct fund, he said.

"We are not strongly supportive of or opposed to the merger

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GAO questions GSA schedule prices

Government Accountability Office auditors want the General Services Administration to do more to ensure that they are getting the best prices for government buyers. In a recent GAO report, auditors said GSA has reduced or eliminated measures that have been effective in the past at preventing vendors from offering better prices to commercial customers than to government buyers.

In the 1990s, GSA conducted frequent reviews of vendor information to make sure it was accurate and up-to-date. Since then, the use of pre-award reviews has declined — from 154 in fiscal 1995 to 40 in fiscal 2004 — and the agency has eliminated post-award audits, GAO officials found.

GAO auditors identified deficiencies in 60 percent of the contracts they analyzed. The contracts were drawn from four contracting centers in 2004.

"GAO has identified a real problem, but we should be careful not to overstate the extent of the problem," said Scott Orbach, president of consulting firm EZGSA. "There are hundreds of

of the services," Waszily added.

GSA Administrator Stephen Perry is expected to have a draft reorganization by the end of May and a final plan by July.

offers arriving at the Federal Supply Service acquisition centers each month and a severe shortage of qualified contracting officers to review, process and award them."

Some observers questioned if the study focused on the right concerns.

"Why is it that all we seem to care about is the lowest price?" said Bob Guerra, a consultant at Guerra, Kiviat, Flyzik and Associates. "Why aren't we more concerned with getting highly qualified vendors who can deliver proven, effective, fairly and competitively priced solutions for agencies to help meet their mission? I have been negotiating with GSA in one capacity or another for 35 years now and can't think of one situation where GSA did not negotiate for a fair and reasonable price."

Larry Allen, executive vice president of the Coalition for Government Procurement, said his organization disagrees with GAO's recommendation of bringing back post-award audits.

"The coalition would like to point out that GAO did not say schedule prices are too high," he added. "They simply said there was insufficient documentation to make such a determination.

— Michael Hardy

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