



FTS FACTS

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GSA, FTS Commissioner Bates Speaks Out on MCI Debarment

Commissioner Bates distributed the following correspondence to Federal agencies nationwide regarding the disposition of GSA, FTS and the MCI disbarment:

As you know, the General Services Administration (GSA) has been closely monitoring the situation regarding MCI WorldCom over the past year. In June 2003, GSA's Office of Inspector General referred the matter to the agency's suspension and debarment official to consider whether MCI WorldCom met the standard of being "presently responsible" as required of all Government contractors. That official issued a notice of proposed debarment to MCI WorldCom, which triggers an immediate suspension of the company's eligibility for new Government contracts. The notice cites the determination that MCI WorldCom lacks the internal controls and business ethics necessary to be considered "presently responsible." Accordingly:

- ◆ MCI WorldCom's name will be entered into the Excluded Parties Listing System; the name will appear on the list at: <http://epls.arnet.gov>.
- ◆ Neither GSA nor any other Federal agency may award a new contract while a contractor is on the excluded parties list.
- ◆ The company may, within 30 days, challenge the decision.
- ◆ If the challenge does not change the decision, the company may begin the process of correcting the deficiencies cited to re-establish itself as "presently responsible" in the future.

We recognize that it is very important for you to have a clear understanding of the impact that the proposed debarment and immediate suspension will have on the services you receive under the current FTS 2001 contract with MCI WorldCom.

- ◆ The current FTS2001 contract with MCI WorldCom will expire on January 11, 2004, and MCI WorldCom is contractually required to continue providing services currently under contract for the remaining period of this contract. However, GSA cannot add any new services and when the contract expires, GSA cannot extend the contract with MCI World Com while they continue to be on the Excluded Parties List.

- ◆ Subsequent to the expiration of the current FTS 2001 contract with MCI WorldCom, the company is contractually required to continue providing service under the same terms and conditions, including prices, for a 365-day period of transition. During this transition period the contractor is also obligated to work with any successor contractor in developing and implementing transition to that successor contractor.

GSA is committed to working with your agency to ensure that your telecommunications needs are met. We will be contacting you during the next few days to discuss your mission critical requirements, the continued provision of telecommunications services, and new contracting options. Please be assured that we will work closely with you to avoid any deterioration or disruption of service that may result from this decision.

Sincerely,

Sandra N. Bates
Commissioner, Federal Technology Service
General Services Administration

For a listing of all companies affected by the disbarment, please refer to our website at: r6.gsa.gov/fts/download.htm.

The effects of the actions against MCI is binding and the agency(ies) may not solicit offers from, award contracts to, or consent to subcontract with the listed contractors at this time. This includes new orders for open market tariff services and month-to-month agreements—it also includes no contract extensions or contract modifications for existing contracts to add/ change services.

However, orders can be placed against existing service offerings on current contracts.