



2003 ANNUAL REPORT



Cooperative Administrative Support Units (CASU) Program

A Federal Interagency Support Services Program

www.casu.gov

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Pension Benefit Guaranty Corporation
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EX-OFFICIO MEMBERS

DIANA CASALE

Director, Mid-Atlantic CASU
CASU Director Representative

YVETTE V. WAUGH

Acting Executive Director
National CASU Program

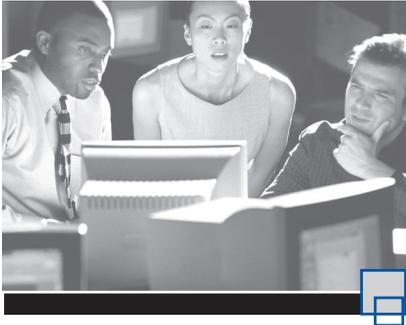
ROBERT BURTON

Associate Administrator
OMB/Office of Federal Procurement Policy

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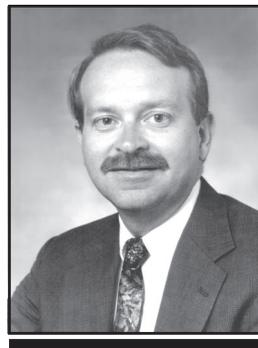
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MESSAGE FROM THE CHAIRMAN

I am pleased to present the fiscal year 2003 Annual Report for the National CASU Program. At the conclusion of our 18th year, the demand for CASU support remains high, as noted by the significant accomplishments presented here. The Program expanded in response to Federal agency requests, with the opening of three new branch offices in Atlanta, Central Texas, and Los Angeles. The volume of customer business increased by 78%, to a total of \$257 million in revenues compared to \$144 million in FY 2002. Since CASUs have a voluntary entrance and exit policy for its customers, it is especially noteworthy that 95% of customer survey responders intend to continue using CASU services.



In keeping with the work that we do, the National CASU Board of Directors redefined CASU's mission *"to facilitate interagency cooperation in the acquisition of commonly-needed services, promoting mission effectiveness and economy throughout the Federal Government."* This mission statement explains how CASUs assist agencies in accomplishing their respective missions. We believe that the mission statement also mirrors our customer relationships, as CASUs have been consistent partners in federal agency efforts to achieve efficiency and effectiveness. The interagency nature of our program ensures that our customers' needs are identified and addressed. CASU's "economies of scale" approach has been instrumental in helping agencies to achieve financial savings, permitting them to devote more resources to their core missions. As a public service provider, CASU fees are highly competitive because they seek to recover their actual costs. In keeping with this principle, the CASU Program has a strong focus on the customer, which is achieved largely through the active participation of local interagency boards made up of customer representatives. Additionally, CASUs typically have small, efficient staffs, with less overhead and lower administrative fees than other service options available to agencies. The CASU Network primarily relies on private industry to provide effective and efficient services to our customers with 96% of the revenue going to contracted support. Exceeding the Administration's government-wide procurement goals, the CASU Network is especially beneficial to small businesses and 8(a) small disadvantaged contractors since they constitute 61% of the contracts used by CASU (small business is 49% and 8(a) is 12%).

CASUs have made considerable contributions to the improvement of federal operations; likewise, they have greatly benefited the small business environment. The CASU Program is a proven tool that can be used to achieve the Federal government's goal of efficient and effective operations. CASU has shown its ability to carry out the Administration's intent to foster competition and cost savings. On behalf of the National CASU Board of Directors, I congratulate the CASU Network for their entrepreneurial spirit, business acumen and commitment to customer service. Again, appreciation is extended to the General Services Administration and Department of Defense their commitment and long-standing support of the National Office.

I invite you to read this FY 2003 Annual Report as it captures some of the program's history and its continued success.

Sincerely,

A handwritten signature in cursive script that reads "John Seal".

John Seal, Chairman
National CASU Board of Directors

MESSAGE FROM THE EXECUTIVE DIRECTOR



Eighteen years of business as public service providers is an accomplishment to be celebrated. I am extremely pleased that the CASU Network members, through support from local boards and lead agencies, have done an exceptional job in satisfying the varied support services requirements of their customer base. The Network's drive is to ensure customer satisfaction, foster inter-agency cooperation and improve operational efficiencies. Towards that effort, our National goals for FY 2003 included strengthening management operations and improving upon our cooperative relations with the local boards and lead agencies. Such strategies included improved network communications; semi-annual business director meetings; securing relationships between local boards and lead agencies; activating a National marketing plan; addressing operational and policy issues; and revising program guidelines.

Like any business, each new year brings challenges, triumphs and new opportunities. The CASU Network, unfortunately, lost four long-standing Treasury partners that withdrew to join in their agency's centralized efforts. Other lead agency goals attributed to the need for one CASU member to seek a new host agency from which to operate its program. The demand for CASU services has continued to grow as is evident by the opening of the Mid-Atlantic CASU in New York, with offices in Pennsylvania and Washington, D.C. Additionally, the National Board's passage of a new operating model permitted the Southeast Regional CASU to sponsor under its charter three flourishing branches in Atlanta, Dallas, and Los Angeles. More importantly, Network members have rescued several agencies with in-time solutions to address various procurement concerns – see the FY 2003 Success Stories in the CASU Network Accomplishments section of this report.

The CASU Network consists of dedicated entrepreneurial professionals that seek to provide the best possible service to the customer. Through their endeavors, the CASU Program has been of tremendous support to the government in its efforts to achieve effective and efficient organizations. Spreading awareness of the benefits that the CASU Network provides its customers is paramount. To that end, we will continue to make others aware of the Program. Please take a moment to review this report to see how other agencies and the private sector have benefited from the CASU Program.

I am proud to be associated with such an extraordinarily valuable group of people and organizations!

A handwritten signature in black ink that reads "Yvette V. Waugh". The signature is fluid and cursive.

Yvette V. Waugh
Acting Executive Director
National CASU Program

CASU PERFORMANCE MEASURES

The CASU Network is experiencing continued growth in revenue, customer base and customer satisfaction. CASU uses outcomes and business indicators to assess Network performance. The results of the outcome measures are described in the 2003 Customer Satisfaction Survey section of this report. Overall, customers were very satisfied with the value of services, delivery of services, and staff performance. They noted that convenience is the number one reason for using the program. Of the survey responders, 95% intend to continue using the program, indicating a high level of satisfaction. The business indicators are used to assess the internal performance and the infrastructure of the Network.

FY 2003 CASU Customer Satisfaction Survey

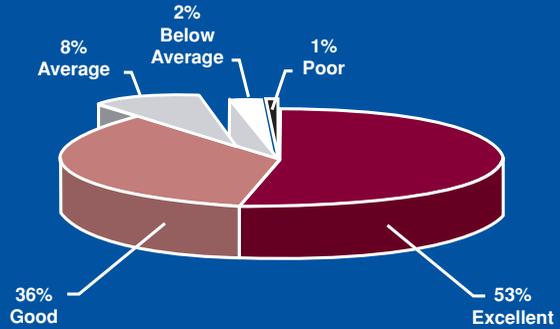
CASU's Strategic Plan requires an assessment of the Network's overall performance in meeting customer needs. The National Staff was directed to *"initiate a system of Network-wide surveys to assure feedback and provide marketing information on performance, service needs and trends."* Using the expert services of the Census Bureau's National Processing Center, the survey measured service delivery, service value and staff performance.

Consistent with the 2000 CASU Network survey, the 2003 survey found that overall customer satisfaction remains high in all service categories. Customers noted that the CASU Program is valuable and beneficial to their respective operations; that CASU continues to provide quality and timely products and services that meet their needs; and that CASU has skilled and responsible staff that tailors products and services to accommodate their needs. Additionally, customers noted *convenience* as the major reason for using the CASU Program; the second most important reason is *quality* and the third reason is *financial savings*. Customers were extremely pleased with the level of service provided; the Network received numerous accolades for services rendered. Several customers inquired about new types of services. In response to the question on recommended improvements, a few customers suggested changes in billing processes that are now being implemented.

Overall Value

How would you rate the overall value of CASU's programs to your agency's operations?

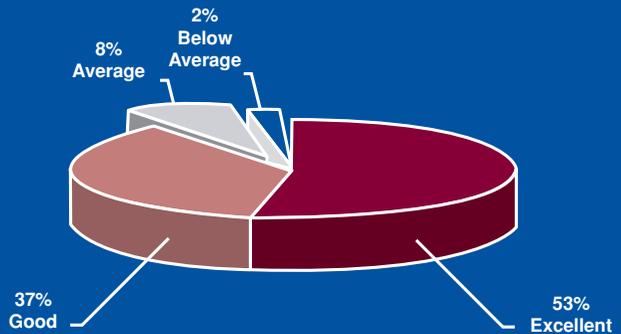
89%
rate as either excellent
or good



Quality of Service Delivered

How would you rate the overall quality of CASU products and services received?

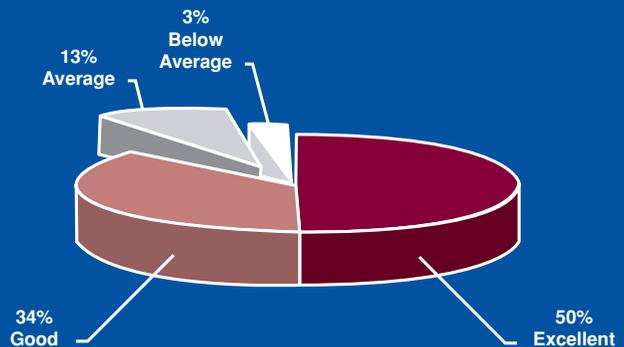
90%
rate as either excellent
or good



Staff Performance

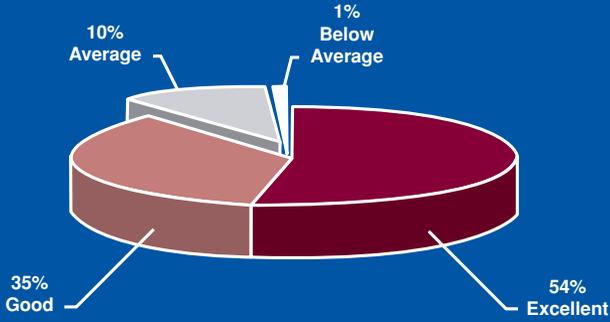
How would you rate overall staff performance?

84%
rate as either excellent
or good



Staff Performance

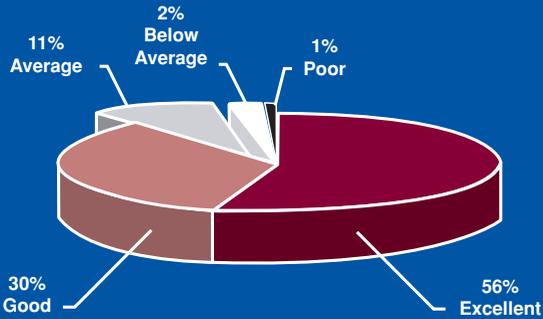
How would you rate the ability of the staff to tailor products or services to your agency's needs?



89%
rate as either excellent
or good

Service Delivery

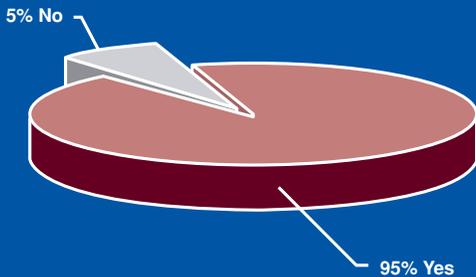
How would you rate the timeliness of delivery?



86%
rate as either excellent
or good

Retention

Are you likely to continue obtaining services from CASU in the future?



95%
answered Yes

FY 2003 BUSINESS INDICATORS

Details on the following pages provide expanded views of the CASU Network's business indicators.

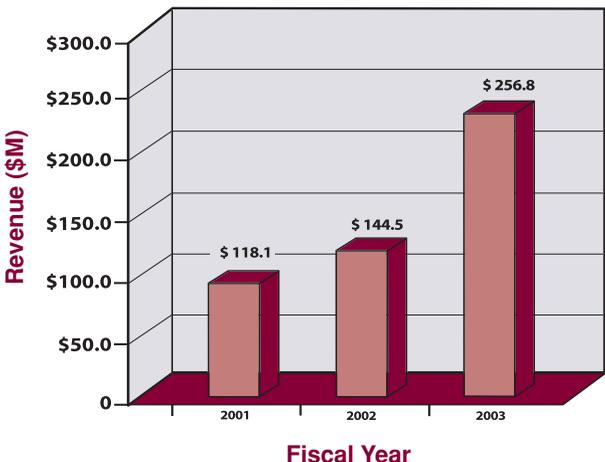
- Sales revenue
\$256.8 million
- Customers Served
783
- Types of Services Provided
381 service units, within broad categories
- Volume of Work provided by Contractors
96%
- Types of Contractors
272 Contracts/BPAs (includes small business, large business, 8 (a) and GSA Schedules)
- Self-Sufficiency
Full Compliance
- Adherence to CASU Operating Principles
Full Compliance

CASU REVENUES

CASU Network Revenue

FY 2003 members of the CASU Network increased their revenues by 78% over the previous year, from \$144.5 million in FY 2002 to \$256.8 million in FY 2003. Revenue growth and the consistent pattern of repeat business are indicators of continuing customer satisfaction with the products and services that are offered by CASUs.

CASU Network Revenue
FY 2003 Growth = 78%

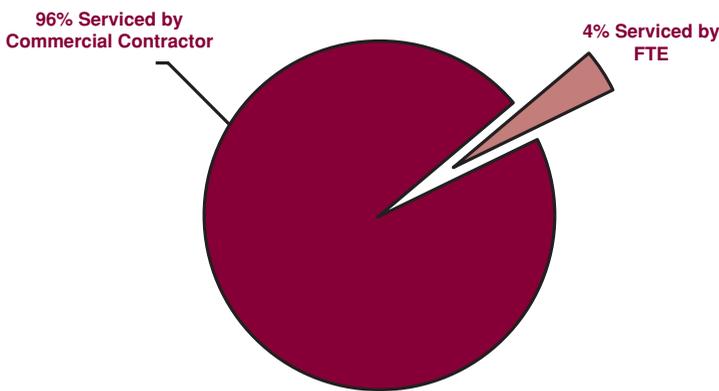


Revenues are provided solely for purposes of demonstrating the scope and growth of the CASU Network. Official financial reports are compiled and reported by each CASU through its lead agency's reporting channels.

Servicing Vehicles

CASUs provide services to their customers through various servicing vehicles: GSA Schedules, socio-economic and small business vendors, other FAR-competed contracts, and FTE. The CASU Network uses 272 servicing vehicles to provide 381 units of service. A 'unit of service' is equal to one service provided by one CASU. For example, temporary staff support is one service that is provided by eight CASUs; thus there are 8 units of service for temporary staff support. Of the 381 units of service, 96% are serviced by commercial contracts (Federal Supply Schedules, socio-economic and small business vendors, or other FAR-competed contracts). Only 4% are performed by FTE. The use of commercial contracts allows CASUs to offer the latest technology and highly experienced workers to their customers.

FY 2003 Service Units (381)
96% of Services Performed by Commercial Contractors



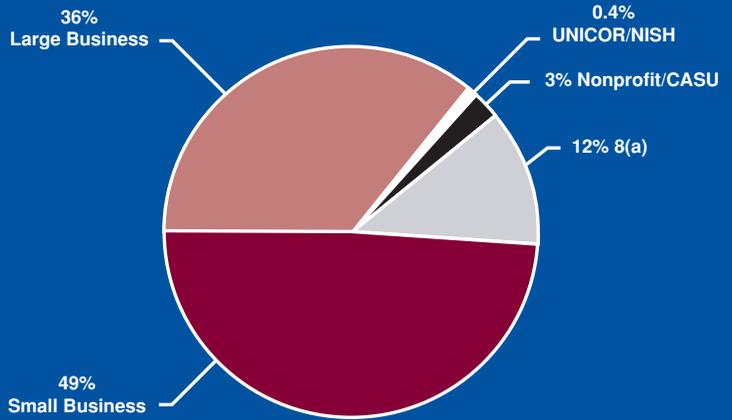
This chart shows the percentage of CASU services performed by contracts and FTE. The CASU Network had 381 service units in FY 2003, of which 96% were performed under contract. Four percent were performed by FTE

Types of Contracts

Consistent with the Small Business Act, CASU fully supports small businesses and small 8(a) disadvantaged businesses. The Network exceeded the statutory government-wide procurement goal for small businesses (23%) and 8 (a) business (5%). Overall, 49% of the services were provided by small business contractors, 36% by large business contractors and 12% by 8 (a) contractors. When distinguishing between support from GSA schedules or commercial contracts let by CASU, 31% are from GSA contracts and 69% are from other commercial sources.

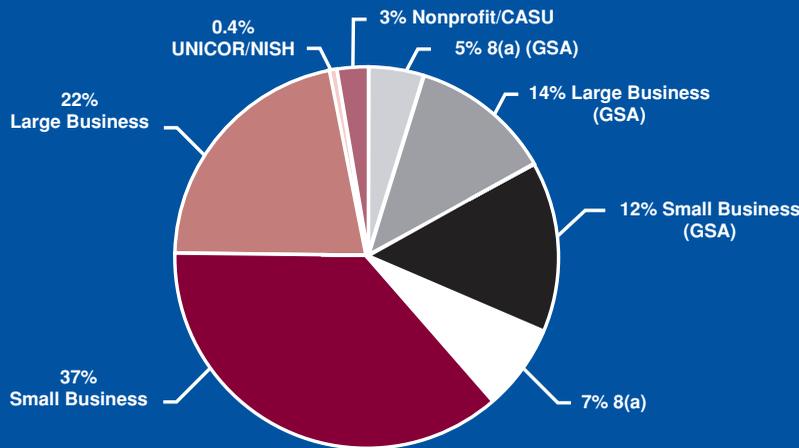
This chart shows the types and percentages of contracts/BPAs used by CASUs to service their customers.

Types of Contracts/BPAs
Percentage by Servicing Vehicle (Volume 272)



Types of Contracts/BPAs GSA (89) / Non GSA (187)
(Total Contracts/BPAs - 272)

This chart shows the breakdown of GSA and non GSA contract types used by CASUs to service their customers



The CASU Network has the ability to provide high quality, low cost services – with a quick turn-around – throughout the United States and overseas. CASU contracts are acquired through requirements established by the Federal Acquisition Regulations. One advantage to using a network of service providers is the abundance of support services contracts. The Network supports 88 individual services within nine service categories: Administrative Services; Financial and Procurement Services; Human Resources; Light Industrial; Mail Management; Printing, Duplication and Copiers; Professional and Technical; Technology and Training. Each category offers various services that can be tailored to address specific needs identified by changes in Federal policy or customer demand. During FY 2003, the network reported an increase in demand for Professional and Technical Services, especially project management and professional support.

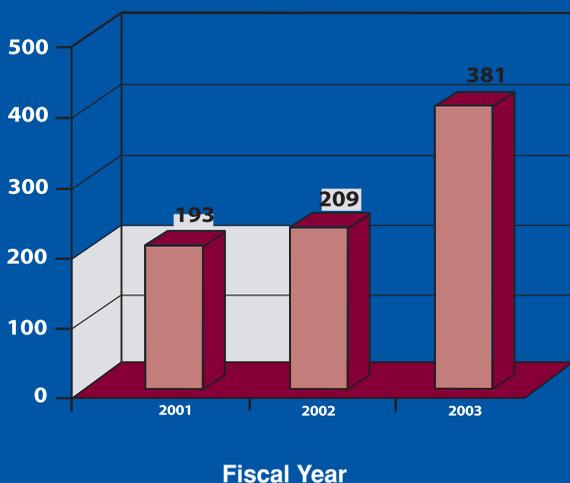
Customer agencies enjoy administrative benefits when using a network of service providers. In CASU's partnering environment, Network members have access to one another's contracts. These relationships allow CASU to handle new task requirements with less administrative burden to the customer agency. Customers avoid traditional procurement burdens and enjoy quicker servicing because task orders can be fulfilled through existing contracts. Customer agencies also enjoy financial benefits through pricing based on economies of scale and fewer administrative management tasks than traditional procurement processes.

A Pull-Out Reference Guide contains a list of services that are provided by the CASU Network.

Support Service Categories

- Administrative Services*
- Financial and Procurement Services*
- Human Resources*
- Light Industrial*
- Mail Management*
- Printing, Duplication and Copiers*
- Professional and Technical*
- Technology*
- Training*

**Number of CASU Service Units
2001 - 2003 Growth = 97%**



This chart summarizes the number of services offered by the CASU Network over the past three years.

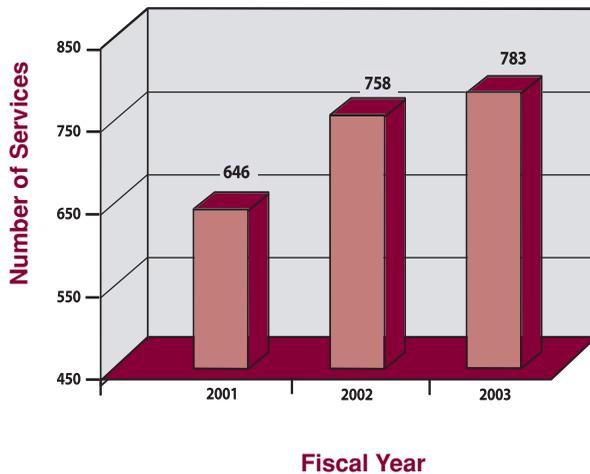
CASU CUSTOMER AGENCIES

CASU Network Customer Agencies

CASU remains a reliable source within the federal marketplace. The Network’s customer base continues to grow and repeat business remains strong. During FY 2003, CASU fulfilled administrative and operational requirements for 25 new customers. CASU continues to make the benefits of its program known in federal departments, small agencies and military services throughout the United States and overseas. Several agencies sought briefings on how to use CASU to create more efficient operations, to include the National Guard Bureau and the Department of Homeland Security. The Department of Defense represented over 40% of the Network’s customer base in FY 2003. In a recent CASU Survey, 95% of responders reported that they would continue to use CASU services. This positive response is an indication that customers are satisfied with CASU and that the program is meeting or exceeding the needs of its customer base.

The Pull-Out Reference Guide contains a list of “Customer Agencies” ~ by federal department or agency ~ that are supported by the CASU Network. To find out if a service is provided to a particular sub-element or field office, please contact the individual CASU office that supports the federal customer.

**Number of Network Customers
 2001 - 2003 Growth = 21%**



This graph illustrates the steady growth in customer agencies

CASU NETWORK ACCOMPLISHMENTS

FY 2003 SUCCESS STORIES

The following CASUs share accomplishments and success stories from FY 2003. CASUs may be contacted directly for copies of their annual reports and for additional information about their individual programs and business lines. A listing of CASU offices can be found at the back of this report. CASU customers and services are also listed on the insert in the middle of the report. Links are available to each CASU's website from the National CASU website: www.casu.gov.

FORT WORTH CASU

Lead Agency: *U.S. Army Corps of Engineers*
Major Services: *Mail Services, Mail Metering, Courier, Recycle, Moving and Labor, Temp Clerical, Interpreting, Conference Room Reservations*

The Fort Worth CASU, with the U.S. Army Corps of Engineers as the lead agency, completed its 16th successful year, providing eight services to twenty agencies. They are in the process of developing a Web-Based Conference Room Reservation System. This system will enable government agencies to reserve a room that will accommodate their needs without going through a third party.

FY 2004 goals for the Fort Worth CASU include the development of a Temporary Services Contract.

Chartered
July 1987

CASU Director
Dan Zinanti

Local Board Chair
LTC Robert P. Morris, USACE

Service Area
Texas

GREATER HAMPTON ROADS (GHR) CASU

Lead Agency: *Central Texas Veterans Health Care System*
Major Services: *Administrative Staff Support, Engineering, Professional Services, IT, Financial Services*

The GHR CASU increased its customer base by 16% over FY 2002. They now serve customers located in 25 states, the District of Columbia and in six countries outside of the United States. FY 2003 revenues grew by 42% over the FY 2002 reporting period. Throughout FY 2003, the Naval Medical Research Center (NMRC) in Silver Spring, Maryland, presented the GHR CASU staff with a number of challenges. Many urgent requests for research supplies and laboratory materials for use in support of the "war on terrorism" were processed throughout the year. The most noteworthy action occurred late in the fiscal year when NMRC determined a major source of contracted research and support personnel

Chartered
December 1993

CASU Director
Donald R. (Mac) McKenzie, Jr.

Service Area
National & International

would come to an end on September 30. If this were to occur, the success of many of the ongoing research projects would be negatively impacted. The efforts of the GHR CASU, combined with the contracting staff at the Central Texas Veterans Health Care System in Temple Texas, met the challenge and successfully awarded a replacement contract, which allowed uninterrupted continuation of the research.

Goals for FY 2004 are focused on continued expansion of their customer base. Historically, they have been heavily focused on supporting the many DoD activities found throughout the Greater Hampton Roads area. While they are proud of DoD's continued trust in their ability to provide timely and economical solutions to their acquisition challenges, the GHR CASU understands the need to offer their services to a larger segment of civilian agencies. To that end, they plan to focus attention towards increasing the awareness of the CASU network throughout the community of civilian agencies. Internally, they will be focused on developing and deploying an automated management system and reviewing and updating their Five-Year Strategic Business Plan.

MID AMERICA CASU

Lead Agency: *HHS/Program Support Center*

Major Services: *Contract Staffing, Copier Management, Copy Paper, Mail Management, PC and Software Training*

FY 2003 was dominated by a search for a new lead agency for the Mid America CASU. In spite of the uncertainty of the CASU's lead agency status, the CASU's copier management service continued to experience steady growth during FY 2003, adding both new customers and new orders for current customers. Several new customers were added to the CASU's contract staffing service during FY 2003. Because of security considerations for the Bolling Federal Building in Kansas City, GSA has contracted with the CASU for mail delivery for all of the Federal agencies located in the Bolling Building. In addition, the CASU has provided contract trades staff and back-up contract staff for GSA as they contract out those skills.

FY 2004 goals for the Mid America CASU include finalizing a new lead agency for the CASU and continuing to grow its customer base and revenue in all of its services.

Note: Subsequent to the close of FY 2003, the HHS Program Support Center has agreed to remain as the lead agency for the Mid America CASU. The local board and CASU customers are pleased that this decision allows the Mid America CASU to move forward with its FY 2004 goals of growth in services and customers.

Chartered
June 1987

CASU Director
Ken Truax

Local Board Chair
Chris Blum, FAA

Service Area
National

MID ATLANTIC CASU

Lead Agency: VA Financial Services Center

Major Services: Temporary Services, Employee Assistance, Copiers, Paper & Toner Cartridges, Recycling, Mail, Fitness Center, IT, Accounting & Financial Services

The Mid-Atlantic CASU, with headquarters in New York City, completed its first full year of operation in FY 2003. They successfully incorporated the program of the Northeast Regional CASU, transferring the staffing and contracts from the Department of Labor to the Department of Veteran Affairs. This transition occurred without disruption of administrative support services to their customers. It included taking over the management of the fitness center, providing them with new equipment, computers and software to track membership. Also, the FBI asked the Mid-Atlantic CASU to start a self-defense program. The CASU contracted for the service and plans to start the courses in March 2004. In addition, the Mid-Atlantic CASU continued to exhibit strong growth in Copier Management Services, Temporary Staffing Services and the Bulk Paper Program. They also opened an office in Washington, DC.

Goals for FY 2004 include continuing to improve the accuracy of billings and customer service support, and establishing a Fitness Center and Mail Management Services in New York. In addition, they plan to establish a National Office Supplies Program in FY 2004.

MINNESOTA CASU

Lead Agency: VA Medical Center, Minneapolis

Major Services: Copiers, Common Needs Training

The Minnesota CASU expanded its copier program by adding 49 machines during FY 2003, increasing the number of machines to 405. They conducted a review of the costs and revenues of the program. By working with customers to pay through IPAC or by credit card, they have significantly streamlined the payment process, reduced receivables and improved cash flow. At the same time, they worked with vendors to furnish meter readings in an electronic format, which expedites their billing process, and reduces direct labor costs. As a result of these improvements, the Minnesota CASU was able to reduce their administrative fees.

Goals for FY 2004 include working with the local Federal Executive Board and their Interagency Training Council to identify common training needs for agencies. Once identified, the Minnesota CASU will develop a training schedule that will assist agencies in meeting those needs.

Chartered

January 2003

CASU Director

Diana Casale

Local Board Chair

Sam Kahn, HHS

Service Area

National

Chartered

September 1989

CASU Director (Acting)

Daniel D. Osendorf

Local Board Chair

Raymond Morris, FEB

Service Area

Minnesota, Nebraska,
North Dakota, South Dakota,
Wisconsin

CASU NETWORK ACCOMPLISHMENTS

NEW ORLEANS CASU

Lead Agency: *USDA National Finance Center*
Major Services: *Photocopy Services, Mediation Pool, Common Needs Training*

The New Orleans CASU operates under a partnership with the New Orleans Federal Executive Board (FEB). Ron Appel will retire at the end of the 2003 calendar year after nine successful years wearing two hats, FEB Executive Director and CASU Director. The FEB Policy Committee members serve as the New Orleans CASU Board of Directors.

Chartered
July 1989

CASU Director
Ron Appel

Local Board Chair
Marvel Robertson, HUD

Service Area
Louisiana

Significant CASU accomplishments during FY 2003 include the Mediation Pool Services program and the successful transfer of the photocopy program to a new provider. The Mid-Atlantic CASU supported the New Orleans customers without interruption in service by awarding a copier contract that satisfied the customer base. They worked together with the old vendor and the new one to make sure that equipment was picked up and delivered to the customers' satisfaction, without interruption in service for even one day. The Mediation Pool Services program is designed to help Federal agencies resolve employee disputes in a timely, informal, and cooperative atmosphere. A variety of other support services are provided to the New Orleans Federal community, including conference planning, common needs training, and child care referral.

FY 2004 goals for the New Orleans CASU include a smooth transition to new leadership and expansion of the program to include new services and additional customer agencies.

CASU NETWORK ACCOMPLISHMENTS

NORTHEAST REGIONAL CASU

Lead Agency: *Department of Labor*

Major Services: *Wellness Program and Center, Internal Mail Distribution, Mail Room Management, Outgoing Mail Processing, Pre-retirement Training*

During FY 2003, services and staff of the NER CASU were successfully transferred to the Mid-Atlantic CASU. The Board of Directors conducted its final meeting on October 3, 2003.

During its 16-year history, the NER CASU (which began as the Javits and Varick Street CASUs), received many awards from the National CASU Board of Directors. More recently, several members of the staff received "Exceptional Achievement Awards" from the Department of Labor for their accomplishments in restoring service following the 9/11 attacks. The NER CASU made possible thousands of EAP counseling sessions, delivered approximately 10 million pieces of mail, and placed over 7,000 temporary workers with Federal agencies. Over the last three years, over 2,300 memberships were purchased in the Employee Fitness Centers. A photocopier program which originally offered a single cost per copy plan through one vendor was developed into a diversified service which featured a range of vendors, leasing plans and customer-support options. A customer base that started out with a few agencies in a single Federal building ultimately grew to encompass hundreds of Federal offices in over 25 states.

In its final report, the NER CASU writes: "The National CASU Program has saved tens of millions of dollars for its customer agencies, allowing them to devote their resources to their missions and programs, rather than to administrative overhead. It has been a pleasure and a privilege to be affiliated with a program that has done so much to improve the efficiency of the Federal Government and control costs, and our experience with CASU is something that we will look back on with pride."

Chartered
1988

CASU Director
Binh Kha

Local Board Chair
Clifford Kirsch, U.S. Courts

Service Area
New York

CASU NETWORK ACCOMPLISHMENTS

Chartered
1994

CASU Director (Acting)
Brenda Bandy

Local Board Chair
COL Dean J. Despinoy, FEB

Service Area
National

Chartered
June 1994

CASU Director
Edward P. Donnelly

Branch Directors
Atlanta - Richard Dowling
Central Texas - Charles Carter
Los Angeles - George Newman

Local Board Chair
Mary Dayton, Bay County, FL
Atlanta - James Northcutt, U.S.
Army Reserve Command
Central Texas - Ross Johnson, FBI
Los Angeles - Morris Egre, U.S.
Attorney Office

Service Area
National & International

OKLAHOMA CASU

Lead Agency: FAA Aeronautical Center

Major Services: Accounting Services, Multi-Media Services, Payroll Services, Printing, Travel & Transportation

The Oklahoma CASU customer base expanded in FY 2003, to include permanent change of station services for the Department of Education. They also began providing travel services to the Federal Railroad Administration and full accounting services to the Surface Transportation Board.

The CASU received Gold Aurora Awards for two videos produced by their Multi-Media group. The Aurora Awards are an international competition designed to recognize excellence in the film and video industries.

In FY 2004, the Oklahoma CASU will provide full accounting services to the Federal Motor Carriers and Bureau of Transportation Statistics. They will also change over to a new accounting system that allows users to get their financial information quickly, produces monthly financial statements, and to meet OMB requirements for continued clean audit opinions.

SOUTHEAST REGIONAL CASU

Lead Agency: Central Texas Veterans Health Care System

Major Services: Engineering, Professional, Technical, Administrative Support, Procurement Services,

The SER CASU, located in Lynn Haven, Florida, achieved an unprecedented growth in business revenues of more than 100% over the FY 2002 revenues. The customer base also reached an all time high, with an FY 2003 increase of 11% over the previous year. FY 2003 included the superb growth of three newly established SER CASU branches. These branches, located in Atlanta, Dallas, and Los Angeles, achieved a combined first-year business revenue total of approximately \$14 million.

Two superior performance awards for SER CASU staff members, Suzette Allick and Charlotte Dickey, were recommended for FY 2003. While successfully processing the huge increase in customer orders, they also provided substantial help to the directors of the new Dallas, Los Angeles, and Atlanta branches in setting up their office procedures.

FY 2004 goals for the SER CASU will focus on quality of services, affordability, e-commerce, training, customer retention, business development, self-sustaining branches, and new goods and services.

CASU HISTORY

The President's Council on Management Improvement initiated the CASU Program in 1985. The primary purpose was to cut administrative costs by reducing duplication of administrative support functions in field offices. The original focus was on multi-tenant federal buildings that had as many as 50 agencies operating separate mailrooms, copy centers, procurement offices, supply rooms, etc. Federal agencies voluntarily formed cooperatives to share many of these common administrative functions. A local Board of participating agencies set policy, agreed on services to be provided, approved the budget and charges for services, and provided general oversight for the CASU. A lead agency hosted the CASU staff and provided personnel, financial, and procurement support to the CASU. Developed during a period when government employees provided most of these administrative functions in-house, CASU savings were first achieved by consolidating mailrooms, combining labor and moving staffs, and centralizing high-volume photocopying into copy centers.

An increase in demand for new services led CASUs to expand their scope of operations. CASUs grew from serving single buildings to groups of buildings in a downtown location, then entire metropolitan areas, whole states, and even entire regions of the country. Meanwhile, economies of scale were achieved by combining customer requirements and shifting emphasis from providing services with in-house staff to a mixture of contracts and dedicated FTE. Federal downsizing accelerated the trend toward contract services. CASUs adjusted to market conditions and responded to trends.

As more CASU services are provided through the use of contracts, CASUs are able to extend their business reach beyond initial geographic areas. Partnering and other arrangements make it possible for CASUs to offer their services nationwide and overseas. Indeed, meeting a customer's needs often means providing services to a regional office and all of its posts of duty using a single agreement, even though the customer may have specialized requirements at one or more sites. The customer may wish to utilize one contract for some locations, another contract for others. CASUs can and do give their customers this flexibility under one service agreement.

CASU HISTORY (Continued)

The range of services offered by CASUs continues to expand. They now have contracts and strategic partnerships that enable individual CASUs and consortia of CASUs to supply agencies with broad and varied product lines. CASUs provide these services with existing contracts or in partnership with other reimbursable government organizations.

Customer agencies, utilizing the CASU network, are now able to choose from a variety of sources. CASUs use contracts that are provided by multiple sources, both public and private. In fact, 96% of its services are provided through contracts with private industry. More importantly, CASUs are poised to assist customers with competitive sourcing requirements. In this way, the CASU program has become a chief advocate for competition among Federal administrative support providers. It has grown from a small, shared service network to a nationwide operation with FY 2003 revenues exceeding \$257 million. The CASU Network is clearly serving customer needs.

Cooperative Administrative Support Units (CASU) Program

*STRATEGIC PLAN 2003 – 2007
(Revised November 4, 2003)*

The strategic plan outlines:

The fundamental purpose of the plan is to articulate CASU’s strategic direction and outline what we as a Network hope to accomplish within this target five-year period.

Since our creation in 1985, CASU has had a clear mission to provide a full range of general support services to Federal organizations within the United States and overseas. Through our network of entrepreneurial organizations located throughout the United States we have been able to provide reimbursable support services to hundreds of customer agencies. Over 95 percent of these services are provided through contracts with private sector firms. CASU continues to be a customer-focused interagency program that has provided great benefits to the Federal community.

- *a vision for the CASU Network*
- *general goals over the next few years*
- *strategies for meeting those goals, and*
- *criteria for performance measurement.*

Current members of the CSAU Network have shown steady growth:

This revenue growth is an indication that CASU services are needed and valued by our many customers. We will continue to expand our area of operations to provide services to all Federal customers who want them.

Strategic planning is an on-going process. The plan requires continual review and updates to respond to trends and changes in the Government and business environment. The strategic plan is fundamentally a management tool to guide the CASU Network for the future. It will assist in aligning the CASU Network mission with its goals, strategies and resources, and ultimately the daily activities of each CASU employee. It is an important first step to ensuring that the CASU Network becomes a performance-based organization. The strategic plan also serves as a blue print for our relationship with our customers, suppliers, host agencies and other stakeholders. Implementation of this plan will help bring world-class service to our customers. The following plan outlines the Network’s strategies for accomplishing this goal.

*FY 2003 Revenues
\$256.8 million*

*FY 2002 Revenues
\$144.5 million*

*FY 2001 Revenues
\$118.1 million*

MISSION

To facilitate interagency cooperation in the acquisition of commonly-needed services, promoting mission effectiveness and economy throughout the Federal Government.

VISION

The CASU Network is the recognized leader and sets the standard for providing quality and customer convenience in the area of support services and is the first choice of participating agencies in meeting these requirements throughout the country and overseas.

STRATEGIC GOALS

- I. Strengthen the CASU network's cooperative business nature, customer focus, and links to related enterprising government activities.*
- II. Ensure that CASU maintains a national presence at all levels of the Federal community.*
- III. Establish a national communication clearinghouse that provides consistent and timely information to the CASU network.*
- IV. Expand CASU's geographic coverage to meet Federal customer agency requirements throughout the U.S. and overseas.*

As a Federal interagency program, achieving these strategic goals should occur with responsible operating principles and business practices. These should be recognized as a commitment to all taxpayers.



OPERATING PRINCIPLES FOR CASUs

1. Each CASU has multiple Federal customer agencies.
2. A local interagency customer board made up of Federal agency representatives assists each CASU.
3. Each CASU is or will be financially self-supporting within a reasonable time frame as approved by the National Board of Directors.
4. The purchase of services from a CASU is voluntary.
5. Each CASU conducts an annual financial audit and/or management assessment, which meets established federal financial standards with results reported to the lead (host) agency, the local board and the National Board of Directors.
6. Each CASU furthers the intent of the Economy Act of 1932, as amended, and complies with all applicable laws and regulations.
7. Each CASU seeks what is best for its government customers from all perspectives including financial, customer convenience and timeliness.

SOUND BUSINESS PRACTICES FOR CASUs

1. Each CASU establishes and follows a strategic business plan for its operations.
2. Each CASU regularly reports on performance outcomes to its local board and the National Board. Additionally, the CASU benchmarks with other operations.
3. Each CASU communicates well with its customers and maintains a customer focus.
4. Each CASU maintains sound financial management and internal control procedures.



CONCLUSION

The CASU Network's strategic plan consists of a combination of integrated, visionary statements and planning, measurement and monitoring tools to provide the Network a policy and operational guide for this target five-year period. It is designed to provide a common understanding for our customers, National Board of Directors, local interagency boards, lead/host agencies, suppliers and the staffs of the Network members on how the Network expects to accomplish its mission into the future.

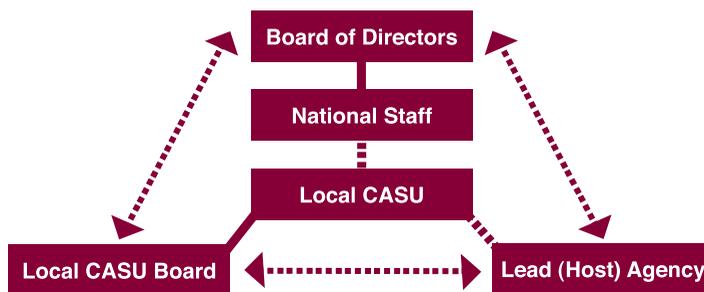
CASU CHARTERING AND OPERATIONS

Chartering

A CASU is formed by: 1) establishing an interagency board or committee, 2) identifying a lead agency to host the CASU, and 3) submitting a proposed charter from the interagency board to the National CASU Board of Directors for approval. The charter proposal describes the CASU location and customer agencies, organization and management structure, initial services to be provided, and the process for evaluating CASU operations. The National CASU Board reviews the charter proposal and approves or rejects the charter.

Structure And Operating Responsibilities

The National CASU Board serves as an interagency coordinating mechanism for promoting and advocating CASUs. The National Board provides general policy guidance but each CASU operates autonomously. A local board of directors made up of customer agencies provides policy guidance and oversight for the CASU, approves services to be provided, and functions as an information conduit with the National Board and the local lead agency. A lead agency, selected by the local board and approved by the National Board, provides reimbursable personnel, finance, and usually contracting support. A CASU Director, approved by the local board and employed by the lead agency, runs the day-to-day operation. The local board and the lead agency enter into a memorandum of understanding or some type of agreement establishing the roles and responsibilities of the board, the lead agency, and the CASU Director. In some cases, a CASU purchases contracting support from an agency other than the lead agency. All CASU services are subject to the policies and regulations of the agencies writing the contracts and/or providing the services. Each customer agency enters into an agreement with the CASU, defining the services to be provided and payment arrangements.



Evaluation And Assessment

The local Board of Directors reviews services being provided and assesses the effectiveness of the CASU. The lead agency ensures that the CASU operates within applicable laws and regulations governing the activities of the CASU. Any other agencies involved in providing CASU services or contract support must ensure that they follow their own applicable laws and regulations. The local board and the lead agency are responsible for ensuring that the CASU follows sound financial management and internal control procedures. On a biennial basis, each CASU submits a self-assessment to the National CASU Board of Directors, certifying adherence to sound financial practices and business-like standards.

CASU LOCAL BOARD CHAIRS FY 2003

FORT WORTH CASU

Lieutenant Col. Robert Morris
Commander
US Army Corp of Engineers

GREATER HAMPTON ROADS CASU

Nomination Pending

MID-AMERICA CASU

Chris Blum
Regional Administrator
DOT, Federal Aviation Administration

MID-ATLANTIC CASU

Sam Kahn
Assistant Regional Administrator
HHS, Administration for Children and Families

MINNESOTA CASU

Raymond Morris
Executive Director
Federal Executive Board of Minnesota

NEW ORLEANS CASU

Marvel Robertson
Operations Specialist
Housing & Urban Development

NORTHEAST REGIONAL CASU

Clifford P. Kirsch
District Executive
U.S. Courts, Southern District

OKLAHOMA CASU

Vincent Howie
Chairman
Federal Executive Board

SOUTHEAST REGIONAL CASU

Mary Dayton
Bay County Budget Director

SER CASU Branch Advisory Board Chairs

ATLANTA REGION

James Northcutt
U.S. Army Reserve Command
Fort McPherson, GA

CENTRAL TEXAS REGION

Ross Johnson
Assistant Special Agent
Federal Bureau of Investigation

LOS ANGELES REGION

Morris Egre
Executive Officer
U.S. Attorney Office

A Local CASU Board is formed from senior level management of federal agencies that participate in the CASU's services. Each Local Board enters into an agreement with the Lead Agency, outlining the roles of the Board, Lead Agency, and CASU Director. Local Boards have both guidance and oversight roles. Local Boards ensure that program policies established by the National Board are implemented.

A Lead Agency hosts each CASU, providing staffing (FTE) and, if necessary, personnel and financial services. All other essential administrative support (e.g., contracting support) is obtained by the CASU on a “best value” basis, from the Lead or other Federal agencies as appropriate. The Lead Agency and all other supporting agencies are fully reimbursed for every service they provide to the CASU. The Lead Agency has a seat on the Local Board of Directors. The Local Board Lead Agency relationship is established through a memorandum of agreement.

FORT WORTH CASU

Joe Lemons

Chief, Resource Management
US Army Corps of Engineers

MID AMERICA CASU

John Aguirre

Director, Administrative Operations Service
Department of Health & Human Services

MID ATLANTIC CASU

Rodney Wood

Director
Financial Services Center
Department of Veterans Affairs

MINNESOTA CASU

Steven Kleinglass

COO
VA Medical Center
Department of Veterans Affairs

NEW ORLEANS CASU

Jerry Lohfink

Acting Director
National Finance Center
Department of Agriculture

NORTHEAST REGIONAL CASU

Debra Williams

Regional Administrator-OASAM
U.S. Department of Labor

OKLAHOMA CASU

Lindy Ritz

Director, FAA Aeronautical Center
Department of Transportation

SOUTHEAST REGIONAL CASU, GREATER HAMPTON ROADS CASU

Kenneth Gaby

Chief, Logistics Management
Central Texas Veterans Health Care Systems
Department of Veterans Affairs

CASU CHARTERED OFFICES FY 2003

SOUTHEAST REGIONAL (SER) CASU

Location: Florida

Service area: national & international

Ed Donnelly, Executive Director

910 Ohio Avenue
 Lynn Haven, FL 32444
 Phone: (850) 265-0681
 Fax: (850) 265-3436
 Email: edward.donnelly@med.va.gov
www.outsourcing.gov

SER CASU BRANCH OFFICES

Atlanta Region

Rick Dowling, Director

Peachtree Summit Federal Bldg, Ste 2450
 401 West Peachtree Street, NW
 Atlanta, GA 30308
 404-331-6555 office
 404-405-2150 cell
 404-331-1033 fax
rickdowling@bellsouth.net

Los Angeles Region

George Newman, Director

23215 Charwood Dr.
 Diamond Bar, CA 91765
 909-861-2342 office
 909-861-0032 fax
gnewmanco@aol.com

Central Texas Region

Chuck Carter, Director

525 S. Griffin Street, Room 303
 Box 105 (Box required for USPS)
 Dallas TX 75202
 214-767-8000 office
 214-767-8020 fax
chuck.carter@med.va.gov

New Orleans CASU

Location: Louisiana

Service area: Louisiana

Ron Appel, Director

USDA National Finance Center
 13800 Old Gentilly Rd., Post R-43
 P.O. Box 60000
 New Orleans, LA 70160
 Phone: (504) 255-5420
 Fax: (504) 255-6100
 Email: ronald.appel@mail.va.gov
<http://sig.nfc.usda.gov/feb/CASU.htm>

MINNESOTA CASU

Location: Minnesota

Service area: regional

Daniel Osendorf, Acting Director

Department of Veterans Affairs

1 Federal Drive, Bishop Henry Whipple

Federal Building, Room 156

Ft. Snelling, MN 55111

Phone: (612) 970-5701

Fax: (612) 970-5687

Email: dmcdosen@vba.va.gov

Staff Access: mncasu@vba.va.gov

MID AMERICA CASU

Location: Missouri

Service area: regional & national

Ken Truax, Director (PSC/AOS)

Department of Health and Human Services

601 East 12th Street, Suite 1709

Kansas City, MO 64106

Phone: (816) 426-3501 X255

Fax: (816) 426-2419

Email: ktruax@psc.gov

MID-ATLANTIC CASU

Locations: New York & Pennsylvania

Service area: national

Diana Casale, Director

26 Federal Plaza, Room 3300

New York, NY 10278

Phone: (212) 264-0722

Fax: (212) 264-2118

Email: diana.casale@mail.va.gov

NORTHEAST REGIONAL CASU

Location: New York

Service area: local

Binh Kha, Acting Director

201 Varick Street, Room 837

New York, NY 10014

Phone: (212) 337-2224

Fax: (212) 337-4640

Email: kha-binh@dol.gov

OKLAHOMA CASU

Location: Oklahoma

Service area: regional & national

Brenda Bandy, Program Manager

6500 S. MacArthur Blvd.,

HQ Bldg, AMC-3

P.O. Box 25082

Oklahoma City, OK 73125

Phone: (405) 954-5096

Fax: (405) 954-9964

Email: brenda.bandy@faa.gov

<http://oklahoma.casu.gov>

FORT WORTH CASU

Location: Texas

Service area: Dallas/Ft. Worth

Dan Zinanti, Director

U.S. Army Corps of Engineers

819 Taylor Street, RMC-3A37

Ft. Worth, TX 76102

Phone: (817) 886-1403

Fax: (817) 886-6433

Email: dan.zinanti@swf02.usace.army.mil

GREATER HAMPTON ROADS CASU

Location: Virginia

Service area: national & international

Mac McKenzie, Director

Department of Veterans Affairs

4012 Raintree Road, Suite 140A

Chesapeake, VA 23321-3761

Phone: (757) 673-4690

Fax : (757) 673-4694

email: ghrcasu1@ghrcasu.hrcoxmail.com

CASU CONTACT INFORMATION

Questions or comments:

If you have questions about forming a CASU or becoming a lead agency, please contact us.

National CASU Program Office

1800 F Street, NW, Room 6233
Washington, DC 20405
(202) 273-4660
(202) 219-1711 *fax*

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Acting Executive Director
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yvette.waugh@gsa.gov

Mariley B. Ferens

Senior Program Analyst
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mariley.ferens@gsa.gov

Helen Harlow

Program Analyst
(202) 208-6344
helen.harlow@gsa.gov

WWW.CASU.GOV

How to Obtain CASU Services

To obtain CASU services, follow these key steps:

- Federal agency identifies requirement and submits Statement of Work (SOW) to CASU.
 - CASU, with estimates from Service Contractors(s), as needed, provides cost estimate to requesting Federal agency.
- Federal agency submits finalized SOW and funding document to CASU.
 - CASU completes contract tasking with Service Contractor and advises requesting agency of delivery date.

The National CASU Program Office can assist agency in identifying a servicing CASU office.

Quality

Convenience

Value



CASU

National Network. Local Services.

National CASU Program (MPE)

1800 F Street, NW, Room 6233

Washington, DC 20405

TEL: (202) 273-4660

FAX: (202) 219-1711