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Federal Telecommunications Modernization: Transitioning from Networx to Enterprise Infrastructure Solutions

Background

Periodically, the General Services Administration (GSA) negotiates new contracts through which federal agencies can acquire their telecommunications services. Current contracts—known as Networx, Washington Interagency Telecommunications System 3, and Regional Local Service Agreements—are scheduled to end on May 31, 2023. Each of these contracts has been extended twice. In FY2019, agencies spent about $2.5 billion on services acquired through these contracts, with about $2 billion going to Networx.

EIS Overview

The new GSA telecommunications services acquisition contract vehicle is Enterprise Infrastructure Solutions (EIS). On August 1, 2017, the GSA announced that it had awarded EIS contracts to 10 vendors. These contracts have a combined value of up to $50 billion and are for a possible period of up to 15 years—one 5-year base period and two 5-year option periods. According to the Government Accountability Office (GAO), more than 135 agencies will transition 32 types of services and millions of voice and data lines to the new contract. EIS is intended to deliver

- cost savings resulting from increased supplier competition and price transparency;
- qualified industry suppliers who can deliver a complete portfolio of cyber-security solutions;
- an ability to incorporate emerging technologies as they become available; and
- flexibility to address unique agency requirements.

The Transition to EIS

In 2017, GSA identified several critical milestones (**Figure 1**) that agencies should meet to ensure they will have completely transitioned to EIS before their current contracts expire. These dates were set in an effort to avoid the costly delays associated with previous transitions.

Agencies have principal responsibility for the transition. According to GSA, agencies must

- identify key personnel for the transition;
- engage expertise from agency leadership to build a transition team of telecommunications managers, acquisition experts, and financial staff;
- conduct an inventory of services to be transitioned;
- develop a transition plan and schedule that includes GSA's major transition milestones;
- prepare solicitations for task orders;
- place task and service orders; and
- develop a process to review, accept/reject, and pay for services.

GSA is providing assistance through

- a Transition Coordination Center to provide assistance with inventory validation, transition planning, and solicitation development; and
- Transition Ordering Assistance for requirements development, source selection, and proposal evaluation.

The Transition Coordination Center was put in place in January 2016. Transition Ordering Assistance was finalized in March 2017.

Figure 1. Enterprise Infrastructure Solutions Timeline
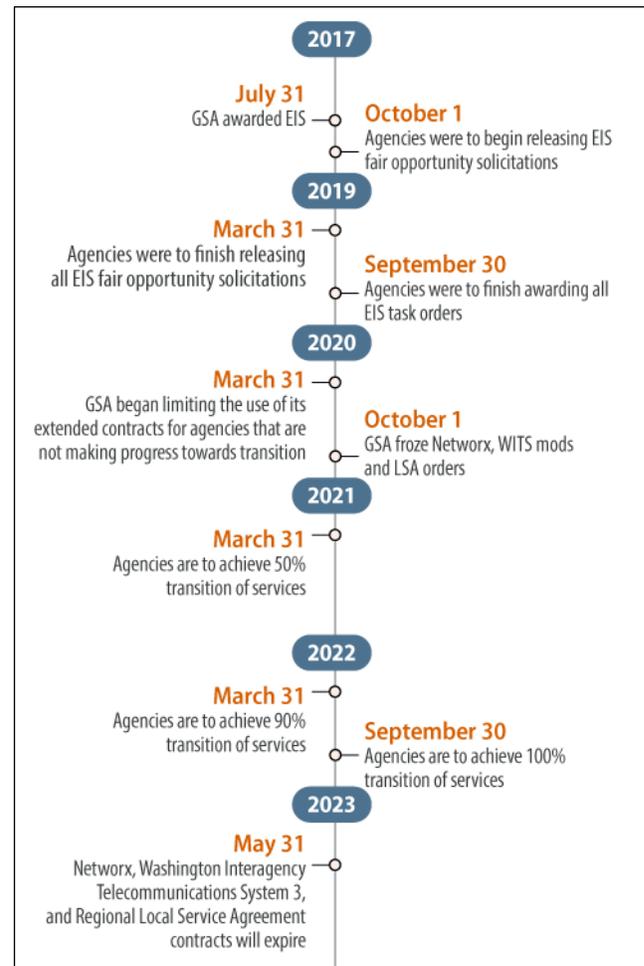
Source: CRS based on General Services Administration data.

In April 2020, GAO testified that the majority of the 19 federal agencies it had studied had not met the two 2019 milestones and were not on track to meet the final (2022) milestone (**Table 1**).

Table 1. Status and Plans for Completing EIS Transition Activities by GSA Milestone Dates (as of April 2020)

EIS transition activity	GSA's milestone date to complete activity	Agencies that completed or plan to complete activity by milestone date	Agencies that did not or do not plan to complete activity by milestone date
Milestone 1	3/31/2019	5	14
Milestone 2	9/30/2019	1	18
Milestone 3	9/30/2022	8	11

Source: Government Accountability Office analysis of data provided by agency officials. Telecommunications: Fully Implementing Established Transition Planning Practices Would Help Agencies Reduce Risk of Costly Delays, GAO-20-458T, March 4, 2020, https://www.gao.gov/products/GAO-20-458T.

Note: For milestone definitions, see **Figure 1**.

Comparison to Previous Transitions

GSA's establishment of early transition milestone dates was in response to the significant delays that occurred during the last two contract transitions. GAO found that those delays led to "hundreds of millions of dollars in increased costs and missed savings." Delays associated with the transition that began in 1998 resulted in an estimated $74 million in missed savings. The transition to Networx, which began in 2007, took 33 months longer than planned, and the majority of agencies experienced transition delays. In 2013, GAO reported that these delays resulted in an increase of $66.4 million in costs to GSA. The delays also resulted in an estimated $329 million in lost savings because agencies continued to order services from the previous contract even after the same services were available through Networx, generally at lower rates. At the time, GAO attributed the delays to inadequate project planning.

Legislative Review of Transition

In August 2020, the House Committee on Oversight and Reform's Subcommittee on Government Operations added EIS transition status to its "scorecard," which it publishes twice a year to assess compliance with the Federal Information Technology Acquisition Reform Act (FITARA). The subcommittee assessed, by percentage, the extent to which 24 agencies had moved off expiring contracts (**Table 2**). The new EIS category was not used in agencies' final grade in August 2020, but it may be a factor in future scoring.

The highest reported EIS transition percentages, at or over 70%, were at the Nuclear Regulatory Commission, National Science Foundation, and Department of the Treasury. The lowest percentages, at or under 30% transitioned, were at the Department of State, Department of Defense, Department of Homeland Security, Department of Commerce, Small Business Administration, Office of Personnel Management, and National Aeronautics and Space Administration. Overall, 6 out of 24 agencies reported over 50% EIS adoption. The higher the percentage

achieved in this initial assessment, the better positioned an agency is expected to be to fully transition to EIS and achieve 100% transition by the September 30, 2022, milestone date.

Table 2. Percent Transition to Enterprise Infrastructure Solutions by Agency (as of April 2020)

Agency	%	Agency	%
Agriculture	44	Transportation	34
Commerce	23	Treasury	70
Defense	28	Veterans Affairs	50
Education	38	Environmental Protection Agency	34
Energy	36	General Services Administration	34
Health and Human Services	49	National Aeronautics and Space Administration	20
Homeland Security	26	National Science Foundation	76
Housing and Urban Development	38	Nuclear Regulatory Commission	86
Interior	33	Office of Personnel Management	21
Justice	55	Small Business Administration	23
Labor	54	Social Security Administration	37
State	30	Agency for International Development	44

Source: FITARA 10.0 Scorecard, https://oversight.house.gov/sites/democrats.oversight.house.gov/files/Scorecard%2010%20-%20USAID%20corrected.pdf.

Note: Percentages at or above 70% are shown in green; percentages at or below 30% are shown in red.

Additional Legislative Activity: 116th Congress

The House Committee on Oversight and Reform's Subcommittee on Government Operations held a hearing, "Making IT a Priority for the Federal Government," on March 4, 2020. The hearing examined several initiatives of GSA's Federal Acquisition Service. The service operates several programs to help agencies modernize their existing information technology infrastructure and adopt new technologies. EIS was one of the three topics for the hearing. No legislation has been introduced in the 116th Congress that would directly impact current telecommunications modernization efforts.

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