

June 2006

# TELECOMMUNICATIONS

## Full Adoption of Sound Transition Planning Practices by GSA and Selected Agencies Could Improve Planning Efforts





Highlights of [GAO-06-476](#), a report to the Chairman, Committee on Government Reform, House of Representatives

## Why GAO Did This Study

With the current governmentwide telecommunications contracts set to expire, the General Services Administration's (GSA) Federal Technology Service (FTS) and its customer agencies must prepare to transition their services to a new contract vehicle. The previous federal effort to transition telecommunications services proved to be a large, complex task.

GAO was asked to determine to what extent (1) selected agencies used sound practices in preparing for the transition and (2) GSA's FTS has prepared for the transition by addressing previous lessons learned and providing agencies with guidance on sound transition planning.

## What GAO Recommends

GAO recommends that the Attorney General and the Secretary of Energy perform the analyses necessary to identify required transition resources for their agencies.

In addition, GAO recommends that the Administrator of General Services provide guidance to GSA's customer agencies that reflects all of the sound transition planning practices.

In commenting on a draft of this report, the General Services Administration, the Department of Justice, the Department of Energy, and the Department of the Interior generally agreed with our recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-06-476](http://www.gao.gov/cgi-bin/getrpt?GAO-06-476).

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

# TELECOMMUNICATIONS

## Full Adoption of Sound Transition Planning Practices by GSA and Selected Agencies Could Improve Planning Efforts

### What GAO Found

The agencies GAO reviewed—Department of the Interior, Bureau of Land Management, Department of Energy, Department of Justice, Federal Bureau of Investigation, and GSA—were generally planning to employ sound transition planning practices (see table below). However, officials at two agencies stated they did not plan to fully identify necessary resources. Specifically, officials from the Department of Justice indicated they would not need additional funding for the transition, even though they could not provide an analytical basis for their decision, and officials from the Department of Energy believed their transition planning efforts would not require the identification of human capital needs. Without addressing all of the sound practices, agencies risk entering into a complex transition without the level of preparation necessary to ensure a smooth transition.

FTS has addressed the majority of the lessons learned from the previous transition. Areas that have not yet been fully addressed are securing incumbent contractor cooperation and establishing guidance on inventory management and validation processes. FTS plans to address all remaining lessons prior to contract award. FTS has also provided agencies with guidance that fully reflects two of the five sound transition planning practices. However, guidance has not addressed all aspects of the remaining three, including establishing an inventory maintenance process, using key management processes, identifying measures of success, and performing transition-specific risk assessments.

Although principal responsibility for the transition rests with individual agencies, FTS has an important program-level responsibility to plan and coordinate the transition. As a result, unless it works with agencies to address the full range of sound transition planning practices, agencies may not address the practices fully or consistently, which could, in turn, affect their level of preparation.

### Sound Transition Planning Practices

Establish an accurate telecommunications inventory and an inventory maintenance process.

Perform a strategic analysis of telecommunications requirements and use this to shape the agency's management approach and guide efforts when identifying resources and developing a transition plan.

Establish a structured management approach that includes a dedicated transition management team, key management processes (project management, configuration management, and change management), and clear lines of communication.

Identify the funding and human capital resources that the transition effort will require.

Develop a transition plan that includes transition objectives, measures of success, a risk assessment, and a detailed time line.

Source: GAO.

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## Abbreviations

BLM	Bureau of Land Management
DOE	Department of Energy
DOI	Department of the Interior
DOJ	Department of Justice
FBI	Federal Bureau of Investigation
FTS	Federal Technology Service
GSA	General Services Administration
IMC	Interagency Management Council
RFP	Request for Proposal

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United States Government Accountability Office  
Washington, DC 20548

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June 6, 2006

The Honorable Tom Davis  
Chairman, Committee on Government Reform  
House of Representatives

Dear Mr. Chairman,

As you know, the previous effort by federal agencies to transition telecommunications services to a new contract proved to be difficult. We reported in 2001<sup>1</sup> that the transition to the current federal telecommunications contracts, known as FTS2001, encountered delays and increased telecommunications costs. The effort took more than 24 months and lost an estimated \$74 million in savings. As a result, we noted that the process of planning and managing future telecommunications acquisitions will be improved by applying lessons learned from the transition to FTS2001<sup>2</sup>. We also noted the need for comprehensive program management, accurate inventories, and defined contractor and government responsibilities.

As the FTS2001 contracts approach expiration, General Service Administration's (GSA) Federal Technology Service (FTS) and its customer agencies have begun to prepare for the transition to new contracts, known as Networx. Past experience has shown that the importance of this planning process should not be underestimated.

At your request, we reviewed the extent to which (1) selected agencies used sound practices in preparing for the transition and (2) GSA's FTS has prepared for the transition by addressing previous lessons learned and providing agencies with guidance on sound transition planning.

To achieve our first objective, we obtained FTS2001 billing information and identified the 50 departments and agencies with the highest total charges for 1 month billed. From these, we selected six that would ensure

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<sup>1</sup>GAO, *FTS2001: Transition Challenges Jeopardize Program Goals*, [GAO-01-289](#) (Washington, D.C.: Mar. 30, 2001).

<sup>2</sup>GAO, *FTS2001: Contract Transition Delays and Their Impact on Program Goals*, [GAO-544T](#) (Washington, D.C.: Apr. 26, 2001).

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a representation of (1) departments, bureaus, and head agency/subagency relationships; (2) complexity based on the number of current vendors used; and (3) varying levels of attendance in an agency forum that is assisting FTS in its efforts to plan for the transition. The departments and agencies selected for review were the Department of the Interior, the Bureau of Land Management (within the Department of the Interior), Department of Energy, Department of Justice, the Federal Bureau of Investigation (a component of the Department of Justice), and GSA.

We then researched available literature on telecommunications transitions and interviewed those with experience in telecommunications transitions, including industry experts, telecommunications vendors, and private sector companies. We analyzed the results of our research and interviews, synthesized common themes and issues, and identified five sound transition planning practices against which agency efforts could be measured:

- establishing a telecommunications inventory,
- performing a strategic analysis of telecommunications requirements,
- establishing a structured transition management approach,
- identifying resources, and
- developing a transition plan.

Once compiled, we provided these practices to the industry experts and FTS for comment and general agreement.

Next, we obtained and reviewed documentation—including strategic plans, telecommunications inventories, and transition related plans—and interviewed officials from each of the selected agencies. We assessed this information against the five sound transition planning practices.

To achieve our second objective, we reviewed transition guidance and other Networkx documentation<sup>3</sup> developed by FTS and the Interagency

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<sup>3</sup>These included presentations, meeting minutes, projected time lines, FTS2001 lessons learned, the Networkx Request for Proposals, and the Networkx Transition Guide (Pre-Award).

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Management Council<sup>4</sup>. We also interviewed FTS Networx program officials to identify any planned guidance or activities for the Networx transition. We assessed this information against the published lessons learned from the FTS2001 transition, and determined whether FTS was providing guidance to agencies that correlated with the identified sound transition planning practices.

We performed our work from June 2005 through March 2006 at the Washington, D.C., area offices of the selected agencies in accordance with generally accepted government auditing standards.

On March 24, 2006, we provided your office with a detailed briefing on the results of this work, which is included as appendix I. The purpose of this letter is to provide the briefing slides to you and officially transmit our recommendations to the Administrator of General Services, the Attorney General, and the Secretary of Energy.

In summary, the agencies we reviewed were generally planning to employ the five sound planning practices in their transition management efforts. However, officials at two of the agencies stated they did not plan to fully identify necessary resources. Specifically, officials from the Department of Justice indicated they would not need additional financial resources for the transition, even though they could not provide an analytical basis for their decision, and officials from the Department of Energy believed that because the agency's transition will be straightforward, identifying human capital resource needs would not be necessary. However, without addressing all of the sound practices, agencies risk entering into a complex transition without the level of preparation necessary to ensure a smooth transition.

FTS, in preparing for the transition, has addressed the 21 out of 27 lessons learned from the previous transition. For example, it has made efforts to clarify which parties are responsible for transition costs and to ensure that contractors have adequate operations support systems in place before the transition begins. FTS has not yet addressed lessons pertaining to securing incumbent contractor cooperation and developing guidance on establishing inventory management and validation processes. FTS stated

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<sup>4</sup>The Interagency Management Council is a group of senior federal information resource officials that was established in 1992 to provide a forum and focal point for FTS to work with its customer agencies in planning and overseeing FTS's long-distance telecommunications services.

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that it plans to address the remaining lessons prior to contract award. Specifically, FTS stated it is currently working with the incumbent contractors to ensure cooperation and that high-level guidance on inventory maintenance will be provided in the last few months leading up to contract award.

FTS has also provided agencies with guidance on performing a strategic analysis of telecommunications requirements and identifying necessary resources for the transition, two of the five sound transition planning practices. However, it did not provide comprehensive guidance on the remaining three practices (establishing a telecommunications inventory, establishing a structured management approach, and developing a transition plan). The specific aspects of the practices that its guidance does not address are establishing an inventory maintenance process, using key management processes (project management, configuration management, and change management), developing measures of success, and performing transition-specific risk assessments. As stated above, FTS plans to provide high-level guidance on inventory maintenance in the last few months leading up to contract award.

Enough time remains for agencies to effectively address all the issues we identified, but they need to identify telecommunications inventories and conduct strategic analyses soon because these practices provide inputs for other sound practices. Further, although principal responsibility for the transition rests with individual agencies, FTS has an important program-level responsibility to plan and coordinate the transition. As a result, it is important that FTS work with its customer agencies to ensure that they fully and consistently address the full range of sound transition planning practices.

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## Recommendations

To ensure that the agencies we reviewed adequately prepare themselves for the transition, we recommend

- that the Attorney General ensure that the Department of Justice's planning efforts include an analysis of the extent to which current financial resources will be sufficient to conduct an effective transition;
- that the Secretary of Energy ensure that the department's planning efforts include identification of human capital resources needed to conduct an effective transition.

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To ensure that agencies are adequately prepared for the transition, we recommend that the Administrator of General Services, in working with the Interagency Management Council, develop and distribute guidance to ensure that our identified sound practices of transition planning are utilized. In particular, FTS should ensure that guidance addresses

- the use of project management, configuration management, and change management processes in transition planning efforts;
- the establishment of measures of success to help agencies' managers assess progress toward the objectives stated in their plans; and
- the development of a transition-specific risk assessment that would allow an agency to lessen problems and delays during the transition.

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## Agency Comments

In comments on a draft of this report, officials from the General Services Administration and the Departments of Justice, Energy, and the Interior generally agreed with our recommendations.

The GSA's acting Administrator, in written comments, stated that the agency will work with the IMC to address our recommendations. The acting Administrator also stated that GSA has initiated discussions and planning activities to address our recommendations and that processes and guidelines for these issues will be included in a transition planning guide expected to be distributed to all agencies before December 2006. These comments are reproduced in appendix II.

A Department of Justice Audit Liaison Specialist commented via e-mail that the agency agreed with our recommendation and findings.

A Department of Energy Deputy Associate Chief Information Officer commented via e-mail that the agency will be in a position to determine if additional human capital resources are warranted once Networx has been awarded and a review and analysis of available services have been completed.

The Department of the Interior's Assistant Secretary of Policy, Management, and Budget, in written comments, stated that the agency generally agreed with our recommendations and findings. He also expressed concern with the difficulty of the upcoming transition and stated that the department relies on GSA actions in order to timely allocate resources for this effort. These comments are reproduced in appendix III.



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As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution of this report until 30 days from the report date. At that time, we will send copies of this report to interested congressional committees, the Administrator of General Services, the Attorney General, the Secretary of the Interior, and the Secretary of Energy. We will also make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

Should you or your offices have any questions about matters discussed in this report, please contact me at (202) 512-6240 or by e-mail at [koontzl@gao.gov](mailto:koontzl@gao.gov). Key contributions to this report were made by James R. Sweetman, Jr., Assistant Director; Jamey Collins; Alison Holland; David Hong; Teresa M. Neven; Kelly Shaw; and Amos Tevelow.

Sincerely yours,



Linda D. Koontz  
Director, Information Management Issues

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# Appendix I: Briefing to the Staff of the Committee on Government Reform, House of Representatives, March 24, 2006

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## TELECOMMUNICATIONS: Agencies Have Begun Planning for Transition to New Governmentwide Program, but Unresolved Issues Remain<sup>1</sup>

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Briefing to the Staff of the  
Committee on Government Reform,  
House of Representatives

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<sup>1</sup> Various technical clarifications have been made to the original slides.



## Outline of Briefing

Introduction

Objectives, Scope, and Methodology

Results in Brief

Background

Selected Agencies Are in the Early Stages of Preparing for the Transition

- Establish a Telecommunications Inventory
- Perform a Strategic Analysis of Telecommunications Requirements
- Create a Structured Transition Management Approach
- Identify Resources
- Establish a Transition Plan

The General Services Administration's (GSA) Federal Technology Service (FTS) Is Providing Transition Guidance, but Issues Remain

- FTS has Addressed the Majority of FTS2001 Lessons Learned in Its Planning for Network



Outline of Briefing (Cont.)

- FTS Has Provided Guidance That at Least Partially Addresses All of the Sound Practices

Conclusions

Recommendations

Agency Comments

Attachment 1: Comments from GSA



## Introduction

Innovations in telecommunications services continue to transform the way the federal government conducts business, allowing it to streamline processes, reduce paperwork and delays, increase efficiency, and improve interaction with the public. With the current set of governmentwide telecommunications contracts due to expire soon, the proposed replacement contracts, known as the Networx program, can offer federal agencies the opportunity to apply innovative services and solutions to their operations. However, to maximize the benefits to taxpayers, it is important that the transition to new programs like Networx be adequately planned.

The importance of transition planning is underscored by the previous federal effort to transition telecommunication services to new contracts, which proved to be a large and complex task. In 2001, we reported<sup>2</sup> that

- the transition to the current federal telecommunications contracts, known as FTS2001, encountered delays and took more than 24 months, which hindered the timely achievement of program goals; and
- transition delays resulted in raised telecommunications costs. In total, an estimated \$74 million in savings was lost due to delays in completing the transition to FTS2001.

As a result, we noted that the process of planning and managing future telecommunications acquisitions will be improved by applying lessons learned from the transition to FTS2001. We also noted the need for comprehensive program management, including accurate inventories as well as defined contractor and government responsibilities.

<sup>2</sup> GAO, *FTS2001: Transition Challenges Jeopardize Program Goals*, [GAO-01-289](#) (Washington, D.C.: March 30, 2001).



## Objectives, Scope, and Methodology

### Objectives

Our objectives were to determine to what extent (1) selected agencies used sound practices in preparing for the transition and (2) the General Services Administration's (GSA) Federal Technology Service (FTS) has prepared for the transition by addressing previous lessons learned and providing agencies with guidance on sound transition planning.

### Scope and Methodology

To determine the extent to which selected agencies are preparing for the transition from FTS2001, we first selected six agencies for review.

Using FTS2001 billing data provided by FTS, we identified the 50 agencies with the highest total charges for 1 month billed. From this group of agencies we selected 6 that would ensure a representation of (1) departments, bureaus, and head agency/sub-agency relationships (2) complexity based on the number of current vendors used, and (3) varying levels of attendance in an agency forum that is assisting FTS in its efforts to plan for the transition.

The agencies selected for review were the Department of the Interior (DOI); Bureau of Land Management (BLM), a bureau of DOI; Department of Energy (DOE); Department of Justice (DOJ); Federal Bureau of Investigation (FBI), a component of DOJ; and GSA<sup>3</sup>.

<sup>3</sup> GSA was reviewed as a customer agency of FTS.



## Objectives, Scope, and Methodology

To identify sound transition planning practices against which agency planning efforts could be measured, we researched available literature on telecommunications transitions and held a series of interviews with individuals experienced in telecommunications transitions, including the prior transition to FTS2001. We met with

- industry experts from the Washington Management Group, Council for Excellence in Government, Federal Sources Inc., and Gartner;
- telecommunications vendors such as Level3, MCI, and WiTel; and
- private sector companies such as CGI-AMS, Computer Sciences Corporation, Hewlett-Packard, and Allstate, which had just undergone its own telecommunications transition.

We analyzed the results of these interviews to synthesize common themes and issues and identified five sound transition planning practices. Once compiled, we provided these practices to the four industry experts and FTS for comment and general agreement.

To refine our approach and gauge the time required to assess each agency, we pretested our evaluation methodology at two agencies, the Administrative Office of the United States Courts and the Department of Housing and Urban Development.



## Objectives, Scope, and Methodology

To determine the extent to which agencies are using the identified sound practices, we took the following actions:

- We obtained and reviewed agency documentation, including strategic plans, telecommunications inventories, and transition-related plans, and interviewed agency officials.
- We then assessed this information against the five sound transition planning practices.
- Based on our initial assessment, we classified the status of agency transition planning efforts as “completed” (finished and integrated into planning for the transition), “started” (begun but not fully integrated into planning for the transition), “planned” (not begun but planned, according to agency officials), or “not planned” (not begun and agency officials indicated they do not plan to address in their transition planning).
- We discussed our assessments with agency officials and made adjustments as appropriate.

Because we judgmentally selected the agencies in our review, we cannot conclude that our results represent the entire federal government’s level of preparation. However, the six cases studied illustrate various challenges that agencies may face in planning for a telecommunications transition.





## Objectives, Scope, and Methodology

To determine the extent to which FTS has prepared for the transition by addressing previous lessons learned and providing agencies with guidance on sound transition planning, we

- reviewed transition guidance and other Networkx documentation developed by FTS and the Interagency Management Council's Transition Working Group, including presentations, meeting minutes, projected time lines, FTS2001 lessons learned, the Networkx Request for Proposals (RFP), and the Networkx Transition Guide (Pre-Award);
- interviewed FTS Networkx program officials to identify any planned guidance or activities for the Networkx transition;
- assessed the identified guidance and other Networkx documentation against the published lessons learned from the FTS2001 transition; and
- assessed whether the identified guidance and other Networkx documentation is aiding agency efforts in implementing sound practices for transition planning.

We performed our work from June 2005 through March 2006 at the Washington, D.C., area offices of the Departments of Energy, Interior, Justice, the Federal Bureau of Investigation, and the General Services Administration. Our work was conducted in accordance with generally accepted government auditing standards.



**Results in Brief**  
Objective 1: Agency Preparation

The agencies we reviewed were generally planning to employ sound transition planning practices in their transition management efforts, such as establishing a structured transition management approach, identifying resource requirements, and developing transition plans. For example,

- GSA and DOE had committed staff to plan the transition, and the remaining four agencies planned to do so;
- officials at the six agencies indicated that a transition plan will be developed for the transition.

However, we also identified instances where agency officials stated they did not plan to fully address specific practices. For example,

- officials from DOE stated that their transition will be straightforward, and do not believe it will require identification of human capital needs; and
- officials at DOJ indicated that they will not need additional funding for the transition, even though DOJ has yet to conduct a strategic analysis of its telecommunications requirements, and agency officials did not provide any analytical basis for their decision.

Without addressing all of the sound practices, agencies risk entering into a complex transition without the level of preparation necessary to ensure a smooth transition. This could lead agencies to incur avoidable costs.



**Results in Brief**  
Objective 2: FTS Preparation

FTS has addressed the majority of the lessons learned from its previous transition and has provided guidance that at least partially addresses all sound transition planning practices.

- FTS has addressed 21 out of 27 lessons learned from the previous transition, and plans to address the remaining six prior to contract award. For example, it has made efforts to clarify which parties are responsible for transition costs and to ensure that contractors have adequate operations support systems in place before the transition begins. Areas that have not yet been fully addressed are securing incumbent contractor cooperation and guidance on establishing an inventory management and validation processes. FTS stated it is currently working with the incumbent contractors to ensure cooperation and that high-level guidance on inventory maintenance will be provided in the last few months leading up to contract award.



**Results in Brief**  
Objective 2: FTS Preparation

- FTS has provided agencies with guidance that fully reflects two of the five sound transition planning practices. Specifically, it provided guidance on performing a strategic analysis of telecommunications requirements and identifying necessary resources for the transition. Guidance has not been provided on aspects of the three remaining practices, including establishing and maintaining telecommunications inventories, developing measures of success, and performing transition-specific risk assessments. FTS officials stated that they would provide agencies guidance on maintaining inventories in the months leading up to contract award. However, they do not intend to provide guidance that addresses establishing measures of success, the use of key management processes, or performing transition-specific risk assessments because they believe it is not their responsibility and agencies should determine their own approach to these issues.

Although principal responsibility for the transition rests with individual agencies, FTS has an important program-level responsibility to plan and coordinate the transition. Unless it works with agencies to address the full range of sound practices, agencies may not address the practices fully or consistently, which could, in turn, affect their level of preparation. Agencies' experience with the previous transition demonstrates that inadequate preparation can lead to service delays and increased costs.



**Results in Brief**  
Recommendations and Agency Comments

To help ensure that the agencies reviewed adequately prepare themselves for the transition, we are making recommendations to the Secretary of Energy and the Attorney General to perform the analyses necessary to identify required transition resources for their agencies.

In addition, to ensure that the federal government adequately prepares the participating agencies, we recommend that the Administrator of General Services work with the Interagency Management Council to provide agencies guidance reflecting all of the sound transition planning practices.

In commenting on a draft of this briefing, the General Services Administration, the Department of Justice, and the Department of Energy generally agreed with our recommendations and stated that they intend to address them. The Department of the Interior provided technical comments that we incorporated into the briefing as appropriate.



## Background FTS and Networkx

FTS is responsible for ensuring that federal agencies have access to the telecommunications services and solutions needed to meet mission requirements. To meet current agency needs for various telecommunication services, it awarded two large governmentwide contracts—one to Sprint<sup>4</sup> in December 1998 and one to MCI<sup>5</sup> in January 1999—known together as FTS2001. Under the terms of these contracts, each firm was guaranteed minimum revenues of \$750 million over the life of the eight-year contracts. These contracts are to expire in December 2006 and January 2007, respectively. According to program officials, federal agencies spent approximately \$614 million on FTS2001 services during fiscal year 2003, \$780 million during fiscal year 2004, and \$902 million during fiscal year 2005.

FTS2001 is the successor to a line of programs that has traditionally provided long-distance telecommunications to the federal government. With the FTS2001 contracts set to expire, FTS released a request for information in October 2003 announcing its plans for a new governmentwide telecommunications program known as Networkx.

<sup>4</sup> Sprint Corporation merged with Nextel Communications, Inc. to form Sprint Nextel Corporation in August 2005.

<sup>5</sup> MCI merged with Verizon to form Verizon Business in January 2006.



**Background**  
 FTS and Networkx

The principal differences between Networkx and its predecessors are summarized in the table below.

The Networkx program consists of two governmentwide acquisitions named Networkx Universal and Networkx Enterprise. FTS expects Networkx Universal to offer a full range of voice and data network services, managed networking services and solutions, wireless, and satellite communications services. This acquisition is expected to result in multiple contract awards to relatively few bidders because few companies are expected to be able to satisfy its geographic coverage and comprehensive service requirements. In contrast, FTS expects Networkx Enterprise to offer leading-edge services and solutions using contractors that are required to cover a more geographically limited area than Networkx Universal. FTS plans to award multiple Enterprise contracts to a greater number of bidders than Networkx Universal.

**Federal telecommunications services programs**

Service features	FTS 2000 (1989-2001)	FTS2001 (1998- )	Networkx (2007 - )
Means of Delivery	Mandatory commercial services	Non-mandatory commercial services	Non-mandatory commercial services
Type	Long distance voice, high-speed and switched data, and video services	Long distance voice, video, and additional data services, and international services	Long distance voice, video, data, international, management & application, security, IP-based, satellite, and wireless services
Technology Available	Analog and digital	Predominantly digital	Predominantly digital and IP-based

Source: GAO analysis of FTS Information.



## Background FTS and Networkx

Award of the Networkx contracts has been delayed several times, pushing back the expected start of the transition from FTS2001 to Networkx. In May 2005, the final Networkx requests for proposals were released, with contract award for both acquisitions expected in April 2006. Shortly thereafter, as a result of amendments made to the RFPs, the vendor proposal due dates were extended by two months. Then, in January 2006, bidders were informed that delays had moved the Networkx award date to March 2007 for Universal and May 2007 for Enterprise. Based on the new award dates, a transition from FTS2001 to Networkx is, as of March 2006, over a year away.

As a result of these delays, FTS recently announced its intent to negotiate sole-source contracts with MCI and Sprint. These contracts are expected to last between 24 and 42 months<sup>6</sup> to give FTS and its customer agencies the time needed to finalize the Networkx acquisitions and complete the transition.

<sup>6</sup> FTS indicated that it intends to negotiate sole-source contracts for a 24-month base period with three 6-month optional periods for a total of 42 months.





**Background**  
 FTS and Networkx

The original schedule and current schedules for both Networkx contracts are shown in the table below.

**FTS's original and revised (or actual) key Networkx contract dates**

Contract Milestone	Networkx Enterprise		Networkx Universal	
	Original	Revised (or Actual)	Original	Revised (or Actual)
Final RFP <sup>A</sup> Released	Summer 2005	May 2005 ✓	Fall 2004	May 2005 ✓
Vendor Proposals Due	Fall 2005	October 2005 ✓	Winter 2004	October 2005 ✓
Contract Award(s)	Fall 2006	May 2007	Winter 2005	March 2007

<sup>A</sup> Request for Proposals,

✓ Actual Completion.

Source: GAO analysis of FTS information.



## Background Transition Responsibilities

FTS, its customer agencies, and the incumbent and awarded contractors all have identified responsibilities for the upcoming transition.

FTS has important program-level responsibility to plan and coordinate the transition from FTS2001. The Clinger-Cohen Act of 1996 gives FTS responsibility for managing the FTS 2000 program and implementing its follow-on programs (FTS2001 and Networx) on behalf of and with the advice of participating agencies. This responsibility includes the development, maintenance, and dissemination, as requested by the Office of Management and Budget or the agencies, of recommended methods and strategies for the development and acquisition of IT, and managing outreach programs in cooperation with the agency managers. FTS is also responsible for providing general guidance on the Federal Acquisition Regulation with respect to its FTS2001 and Networx programs.



## Background Transition Responsibilities

FTS works with its customer agencies through the Interagency Management Council, a group of senior federal information resource officials. The council was established in 1992 to provide a forum and focal point for agency participation in planning and overseeing FTS's long-distance telecommunications services. In dealing with a multitude of matters, the council established subgroups to be responsible for specific issues. For example, one subgroup, the Transition Working Group, is helping FTS plan for the transition, advising and assisting with issues such as developing a Network pre-award transition guide.

The Transition Working Group also documented, in conjunction with FTS, lessons learned from the FTS2001 transition. This *FTS2001 Transition Lessons Learned* document addresses topics such as transition resources, transition inventories, enforcing contractual performance requirements, and transition roles and responsibilities. It identifies a total of 27 issues with the intent of avoiding unnecessary delays during future transitions.



## Background Transition Responsibilities

FTS's customer agencies—those federal agencies using the FTS2001 contract—have principal responsibility for the transition. These agencies are responsible for coordinating transition efforts with the incumbent and awarded contractors to ensure that existing services under FTS2001 are disconnected and new services are ordered. FTS has asked each of its customer agencies to appoint a transition manager and establish a transition team that will

- manage the agency's internal transition planning, preparation, and execution efforts; and
- be responsible for interfacing with FTS, the Interagency Management Council, and officials within the agency.

Both the Networkx contractors and incumbent FTS2001 contractors are responsible for supporting agencies in their transition planning and execution efforts:

- Networkx contractors will be responsible for delivering services ordered, developing program-level and agency-level transition plans, and communicating the status of transition activities with scheduled notices and reports.
- The incumbent FTS2001 contractors are expected to complete all FTS2001 service disconnect orders requested by agencies and assist agency efforts to prepare for the transition by, for example, helping to identify inventory information and system requirements.



## Objective 1: Agency Preparation Sound Transition Planning Practices

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Based on our research, we identified five sound transition planning practices that agencies can utilize to improve the likelihood of a smooth transition. Regardless of the complexity of each agency's transition, these sound practices can help agencies make the most of the opportunity for change that accompanies a major telecommunications transition.

- Establish a Telecommunications Inventory
- Perform Strategic Analysis of Telecommunications Requirements
- Establish a Structured Transition Management Approach
- Identify Resources
- Develop a Transition Plan



## Objective 1: Agency Preparation Telecommunications Inventory

Sound transition planning includes establishing an accurate inventory of current telecommunications assets and services.

- First, agencies should have a detailed and complete transition inventory that represents all of its facilities, components, field offices, and any other managed sites. It should include information such as telecommunications services, traffic volumes, equipment, and applications being utilized. Agencies can use their transition inventory to identify opportunities for optimizing their current technology during strategic planning.
- Second, agencies should have a documented inventory maintenance process that can be utilized to ensure that inventories remain current and reflect changes leading up to, during, and after the transition. Once established, an inventory maintenance process can ensure that changes are captured and allow agencies to audit vendor bills against their inventories throughout the life of the contract.

Agencies should begin efforts to establish a telecommunications inventory early because the development of an accurate and reliable inventory is important to ensuring that the agency will be prepared to transition quickly. Further, current inventories should be established by the agency prior to determining strategic telecommunications requirements, when the information can be used to help determine current and future telecommunications needs and areas for optimization and/or sharing of IT resources across the agency.



## Objective 1: Agency Preparation Telecommunications Inventory

The selected agencies were at different stages in preparing telecommunications inventories.

- BLM, GSA, and DOE provided inventories of their telecommunication services. These three inventories included the type of information that could assist agencies in conducting an effective transition. However because inventories change as services are added, changed, or removed, all three will have to be updated prior to transition execution.
- The remaining three agencies did not yet have complete inventories, but officials stated that they planned to develop them. FBI officials stated they had not yet been able to provide complete and accurate inventories because the management of their telecommunications services was decentralized and, therefore, they could not readily compile the necessary information.
- GSA had a documented process for updating and maintaining its inventories that it indicated it follows when ordering or changing circuits.
- The other five agencies did not have a documented inventory maintenance process, but their officials said they did have staff responsible for updating and maintaining their inventories. These officials also stated they plan to formally document an inventory maintenance process.



**Objective 1: Agency Preparation**  
 Telecommunications Inventory

If agencies do not establish accurate and complete telecommunications inventories prior to transition execution, they risk not having information during transition planning that will allow them to address strategic considerations, and may face transition delays while proper inventory information is gathered. Further, without an established inventory process, agencies may not consistently and accurately capture the changes to their telecommunications inventories, hindering their ability to ensure that they are charged only for the services requested.

The following table indicates the reviewed agencies' progress toward establishing an accurate inventory of current telecommunications assets and services.

**Telecommunications inventory**

Does the agency have a telecommunications inventory for the transition and a process to maintain that inventory?	Completed	Started	Planned	Not Planned
Has the agency identified its telecommunications inventories at every site, facility, and component for the transition from FTS2001?	3	0	3	0
Does the agency have a documented process for updating and maintaining its inventories?	1	0	5	0

Source: GAO analysis of agency information.





## Objective 1: Agency Preparation Strategic Requirements

Sound transition planning includes performing a strategic analysis of telecommunications requirements and incorporating the results into transition planning. To accomplish this, agencies should

- determine current and future telecommunications needs using an identified inventory of existing services. Agencies should also use the transition as an opportunity to identify areas for optimization and/or sharing of telecommunications resources across the agency. The costs and benefits of introducing new technology and alternatives for meeting the agency's telecommunications needs should be evaluated. Further, the identified needs and opportunities should be aligned with the agency's mission, long-term IT plans, and enterprise architecture plans.

The results of the agency's strategic analysis of telecommunications requirements should shape the agency's management approach to the transition and guide other efforts such as identifying and allocating resources and developing a transition plan.



## Objective 1: Agency Preparation Strategic Requirements

Most of the agencies planned to identify and incorporate strategic requirements into their transition planning.

- BLM had identified strategic requirements for its current and future telecommunications needs through a recently completed analysis that considered the convergence of its voice, video, and data services into a single IP-based network.
- FBI had begun to identify its current and future needs in an IT strategic plan not specific to the transition. According to an official from this agency, any identified needs will be incorporated into the strategic requirements developed for the transition. FBI plans to complete its analysis in March 2006.
- The remaining four intend to identify their strategic requirements for the transition, but believed it was too early to have done so already.



**Objective 1: Agency Preparation**  
 Strategic Requirements

If agencies do not incorporate strategic requirements into their planning, they risk making decisions which are not aligned with the long-term goals of the organization and may not be able to take full advantage of opportunities during the transition, such as upgrading and optimizing their telecommunications services, or shifting service to more cost-effective technology.

The following table indicates the reviewed agencies' progress toward incorporating strategic requirements into their planning.

**Strategic analysis of telecommunications requirements**

	Completed	Started	Planned	Not Planned
Has the agency performed a strategic analysis of telecommunications requirements for the transition?				
Has the agency determined current and future telecommunications needs?	1	1	4	0

Source: GAO analysis of agency information.



## Objective 1: Agency Preparation Structured Transition Management Approach

Sound transition planning includes establishing a structured transition management approach. This entails

- establishing a transition management team involved in all phases of the transition and clearly defining responsibilities for key transition roles such as project management, asset management, contract and legal management, human capital management, and security issues;
- utilizing the agency's established project management, configuration management, and change management processes. Project management processes are utilized to plan and manage transition-related activities, providing a structure that incorporates performance measurement and project-level control. Configuration management processes are used to help ensure integrity and traceability as change occurs. Change management processes help employees prepare for the procedure and technology changes that may accompany a transition, reducing the risk that improvement efforts will fail; and
- ensuring a comprehensive understanding of the transition by identifying which parties will be involved and how transition plans, including transition objectives, will be communicated. The agency should identify what is going to happen and when, including the frequency of status updates and meetings, and should alert and educate end users to changes or disruptions. This also includes identifying key local and regional transition officials and points of contact responsible for disseminating information to employees and working with the vendor to facilitate transition execution.



## Objective 1: Agency Preparation

### Structured Transition Management Approach

The six agencies were in the early stages of establishing a structured transition management approach.

- DOE and GSA had formally committed staff to manage transition planning by identifying a transition program manager in a project charter or planning guide. They had also begun to assign responsibilities for key transition roles and issues.
- Officials at the remaining four agencies believed it was too soon to have committed staff to manage the transition.
- While all indicated that they have established management processes to guide their planning efforts, officials stated it was too early for these processes to have been implemented. For example, an FBI official stated that their policies require the use of the key management processes we identified and that they would utilize these once transition-related activities get under way.
- GSA had identified some of its plans for communication, including the frequency of reports, presentations, and reviews; and the parties responsible for issuing them. However, the plans had not yet been communicated to those beyond the transition management team.
- Officials at all of the agencies reviewed stated that they plan to establish lines of communication for the transition and identify key local and/or regional transition officials, but that it was too early in their planning to have done so.



**Objective 1: Agency Preparation**  
 Structured Transition Management Approach

Without a structured transition management approach, agencies risk additional financial costs, extended time lines, and disruptions to the continuity of their telecommunication systems. Further, without establishing lines of communication and identifying local and regional points of contact, agencies may lack the quality of information that is necessary for comprehensive understanding, accountability, and shared expectations at all levels.

The following table indicates the reviewed agencies' progress toward establishing a structured transition management approach.

**Structured transition management approach**

Has the agency established a structured transition management approach?	Completed	Started	Planned	Not Planned
Has the agency committed staff to manage the transition and clearly defined responsibilities for key transition roles?	0	2	4	0
Is the agency using key management processes in the management of its transition planning efforts?	0	0	6	0
Has the agency identified lines of communication in order to facilitate information sharing during transition planning and execution?	0	1	5	0

Source: GAO analysis of agency information.



## Objective 1: Agency Preparation Resource Identification

Sound transition planning includes identifying the resources that the transition effort requires. To do so, the agency should take the following steps:

- Identify funding requirements to ensure that planning efforts for the telecommunications transition have the necessary resources. The agency should identify the organizational need for investments and assess benefits versus costs to justify any resource requests. Cost benefit analyses and return-on-investment calculations are common methods used to justify requests. Transition costs that should be considered include transition project management, software and hardware upgrades, and the establishing reliable inventories.
- Ensure that personnel with the right skills are in place to support the transition effort. Some of the skills that are needed are, as identified earlier, contract expertise, legal expertise, asset management, and program management. Further, the agency should identify and require training for those carrying out the transition or operating and maintaining newly transitioned technology. The agency should also address staffing levels that may be required during transition.

Identifying the need for resources early in the planning process will help to avoid unnecessary spending and delays during the transition. Further, the resources allocated to the transition effort should reflect the level of change identified in the agency's strategic analysis of telecommunications requirements; that is, if the agency chooses to implement new technology, it must budget resources accordingly.



## Objective 1: Agency Preparation Resource Identification

The agencies reviewed had placed varying levels of emphasis on identifying and allocating resources to support transition efforts.

- BLM had developed a network convergence business case that outlined benefits and costs, and provided a return-on-investment calculation to justify requests. This agency was awaiting approval of this request.
- Officials at four of the agencies stated that they will identify funding requirements as part of their transition planning efforts.
- Officials at DOJ indicated that they will not need additional funding for the transition. However, DOJ has yet to conduct a strategic analysis of its telecommunications requirements, and agency officials did not provide any analytical basis for its decision.
- Five agencies planned to address human capital and training needs. However, officials at DOE stated that they do not plan to identify human capital needs for the transition. They stated such plans would not be necessary because their agency faces a relatively straightforward like-for-like transition and will not require extensive planning and/or heightened staffing levels. However, the agency had not identified its strategic requirements to determine if a like-for-like transition was the optimal approach, nor had it performed any other analysis to determine the required staffing levels.





**Objective 1: Agency Preparation**  
 Resource Identification

Agencies that do not analyze needs for transition related costs and allocate resources commensurate with those needs may be underestimating the complexity and demands of the transition effort. Further, as the transition gets under way, unexpected costs may arise that cause previously avoidable delays and unnecessary spending.

The following table indicates the reviewed agencies' progress toward identifying and allocating resources.

**Resource identification**

Has the agency identified and allocated all resources necessary to facilitate a successful transition?	Completed	Started	Planned	Not Planned
Has the agency identified the level of funding needed to support transition planning?	1	0	4	1
Has the agency identified human capital and training needs for the transition?	0	0	5	1

Source: GAO analysis of agency information.



## Objective 1: Agency Preparation Transition Plan

Sound transition planning includes developing a transition plan that identifies transition objectives, measures of success, and risks, and approaches the transition planning process as a critical project with a detailed time line. To facilitate this practice, agencies' transition management teams should take the following steps:

- Identify transition objectives and measures of success. Objectives should be based on the agency's strategic analysis of telecommunications requirements and aligned with the agency's overall mission and business objectives. Measures of success should be based on these transition objectives and are a key tool to help managers assess progress.
- Identify agency-specific risks that could affect transition success. The importance of the risks should be evaluated relative to the agency's mission critical systems and continuity of operations plans. Knowing what risks exist and how to mitigate them appropriately will lessen problems and delays during the transition. This risk assessment should also include an analysis of information security risks to determine what controls are required to protect networks and what level of resources should be expended on controls.
- Develop a transition plan that depicts a management strategy with clearly defined transition preparation tasks and includes a time line that allows for periodic reporting. This time line should take into account priorities relative to the agency's mission critical systems, contingency plans, and identified risks.



## Objective 1: Agency Preparation Transition Plan

The six agencies indicated that measurable objectives and clearly defined transition management tasks will be developed.

- DOE and GSA had identified transition-specific objectives. For example, in its transition planning guide, DOE had identified objectives such as (a) maintain the continuity of service with no outages, (b) optimize service inventory by disconnecting services not required, and (c) maximize the rate at which existing users' services are transitioned.
- Officials at the other four agencies stated that they planned to develop objectives as a part of their transition planning efforts. None had established measures of success to be used to assess progress toward their objectives, but all planned to do so.
- Officials at all of the agencies indicated that risk assessments will be performed for this transition, but that it was too early to have completed this task already.
- Efforts had begun at DOE to document transition planning activities that must occur prior to the award of the Networx contracts, but officials there indicated that these tasks would be further developed in their transition project management plan.
- Officials at the other five agencies indicated that they planned to identify and document necessary transition planning activities, but that it was too early to have done so at this point.



**Objective 1: Agency Preparation**  
 Transition Plan

Agencies that do not document measurable objectives and clearly define transition tasks that take into account agency priorities and risks may find it difficult to provide those involved in the transition with clear expectations of the tasks required, provide status updates of progress and risks, and ultimately ensure transition success.

The following table indicates the reviewed agencies' progress toward developing a transition plan.

**Transition plan**

Has the agency developed a transition plan?	Completed	Started	Planned	Not Planned
Has the agency identified and documented agency-specific transition objectives and measures of success?	0	2	4	0
Has the agency identified agency-specific risks that could affect transition success?	0	0	6	0
Has the agency clearly defined transition preparation tasks and developed a time line based on priorities and risks?	0	1	5	0

Source: GAO analysis of agency information.



## Objective 2: FTS Preparation

FTS has addressed the majority of the FTS2001 lessons learned and provided guidance that at least partially addresses all of the sound transition planning practices. Specifically, it has addressed 21 of the 27 lessons learned, such as clarifying which parties are responsible for transition costs, incentivizing agencies to transition quickly, and requiring verification of the functionality of vendor operations support systems prior to processing orders. However, the office is still working to address the remaining six lessons, such as defining incumbent contractor roles and providing guidance for agency inventory management and validation. FTS has also provided to agencies guidance that correlates with two of our five sound transition planning practices: performing a strategic analysis of telecommunications requirements and identifying necessary resources for the transition. However, guidance has not been provided on aspects of the three remaining practices. For example, guidance does not fully address establishing a structured transition management approach or developing a transition plan.



**Objective 2: FTS Preparation**  
FTS2001 Transition Lessons Learned

In planning for the upcoming transition to Networx, FTS has addressed 21 of the 27 lessons.

FTS2001 transition lesson learned	Example of how the lesson has been addressed
The magnitude of the effort necessary for the transition was not fully appreciated.	In 2003, the Interagency Management Council established a Transition Working Group to address transition issues. The group developed a Networx pre-award transition guide that emphasizes agency preparation for a transition effort of this magnitude.
Unique government requirements cannot always be met by commercial services or operations support systems.	Networx includes government-specific requirements, such as a unique billing indicator that lists each billed service separately from all other billed services.
FTS and agency plans for funding the transition should be determined early.	FTS and the Transition Working Group developed a <i>Taxonomy and Allocation of Transition Costs</i> in October 2004 that assigns responsibilities for transition costs. FTS officials indicated that this document can be used to budget for transition costs but that final calculations cannot be performed until Networx prices are known.
The budget impact of transition on agencies should be identified.	FTS officials stated that, based on costs identified in the taxonomy document, they determined FTS would have the funding needed for transition program management costs, and no additional funding from agencies would be required.
The Transition Fund <sup>7</sup> was critical to transition execution.	FTS officials stated that, based on costs identified in the taxonomy document, they determined FTS would have the funding needed for transition program management costs, and no additional funding from agencies would be required.
Activities needed for transition should be started as soon as possible to ensure a rapid transition effort.	Early planning was encouraged in a May 2004 letter to agency CIOs and in a pre-award guide dated August 5, 2005, before an expected award date of April 2006.
Mandatory network optimization during transition was largely infeasible.	This is no longer a requirement of contractors during transition. Network optimization reports are still required after transition is complete.

<sup>7</sup> During the last several years of the FTS 2000 contract, agencies agreed to pay a surcharge, in addition to the FTS management fee, that was set aside to account for program management costs associated with the transition to FTS2001.



**Objective 2: FTS Preparation**  
 FTS2001 Transition Lessons Learned

<b>FTS2001 transition lesson learned</b>	<b>Example of how the lesson has been addressed</b>
Program management approach relied extensively on agency action, while agency capabilities to manage it varied.	Networkx requires vendors to work with agencies to develop transition plans that agencies can tailor according to their capabilities. FTS also asked agency transition managers to develop agency transition strategies and plans.
Program management approach relied heavily on FTS2001 contractor actions.	Networkx includes requirements that will permit FTS to exercise oversight of contractor performance and compliance. FTS also provided guidance recommending that agency transition managers review and approve Networkx contractor management plans.
Flexibility is needed to account for the impact of external events on planning.	Networkx provides flexibility by allowing agencies to specify when they would like ordered services to be delivered. This can be used by each agency to account for their specific planning considerations.
Contractors should be held to the contracts' performance requirements during transition.	Networkx includes service level agreements to hold contractors to expected levels of performance throughout the transition.
There were problems obtaining access to local facilities.	Before the contractor commits to a date to install services for an agency, Networkx requires contractors to first obtain commitment from the local access provider to avoid potential delays.
Contractors did not provide sufficient staff to meet contract terms.	Networkx requires contractors to describe their ability to meet transition staffing requirements; those that are not able to support their transition workload will incur a financial penalty.
Some agency sites experienced transition execution delays due to a lack of preparation.	FTS indicated that it is preparing checklists for all FTS2001 service types that will be transitioned and an agency site preparation checklist.



**Objective 2: FTS Preparation**  
FTS2001 Transition Lessons Learned

FTS2001 transition lesson learned	Example of how the lesson has been addressed
Agencies should anticipate the need to upgrade services during transition.	The <i>Networx Pre-Award Transition Guide</i> finalized in August 2005 provides guidance on planning for upgrades.
Agencies were slow to select service providers.	The <i>Taxonomy and Allocation of Transition Costs</i> developed by FTS and the Transition Working Group stipulates that reimbursements for certain transition costs can only be realized if the agency chooses a service provider and places orders within a predefined time frame. FTS indicated that qualifying for such transition credits should encourage agencies to make timely decisions and avoid transition delays.
Agencies were slow to place orders.	
Agencies responsible for delays should bear the costs of those delays.	Networx requires verification of the functionality of contractors' operations support systems prior to processing transition orders or bills. Networx also includes a billing accuracy service level agreement that allows for agency credits if the contractor fails to meet accuracy requirements.
Transition began before contractors had acceptable operations support systems in place.	Inaccurate vendor billing contributed to transition delays.
Relatively high minimum revenue guarantees of \$1.5 billion impacted incentives for timely transition.	

Source: GAO analysis of agency information.





**Objective 2: FTS Preparation**  
 FTS2001 Transition Lessons Learned

Six of the 27 FTS2001 transition lessons learned have not been fully addressed.

FTS2001 transition lesson learned	Remaining issues to be addressed
An accurate inventory prior to contract award is needed and inventory management and validation should be an ongoing effort throughout the life of the contract.	The <i>Networx Pre-Award Transition Guide</i> provides guidance on establishing an accurate inventory prior to contract award. However, FTS has not yet provided guidance to agencies on inventory management or validation.
Roles and responsibilities of FTS, agencies, and service providers for transition activities were not clearly defined.	FTS has clearly defined the roles and responsibilities of parties involved—in briefings, the <i>Networx</i> RFPs, and guidance—but it has not yet clearly defined the roles and responsibilities of the incumbent contractors.
Need for adequate coordination between the gaining and losing vendors should be incorporated in both the incumbent and new vendor contracts.	Networx requires vendors to coordinate and synchronize transition activities with incumbents, however, incumbent requirements are not yet clearly defined.
Measurement of the progress of transition should focus on phase-out as well as phase-in.	While FTS has indicated that it will track the progress made by agencies through the disconnection of current services and the installation of new services, it has not documented its methodology for monitoring and tracking the transition.
Metrics for monitoring of the installation of new services should be established prior to contract award.	
Information from service providers required to measure transition should be specified.	The <i>Networx</i> RFPs include detailed transition reporting requirements, however, incumbent transition reporting requirements have not been finalized.

Source: GAO analysis of agency information.



**Objective 2: FTS Preparation**  
FTS2001 Transition Lessons Learned

FTS officials stated they plan to address all unresolved lessons learned. They stated they are currently working with the FTS2001 contractors to clarify transition roles and responsibilities, responsibilities for reporting requirements, and the coordination and synchronization procedures to be used during transition. In addition, officials stated that guidance on inventory maintenance and a documented transition tracking methodology will be provided in the last few months leading up to contract award.

Enough time remains that FTS should be able to address these unresolved issues. However, until they are resolved it risks facing the very same delays the FTS2001 lessons learned were developed to avoid. Further, until agreements are reached with the incumbent contractors regarding reporting requirements and the incumbents' role in the transition, FTS cannot guarantee that incumbents will comply or be able to comply with FTS's expectations.



**Objective 2: FTS Preparation**  
Guidance Based on Sound Practices

FTS has provided transition planning guidance that fully addresses two of our sound practices.

<b>Sound transition planning practice</b>	<b>Example of how the practice has been addressed</b>
Strategic Analysis of Telecommunications Requirements	Available guidance recommends that agencies involve the enterprise architect to ensure that planning is consistent with enterprise architecture guidance and to determine, based on the level of complexity of the transition, whether any changes should be made before or after the transition.
Resource Identification	Available guidance indicates that necessary staffing and financial resources should be anticipated early and accurately and that agencies should develop a forecast of required resources throughout the transition to Networx. Available guidance also suggests that agencies examine current resources to determine if adequate personnel exists; address shortfalls that may require contractor support; and identify personnel to receive training, and the desired schedule and locations of training.

Source: GAO analysis of agency information.



**Objective 2: FTS Preparation**  
Guidance based on Sound Practices

Guidance has not been provided on aspects of the three remaining practices.

<b>Sound transition planning practice</b>	<b>Aspect of the practice not addressed</b>
Telecommunications Inventory	FTS is compiling a baseline inventory to aid agencies during the transition, but has not provided guidance on establishing an inventory process that can be utilized to maintain telecommunications inventories during and after the transition.
Structured Transition Management Approach	Guidance provided suggests that transition managers should ensure that agencies have adequate internal project management support for the expected transition workload, and, if appropriate, a hierarchy of transition teams at the sub-agency level. However, the guidance reviewed does not address the importance of agency use of project management, configuration management, and change management processes.
Transition Plan	Available guidance indicates that agencies should identify transition goals and develop a prioritized list of tasks and a schedule with key dates to assist in transition management. However, none of the guidance reviewed addressed agencies establishing measures of success or performing a transition-specific risk assessment.

Source: GAO analysis of agency information.



**Objective 2: FTS Preparation**  
Guidance based on Sound Practices

FTS officials stated that they would provide guidance explaining how agencies can use Networkx contractor information to maintain and validate their Networkx inventories, and that more detailed guidance will be provided if requested by agencies. Officials stated that they believe it is not their responsibility to provide guidance on establishing measures of success, using key management processes, and performing risk assessments, and that approaches to these issues should be decided independently by each agency.

Although principal responsibility for the transition rests with individual agencies, FTS has an important program-level responsibility to plan and coordinate the transition. To fulfill this responsibility, it has been actively working with agencies through the Interagency Management Council's Transition Working Group to, for example, address lessons learned and develop pre-transition guidance. However, unless it works with the Interagency Management Council to address the full range of sound practices, the risk exists that agencies may not address these practices fully or consistently, which could, in turn, affect agency's level of preparation and the overall success of the transition. In particular, without guidance on measures of success and the use of key management processes, FTS risks conducting a transition with agencies susceptible to additional costs, delays, and employee resistance to change due to unstructured management approaches to the transition. Further, without guidance on the importance of performing transition-specific risk assessments, FTS risks working with agencies that have not been advised of the importance of implementing appropriate controls to cost-effectively reduce risks and help ensure a smooth transition.



## Conclusions

The agencies reviewed generally plan to employ the sound transition planning practices identified through our research. However, gaps in agency preparation remain. Specifically, DOJ has decided that it will not need additional funding and DOE does not plan to identify human capital needs, even though neither has performed a strategic analysis of their telecommunications requirements. This puts them at risk of underestimating the complexity and demands of the transition effort, and of suffering avoidable disruption of service as a result of unexpected costs or inadequate human capital resources. Enough time remains for agencies to effectively address all the issues we identified, but they need to identify telecommunications inventories and conduct strategic analyses soon because these practices provide inputs for other sound practices.

FTS efforts to prepare for the transition have addressed the majority of the identified FTS2001 lessons learned, and the guidance it has provided at least partially addresses all of the sound transition planning practices we identified. Officials have indicated that they are working to address all lessons learned prior to contract award. However, they do not intend to fully address all sound transition planning practices. Without the development of guidance for utilizing key management practices, establishing measures of success, and performing risk assessments, the federal government risks attempting a transition with inadequately prepared management at FTS and its customer agencies. Adequate, timely guidance is essential to ensuring that all parties involved are aware of the gamut of issues and activities that need to be addressed.



## Recommendations

To ensure that the agencies we reviewed adequately prepare themselves for the transition we recommend

- that the Attorney General ensure that the Department of Justice's planning efforts include an analysis of the extent to which current financial resources will be sufficient to conduct an effective transition; and
- that the Secretary of Energy ensure that the department's planning efforts include identification of human capital resources needed to conduct an effective transition.

To ensure that agencies are adequately prepared for the transition, we recommend that the Administrator of General Services, in working with the Interagency Management Council, develop and distribute guidance to ensure that our identified sound practices of transition planning are utilized. In particular, FTS should ensure that guidance addresses

- the use of project management, configuration management, and change management processes in transition planning efforts;
- the establishment of measures of success to help agencies' managers assess progress toward the objectives stated in their plans; and
- the development of a transition-specific risk assessment that would allow an agency to lessen problems and delays during the transition.



## Agency Comments

Written comments on a draft of this briefing were provided by the General Services Administration. The Departments of Justice and Energy provided comments via E-mail. All three generally agreed with our recommendations and intend to address them. We received technical comments via E-mail from the Department of the Interior that were incorporated as appropriate.

The acting Administrator of General Services agreed with our recommendations and stated that the agency will work with the Interagency Management Council's Transition Working Group to (1) identify key management practices that could be of value to all agencies, (2) establish measures of success that could be of value in assessing progress toward objectives, and (3) develop risk assessment guidelines. Guidance on these issues will be included in a transition planning guide expected to be published in fiscal year 2006.





## Agency Comments

An Audit Liaison Specialist from the Department of Justice's Audit Liaison Group commented, in response to our recommendation, that the department's policies will guide its planning and execution of the transition from expiring FTS2001 services including the identification of the appropriate strategy, funding, and resource elements. While the agency intends to leverage existing resources to support the transition, any additional funding or resources needed will be addressed during planning.

The Audit Liaison Specialist also commented that a 2002 DOJ IT strategic plan identified strategic telecommunications requirements and described a strategic objective to transition to a single, national data network—an effort which is currently underway.

We acknowledge that in 2002 DOJ identified strategic requirements in 2002 related to its data networks, however, these requirements did not address its non-data telecommunications services, which it will have to transition when the FTS2001 contracts expire.

The Associate CIO for IT Operations at the Department of Energy commented that the agency generally agrees with our recommendation and intends to address it.

Appendix I: Briefing to the Staff of the  
Committee on Government Reform, House of  
Representatives, March 24, 2006



**Attachment 1**  
Comments from the General Services Administration



GSA Administrator

March 17, 2006

The Honorable David M. Walker  
Comptroller General  
of the United States  
Government Accountability Office  
Washington, DC 20548

Dear Mr. Walker:

Thank you for the opportunity to review your proposed briefing entitled, "Telecommunications: Agencies Have Begun Planning for Transition to New Governmentwide Program, But Unresolved Issues Remain", received on March 10, 2006. We are pleased to provide the following response.

In the draft report, the Government Accountability Office (GAO) recommends that the Administrator of the General Services Administration (GSA) work with members of the Interagency Management Council (IMC) to develop and distribute guidance to ensure that GAO's identified sound practices of transition planning are followed. In response to GAO's recommendation, GSA will work closely with the IMC Transition Working Group to:

1. Identify key management practices in the management of transition planning efforts that could be of value to all Agencies in the implementation of Agency-specific plans and processes,
2. Establish measures of success that could be of value to Agencies in assessing progress toward the objectives stated in their transition plans, and
3. Develop risk assessment guidelines that could be of value to Agencies in the implementation of Agency-specific transition plans.

These practices, measures and guidelines will be included in the next revision to the IMC Transition Working Group Transition Planning Guide, which we anticipate will be published this fiscal year. Once revised, the Transition Planning Guide will be

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distributed to all Agencies. GSA believes that this approach will meet the requirements of GAO's recommendation in a way that can be most effectively implemented by the Agencies. Again, we appreciate the opportunity to review the draft document.

Sincerely,

David L. Bibb  
Acting Administrator

# Appendix II: Comments from the General Services Administration



GSA Administrator

May 24, 2006

The Honorable David M. Walker  
Comptroller General  
of the United States  
Government Accountability Office  
Washington, DC 20548

Dear Mr. Walker:

Thank you for the opportunity to review your proposed report entitled, "Telecommunications: Full Adoption of Sound Transition Planning Practices by GSA and Agencies Could Improve Planning Efforts," received on May 12, 2006. We are pleased to provide the following response.

In the draft report, the Government Accountability Office (GAO) recommends that the Administrator of the General Services Administration (GSA) work with members of the Interagency Management Council (IMC) to develop and distribute guidance to ensure that GAO's sound practices of transition planning are followed. In response to GAO's recommendation, GSA will work closely with the IMC Transition Working Group (TWG) to:

1. Disseminate GAO's sound practices of transition planning through the IMC TWG and post them on the planned GSA Network - Transition website.
2. Reach consensus on transition planning definitions for: key management processes of project management, configuration management, change management, measures of success, and risk assessments.
3. Develop general guidance for each process for dissemination to all agencies in the implementation of agency specific plans and processes.
4. Establish measures of success to be used by agency managers in assessing progress toward achieving the objectives stated in their transition plans.
5. Develop risk assessment guidelines for use by agencies in the preparation of agency-specific transition plans that will lessen problems and delays during the transition.

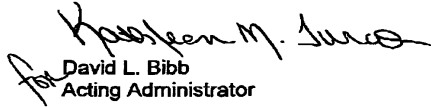
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Discussions and planning activities have been initiated in the IMC TWG to address GAO's recommendations. Processes and guidelines developed by GSA and the TWG will be included in the next revision of the IMC TWG Transition Planning Guide to be distributed to all Agencies before December 2006.

Again, we appreciate the opportunity to review this proposed document.

Sincerely,

  
David L. Bibb  
Acting Administrator

# Appendix III: Comments from the Department of the Interior



United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240



MAY 26 2006

Mr. James Sweetman  
Assistant Director, Information Management Issues  
Government Accountability Office  
441 G Street, NW  
Washington, D.C. 20548

Dear Mr. Sweetman:

The Department of the Interior (DOI) reviewed the GAO Draft Report entitled, "Telecommunications: Full Adoption of Sound Transition Planning Practices by GSA and Selected Agencies Could Improve Planning Efforts" and generally agrees with the findings and recommendations. DOI agrees with the assessment that the General Services Administration (GSA) address all lessons learned from the FTS2000 to FTS2001 transition. Of specific concern is that GSA provide accurate and meaningful inventory detail and tools to adequately facilitate the acquisition and vendor selection process. DOI, through the Interagency Management Council participation, will continue to work with GSA to support its strategic direction and complete outstanding planning tasks.

DOI is implementing the five guiding principles GAO identified as sound transition planning practices. Nevertheless, DOI has concerns with the difficulty of transitioning services from the FTS2001 to Networx contracts. DOI is reliant on GSA actions in order to timely allocate resources for the transition.

Thank you for the opportunity to comment. If you have any questions, please contact Mr. W. Hord Tipton, Office of the Chief Information Officer, at 202-208-6194.

Sincerely,

A handwritten signature in black ink that reads "R. Thomas Weimer".

R. Thomas Weimer  
Assistant Secretary – Policy, Management  
and Budget

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