

Calendar No. 449109TH CONGRESS
2^D SESSION**H. R. 2066****[Report No. 109-257]**

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.

IN THE SENATE OF THE UNITED STATES

MAY 24, 2005

Received; read twice and referred to the Committee on Homeland Security and
Governmental Affairs

MAY 25, 2006

Reported by Ms. COLLINS, with amendments

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AN ACT

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “General Services Ad-
3 ministration Modernization Act”.

4 **SEC. 2. FEDERAL ACQUISITION SERVICE.**

5 (a) ESTABLISHMENT.—

6 (1) IN GENERAL.—Section 303 of title 40,
7 United States Code, is amended to read as follows:

8 **“§ 303. Federal Acquisition Service**

9 “(a) ESTABLISHMENT.—There is established in the
10 General Services Administration a Federal Acquisition
11 Service. The Administrator of General Services shall ap-
12 point a Commissioner of the Federal Acquisition Service,
13 who shall be the head of the Federal Acquisition Service.

14 “(b) FUNCTIONS.—Subject to the direction and con-
15 trol of the Administrator of General Services, the Commis-
16 sioner of the Federal Acquisition Service shall be respon-
17 sible for carrying out functions related to the uses for
18 which the Acquisition Services Fund is authorized under
19 section 321 of this title, including any functions that were
20 carried out by the entities known as the Federal Supply
21 Service and the Federal Technology Service and such
22 other related functions as the Administrator considers ap-
23 propriate.

24 “(c) REGIONAL EXECUTIVES.—The Administrator
25 may appoint ~~up to~~ ~~five~~ Regional Executives in the Federal
26 Acquisition Service, to carry out such functions within the

1 Federal Acquisition Service as the Administrator con-
2 siders appropriate.”.

3 (2) CLERICAL AMENDMENT.—The item relating
4 to section 303 at the beginning of chapter 3 of such
5 title is amended to read as follows:

“303. Federal Acquisition Service.”.

6 (b) EXECUTIVE SCHEDULE COMPENSATION.—Sec-
7 tion 5316 of title 5, United States Code, is amended by
8 striking “Commissioner, Federal Supply Service, General
9 Services Administration.” and inserting the following:

10 “Commissioner, Federal Acquisition Service,
11 General Services Administration.”.

12 (c) REFERENCES.—Any reference in any other Fed-
13 eral law, Executive order, rule, regulation, reorganization
14 plan, or delegation of authority, or in any document—

15 (1) to the Federal Supply Service is deemed to
16 refer to the Federal Acquisition Service;

17 (2) to the GSA Federal Technology Service is
18 deemed to refer to the Federal Acquisition Service;

19 (3) to the Commissioner of the Federal Supply
20 Service is deemed to refer to the Commissioner of
21 the Federal Acquisition Service; and

22 (4) to the Commissioner of the GSA Federal
23 Technology Service is deemed to refer to the Com-
24 missioner of the Federal Acquisition Service.

1 **SEC. 3. ACQUISITION SERVICES FUND.**

2 (a) ABOLISHMENT OF GENERAL SUPPLY FUND AND
3 INFORMATION TECHNOLOGY FUND.—The General Supply
4 Fund and the Information Technology Fund in the Treas-
5 ury are hereby abolished.

6 (b) TRANSFERS.—Capital assets and balances re-
7 maining in the General Supply Fund and the Information
8 Technology Fund as in existence immediately before this
9 section takes effect shall be transferred to the Acquisition
10 Services Fund and shall be merged with and be available
11 for the purposes of the Acquisition Services Fund under
12 section 321 of title 40, United States Code (as amended
13 by this Act).

14 (c) ASSUMPTION OF OBLIGATIONS.—Any liabilities,
15 commitments, and obligations of the General Supply Fund
16 and the Information Technology Fund as in existence im-
17 mediately before this section takes effect shall be assumed
18 by the Acquisition Services Fund.

19 (d) EXISTENCE AND COMPOSITION OF ACQUISITION
20 SERVICES FUND.—Subsections (a) and (b) of section 321
21 of title 40, United States Code, are amended to read as
22 follows:

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

25 “(b) COMPOSITION.—

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

4 “(2) OTHER CREDITS.—The Fund shall be
5 credited with all reimbursements, advances, and re-
6 funds or recoveries relating to personal property or
7 services procured through the Fund, including—

8 “(A) the net proceeds of disposal of sur-
9 plus personal property; and

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

12 “(C) receipts from agencies charged fees
13 pursuant to rates established by the Adminis-
14 trator.

15 “(3) COST AND CAPITAL REQUIREMENTS.—The
16 Administrator shall determine the cost and capital
17 requirements of the Fund for each fiscal year and
18 shall develop a plan concerning such requirements in
19 consultation with the Chief Financial Officer of the
20 General Services Administration. Any change to the
21 cost and capital requirements of the Fund for a fis-
22 cal year shall be approved by the Administrator. The
23 Administrator shall establish rates to be charged
24 agencies provided, or to be provided, supply of per-

1 sonal property and non-personal services through the
2 Fund, in accordance with the plan.

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

7 (e) USES OF FUND.—Section 321(c) of such title is
8 amended in paragraph (1)(A)—

9 (1) by striking “and” at the end of clause (i);

10 (2) by inserting “and” after the semicolon at
11 the end of clause (ii); and

12 (3) by inserting after clause (ii) the following
13 new clause:

14 “(iii) personal services related to the
15 provision of information technology (as de-
16 fined in section 11101(6) of this title);”.

17 (f) PAYMENT FOR PROPERTY AND SERVICES.—Sec-
18 tion 321(d)(2)(A) of such title is amended—

19 (1) by striking “and” at the end of clause (iv);

20 (2) by redesignating clause (v) as clause (vi);

21 and

22 (3) by inserting after clause (iv) the following
23 new clause:

24 “(v) the cost of personal services em-
25 ployed directly in providing information

1 technology (as defined in section 11101(6)
2 of this title); and”.

3 (g) TRANSFER OF UNCOMMITTED BALANCES.—Sub-
4 section (f) of section 321 of such title is amended to read
5 as follows:

6 “(f) TRANSFER OF UNCOMMITTED BALANCES.—Fol-
7 lowing the close of each fiscal year, after making provision
8 for a sufficient level of inventory of personal property to
9 meet the needs of Federal agencies, the replacement cost
10 of motor vehicles, and other anticipated operating needs
11 reflected in the cost and capital plan developed under sub-
12 section (b), the uncommitted balance of any funds remain-
13 ing in the Fund shall be transferred to the general fund
14 of the Treasury as miscellaneous receipts.”.

15 (h) CONFORMING AND CLERICAL AMENDMENTS.—

16 (1) Section 322 of such title is repealed.

17 (2) The heading for section 321 of such title is
18 amended to read as follows:

19 **“§ 321. Acquisition Services Fund”.**

20 (3) The table of sections for chapter 3 of such
21 title is amended by striking the items relating to sec-
22 tions 321 and 322 and inserting the following:

“321. Acquisition Services Fund.”.

23 (4) Section 573 of such title is amended by
24 striking “General Supply Fund” both places it ap-
25 pears and inserting “Acquisition Services Fund”.

1 (5) Section 604(b) of such title is amended—

2 (A) in the heading, by striking “**GEN-**
3 **ERAL SUPPLY FUND**” and inserting
4 “**ACQUISITION SERVICES FUND**”;
5 and

6 (B) in the text, by striking “General Sup-
7 ply Fund” and inserting “Acquisition Services
8 Fund”.

9 (6) Section 605 of such title is amended—

10 (A) in subsection (a)—

11 (i) in the heading, by striking “**GEN-**
12 **ERAL SUPPLY FUND**” and inserting “**AC-**
13 **QUISITION SERVICES FUND**”; and

14 (ii) in the text, by striking “General
15 Supply Fund” and inserting “Acquisition
16 Services Fund”; and

17 (B) in subsection (b)(2)—

18 (i) by striking “321(f)(1)” and insert-
19 ing “321(f)”; and

20 (ii) by striking “General Supply
21 Fund” and inserting “Acquisition Services
22 Fund”.

1 **SEC. 4. PROVISIONS RELATING TO ACQUISITION PER-**
2 **SONNEL.**

3 Section 37 of the Office of Federal Procurement Pol-
4 icy Act (41 U.S.C. 433) is amended by adding at the end
5 the following new subsections:

6 “(i) PROVISIONS RELATING TO REEMPLOYMENT.—

7 “(1) POLICIES AND PROCEDURES.—The head
8 of each executive agency, after consultation with the
9 Administrator and the Director of the Office of Per-
10 sonnel Management, shall establish policies and pro-
11 cedures under which the agency head may reemploy
12 in an acquisition-related position (as described in
13 subsection (g)(1)(A)) an individual receiving an an-
14 nuity from the Civil Service Retirement and Dis-
15 ability Fund, on the basis of such individual’s serv-
16 ice, without discontinuing such annuity. The head of
17 each executive agency shall keep the Administrator
18 informed of the agency’s use of this authority.

19 “(2) SERVICE NOT SUBJECT TO CSRS OR
20 FERS.—An individual so reemployed shall not be
21 considered an employee for the purposes of chapter
22 83 or 84 of title 5, United States Code.

23 “(3) CRITERIA FOR EXERCISE OF AUTHOR-
24 ITY.—Policies and procedures established pursuant
25 to this subsection shall authorize the head of the ex-

1 executive agency, on a case-by-case basis, to continue
 2 an annuity if—

3 “(A) the unusually high or unique quali-
 4 fications of an individual receiving an annuity
 5 from the Civil Service Retirement and Dis-
 6 ability Fund on the basis of such individual’s
 7 service, ~~or~~

8 “~~(B) a special need of the agency for the~~
 9 ~~services of an employee,~~

10 “(B) *the exceptional difficulty in recruiting*
 11 *or retaining a qualified employee, or*

12 “(C) *a temporary emergency hiring need,*

13 makes the reemployment of an individual essential.

14 “(4) REPORTING REQUIREMENT.—The Admin-
 15 istrator shall submit annually to the Committee on
 16 Government Reform of the House of Representatives
 17 and the Committee on Homeland Security and Gov-
 18 ernmental Affairs of the Senate a report on the use
 19 of the authority under this subsection, including the
 20 number of employees reemployed under authority of
 21 this subsection.

22 “(5) SUNSET PROVISION.—The authority under
 23 this subsection shall expire on ~~December 31, 2011.~~
 24 *December 31, 2011.*”

25 “~~(j) RETENTION BONUSES.—~~

1 “(1) IN GENERAL.—The head of each executive
2 agency, after consultation with the Administrator,
3 shall establish policies and procedures under which
4 the agency head may pay retention bonuses to em-
5 ployees holding acquisition-related positions (as de-
6 scribed in subsection (g)(1)(A)) within such agency,
7 except that the authority to pay a bonus under this
8 subsection shall be available only if—

9 “(A) the unusually high or unique quali-
10 fications of an employee or a special need of the
11 agency for the services of an employee makes
12 the retention of such employee essential; and

13 “(B) the agency determines that, in the
14 absence of such a bonus, it is likely that the
15 employee would leave—

16 “(i) the Federal service; or

17 “(ii) for a different position in the
18 Federal service under conditions described
19 in regulations of the Office.

20 “(2) SERVICE AGREEMENTS.—(A) Payment of
21 a bonus under this subsection shall be contingent
22 upon the employee entering into a written agreement
23 with the agency to complete a period of service with
24 the agency in return for the bonus.

25 “(B)(i) The agreement shall include—

1 “(I) the length of the period of service re-
2 quired;

3 “(II) the bonus amount;

4 “(III) the manner in which the bonus will
5 be paid (as described in paragraph (3)(B)); and

6 “(IV) any other terms and conditions of
7 the bonus, including the terms and conditions
8 governing the termination of an agreement.

9 “(3) TERMS AND CONDITIONS.—A bonus under
10 this subsection—

11 “(A) may not exceed 50 percent of the
12 basic pay of the employee;

13 “(B) may be paid to an employee—

14 “(i) in installments after completion
15 of specified periods of service;

16 “(ii) in a single lump sum at the end
17 of the period of service required by the
18 agreement; or

19 “(iii) in any other manner mutually
20 agreed to by the agency and the employee;

21 “(C) is not part of the basic pay of the em-
22 ployee; and

23 “(D) may not be paid to an employee who
24 holds a position—

1 “(i) appointment to which is by the
2 President, by and with the advice and con-
3 sent of the Senate;

4 “(ii) in the Senior Executive Service
5 as a noncareer appointee (as such term is
6 defined under section 3132(a) of title 5,
7 United States Code); or

8 “(iii) which has been excepted from
9 the competitive service by reason of its
10 confidential, policy-determining, policy-
11 making, or policy-advocating character.”.

12 **SEC. 5. EFFECTIVE DATE.**

13 This Act and the amendments made by this Act shall
14 take effect 60 days after the date of the enactment of this
15 Act.

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