

GENERAL SERVICES ADMINISTRATION  
MODERNIZATION ACT

---

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND  
GOVERNMENTAL AFFAIRS  
UNITED STATES SENATE

TO ACCOMPANY

H.R. 2066

AMENDING TITLE 40, UNITED STATES CODE, TO ESTABLISH A  
FEDERAL ACQUISITION SERVICE, TO REPLACE THE GENERAL  
SUPPLY FUND AND THE INFORMATION TECHNOLOGY FUND  
WITH AN ACQUISITION SERVICES FUND, AND FOR OTHER PUR-  
POSES



MAY 25, 2006.—Ordered to be printed

---

U.S. GOVERNMENT PRINTING OFFICE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

SUSAN M. COLLINS, Maine, *Chairman*

TED STEVENS, Alaska	JOSEPH I. LIEBERMAN, Connecticut
GEORGE V. VOINOVICH, Ohio	CARL LEVIN, Michigan
NORM COLEMAN, Minnesota	DANIEL K. AKAKA, Hawaii
TOM COBURN, Oklahoma	THOMAS R. CARPER, Delaware
LINCOLN D. CHAFEE, Rhode Island	MARK DAYTON, Minnesota
ROBERT F. BENNETT, Utah	FRANK LAUTENBERG, New Jersey
PETE V. DOMENICI, New Mexico	MARK PRYOR, Arkansas
JOHN W. WARNER, Virginia	

MICHAEL D. BOPP, *Staff Director and Chief Counsel*

JAY MARONEY, *Counsel*

MICHAEL L. ALEXANDER, *Minority Staff Director*

TROY H. CRIBB, *Minority Counsel*

TRINA DRIESSNACK TYRER, *Chief Clerk*

**Calendar No. 449**

109TH CONGRESS }  
2d Session }

SENATE

{ REPORT  
{ 109-257

GENERAL SERVICES ADMINISTRATION MODERNIZATION  
ACT

MAY 25, 2006.—Ordered to be printed

Ms. COLLINS, from the Committee on Homeland Security and  
Governmental Affairs, submitted the following

**R E P O R T**

[To accompany H.R. 2066]

The Committee on Homeland Security and Governmental Affairs, to whom was referred the bill (H.R. 2066) to amend title 40, United States Code, to establish a Federal Acquisition Service, to replace the General Supply Fund and the Information Technology Fund with an Acquisition Services Fund, and for other purposes.

CONTENTS

	Page
I. Purpose and Summary .....	1
II. Background .....	1
III. Legislative History .....	4
IV. Section-by-Section Analysis .....	4
V. Estimated Cost of Legislation .....	6
VI. Evaluation of Regulatory Impact .....	7
VII. Changes in Existing Law .....	7

I. PURPOSE AND SUMMARY

The purpose of H.R. 2066, the General Services Administration Modernization Act, is to establish a Federal Acquisition Service and to replace the General Supply Fund and the Information Technology Fund with an Acquisition Services Fund.

II. BACKGROUND

NEED FOR THE LEGISLATION

The U.S. General Services Administration (GSA) annually spends more than \$30 billion dollars for products and services from

the private sector that the agency resells to federal agencies through two different services—the Federal Technology Service (FTS) and the Federal Supply Service (FSS). Each service manages its own funding mechanism. FTS uses the Information Technology Fund (IT Fund) to assist Federal agencies in identifying, acquiring, deploying, managing and using technology solutions, and also provides information security services to help customer agencies protect their data and related systems. FTS also provides a full range of end-to-end telecommunications products and services, including local and global voice, data, and video services. The FSS uses the General Supply Fund (GS Fund) to purchase commercial goods and services. While this construct made sense when information technology was in its infancy, the business case for separate systems to handle IT goods and services no longer exists. Instead, the separate funds have now become a barrier to coordinated acquisition management services and technology needed to support a total solution.

To address this concern, GSA proposed<sup>1</sup> that the two funds combine to form the Acquisition Services Fund. In order to achieve this unification, legislation was necessary as GSA does not have this authority. The planned FTS–FSS merger reflects recent changes in the marketplace, as many GSA customers require a blended delivery model that integrates products and services in a means that is transparent and that allows for end-to-end customer service.

The new Federal Acquisition Service (FAS) is intended to provide value to the taxpayer by improving the efficiency and effectiveness of the government’s buying power to obtain the best value in products and services from suppliers at the lowest total transaction cost. The new FAS will save agency customers’ time and help them to negotiate better terms and prices, enabling them to focus on their core missions. The new organization will also increase value to commercial suppliers of all types and sizes, by creating consistent and innovative processes to offer their products and services to government agencies more efficiently.

During the course of the past year the new FAS has met many of its planning goals. In 2005, GSA established both the FAS Implementation Planning Steering Committee and Zonal Implementation Planning Steering Committee, in order to provide representative groups from the state, local and federal levels an opportunity to help design and implement the FAS.

On April 5 2006, GSA received approval of its FAS plan from the Senate Appropriations Subcommittee on Transportation, Treasury, Housing and Urban Development.<sup>2</sup> Approval was necessary because of the inclusion of a paragraph in the Transportation, Treasury, Housing and Urban Development Appropriations bill, passed on October 20, 2005, that stated: “No funds shall be used by the General Services Administration to reorganize its organizational structure without approval by the House and Senate Committees on Appropriations through an operating plan change.”<sup>3</sup> The ap-

<sup>1</sup> General Services Administration, “GSA FAS Reorganization—Seven Zones,” given to Senate Homeland Security and Governmental Affairs Committee and Senate Appropriations Committee in Washington, DC on March 23, 2006; Budget of the United States Government, Fiscal Year 2006, p. 333.

<sup>2</sup> Senators Bond and Murray, letter to Acting Administrator David L. Bibb, April 5, 2006; Representative Joseph K. Knollenberg, letter to Acting Administrator David L. Bill, April 6, 2006.

<sup>3</sup> P.L. 109–115.

proved plan was then shared with GSA customers, industry, union representatives and the GSA workforce. Based on stakeholder feedback, the plan was modified to provide for the creation of seven zones that consolidate some of the existing FTS and FSS regions.

#### DEVELOPMENT OF THE LEGISLATION

H.R. 2066 is the product of a hearing and oversight process that has spanned three Congresses. The provisions in the current legislation are rooted in the findings of multiple hearings held by the Subcommittee on Technology and Procurement Policy, of the House Committee on Government Reform, as well as in the recommendations of the administration contained in the President's Fiscal Year 2007 Budget Request<sup>4</sup> and the findings of the GSA Inspector General.<sup>5</sup>

On April 11, 2002, the House Subcommittee on Technology and Procurement Policy held a hearing titled, "Making Sense of Procurement's Alphabet Soup: How Purchasing Agencies Choose Between FSS and FTS," as part of its continued oversight of the government's procurement and information technology management activities.<sup>6</sup> Concerned about the overlapping and possibly redundant nature of the FSS/FTS structure, the Subcommittee reviewed the impact of the existing structure on GSA's customer agencies and the vendor community.

On October 2, 2003, the House Committee on Government Reform held another hearing on structural issues faced by GSA titled, "Entrepreneurial Government Run Amok? A Review of FTS/FSS Organizational and Management Challenges."<sup>7</sup> This hearing explored efforts to restructure the organization of FSS and FTS, the impact of GSA Inspector General investigations of FTS contract mismanagement, and GSA's plans for a new government-wide telecommunications program. The hearing built on the information on GSA structural and management challenges was developed in the previous Subcommittee hearing and was supplemented by GAO work performed for the House Government Reform Committee.<sup>8</sup>

On March 16, 2005, the House Government Reform Committee held a hearing on GSA structural issues titled, "Service Oriented Streamlining: Rethinking the Way GSA Does Business."<sup>9</sup> The hearing was held to explore removing the artificial barrier, created by two separate buying organizations operating out of different funds, to coordinated acquisition of goods, services and technology. The hearing addressed legislative and administrative options to consolidate FSS and FTS into a single entity operating out of a unified fund, in order to provide federal agencies with a one-stop shop to acquire commercial goods, services and technology. The final hearing is built on evidence developed in the prior hearings as well

<sup>4</sup> Appendix, Budget of the United States Government, Fiscal Year 2007, p. 1054.

<sup>5</sup> *Compendium of Audits of the Federal Technology Service Regional Client Support Centers*, GSA Inspector General, December 14, 2004.

<sup>6</sup> *Making Sense of Procurement's Alphabet Soup: How Purchasing Agencies Choose Between FSS and FTS*, Subcomm. on Tech. and Procurement Policy, House Comm. on Gov't Reform, 107th Cong. 107-172 (2002).

<sup>7</sup> *Entrepreneurial Government Run Amok? A Review of FTS/FSS Organizational and Management Challenges*, House Comm. on Gov't Reform, 108th Cong. 108-80 (2003).

<sup>8</sup> *Restructuring GSA's Federal Supply Service and Federal Technology Service*, Statement of William T. Woods, Director Acquisition and Sourcing Management, Testimony before the House Gov't Reform Comm., GAO-04-132T, October 2, 2003.

<sup>9</sup> *Service Oriented Streamlining: Rethinking the Way GSA Does Business*, House Gov't Reform Comm., 109th Cong. 109-11 (2005).

as recent revelations of contract management challenges in FTS exposed by GSA Inspector General reports on weaknesses in GSA's management controls over its regional offices.<sup>10</sup>

### III. LEGISLATIVE HISTORY

H.R. 2066 was introduced by Representative Tom Davis on May 4, 2005, and is co-sponsored by Representative Duncan Hunter. On May 5, 2005, the House Government Reform Committee met in open session and ordered reported favorably the bill, H.R. 2066, as amended, by voice vote. During consideration, an amendment was offered by Representative Maloney to eliminate the requirement that the Commissioner of the new Federal Acquisition Service be a non-career employee. The amendment was adopted by unanimous consent. On May 23, 2005, H.R. 2066 passed the House of Representatives by voice vote under suspension of the rules. The legislation was received in the Senate on May 24, 2005, and was referred to the Senate Committee on Homeland Security and Governmental Affairs.

On May 2, 2006, the Committee considered H.R. 2066 and ordered the bill reported favorably by voice vote as amended by the amendment offered by Chairman Collins and the amendment offered by Senator Voinovich. Members present were Senators Collins, Coleman, Chafee, Warner, Lieberman, Akaka, Carper, Dayton, Lautenberg, and Pryor. The Collins amendment, cosponsored by Senators Lieberman and Stevens, removed the requirement from H.R. 2066 that capped the number of Regional Executives. The Voinovich amendment, cosponsored by Senator Akaka, strengthened the criteria under which an agency would re-employ an annuitant in an acquisition related position without a reduction in annuity and struck the provision in H.R. 2066 allowing agencies, after consultation with the Office of Federal Procurement Policy Administrator, to pay retention bonuses to employees holding acquisition-related positions. Agencies already have been granted similar authority to pay such bonuses as part of the Federal Workforce Flexibility Act of 2004.

### IV. SECTION-BY-SECTION ANALYSIS

#### *Section 1—Short title*

Provides that the Act be cited as the “General Services Administration Modernization Act.”

#### *Section 2—Federal Acquisition Service*

Amends 40 U.S.C. § 303 to provide for a new Federal Acquisition Service to be headed by a high-level Commissioner appointed by the Administrator of General Services (Administrator). The Commissioner of the Federal Acquisition Service would be responsible for heading the new Federal Acquisition Service which will carry out functions related to the newly merged Acquisition Services fund created by section 3 of this Act including any functions carried out by the current Federal Supply and Federal Technology Services.

<sup>10</sup>*Compendium of Audits of the Federal Technology Service Regional Client Support Centers*, GSA Inspector General, December 14, 2004.

Provides in statute a broad structural outline for the new service, which will allow the General Services Administration to offer to customer agencies goods and services and information technology together in a single acquisition. The Federal Acquisition Service will operate out of a merged Acquisition Services Fund created by section 3 to replace the General Supply and Information Technology Funds.

Authorizes the Administrator to appoint Regional Executives for the Federal Acquisition Service. The Regional Executives would perform such Federal Acquisition Service related functions that the Administrator considers appropriate. This section would establish a statutory Executive to facilitate closer oversight and more management control over acquisition-related activities that are conducted in GSA's Regional Offices throughout the country.

Amends 5 U.S.C. § 5316 to rename the Commissioner of the Federal Supply Service the Commissioner of the Federal Acquisition Service for purposes of compensation.

#### *Section 3—Acquisition Services Fund*

Repeals 40 U.S.C. § 322 that established the General Services Administration's Information Technology Fund and amend 40 U.S.C. § 321 that established the General Supply Fund to create a new Acquisition Services Fund consisting of the assets of the old Information Technology and Supply funds.

This new Acquisition Services Fund would support the unified activities of the Federal Acquisition Service created in Section 2 of this Act. The new merged fund would have the combined attributes of the old Supply and Information Technology funds.

Provides for various amendments to 40 U.S.C. § 322 establishing the existence and composition of the new fund. It would provide that the Administrator determine the cost and capital requirements of the fund each fiscal year and, in consultation with the Chief Financial Officer, develop a plan concerning these requirements. The Administrator would establish rates to be charged to agencies for services provided through the fund. Among other things, this section would also provide that, at the close of each fiscal year, after provisions for a sufficient inventory of personal property to meet agencies' needs, the replacement cost of motor vehicles, and other anticipated operating needs reflected in the Administrator's requirements plan, the uncommitted balance of any funds remaining in the fund are to be transferred to the Treasury's general fund as miscellaneous receipts.

#### *Section 4—Provisions relating to acquisition personnel*

Amends section 37 of the Office of Federal Procurement Policy Act (41 U.S.C. § 433) to provide the federal acquisition community an additional tool aimed at maintaining the strength and experience of the federal civilian acquisition workforce. Specifically, the section would require the head of an executive agency, after consultation with the Administrator for Federal Procurement Policy and the Director of the Office of Personnel Management, to establish policies and procedures under which an individual receiving a Civil Service Annuity who becomes reemployed in an acquisition-related position could, under certain conditions, not be subject to a reduction in their federal annuity. The criteria under which each

case would be considered would include an individual's unique qualifications, the agency's exceptional difficulty in recruiting or retaining a qualified employee, or a temporary hiring need. The authority would be exercised on a case-by-case basis. The Administrator for the Office of Federal Procurement Policy would report annually to the Committee on Government Reform and the Committee on Homeland Security and Governmental Affairs on the use of such authority. The authority provided under this section would expire on December 31, 2011.

*Section 5—Effective date*

Provides that the Act and amendments made by it would take effect 60 days after enactment.

V. ESTIMATED COST OF LEGISLATION

MAY 4, 2006.

Hon. SUSAN M. COLLINS,  
*Chairman, Committee on Homeland Security and Governmental Affairs, U.S. Senate, Washington, DC.*

DEAR MADAM CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2066, the General Services Administration Modernization Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

DONALD B. MARRON,  
*Acting Director.*

Enclosure.

*H.R. 2066—General Services Administration Modernization Act*

H.R. 2066 would amend federal law to establish a Federal Acquisition Service by combining the assets and services of the Federal Supply Service and the Federal Technology Service. The Federal Supply Service purchases goods and services for the federal government, and the Federal Technology Service provides information technology to federal agencies. In addition, the legislation would authorize re-employment incentives for certain civilian federal employees.

Because the legislation would restructure the agencies that procure goods and services for federal agencies and would not provide any new authorities for federal procurement or civilian acquisition personnel, CBO estimates that implementing H.R. 2066 would have no significant effect on the budget and would not affect direct spending or revenues.

H.R. 2066 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

On May 19, 2005, CBO provided a cost estimate for H.R. 2066 as ordered reported by the House Committee on Government Reform on May 5, 2005. The two pieces of legislation are similar, and our cost estimates are the same.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.



## VI. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill. CBO states that there are no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and no costs on state, local, or tribal governments. The legislation contains no other regulatory impact.

## VII. CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic and existing law, in which no change is proposed, is shown in roman):

**TITLE 40, UNITED STATES CODE: PUBLIC  
BUILDINGS, PROPERTY, AND WORKS**

**Subtitle I—Federal Property and Administrative  
Services**

**CHAPTER 3—ORGANIZATION OF GENERAL SERVICES  
ADMINISTRATION**

**Subchapter I—General**

**§ 303. FUNCTIONS**

**[(a) BUREAU OF FEDERAL SUPPLY.—**

**[(1) TRANSFER OF FUNCTIONS.—**Subject to paragraph (2), the functions of the Administrator of General Services include functions related to the Bureau of Federal Supply in the Department of the Treasury that, immediately before July 1, 1949, were functions of—

**[(A) the Bureau;**

**[(B) the Director of the Bureau;**

**[(C) the personnel of the Bureau; or**

**[(D) the Secretary of the Treasury.**

**[(2) FUNCTIONS NOT TRANSFERRED.—**The functions of the Administrator of General Services do not include functions retained in the Department of the Treasury under section 102(c) of the Federal Property and Administrative Services Act of 1949 (ch. 288, 63 Stat. 380).

**[(b) FEDERAL WORKS AGENCY AND COMMISSIONER OF PUBLIC BUILDINGS.—**The functions of the Administrator of General Services include functions related to the Federal Works Agency and functions related to the Commissioner of Public Buildings that, immediately before July 1, 1949, were functions of—

**[(1) the Federal Works Agency;**

**[(2) the Federal Works Administrator; or**

**[(3) the Commissioner of Public Buildings.]**

**SEC. 303. FEDERAL ACQUISITION SERVICE**

*(a) ESTABLISHMENT.—There is established in the General Services Administration a Federal Acquisition Service. The Administrator of*

*General Services shall appoint a Commissioner of the Federal Acquisition Service, who shall be the head of the Federal Acquisition Service.*

*(b) FUNCTIONS.—Subject to the direction and control of the Administrator of General Services, the Commissioner of the Federal Acquisition Service shall be responsible for carrying out functions related to the uses for which the Acquisition Services Fund is authorized under section 321 of this title, including any functions that were carried out by the entities known as the Federal Supply Service and the Federal Technology Service and such other related functions as the Administrator considers appropriate.*

*(c) REGIONAL EXECUTIVES.—The Administrator may appoint Regional Executives in the Federal Acquisition Service, to carry out such functions within the Federal Acquisition Service as the Administrator considers appropriate.*

\* \* \* \* \*

### Subchapter III—Funds

#### **[SEC. 321. GENERAL SUPPLY FUND**

**[(a) EXISTENCE.—The General Supply Fund is a special fund in the Treasury.**

**[(b) COMPOSITION.—**

**[(1) IN GENERAL.—The Fund is composed of amounts appropriated to the Fund and the value, as determined by the Administrator of General Services, of personal property transferred from executive agencies to the Administrator under section 501(d) of this title to the extent that payment is not made or credit allowed for the property.**

**[(2) OTHER CREDITS.—**

**[(A) IN GENERAL.—The Fund shall be credited with all reimbursements, advances, and refunds or recoveries relating to personal property or services procured through the Fund, including—**

**[(i) the net proceeds of disposal of surplus personal property; and**

**[(ii) receipts from carriers and others for loss of, or damage to, personal property.**

**[(B) REAPPROPRIATION.—Amounts credited under this paragraph are reappropriated for the purposes of the Fund.**

**[(3) DEPOSIT OF FEES.—Fees collected by the Administrator under section 313 of this title may be deposited in the Fund to be used for the purposes of the Fund.]**

#### **SEC. 321. ACQUISITION SERVICES FUND**

*(a) EXISTENCE.—The Acquisition Services Fund is a special fund in the Treasury.*

*(b) COMPOSITION.—*

*(1) IN GENERAL.—The Fund is composed of amounts authorized to be transferred to the Fund or otherwise made available to the Fund.*

*(2) OTHER CREDITS.—The Fund shall be credited with all reimbursements, advances, and refunds or recoveries relating to personal property or services procured through the Fund, including—*

(A) *the net proceeds of disposal of surplus personal property; and*

(B) *receipts from carriers and others for loss of, or damage to, personal property; and*

(C) *receipts from agencies charged fees pursuant to rates established by the Administrator.*

(3) *COST AND CAPITAL REQUIREMENTS.—The Administrator shall determine the cost and capital requirements of the Fund for each fiscal year and shall develop a plan concerning such requirements in consultation with the Chief Financial Officer of the General Services Administration. Any change to the cost and capital requirements of the Fund for a fiscal year shall be approved by the Administrator. The Administrator shall establish rates to be charged agencies provided, or to be provided, supply of personal property and non-personal services through the Fund, in accordance with the plan.*

(4) *DEPOSIT OF FEES.—Fees collected by the Administrator under section 313 of this title may be deposited in the Fund to be used for the purposes of the Fund.*

(c) *USES.—*

(1) *IN GENERAL.—The Fund is available for use by or under the direction and control of the Administrator for—*

(A) *procuring, for the use of federal agencies in the proper discharge of their responsibilities—*

(i) *personal property (including the purchase from or through the Public Printer, for warehouse issue, of standard forms, blankbook work, standard specifications, and other printed material in common use by federal agencies and not available through the Superintendent of Documents); [and]*

(ii) *nonpersonal services; and*

(iii) *personal services related to the provision of information technology (as defined in section 11101(6) of this title);*

\* \* \* \* \*

(d) *PAYMENT FOR PROPERTY AND SERVICES.—*

(1) *IN GENERAL.—For property or services procured through the Fund for requisitioning agencies, the agencies shall pay prices the Administrator fixes under this subsection.*

(2) *PRICES FIXED BY ADMINISTRATOR.—The Administrator shall fix prices at levels sufficient to recover—*

(A) *so far as practicable—*

(i) *the purchase price;*

(ii) *the transportation cost;*

(iii) *inventory losses;*

(iv) *the cost of personal services employed directly in the repair, rehabilitation, and conversion of personal property; [and]*

(v) *the cost of personal services employed directly in providing information technology (as defined in section 11101(6) of this title); and*

[(v)] (vi) *the cost of amortization and repair of equipment used for lease or rent to executive agencies; and*

(B) properly allocable costs payable by the Fund under subsection (c)(1)(C).

\* \* \* \* \*

**[(f) TREATMENT OF SURPLUS.—**

**[(1) SURPLUS DEPOSITED IN TREASURY.—**As of September 30 of each year, any surplus in the Fund above the amounts transferred or appropriated to establish and maintain the Fund (all assets, liabilities, and prior losses considered) shall be deposited in the Treasury as miscellaneous receipts.

**[(2) SURPLUS RETAINED.—**From any surplus generated by operation of the Fund, the Administrator may retain amounts necessary to maintain a sufficient level of inventory of personal property to meet the needs of the federal agencies.]

*(f) TRANSFER OF UNCOMMITTED BALANCES.—Following the close of each fiscal year, after making provision for a sufficient level of inventory of personal property to meet the needs of Federal agencies, the replacement cost of motor vehicles, and other anticipated operating needs reflected in the cost and capital plan developed under subsection (b), the uncommitted balance of any funds remaining in the Fund shall be transferred to the general fund of the Treasury as miscellaneous receipts.*

\* \* \* \* \*

**[SEC. 322. INFORMATION TECHNOLOGY FUND**

**[(a) EXISTENCE.—**There is an Information Technology Fund in the Treasury.

**[(b) COST AND CAPITAL REQUIREMENTS.—**

**[(1) IN GENERAL.—**The Administrator of General Services shall determine the cost and capital requirements of the Fund for each fiscal year. The cost and capital requirements may include amounts—

**[(A)** needed to purchase (if the Administrator has determined that purchase is the least costly alternative) information processing and transmission equipment, software, systems, and operating facilities necessary to provide services;

**[(B)** resulting from operations of the Fund, including the net proceeds from the disposal of excess or surplus personal property and receipts from carriers and others for loss or damage to property; and

**[(C)** that are appropriated, authorized to be transferred, or otherwise made available to the Fund.

**[(2) SUBMITTING PLAN TO OFFICE OF MANAGEMENT AND BUDGET.—**The Administrator shall submit plans concerning the cost and capital requirements determined under this section, and other information as may be requested, for review and approval by the Director of the Office of Management and Budget. Plans submitted under this section fulfill the requirements of sections 1512 and 1513 of title 31.

**[(3) ADJUSTMENTS.—**Any change to the cost and capital requirements of the Fund for a fiscal year shall be made in the same manner as the initial fiscal year determination.

**[(c) USE.—**

**[(1) IN GENERAL.—**The Fund is available for expenses, including personal services and other costs, and for procurement

(by lease, purchase, transfer, or otherwise) to efficiently provide information technology resources to federal agencies and to efficiently manage, coordinate, operate, and use those resources.

[(2) SPECIFICALLY INCLUDED ITEMS.—Information technology resources provided under this section include information processing and transmission equipment, software, systems, operating facilities, supplies, and related services including maintenance and repair.

[(3) CANCELLATION COSTS.—Any cancellation costs incurred for a contract entered into under subsection (e) shall be paid from money currently available in the Fund.

[(4) NO FISCAL YEAR LIMITATION.—The Fund is available without fiscal year limitation.

[(d) CHARGES TO AGENCIES.—If the Director approves plans submitted by the Administrator under subsection (b), the Administrator shall establish rates, consistent with the approval, to be charged to agencies for information technology resources provided through the Fund.

[(e) CONTRACT AUTHORITY.—

[(1) IN GENERAL.—In operating the Fund, the Administrator may enter into multiyear contracts, not longer than 5 years, to provide information technology hardware, software, or services if—

[(A) amounts are available and adequate to pay the costs of the contract for the first fiscal year and any costs of cancellation or termination;

[(B) the contract is awarded on a fully competitive basis; and

[(C) the Administrator determines that—

[(i) the need for the information technology hardware, software, or services being provided will continue over the period of the contract;

[(ii) the use of the multiyear contract will yield substantial cost savings when compared with other methods of providing the necessary resources; and

[(iii) the method of contracting will not exclude small business participation.

[(2) EFFECT ON OTHER LAW.—This subsection does not limit the authority of the Administrator to procure equipment and services under sections 501–505 of this title.

[(f) TRANSFER OF UNCOMMITTED BALANCE.—After the close of each fiscal year, any uncommitted balance remaining in the Fund, after making provision for anticipated operating needs as determined by the Office of Management and Budget, shall be transferred to the Treasury as miscellaneous receipts.

[(g) ANNUAL REPORT.—The Administrator shall report annually to the Director on the operation of the Fund. The report must address the inventory, use, and acquisition of information processing equipment and identify any proposed increases to the capital of the Fund.]

\* \* \* \* \*

**CHAPTER 5—PROPERTY MANAGEMENT**

\* \* \* \* \*

**Subchapter IV—Proceeds From Sale or Transfer**

\* \* \* \* \*

**SEC. 573. PERSONAL PROPERTY**

The Administrator of General Services may retain from the proceeds of sales of personal property the Administrator conducts amounts necessary to recover, to the extent practicable, costs the Administrator (or the Administrator's agent) incurs in conducting the sales. The Administrator shall deposit amounts retained into the **[General Supply Fund] Acquisition Services Fund** established under section 321(a) of this title. From the amounts deposited, the Administrator may pay direct costs and reasonably related indirect costs incurred in conducting sales of personal property. At least once each year, amounts retained that are not needed to pay the direct and indirect costs shall be transferred from the **[General Supply Fund] Acquisition Services Fund** to the general fund or another appropriate account in the Treasury.

\* \* \* \* \*

**Subchapter VI—Motor Vehicle Pools and Transportation Systems**

\* \* \* \* \*

**SEC. 604. TREATMENT OF ASSETS TAKEN OVER TO ESTABLISH MOTOR VEHICLE POOLS AND TRANSPORTATION SYSTEMS**

(a) \* \* \*

(b) **ADDITION TO [GENERAL SUPPLY FUND] ACQUISITION SERVICES FUND.**—If the Administrator takes over motor vehicles or related equipment or supplies under section 602 of this title but reimbursement is not required under subsection (a), the value of the property taken over, as determined by the Administrator, may be added to the capital of the **[General Supply Fund] Acquisition Services Fund**. If the Administrator subsequently returns property of a similar kind under section 610 of this title, the value of the property may be deducted from the Fund.

**SEC. 605. PAYMENT OF COSTS**

(a) **USE OF [GENERAL SUPPLY FUND] ACQUISITION SERVICES FUND TO COVER COSTS.**—The **[General Supply Fund] Acquisition Services Fund** provided for in section 321 of this title is available for use by or under the direction and control of the Administrator of General Services to pay the costs of carrying out section 602 of this title, including the cost of purchasing or renting motor vehicles and related equipment and supplies.

(b) **SETTING PRICES TO RECOVER COSTS.**—

(1) \* \* \*

(2) **INCREMENT FOR REPLACEMENT COST.**—In the Administrator's discretion, prices may include an increment for the estimated replacement cost of motor vehicles and related equipment and supplies. Notwithstanding section **[321(f)(1)] 321(f)** of this title, the increment may be retained as a part of the capital of the **[General Supply Fund] Acquisition Services**

*Fund* but is available only to replace motor vehicles and related equipment and supplies.

\* \* \* \* \*

**TITLE 5, UNITED STATES CODE: GOVERNMENT ORGANIZATION AND EMPLOYEES**

**PART III—EMPLOYEES**

**Subpart D—Pay and Allowances**

**CHAPTER 53—PAY RATES AND SYSTEMS**

**Subchapter II—Executive Schedule Pay Rates**

**SEC. 5316. POSITIONS AT LEVEL V**

Level V of the Executive Schedule applies to the following positions, for which the annual rate of basic pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

Administrator, Bonneville Power Administration, Department of the Interior.

\* \* \* \* \*

**【Commissioner, Federal Supply Service, General Services Administration.】**

*Commissioner, Federal Acquisition Service, General Services Administration.*

\* \* \* \* \*

**TITLE 41, UNITED STATES CODE: PUBLIC CONTRACTS**

**CHAPTER 7—OFFICE OF FEDERAL PROCUREMENT POLICY**

**SEC. 433. ACQUISITION WORKFORCE**

(a) \* \* \*

\* \* \* \* \*

(i) *PROVISIONS RELATING TO REEMPLOYMENT.—*

(1) *POLICIES AND PROCEDURES.—The head of each executive agency, after consultation with the Administrator and the Director of the Office of Personnel Management, shall establish policies and procedures under which the agency head may reemploy in an acquisition-related position (as described in subsection (g)(1)(A)) an individual receiving an annuity from the Civil Service Retirement and Disability Fund, on the basis of such individual's service, without discontinuing such annuity. The head of each executive agency shall keep the Administrator informed of the agency's use of this authority.*

(2) *SERVICE NOT SUBJECT TO CSRS OR FERS.—An individual so reemployed shall not be considered an employee for the purposes of chapter 83 or 84 of title 5, United States Code.*

(3) CRITERIA FOR EXERCISE OF AUTHORITY.—Policies and procedures established pursuant to this subsection shall authorize the head of the executive agency, on a case-by-case basis, to continue an annuity if—

(A) the unusually high or unique qualifications of an individual receiving an annuity from the Civil Service Retirement and Disability Fund on the basis of such individual's service,

(B) *the exceptional difficulty in recruiting or retaining a qualified employee, or (C) a temporary emergency hiring need, makes the reemployment of an individual essential.*

(4) REPORTING REQUIREMENT.—The Administrator shall submit annually to the Committee on Government Reform of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate a report on the use of the authority under this subsection, including the number of employees reemployed under authority of this subsection.

(5) SUNSET PROVISION.—The authority under this subsection shall expire on December 31, 2011.

