Overview

- Growth in Cash in FY 2013
- Components of FY 2014 C&C Policy
- Summary
- Appendix: Capital Projects
Cash increased by $318.9 million from September 30, 2012 to September 30, 2013
### Explanation for Change in Cash ($ in 000,000)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning FY 2013 Cash Balance</td>
<td>1,095.2</td>
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<tr>
<td>↑ Net Operating Results (Equity Account)</td>
<td>102.4</td>
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<tr>
<td>↑ Fleet Capital Balance (Equity Account)</td>
<td>84.4</td>
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<tr>
<td>↓ Inventory Capital Balance (Asset Account)</td>
<td>51.9</td>
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<tr>
<td>↑ Equipment Capital Balance (Equity Account)</td>
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<tr>
<td>↑ Accounts Payable (Liability Account)</td>
<td>93.7</td>
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<tr>
<td><strong>Total Increases to Cash</strong></td>
<td><strong>345.5</strong></td>
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<tr>
<td>↑ Accounts Receivable (Asset Account)</td>
<td>-20.3</td>
</tr>
<tr>
<td>↓ Cash - Return to Treasury (Asset Account)</td>
<td>-6.3</td>
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<tr>
<td><strong>Total Decreases to Cash</strong></td>
<td><strong>-26.6</strong></td>
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<tr>
<td><strong>Total Net Change in Cash</strong></td>
<td><strong>318.9</strong></td>
</tr>
<tr>
<td>Ending FY 2013 Cash Balance</td>
<td><strong>1414.1</strong></td>
</tr>
</tbody>
</table>
Operating variability - $265.8 million

- To fund the normal cash fluctuations, excluding fleet purchases, in payables/receivables, inventory, and net operating results.

- Greater of:
  - Largest difference between beginning FY balance to trough, or
  - Average difference between beginning balance to trough + 2 standard deviations.
Fleet variability - $248.3 million

- To fund cyclical process of purchasing vehicles
- Greater of:
  - Largest difference between beginning FY balance to trough, or
  - Average difference between beginning balance to trough + 2 standard deviations ✓
# Capital Projects

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<tbody>
<tr>
<td>General Capitalized Equipment &amp; Software</td>
<td>26,408</td>
<td>9,132</td>
<td>22,509</td>
<td>3,339</td>
<td>2,416</td>
<td>28,265</td>
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<tr>
<td>SCM - eBusiness Platform</td>
<td>8,363</td>
<td>6,019</td>
<td>21,180</td>
<td>19,541</td>
<td>9,057</td>
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<td>SCM - eCommerce</td>
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<td>2,583</td>
<td>3,617</td>
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<td>AAS Strategic Direction RBA/NBA</td>
<td>12,000</td>
<td>11,810</td>
<td>14,208</td>
<td>4,392</td>
<td>3,617</td>
<td>22,216</td>
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<td>Networx Transition</td>
<td>8,000</td>
<td>2,521</td>
<td>903</td>
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<td>903</td>
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<td>Regional Telecom Modernization</td>
<td>10,180</td>
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<td>4,958</td>
<td>8,138</td>
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<td>SATCOM</td>
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<td>2,226</td>
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<td>OASIS</td>
<td>2,033</td>
<td>957</td>
<td>4,159</td>
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<td>62</td>
<td>4,901</td>
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<td>FSSI Implementation</td>
<td>5,000</td>
<td>4,098</td>
<td>10,967</td>
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<td>8,800</td>
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<td>IAE</td>
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<td>12,883</td>
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<td>FAME Recompete</td>
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<td>15,000</td>
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<tr>
<td>Total Workplace</td>
<td>200</td>
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<td>19,400</td>
<td>68,700</td>
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<td>206,100</td>
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<td>18F</td>
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<td>700</td>
<td>9,767</td>
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<td>Business Intelligence</td>
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<td>Closing of the Distribution Centers</td>
<td>3,901</td>
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<td>3,403</td>
<td>51,066</td>
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<td>Common Acquisition Platform</td>
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<td>2,887</td>
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<td>Reverse Auctions</td>
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<td>2,620</td>
<td>2,387</td>
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<td>Spend Assessments and Savings Guarantees</td>
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<td>Category Management</td>
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<td>Acquisition Workforce Rotational Program</td>
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<td>MAS Redesign</td>
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<td>FCCX</td>
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<td>-</td>
<td>750</td>
<td>-</td>
<td>-</td>
<td>750</td>
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<tr>
<td>Pilots for New Business Opportunities</td>
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<td>-</td>
<td>3,750</td>
<td>7,500</td>
<td>-</td>
<td>11,250</td>
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<td>Shared Service Offerings</td>
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<td>-</td>
<td>37,500</td>
<td>75,000</td>
<td>-</td>
<td>112,500</td>
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<tr>
<td><strong>Total Investment</strong></td>
<td><strong>119,287</strong></td>
<td><strong>53,060</strong></td>
<td><strong>144,699</strong></td>
<td><strong>319,499</strong></td>
<td><strong>365,233</strong></td>
<td><strong>829,432</strong></td>
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<tr>
<td><strong>Total Capital Projects Requirement</strong></td>
<td><strong>889,932</strong></td>
<td><strong>889,932</strong></td>
<td><strong>889,932</strong></td>
<td><strong>889,932</strong></td>
<td><strong>889,932</strong></td>
<td><strong>889,932</strong></td>
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</table>
## Summary FY13/FY14 C&C Plan Comparison

<table>
<thead>
<tr>
<th>ASF Fund Target</th>
<th>FY13 C&amp;C Plan</th>
<th>FY14 C&amp;C Plan Recommendation</th>
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</thead>
<tbody>
<tr>
<td>End of Prior Fiscal Year Balance</td>
<td>1,095.2</td>
<td>1,414.1</td>
</tr>
<tr>
<td>Operating Variability</td>
<td>251.0</td>
<td>265.8</td>
</tr>
<tr>
<td>Fleet Capital Balance</td>
<td>260.2</td>
<td>248.3</td>
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<tr>
<td>Capital Projects</td>
<td>577.7</td>
<td>889.9</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>1,088.9</strong></td>
<td><strong>1,404.0</strong></td>
</tr>
<tr>
<td>Amount Returned to Treasury</td>
<td>6.3</td>
<td>10.1</td>
</tr>
</tbody>
</table>
APPENDIX

Proposed Capital Projects Detail
General Capitalized Equipment & Software

- Supports the purchase of extended life assets such as equipment, software, and furniture needed to operate FAS business lines

- The major reduction in this line item is due to moving up the close-out of the Distribution Centers resulting in a reduced need for warehouse equipment

- FY 2014 – FY 2016: $28.3 million
eBusiness Platform

- To deliver improved service, competitive prices, timely delivery and a wider range of products and services to customers.

- Migrating from a depot centric fulfillment model to one based on direct vendor fulfillment.

- Consolidation of retail operations into a single model, based on the successfully piloted USMC 4PL stores.

- Defense Logistics Management System (DLMS) compliant e-business interfaces with DoD by 2015

- Sun-setting of legacy point of sale, order processing and related systems

- Improve the vendor pricing in the GSA-Enhanced Check-Out System to allow FAS to meet DoD mandates and retire several legacy systems

- FY 2014 – FY 2016: $49.8 million
Begins the development of a vision, strategic alternatives, recommended path forward; and implementation plan that result in a standardized, streamlined, simplified and digitized acquisition process and the development of a new eCommerce strategy and platform for commodities.

The scope of FAS’s offerings—and the insight this scope of activity could give into our customer’s business—is one of the enterprise’s most valuable strategic assets and a key differentiator over other service providers.

Overcome the decentralized nature of federal procurement by putting in place centralized procurement platforms that offer benefits that cannot be delivered by any other organization, be it an internal or external agency procurement organization or a vendor.

FY 2014 – FY 2016: $6.2 million
Convergence of the National Business Application (NBA) and the Regional Business Application (RBA) – ASSIST

Foster AAS as a first choice in leading successful acquisitions and helping to shape the overall context of the Federal Acquisition Service across the entire acquisition lifecycle focusing on acquisition and financial compliance

End-to-end electronic contracting including digital signature, completion of the Electronic Contract File, and further automation of process-steps and acquisition-types that are still currently being conducted manually.

Single platform so that integration efforts only need to be accomplished once. This includes additional integration with SAM and GSA Applications.

Greater degree of transparency to our client agencies and reduced cost-of-doing-business for our contractors

End State – a cloud-ready, mobile-device enabled, fully-electronic, fully-integrated turnkey solution for all assisted acquisitions across the agency

FY 2014 – FY 2016: $22.2 million
Networx Transition

- A number of customers had delays transitioning over to the new Networx contract in FY 2013, so this year’s C&C Plan requests funds to aid agencies that still need to transition.

- In FY 2011, reached a $60.5 million settlement with the Department of Justice for overcharges under this contract.

- FY 2014 – FY 2016: $903 thousand

- FY 2014 – FY 2016: $60.5 million
Modernization of ITS infrastructure to continue providing best-value telecommunications and networking solutions to federal agencies through current and replacement contracts

Facilitate customer transitions to Internet-Protocol-based broadband solutions (VOIP)

Funds initial or start-up costs associated with migration from a PBX to a managed service arrangement, and costs associated with upgrading or expanding FAS owned-PBX equipment

Audit FAS’s Telecommunications Operating and Payment System (TOPS) and provide recommendations for process improvement to ensure accurate pricing and billing

Consolidate Regional Telecom’s order writing to a central location reducing cost and increasing customer service

FY 2014 – FY 2016: $14.8 million
A strategic partnership with the Defense Information Systems Agency (DISA) to create a common marketplace for commercial satellite communications services for Government-wide defense and civilian agencies, as well as state, local, and tribal governments.

The partnership is intended to provide all government customers with a single platform for accessing critical communication services.

GSA and DISA previously managed separate contract vehicles to provide critical communications infrastructure to the Federal government, resulting in overlap of offerings, providers, and markets.

FY 2014 – FY 2016: $2.2 million
Development of a multi-agency indefinite delivery, indefinite quantity multiple award task and delivery order contract for complex multi-disciplinary professional services.

Will focus on providing a comprehensive, solutions-based contracting solution that offers a flexible service/product mix in order to assist all Federal government agencies in meeting their professional service needs in such areas - to include program and project management, consulting, professional engineering services, logistics services, financial services, and an IT component.

Fills the gap that currently exists within the Multiple Awards Schedules (MAS) program for complex, integrated solutions that cross service and schedule lines. The innovative design of OASIS accommodates both commercial and non-commercial buys and allows for all contract types including cost-reimbursement contracts - features not available from the MAS program.

FY 2014 – FY 2016: $4.9 million
FSSI Implementation

- Ensure consistency across all of FAS’s FSSI programs, which will serve as a benchmark and platform to launch new FSSI efforts
- Increase the current FSSI PMO’s responsibilities to include government-wide FSSI support, which will require new business processes and capabilities to launch FSSI solutions outside of FAS
- Provide program management support and Level 3 data collection and reporting to other government agencies to improve customer loyalty

FY 2014 – FY 2016: $30.8 million
In order to ensure a consistent, quality user experience, FAS is modernizing the IAE platform by creating a Three Core with API Solution. The three cores are:

- Entity Management
- Pre-Award
- Post-Award

Over the next few years, IAE will be developing these cores and ensuring that all of IAE’s systems transition to the new environment.

FY 2014 – FY 2016: $48.1 million
The FAME contract for technical support and integration will be re-competed in FY 2014. If the award is to a vendor other than the incumbent, we will need to stand-up a contract transitional operation. This will entail a period of 3 months where both the incumbent and the new contractor are working side-by-side to:

- Foster knowledge transference
- Minimize risk of service disruption
- Achieve the successful hand-off of responsibilities from the incumbent to the new contractor (should this be necessary)

FY 2014 – FY 2016: $15.0 million
An initiative to help customer agencies reduce their existing office space under current budget constraints by providing a mobility solution which changes consumption patterns, reduces furniture spend and promotes space/rent reduction.

Once PBS and the customer agency determine the space needs, FAS will purchase mobile components such as needs assessment, interior design, furniture, furnishings, carpeting, demountable walls and unified records management support. The furniture would then be leased to the agency by FAS.

FAS will charge a monthly fee that when taken over the life of the lease will cover FAS for the total cost of the furniture as well as a provision for asset replacement.

Agencies would benefit from a turnkey solution in which GSA offers a reduced footprint and a furnished mobile workspace.

FY 2014 – FY 2016: $206.1 million
Use government and private sector innovators to design solutions to allow government programs to work the way customers expect them to.

Develop cross-government digital tools and services, such as digital forms and data catalogs, and offer these solutions as a service increasing FAS’s market-share and government-wide savings.

Show that successful technology development is possible, can be done for much less than at present, and transform the relationship between citizens and their government.

FY 2014 – FY 2016: $30.0 million
Funding to enhance GSA’s Financial Planning Application (FPA) by automating additional financial planning activities and enhancing existing administrative tools, user interaction, reports, and business roles.

FY 2014 – FY 2016: $1.6 million
Closing the Distribution Centers

- Due to the Supply Transformation, which is designed to modernize GSA Global Supply, closing the Eastern and Western Distribution Centers will allow more orders to flow through vendor’s well-developed supply chains rather than the more limited GSA distribution infrastructure.

- The three main cost areas of the closures:
  - Lease buy-out
  - Workforce transition
  - Inventory Transition

- The closures will ultimately allow GSA Global Supply to be more responsive to customers. It will also save significant taxpayer dollars by developing and maintaining a strongly competitive, full-service supply chain that more fully leverages commercial capabilities: extensive product catalogs, improved pricing, fast and dependable delivery, quality, continuous improvement, and sustainability.

- This year’s C&C Plan accelerates the time-frame for closing out the Eastern and Western Distribution Centers

- FY 2014 – FY 2016: $54.5 million
Common Acquisition Platform

- Repurpose FAS-IT systems and, where necessary, develop new ones to support federal-wide acquisition shared services.
- Increase FAS’s visibility to federal transactional data to support improved market intelligence and prices paid data, which can be leveraged to support better buying.
- Reduce the operational costs currently needed to maintain redundant acquisition systems both in FAS and in other federal agencies.
- Successful implementation will allow FAS to generate customer savings and increase business volume/market share.

FY 2014 – FY 2016: $173.0 million
Reverse Auctions

- Reverse auctions provide increased savings and benefits to customer and taxpayers and the platform launched on July 1, 2013.
- This business model is proven to increase sales volume, drive down prices, and provide government agencies with a simplified self-service model for doing business with GSA.
- National IT Commodity Buying Program (NITCP) has received substantially increased customer interest in Reverse Auctions necessitating an increase in functionality and capacity (need for more infrastructure) to accommodate increased demand.
- The proposed spending would include increased systems maintenance and support, hardware and software.

- FY 2014 – FY 2016: $7.4 million
Spend Assessments and Savings Guarantees

- Conduct detailed analysis of current customer spending habits and trends, put business case together justifying savings that FAS can provide through FSSI and other solutions

- FY 2014 – FY 2016: $2.2 million
Refine the definition of what Category Management means within FAS so that the customer experience is the same no matter which business line a customer interacts with.

Develop the strategies and design an integrated project plan for how Category Management will work.

Implement the operational components required for Category Management to become a reality such as communication plans, workforce capability plans, etc.

Required to achieve operational efficiencies, enhance FAS offerings, and grow market share.

FY 2014 – FY 2016: $4.0 million
Acquisition Workforce Rotational Program

- Create a 2 year mid-career rotational program to foster the professional development of FAS contracting officers and ultimately meet the needs of our customers
- Employees will complete 4 six-month assignments to enhance competencies, skills, and knowledge sharing across FAS’s acquisition workforce and give employees experience across FAS’s various contract offerings
- A more effective and competent acquisition workforce will give FAS the flexibility to address change market conditions and surges in workload as well as create new business lines
- FY 2014 – FY 2016: $1.5 million
Hire third-party vendor to analyze current MAS structure and business processes and to provide recommendations for improving the program

FY 2014 – FY 2016: $1.5 million
Federal Cloud Computing Credential Exchange (FCCX)

- Fund an identity provider contract for one year, while OCSIT tests a pilot program to establish a single sign-on process across government portals that agencies can use to validate the identities of citizen customers.
- After the pilot period ends and the model for full-cost recovery is established, FAS will determine if it wants to create a new business line using this program or the program will end.

- FY 2014 – FY 2016: $750 thousand
Pilot Business Offerings

- Fund pilot projects similar to FCCX that FAS could eventually commercialize into a business offering.

- FY 2014 – FY 2016: $11.3 million
Establish one or more Shared Service Offerings to promote the savings and benefits associated with shared services

Possible Offerings: Human Resources, Financial Services, and Payroll

Fund transition costs of other agencies and shared service providers to GSA offering

FY 2014 – FY 2016: $112.5 million

Assumptions

- Total cost of implementations across government - $1.07B (for projects starting before FY17)
- Only non-PC&B costs can be addressed by ASF
- PC&B accounts for 30% of total costs
- Each of the 6 implementations are of equal cost ($125M)
- Implementation estimated at 5 years, costs equally spread

- Half of the 6 implementations will begin in FY15, half in FY16.
- Half of implementing agencies will choose to use FAS as a broker
- Previous two assumptions in conjunction would imply 1.5 implementations using GSA in FY15. This is only meant as an expected value, as more information is gleaned, this assumption will be refined.