

**SURVEY OF THE FEDERAL
ACQUISITION SERVICE ORGANIZATION
REPORT NUMBER A070122/Q/A/P08006**

JULY 30, 2008



U.S. GENERAL SERVICES ADMINISTRATION
Office of Inspector General

Date: July 30, 2008

Reply to
Attn of: Deputy Assistant Inspector General for Acquisition Audits (JA-A)

Subject: Survey of the Federal Acquisition Service Organization
Report Number A070122/Q/A/P08006

To: James A. Williams
Commissioner, Federal Acquisition Service (Q)

This report presents the results of our survey of the Federal Acquisition Service (FAS) organization. Our survey found that FAS has had a number of successes with regards to its development. FAS management has established an organizational structure that is based on the products/services provided to customer agencies. Other achievements include: management's advancement towards the integration of its technological assets for uniformity, the implementation of various process improvement initiatives, the establishment of the FAS Management Council, and consistent management of the new Acquisition Services Fund.

However, we also found that challenges exist that impact FAS employees and customer agencies. Some of the most notable impediments are: managing and maintaining legacy systems; maintaining a strong and dedicated management council; administrative challenges, including elimination of references to the Federal Technology Service and Federal Supply Service; and assessing the fee structure to ensure that it meets the financial needs of the new organization in the most efficient manner. In addition, employees located in FAS regional offices face the challenge of balancing their local responsibilities with their responsibilities to their national reporting organizations.

If you have any questions, please contact me on 703-603-0189.

A handwritten signature in black ink that reads "Kenneth L. Crompton".

Kenneth L. Crompton
Deputy Assistant Inspector General for Acquisition Audits (JA-A)



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INTRODUCTION

Background

On October 6, 2006, Congress enacted Public Law 109-313, the General Services Administration Modernization Act (the Act), which established the Federal Acquisition Service (FAS). The FAS is a consolidation of what was previously the U.S. General Services Administration's (GSA) Federal Technology Service (FTS) and Federal Supply Service (FSS).

Prior to implementation, the vision for FAS was to support strategic sourcing efforts across the government by providing greater efficiency, effectiveness, and consistency with internal operations. The GSA was to utilize FAS as a means to provide superior customer service by providing goods and services to federal government agencies at the best value. In the first organizational design plans, GSA developed a list of guiding principles for FAS' development:

- Provide clear lines of accountability for business results
- Minimize redundancy of functions
- Provide easy access for customers to reach GSA's services
- Facilitate matching workforce to changing workloads
- Improve retention of key competencies in GSA's workforce
- Streamline/consolidate transaction processing to lower overhead costs
- Support services should partner with business units

With the establishment of FAS, the GSA has been tasked with merging two services, FSS and FTS, with diverse cultures and methodologies into one cohesive organization operating under one FAS commissioner. The creation of FAS has caused a major transformation of not only the organizational framework of GSA, but has also had a great impact on the agency's employees, customer agencies, and the federal acquisition environment.

Objectives, Scope, and Methodology

Our survey objective was to determine whether the FAS organization has achieved the benefits and guiding principles it was designed to accomplish.

To accomplish the survey objective we interviewed several FAS management officials and reviewed materials developed by FAS management pertaining to the FAS organization. We also reviewed studies performed for various portfolios including the Office of General Supplies and Services (GSS) and the Office of Assisted Acquisition Services (AAS); reviewed strategic plans; budgetary, revenue, and staffing information; and examined FAS' process improvement initiatives.

The survey work was performed in FAS facilities in Crystal City during the period February 2007 through February 2008 and additional audit work was performed in June through July 2008. This survey was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the survey to obtain sufficient, appropriate evidence to provide a reasonable basis for our observations based on our survey objectives.

RESULTS OF SURVEY

Since its establishment, management has taken steps to build the Federal Acquisition Service (FAS) into an organization that will meet its needs and goals. FAS management has established an organizational structure that is based on the products and/or services provided to customer agencies; is taking steps to integrate its technological assets for uniformity; has implemented various process improvement initiatives, including Lean Six Sigma (LSS), new performance measures, and the FAS Management Council; is assessing its geographical locations in Washington, D.C.; and is managing a new financial fund.

While FAS has had a number of successes with regards to its development, challenges exist that impact FAS employees and customer agencies. Some of the most notable impediments are: managing and maintaining legacy systems; maintaining a strong and dedicated management council; administrative challenges, including elimination of references to FTS and FSS; and assessing the fee structure to ensure that it meets the financial needs of the new organization in the most efficient manner. In addition, employees located in FAS regional offices face the challenge of balancing their local responsibilities with their responsibilities to their national reporting organizations.

In order to address these challenges, management should apply workforce and knowledge planning practices to ensure FAS always has the necessary staff to manage FAS' existing and future systems. In addition, FAS' Management Council would benefit from the use of additional organizational documentation, such as a charter, in order to ensure the council accomplishes its intended purpose. To achieve consistency across the FAS organization, management should develop and implement organization codes and functional statements effectively and in a timely manner. As FAS develops further, it is essential that FAS management continues to monitor and adjust its space needs as appropriate to operate as efficiently as possible. Management should have the necessary contractor oversight in place to ensure the work the contractor performs is in accordance with federal service contracting guidance. Finally, management should be aware of and address the challenges that accompany the transition to the new Acquisition Services Fund.

We recognize the transformational change FAS has undertaken will take years to fully implement. It has been reported by the Government Accountability Office (GAO) that transformation change typically takes about five to seven years, and sometimes as many as 10 years. While we do not feel that FAS has achieved all of the benefits and guiding principles it was designed to accomplish, given the magnitude of the change that FAS has undertaken and the initiatives that are already underway, we are not making recommendations as part of this review. We do believe the organization's progress should be monitored carefully by management. It is essential that FAS continue to advance in all aspects of the consolidation and transition and we believe that the legislative, regulatory, and oversight functions are currently in place to ensure that this progression continues.

FAS Organizational Structure

The FAS Central Office and regional organizational structure has evolved from its conception and will continue to evolve as efficiencies in processes are realized. As of January 2008, the FAS structure consisted of 11 offices in Central Office and, 11 regional offices. The following is an overview of both the FAS Central Office and FAS regional office organizational structures.

FAS Central Office Structure

In FAS' early stages of development, there were nine offices. These consisted of the following:

- Office of the Commissioner. The Office of the Commissioner is responsible for providing leadership and overall executive and program direction to ensure the mission and responsibilities of FAS are effectively carried out. This office includes the Commissioner, Deputy Commissioner, Chief of Staff, and support staff.
- Office of Administration. The Office of Administration is responsible for human capital planning and analysis, employee development and training programs, competitive sourcing program management, emergency management, and facility management and associated support services.
- Office of the Controller. The Office of the Controller is responsible for financial analysis and budget formulation. This office provides financial guidance and procedures, manages the audit resolution and internal controls programs, serves as financial audit liaison, and carries out financial service center operations.
- Office of the Chief Information Officer. The Office of the Chief Information Officer is responsible for developing and managing applications and systems in support of the FAS business lines and staff offices. This office also implements information security controls.
- Office of Customer Accounts and Research. The Office of Customer Accounts and Research is responsible for developing strategic national account teams that support agencies by providing a wide range of information about the acquisition vehicles and solutions that FAS offers. It performs outreach activities through brand management and development of customer-oriented materials. In addition, the office conducts analyses of market and customer intelligence to assist FAS in developing business specific solutions and strategic business plans.
- Office of Acquisition Management. The Office of Acquisition Management is responsible for implementing the acquisition program policies established by the GSA Chief Acquisition Officer. It manages acquisition workforce training needs, performs contract reviews, and carries out contract and supplier management activities. This office serves as the focal point for the review of service-wide acquisition issues and programs, as well as for Schedules program management across FAS.
- Office of General Supplies and Services. The Office of General Supplies and Services is responsible for managing the FAS supply operations program, which includes associated acquisition and supply chain services, and oversees assigned Schedules for services. This office also manages a governmentwide program for the utilization of excess personal property and the donation and sale of surplus personal property.
- Office of Travel, Motor Vehicle and Card Services. The Office of Travel, Motor Vehicle and Card Services is responsible for developing and managing programs for the acquisition of travel and transportation services and charge card services; auditing the Government's worldwide transportation billings to identify overpayments and seeking recovery for the Federal Government; and purchasing vehicles for agencies that own and manage their vehicle fleets. This office also manages the GSA Fleet, which provides leased vehicles and commercial fuel, maintenance, and repair services.
- Office of Integrated Technology Services. The Office of Integrated Technology Services is responsible for developing and managing programs for the acquisition of information

technology and telecommunications products and services, and managing the delivery of network services solutions to Federal agency customers worldwide.

With the implementation of GSA Order ADM 5440.591, Change 1, dated October 12, 2006, the following two offices were added to the FAS Central Office structure:

- Office of Strategic Business Planning and Process Improvement. The Office of Strategic Business Planning and Process Improvement is responsible for managing strategic business planning for FAS, internal and external communications media, and the performance management program and processes. This office also leads business process design and reengineering activities and a policy management program, and will house the Project Management Office for FAS Implementation.
- Office of Assisted Acquisition Services. The Office of Assisted Acquisition Services complements the programs of the Integrated Technology Services portfolio and is responsible for providing acquisition, technical and project management services that assist agencies in acquiring and deploying information technology and professional services solutions. As of June 27, 2008, FAS has completed the streamlining of this office by moving 251 personnel to other components within GSA. The personnel move was a result of sustained and projected losses within this office.

Regional Structure

FAS has offices in each of GSA's 11 regions, similar to what FSS and FTS had prior to the establishment of FAS. These regions are:

- Region 1: New England Region (located in Boston, MA)
- Region 2: Northeast & Caribbean Region (location in New York, NY)
- Region 3: Mid-Atlantic Region (located in Philadelphia, PA)
- Region 4: Southeast Sunbelt Region (located in Atlanta, GA)
- Region 5: Great Lakes Region (located in Chicago, IL)
- Region 6: Heartland Region (located in Kansas City, MO)
- Region 7: Greater Southwest Region (located in Fort Worth, TX)
- Region 8: Rocky Mountain Region (located in Denver, CO)
- Region 9: Pacific Rim Region (located in San Francisco, CA)
- Region 10: Northwest/Arctic Region (located in Auburn, WA)
- National Capital Region (located in Washington, D.C.)

During the early discussions of establishing FAS, management considered operating on a six-zone structure. The zone offices were each to have a Zonal FAS executive and staff reporting to the Assistant Regional Administrator for that zone. FAS staff employed under National programs were to report to National Program Managers/Commissioner while FAS staff conducting local customer service delivery programs were to report to the zonal FAS executive/Regional Administrator. Although this new structure was considered, a review of this design and FAS' customer base determined that revisions to the proposed zonal structure were necessary. On October 12, 2006, a change to GSA Order ADM 5440.591 announced the abolishment of the zonal structure and a return to the 11-region arrangement. Although, there is an FAS presence in every region, not all FAS programs exist in every regional location. One of the challenges employees located in FAS regional offices continue to face is balancing their local

responsibilities with their responsibilities to their national reporting organizations. As with the Central Office structure, FAS will also continue to evaluate the efficiencies and effectiveness of the Regional Structure and make changes as needed.

FAS Technology and Legacy Systems

FAS' Office of the Chief Information Officer (CIO) is tasked with integrating assets previously operated by either FTS or FSS, thereby enhancing the uniformity in that FAS would use a common systems and standard methodology. This could also lower expenses by re-using assets utilized by either FTS or FSS for FAS. Currently, FAS is using 17 major systems and 47 non-major systems. The FAS CIO has also established an FAS Information Technology Resources Board (ITRB) with the purpose of overseeing all budgetary decisions from an enterprise-wide IT business focus. The ITRB is also responsible for ensuring the prioritization and implementation of IT investment decisions across FAS in a cost-effective, efficient and consistent manner aligned with FAS business objectives. The FAS ITRB aligns functionally with OMB Circular A-11 guidance for capital planning and GSA Order CIO 2135.2, GSA Information Technology (IT) Capital Planning and Investment Control.

FAS and the Office of the Chief Information Officer face several challenges in managing and maintaining legacy systems. This includes the coding of legacy systems, and ensuring that there are adequate security and performance measures in place. One such legacy system within FAS is FSS-19. FSS-19 is an end-to-end order processing system that performs all major functions of the ordering process and inventory management at GSA Global Supply depots. FSS-19 supports over 210,000 external customer agency users. FSS began using it in 1980 operating under a COBOL batch-processing environment. While COBOL coders still remain in the workplace, their numbers are diminishing. In addition, with the rise of more modern languages, newer software developers are not learning COBOL. FAS management indicated another impediment with FSS-19 is that it was written in the 1970s, implemented in the 1980s, and only follows the business rules of two organizations, GSA and the Defense Logistics Agency. The maintenance of FSS-19 and other legacy systems is a long-term challenge. An immediate challenge is for management to effectively and continually practice workforce and knowledge management¹ planning, which are critical to ensure that FAS has sufficient and appropriate staff now and for the future and is utilizing the appropriate systems to satisfy the goals and needs of the organization.

Process Improvement Initiatives

FAS' Office of Strategic Business Planning and Process Improvement, in collaboration with other FAS business units, is tasked with developing new and cross-cutting ideas about how FAS can utilize optimized and standardized business processes to execute FAS' strategic plans. To fulfill this process improvement initiative, FAS has implemented Lean Six Sigma (LSS), developed new performance measures, and founded the FAS Management Council.

¹ Knowledge Management is the act of getting the right information to the right people at the right time, and helping people create knowledge and share and act upon information in ways that will measurably improve the performance of an organization.

Lean Six Sigma

LSS is a management approach that emphasizes process efficiency and effectiveness. After an evaluation of multiple process improvement models, FAS management decided that LSS would be the best fit for the FAS organization. The LSS Steering Committee was finalized in October 2007, and organized to provide high-level and operational input into FAS' process improvement program. On December 13, 2007, a draft charter was developed which outlines the activities and responsibilities of the LSS Steering Committee. In order to fully achieve support and understanding of this initiative, management needs to finalize and communicate this charter to its members and the FAS community. FAS management identified nine² LSS projects listed below. Once the LSS evaluation has been completed for each project, FAS will implement the process and evaluate its effectiveness and/or efficiencies.

Lean Six Sigma (LSS) Projects		
Project Title	FAS Lead Portfolio	Est. Completion Date
Customer Interaction Rules of Engagement	Customer Accounts and Research	Completed October 2007
Distribution Operations – Export Processing	General Supplies and Services	Completed February 2008
FEDSIM OPM-3 Project Management Standards Development	Assisted Acquisition Services	Completed March 2008
CIO IT Governance Development	FAS Chief Information Officer	Original Completion Date: April 2008 (Project Moved under FAS CIO)
Multiple Award Schedules Modification	Acquisition Management	Completed April 2008
IOA Standardization and Consistency	Acquisition Management	Completed June 2008
Personal Property – Sales Delinquent Payments	General Supplies and Services,	To Be Determined
Personal Property – Utilization & Donation e-Authentication	General Supplies and Services	To Be Determined
Regional IT Solutions Commodity Buy Process ¹	Assisted Acquisition Services	Discontinued

Upon the launch of the “Customer Interaction Rules of Engagement” project, the Customer Account and Research (CAR) Lean Six Sigma team realized that additional data was necessary to complete the project. The project changed into an effort to develop better data and that revised project was completed in October 2007. The project titled “Distribution Operations – Export Processing” was successfully completed in February 2008. As a result of the project, management in the Office of General Supplies and Services (GSS) has received recommendations on how to improve their operations. GSS will be responsible for implementing the recommendations from the project with assistance from the Office of Strategic Business Planning and Process Improvement. The “FEDSIM OPM-3” project, completed in March 2008, resulted in two subsequent projects focused on reducing the cycle time for task

² The Regional IT Solutions Commodity Buy Process was one of the initial nine Lean Six Sigma (LSS) projects. It has been subsequently discontinued because it was deemed unsuitable for the LSS program.

order award and reducing the cycle time to modify GWAC task orders. The goal of the “Multiple Award Schedules Modification” project was to reduce cycle time in processing modifications while also maintaining quality and integrity within the process. This project was completed in April 2008. The “Industrial Operations Analyst (IOA) Standardization and Consistency” project was completed in June 2008 with the goal of improving the predictability of contractor visits. Lastly, management decided that the project titled “CIO IT Governance Development” was not suited to the Lean Six Sigma Program and it has since been undertaken by the FAS CIO.

As LSS projects are completed, new LSS initiatives will be identified. The LSS committee has identified and developed the following phases for the LSS Program and is currently operating in Phase 1:

- Phase 0: Program Launch
- Phase 1: Program Building
- Phase 2: Program Maturation
- Phase 3: Program Maturity and Renewal

Performance Measures

Since the establishment of FAS, management has developed specific performance measures for each FAS office. These performance measures have been aligned to accomplish both GSA and FAS missions. Currently, performance measures are reviewed annually and modified as appropriate. We recognize that performance measures will change as the organization continues to evolve. Therefore, we will include a review of performance measures in our future internal audits of the FAS organization.

FAS Management Council

The FAS Management Council is comprised of the FAS Commissioner and Deputy Commissioner, FAS Chief of Staff, all FAS Assistant Commissioners, all FAS Assistant Regional Administrators, and two GSA Regional Administrators. This Council meets quarterly to provide a forum for senior management officials to address issues of concern, identify priorities and issues that are corporate in scope, provide consensus-based recommendations to the Commissioner, work and resolve issues before they become problematic, and provide a corporate approach to fiscal issues. During the formation of the FAS Management Council, a draft governance structure was developed with the goal of clearly defining the decision-making process across the organization. Although the governance structure has obtained endorsement from FAS senior leadership, it has not yet been finalized.

To ensure that the Council fulfills its purpose and serves the FAS community to the fullest extent possible, a finalized charter, objectives, minutes, and other organizational documentation should be in place.

Administrative Accomplishments and Issues

FAS has made progress toward achieving both its human capital and administrative goals. A five-year Human Capital Strategic Plan for FAS has been developed and finalized in March

2008. The purpose of the plan is to facilitate the management of human capital resources to effectively accomplish the FAS mission and provide quality customer service. The plan also sets forth FAS' human capital goals, objectives and broad-based initiatives that will be prioritized and implemented over the next five years. Additionally, in the hopes of becoming a more streamlined organization, FAS has reduced its full-time staff by nearly 13% from October 2006 to April 2008. FAS is also working to implement an employee recognition program through performance awards based on performance measures and balanced score card results. In addition, FAS management has developed the Commissioner's Award, which recognizes the accomplishments of FAS employees who have made extraordinary contributions to the success of the FAS organization. Finally, management has developed a Strategic Business Plan for the entire FAS organization. As of July 2008, the Strategic Business Plan has been vetted through management and is in the process of document design for printing and distribution to the FAS employees.

With the establishment of FAS, there are also a number of administrative challenges to address. These include the following:

- Developing and finalizing lower level organization structures to more easily identify reporting supervisors. GSA is making strides in developing FAS organization codes with the objective of aligning employees to the new FAS organization. Once these organization codes are fully defined, FAS employees will be assigned to their appropriate code.
- Ensuring that email addresses for FAS employees are aligned with the appropriate defined and assigned FAS organization codes. Currently, there are some employees whose user names in Lotus Notes do not reflect their current FAS position or organization. This endeavor is being led by the GSA Office of the Chief Information Officer.
- Ensuring all FAS employees' organization codes are updated in the employee directory once the codes are determined.
- Developing functional statements for FAS, which will communicate the mission of the organization. Functional statements for FAS organizations located in Central Office are the responsibility of the Office of the Controller. However, Regional Administrators (RA) and Assistant Regional Administrators (ARA) are responsible for the functional statements for their regional organizations.
- Ensuring the Comprehensive Human Resources Integrated System (CHRIS) reflects FAS personnel's current organization code, position, and performance plan and appraisal record.

The U.S. Government Accountability Office (GAO) issued a publication on Mergers and Transformation³ which concluded that successful private sector mergers and acquisitions determine at the earliest opportunity the essential systems and processes that will need to be consistent across the organization. The consistency of systems and processes can send a powerful message about the seriousness of the effort to create a coherent organization and the speed at which that effort will take place.

FAS management must decide on and enforce a timeline for which they will stop using the FTS and FSS organization codes. In addition, FAS should establish a time-phased plan of action to

³ GAO-03-293SP HIGHLIGHTS OF A GAO FORUM: Mergers and Transformation: Lessons Learned for a Department of Homeland Security and Other Federal Agencies, November 2002

address the finalization of mapping employees to organizational components within FAS. FAS management should consider organizing a focused campaign to encourage employees to update their directory information. Further, all FAS offices should review, evaluate, and revise their position descriptions for alignment with the organizational and specific office's mission. FAS management indicated as of July 2008, the FAS Office of the Chief Information Officer was about 70% complete in its efforts to update employee position descriptions with an aim to complete the effort by the end of August 2008. Until all of these changes are realized, employees and the FAS community may struggle in fully embracing the new organization.

Geographical Issue

Within the Washington, D.C. area, FAS has staff working in four different locations. These locations are:

- Arlington, VA (Crystal City Location)
- Fairfax, VA (Willow Wood Location)
- Alexandria, VA (Metro Park Location)
- Washington, D.C. (Central Office Location)

Some FAS employees had offices in more than one Washington, D.C. area location, which resulted in idle work space and additional rental costs. FAS has taken action to reduce the amount of space needed in the Washington, D.C. area by assessing their space needs and efficiently using the space available. As of June 2008, FAS has streamlined its locations in the Washington, D.C. area, eliminating over \$4 million in annual rent. This included the elimination of FAS space in Central Office, Metro Park, National Capital Region, and the consolidation of the space at Willow Wood. FAS management should continue to monitor and adjust its space needs as appropriate, not only in Central Office, but also in the regions, to operate as efficiently as possible.

Contract Personnel

FAS employs approximately 3,600 employees. In addition, there are over 1,400 contract personnel within FAS. According to their position descriptions, contract personnel are performing a wide variety of services, including, but not limited to: customer service, software development, writing, administrative support, and contracting assistance. While we recognize that all job duties cannot be listed on a position description, the Federal Acquisition Regulation (FAR) and the Office of Federal Procurement Policy (OFPP) have issued guidance addressing contracting for services, including those services that closely support the performance of inherently governmental functions. This guidance states that services that tend to affect government decision making, support or influence policy development, or affect program management are susceptible to abuse and require a greater level of oversight. With the development of FAS, management should ensure that there are a sufficient number of qualified government employees providing oversight to verify that the work performed by contract personnel is in accordance with FAR and OFPP requirements and directives.

Fees/Rates

The Acquisition Services Fund (ASF) is a new fund that combines the General Supply Fund and the Information Technology Fund, which FTS and FSS used in the past. The ASF is industrially funded. FAS management has been proactive in managing this new fund; however, we have identified some areas which require ongoing monitoring. The Office of Assisted Acquisition Services recently established a new rate policy. FAS management should continue to monitor the impact and possible repercussions of its new rate policy.

Acquisition Services Fund

On October 6, 2006, Congress established the ASF, which combined the General Supply Fund and the Information Technology Fund. This consolidation fused FTS and FSS operations under one umbrella to finance FAS. FAS operates primarily under revolving fund authority, which requires that the organization fully recover all costs (salaries, benefits, operational costs) using its estimated fees/rates. FAS charges Federal agencies these fees/rates for services rendered and commodities provided. The fees/rates will vary depending on the type of service FAS provides.

Since the fund's inception, FAS management has actively reviewed all aspects of the fund by reviewing the allocation system annually and adjusting it as necessary; and by monitoring expenses and reducing them when possible. While we support how FAS management has been proactive with their management of the fund, we have identified some challenges that should be addressed. These challenges include:

- Finalizing all of FAS' organizational components so that costs associated with the organization can be properly accounted for.
- Continuing to monitor the financial viability of each of its offices and take appropriate action as necessary. FAS is currently doing this with its Office of Assisted Acquisition Services.
- Monitoring its fees to ensure that it is charging the correct fees to fully recover all costs.
- Ensuring that FAS' financial system incorporates all the elements of FAS, which provides for diverse products and services.

Assisted Acquisition Services Fees

FAS strives to offer products and services to client agencies at a competitive price and reasonable fee. The Office of Assisted Acquisition Services established a new rate policy in July 2007. The flat rates were designed to cover the costs of basic assisted acquisition services, which include:

- Review of statement(s) of work, deliverables, acquisition planning, project or delivery schedules, and contract award; and
- Conducting a competitive acquisition to award; managing client funding and contractor payments; and task order closeout.

CONCLUSION

Transforming a large organization is a challenging endeavor. It requires a comprehensive, strategic approach that takes leadership, time, and commitment. FAS continues to move forward in its vision to deliver the foremost in acquisition services. FAS has made strides in developing

an effective acquisition organization and fulfilling the guiding principles it was designed to accomplish. However, challenges exist that impede the realization of FAS' vision. Management needs to continue to address the existing and future challenges and ensure that FAS delivers excellent acquisition services and best value for the government and the taxpayer.

INTERNAL CONTROLS

This review was limited in scope to the issues raised in the survey of FAS. Thus, an evaluation of internal controls was limited to the items mentioned in the Results of Survey section.

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