



1999 was a pivotal year for GSA . . .



1999 annual report

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The 1999 GSA Annual Report is an Accountability Report produced under the guidelines of the Government Management Reform Act of 1994. This report provides a 360-degree view of the General Services Administration by augmenting the traditional audited consolidated financial information, as required under the Chief Financial Officers Act of 1990, with performance information and reviews of management controls. Reports consolidated within this document include: the financial statements and associated auditors' reports; the Federal Managers' Financial Integrity Act Assurance Letter; Prompt Payment Report; Cash Management and Electronic Payments, Receivables Management and Civil Monetary Penalties; and Executive Summaries of the Inspector General's Semiannual Reports and the Administrator's Semiannual Management Reports to the Congress.

...We turned 50.

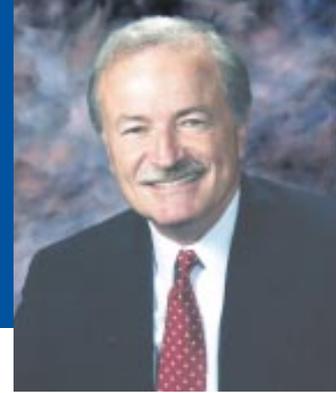


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Letter from GSA Administrator David J. Barram



Heartland Regional Administrator Woody Overton (right) places a wreath at the grave of President Harry S. Truman on July 1, 1999, GSA's 50th anniversary.

In FY 1999, GSA turned 50.

Whenever we reach a milestone anniversary, there is a temptation to look back and recount the things we've done and the places we've been.

We congratulate ourselves for our longevity and celebrate those among us who were there at the beginning.

We reminisce about the way things were done in the past, and wonder at the improvements we've made.

At GSA, where we are celebrating our 50th year as provider of workspace, technology, products, services and policy for the Federal Government, we can't afford to look backward.

We tip our hat to the 81st Congress and President Harry Truman who created the agency in 1949, and to former President Herbert Hoover, who chaired the commission that recommended a GSA.



But we take our cue from two far-seeing employees who joined the agency in 1949 and stayed around—Deputy Budget Director Nancy Potter and Rosamond Cardreon of the Federal Supply Service. After 50 years, they tell us, they still seek to improve, to “build on the past but always look to the future and where we are headed.”

Administrator Barram's conversation with GSA's two 50-year employees, Rosamond Cardreon and Nancy Potter, was videotaped for viewing by GSA employees nationwide.

Our world is hurtling forward so fast that we must concentrate on the future—not on tomorrow, or next year, which will be here before we can fix our focus—but on how to position ourselves to fulfill our unique mission in the new millennium.

Doing New Work

Throughout the 1990s, GSA has been the Federal “reinvention engine,” out in front of the Vice President’s Reinventing Government initiative. We realigned our business lines, reorganized our workforce and redefined our role within the Government. We went from being enforcers to being collaborators and facilitators.

We are no longer the mandatory source we once were, and we are less than half the size we were at our peak. Our workforce has become more productive. We have had to get better at doing new work while “creatively destroying” the old bureaucracy that slowed us down and tied up our customers in red tape. Some of our “old” work has been assumed by other Federal agencies; some of



GSA Chief of Staff Martha Johnson, a strong proponent of “new work,” addresses customers and employees at a GSA Partnership in Administration Conference.

it has been contracted out. We have had to risk our own job security in order to ensure we are delivering for our customers.

Adding Value

We have been thinking a lot about how we, as an agency, add value for our customers, about

just what it is that’s unique about us. The business proposition we offer our customers is this:

GSA is dedicated to providing agencies with the best quality for the best value at the greatest convenience. We do this in all of our business lines.

We add value with low-cost telecommunications services. In FY 1999, GSA awarded FTS2001 telecommunications contracts to MCIWorldCom and Sprint to provide long-distance voice and data services to Federal agencies at prices even lower than those currently in place. Prices under FTS 2001 begin at about 4 cents a minute and will drop to less than a penny a minute by the end of the 8-year contract period. For the first time, GSA’s long-distance services will be non-mandatory—giving our customers the option to choose any provider that best meets their needs.

Our new local telecom program takes advantage of the competitive telecommunications environment to reduce rates dramatically. In FY 1999, we

contracted with AT&T for advanced digital and networking services in New York, Chicago, and San Francisco, gaining an average 70% price reduction. The monthly line rate in New York, for example, dropped from \$30 to \$4.

We add value with efficient property management. Overall, our operating costs for office space are 13% lower than those for comparable commercial space. We're constantly seeking to reduce energy costs by building energy-saving features into new construction and renovations.

At the same time, we're taking advantage of deregulation in the utilities industry to consolidate agency requirements and buy electricity and natural gas at unheard-of prices. For example, our Mid-Atlantic Region combined the electricity needs of 27 agencies into a single procurement that will save \$5 million a year.

We add value in Federal contracting. Our Federal Supply Schedules offer value and choice. We have 7,400 Schedules contracts in place to provide a broad range of products and services used by Federal workers at prices and terms we negotiated. This dynamic program expands continuously to incorporate new technologies and products to meet new agency requirements. In FY 1999, we created Schedules that make it easy for Federal agencies to acquire services in several new areas—financial asset management, human resource management, security, environmental advisory, professional engineering, and marketing, media, and public information.

We make it easy to respond quickly in emergencies. The Federal Emergency Management Agency (FEMA) depends on GSA for immediate support in emergency situations. In FY 1999, we responded to 63 Presidentially declared disasters, providing \$53 million in security, emergency telecommunications, supplies, equipment, and freight services.

Thrilling our Customers

Our customers, in all Federal agencies, are our reason for being. If we don't make it easy for them to get products and services of better value than they can get elsewhere—if we don't promise them excellence and deliver on that promise—we will have failed in our mission.



GSA leaders prioritize marketing strategies during a break in a meeting of the agency's Marketing Council.

I've talked about the need to thrill our customers since I got here. Everywhere in GSA, consideration of the customer is at the forefront of our consciousness. We are beginning to understand that it's not enough merely to satisfy our customers. If that's all we do, we will lose them and be unable to deliver the marketplace efficiencies we were created for.

We're joining forces to serve our customers better. One of GSA's greatest strengths is our ability to meet all our customers' workplace needs through a single point of contact. We're committed to cutting across organizational lines to provide "integrated solutions" that meet all workplace needs for the convenience of our customers. We formed a Marketing Council, with representation from all GSA regions and Services, and produced the agency's first national *Strategic Marketing Plan* with strategies for doing business in the newly competitive environment. The Council helps enforce consistency in presenting GSA's face to the Federal market. It generates benchmark information for use in local marketing efforts, raises the agency's profile, and provides a forum for the exchange of ideas and contacts for serving customers better.

We're supporting the 2000 census. Our unprecedented partnership with the U.S. Census Bureau has tapped the talents of a thousand people in all our Services to resolve the once-in-a-decade need for building up, furnishing, then disposing of a national network of temporary offices for census-takers. This arrangement allows Census to focus on counting people, because GSA is taking care of logistics. We're providing a full turnkey service that includes supplies, equipment, furniture, computers and telephones delivered and installed at facilities we located and built out. So far, we have delivered 1,157 fully equipped facilities, totaling over 4.3 million square feet. After the 2000 census has been taken and these offices aren't needed any longer, GSA will take them off the Bureau's hands.

GSA managed the design and construction of the new Internal Revenue Service Computing Center in Martinsburg, WV, dedicated in August 1999.

We're building a strategic alliance with the IRS. We are carefully nurturing our customer relationships. The strategic alliance we formed with the Internal Revenue Service this year marks GSA's first long-term seamless partnership with

the leaders of a customer agency. The IRS modernization program has created significant needs for building out, furnishing and equipping workspace. Following a "visioning" meeting in March 1999, GSA and IRS senior executives agreed to work together in planning and implementing the IRS plan for four new headquarters offices and its new shared





The towering statue of Justice by Diana Moore that dominates the lobby of the Warren B. Rudman U.S. Courthouse in Concord, NH, received a GSA Design Award in March 1999.

services function. On another front, we helped bring the IRS closer to its customers by co-locating its regional office with the California State Tax Board in storefront space at Northern California's largest shopping mall. This pilot program helped some 20,000 taxpayers get forms, information, and advice in FY 1999.

We're collaborating across Government on policy matters.

We work closely with 70 interagency groups in writing policies, guidelines and regulations that affect the entire Federal community. We provide important information for other agencies: identifying and circulating best practices, maintaining websites

and databases, and training their acquisition and information management professionals.

We're creating an enduring legacy of public art and architecture. We have more

construction projects in the works now than at any time in our history, many of them designed by world-renowned architects to meet the highest standards of civic architecture. We delivered nine new courthouses for the Federal judiciary in FY 1999, as well as office buildings and laboratories for Federal agencies around the country; we installed 30 new works of art in public buildings under our *Art-in-Architecture* program.

Measuring Results

As the Federal Government's most commercial organization, GSA has a crying need to follow sound business practices. We're taking steps to ensure that our operations cover their costs and that we can measure our performance.



Keeping construction costs within budget is a key GSA performance goal.

Increasingly, our people feel they can submit their work to the scrutiny of measurements and have confidence that the story they tell will make GSA better. Performance measurement is becoming part of our culture.

Our *Performance Plan* received good marks from Congress and the General Accounting Office in FY 1999, a

dramatic improvement over the grades we received in the past. This year, GSA was one of only a few agencies praised for providing a clear picture of intended performance. Given this vote of confidence, we will continue to strengthen our commitment to accomplish the strategies we set forth, linking the use of our budget resources to the achievement of continuous improvement.

Our Public Buildings Service took a bold step in FY 1999 to link a portion of its regional budget allocations to performance rather than relying on more traditional allocation methods. In this "friendly competition," some of PBS' discretionary budget was reserved for distribution to the regions based on performance against such goals as reducing non-revenue-producing space, keeping construction costs within budget, and improving customer satisfaction ratings.

Leading-edge Tools and Practices

Being on the forefront of change means that GSA must master the revolutionary new tools and practices in the marketplace and model their use for other Federal agencies.

We are strong proponents of electronic government. One of our first actions when I became Administrator was to give all GSA employees access to the Internet, the most powerful communications tool since the invention of the printing press. Aside from being a great resource for our employees, it is the most effective tool we have to help us deliver for our customers in the 21st century.

We are committed to using electronic commerce to make every aspect of Federal procurement easier for both customers and vendors. With our Internet-based Electronic Posting System, vendors can download solicitations and register on-line to receive automatic updates. Through our on-line shopping mall, *GSA Advantage!™*, agencies have access to 800,000 products and services. Many more will be added in FY 2000. Our IT Solutions Shop allows vendors, customers, and GSA contracting personnel to work together seamlessly over the Internet to meet customers' technology needs while providing centralized order-tracking and financial information.

We make it easy to standardize information technology. We launched Seat Management in FY 1999 as a way of providing up-to-date computer support for every Federal worker that could have enormous implications across Government. Agencies can manage their IT purchases and standardize their communications by leasing—not buying—the entire desktop computing environment, including hardware and software and network infrastructure. This offers quick access to upgrades, ensures that all employees in an agency are equipped with a standard communications capability, and lets agencies focus on their core missions.

We promote electronic security. We want businesses and citizens to feel secure in their communications with the Government. In FY 1999, we awarded the first contracts under our new Access Certificates for Electronic Services—or ACES—program to ensure the security of electronic transactions through digital signature technology.



Administrator Barram, a champion for the environment, uses this electric car for official travel in Washington, DC.

Benefiting the Community

Because of the vast resources we leverage and our socioeconomic mandates, GSA directly or indirectly affects the lives of millions of Americans. We've welcomed the opportunity to ensure

that our citizens benefit from the Federal presence in their communities.

We are environmental stewards. GSA has a long history of directing its purchasing power into responsible environmental uses. We've consolidated our conservation efforts under the umbrella of *Planet GSA* to underscore our commitment to sound environmental policies.

In August 1999, we announced major steps in our public buildings programs that seal our place as a leader in promoting environmentally responsible buildings. These include increasing the use of building, construction, and landscape materials with recycled content and incorporating construction and demolition waste management.

We bought 6,700 alternative fuel vehicles in FY 1999, mainly for the interagency fleet we operate. To encourage Federal drivers to use them, we're making \$4 million in matching funds available to agencies in six cities to help defray the additional cost of using these types of vehicles from the interagency fleet.

We support small business. The legislation that created GSA in 1949 stipulated "that a fair proportion of the total purchases and contracts for supplies and services for the Government shall be placed with small

business concerns.” GSA has always been true to this mandate, and FY 1999 was no exception.

Our Office of Enterprise Development held seminars in major cities to walk small business owners through the process of applying for our Federal Supply Schedule contracts. To reinforce the commitment of our own contracting personnel, we produced a video on contracting with women-owned businesses that was shown in cascading fashion throughout the agency. Our efforts paid off, as contracts with small businesses reached \$3.1 billion—another record.

We support family-friendly workplaces. GSA is instrumental in making it possible for Federal workers to do their jobs without forcing their families to sacrifice. We oversee 113 child care centers in Federal facilities that serve 7,600 children. In FY 1999, we made computers and Internet access available to all the centers so that even the youngest members of the Federal family can ride the information superhighway.

To keep Federal workers off the asphalt highway, we manage some 25 telecommuting centers, and equip the increasingly mobile workforce with the technology to do their jobs any place, any time.

Deputy Administrator Thurman M. Davis, Sr., is GSA's chief telework advocate and a leader in using advanced technology to work any time, any place.



Mastering New Skills

Our employees are our most valuable asset. Having reduced their numbers from 20,200 in 1993 to fewer than 14,300 in 1999, without a corresponding reduction in GSA's mission, we are providing them with the tools and training to do more with less and to develop both professionally and personally.

We have a virtual university. In April 1999, we opened the GSA OnLine University, an Internet-based virtual campus offering hundreds of courses, some for college credit, that employees can take anytime, anywhere. Students not only can register for and complete courses on-line, they can converse with professors and other students and leave messages. By the end of the fiscal year, 600 employees had completed courses.

We have a Chief Knowledge Officer. Taking a cue from leading corporations, we created the position of Chief Knowledge Officer or CKO in 1999 to use information technology to manage our knowledge base. The CKO will lead an effort to gather, sort, and present information from throughout the agency to make it easier for our employees to share and use it for informed decision-making.

Honest Conversation

One of the principles I have championed as GSA's Administrator is honest conversation. This means getting to the heart of the matter, to the real issues that drive our work, while remaining civil, courteous, and respectful.

I applaud the honest conversation that surrounds the sharper measurements we're reporting. I applaud the honest conversation I have enjoyed in my office with a dozen people who were willing to devote time and personal energy to a thoughtful conversation about race in America. I applaud our Chief of Staff, Martha Johnson, who pioneered the creation of study circles on race in the workplace, and the scores of individuals around the country who have joined her.

We have learned that these frank and sometimes painful discussions allow people to let go of the memories, misunderstandings and

misperceptions that hold them back in their work. We've already seen them free up a lot of energy through this process.

Honest conversation requires tough decision-making. In early July, we announced that GSA would close its eight distribution and forward supply centers. These centers purchased, stored, resold, and distributed as many as 7,000 frequently used products for GSA's customers. But the costs of maintaining them have been rising for the past 14 years, forcing us to raise prices to cover costs at a time when our customers increasingly buy these products elsewhere.

Soon after the fiscal year ended, we stopped work on the closure decision so we could revisit it with our union partners. GSA is currently reviewing the financial condition of its national Stock program and the viability of operating its distribution centers.

Administrator Barram, center, has an "honest conversation" with GSA interns starting careers in financial management.



Imagining the Future

In honor of our 50th anniversary, GSA pledges to appreciate the past and celebrate the future. We have taken pride in our progress and honored the people who forged the agency we are today.

Now it's time to turn the corner—to imagine and then create a Federal work environment where productivity matters more than place, where the tools employees need to do their jobs are just a keystroke away, and where best practices are the only practices.

This is GSA's commitment to our customers, our stakeholders, and the American people.



David J. Barram
Administrator

Letter from GSA Chief Financial Officer William B. Early, Jr.



Chief Financial Officer William B. Early, Jr., says, "GSA will have a world-class financial system" with Pegasys.

This is a challenging and exciting time to be at the helm of GSA's financial management organization. As GSA's new Chief Financial Officer, I am pleased to announce that FY 1999 was the 12th consecutive year our consolidated financial statements received an unqualified opinion from outside auditors. The agency's financial systems successfully transitioned to the Year 2000. These are accomplishments that every employee can view with pride.

The agency has made significant progress in the field of e-commerce. The CFO's office has been in the forefront of these efforts. We look forward to the time we become a "paperless" organization.

Our new integrated financial management system, *Pegasys*, is key to achieving this objective. Based on a commercial off-the-shelf product, *Pegasys* will improve accountability and provide up-to-date financial information quickly and easily. It will also eliminate burdensome paperwork and reduce data-entry requirements and duplication. *Pegasys* represents a

significant investment for GSA. Full implementation will take several years. At completion, GSA will have a world-class financial system.

In addition to providing leadership in the financial management area, the CFO organization has shepherded the agency's successful implementation of the Government Performance and Results Act. A General Accounting Office review of departmental and agency performance plans ranked GSA's plan among the best in the Federal Government. The forthcoming *Annual Performance Report* (summarized in the matrix at the back of this *Annual Report*) will present GSA's results against the plan. Analysis of this information will provide a strong foundation upon which to improve performance in the future.

GSA's Office of the CFO will continue to improve GSA's financial management services and customer focus to make reliable, up-to-date financial information easily accessible to employees, customers and suppliers alike. We will strive constantly to provide the right data to the right users at the right time. We will maintain GSA's unqualified audit opinions as we transition to *Pegasys*. We will also provide tomorrow's leadership through the CFO Financial Management Specialist Program and other recruitment and training efforts. We look forward to meeting the challenges of the new century.

A handwritten signature in blue ink that reads "William B. Early, Jr." with a stylized flourish at the end.

William B. Early, Jr.
Chief Financial Officer

GSA Organization and Performance

The U.S. General Services Administration (GSA) was created in 1949 as a centralized Federal procurement and property management agency whose primary objective was to save taxpayers' money. GSA programs affect nearly \$60 billion in Government financial transactions. In its policy role, GSA influences Federal purchases of more than \$200 billion in products and services.



At 50th anniversary celebrations across the country, GSA employees renewed their commitment to GSA's mission:

We provide policy leadership and expertly managed space, products, services, and solutions, at the best value, to enable Federal employees to accomplish their missions.

While GSA's mission has not changed in 50 years, the environment in which the agency operates has changed radically. A combination of legislation and executive branch policies has transformed GSA from a mandatory supplier of space and supplies for Federal agencies to a non-mandatory provider of competitively priced quality office space, commercial products and professional, state-of-the-art services to the civilian and military workforce. GSA

competes for Federal business at the same time that it fulfills its obligations to provide contracting opportunities to small and minority businesses and to ensure that all Americans benefit from the Federal presence in their communities.

GSA encompasses:

Public Buildings Service (PBS)
Federal Supply Service (FSS)
Federal Technology Service (FTS)
Office of Governmentwide Policy (OGP)

GSA's Strategic Goals

The agency's three-year *Strategic Plan*, issued September 30, 1997, is GSA's guide for fulfilling this mission as we move into the next century. It incorporates four strategic goals:

1. Promote Responsible Asset Management. GSA will conserve Government resources and the assets in its care and provide policies and best practices for Governmentwide asset management.

2. Compete Effectively for the Federal Market.

GSA will be the preferred provider of space, products, services, technology, and telecommunications for all Federal agencies by efficiently and economically delivering consistently high quality and best value.

3. Excel at Customer Service. GSA will thrill its customers and agency partners by developing and delivering creative solutions to meet their needs for space, products, and services; technology and telecommunications; and policy guidance.

4. Anticipate Future Workplace Needs. GSA will design, develop, and model future Federal work environments with state-of-the-art technology, innovation, and best practices in use of space, furniture, equipment, telecommunication, contracts, and other tools.

GSA's Performance Plan

As required by the Government Performance and Results Act (GPRA), GSA submitted a *Performance Plan* to Congress for FY 1999 and FY 2000. GSA was one of only four agencies cited by the General Accounting Office (GAO) for

providing a clear picture of intended performance in its plan. GAO ranked GSA with most of the others as "general" rather than "clear" in the specificity of strategies and resources, and GSA was among the 20 agencies receiving limited GAO confidence that the performance information reported will be credible.

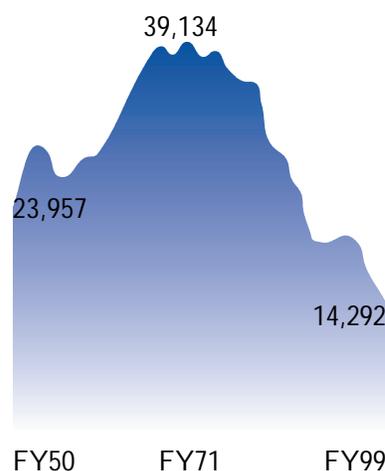
This year, for the first time, GSA's performance against this plan is being addressed in this *Annual Report*. A table showing GSA's FY 1999 performance on the 58 measures in the plan is attached on p. 144 in *Supplemental Information*. Performance will be reported fully in the first performance report required under GPRA that is due in March 2000.

Workforce

After five years of downsizing, GSA's workforce reached 14,292 in FY 1999, some 30% lower than the FY 1993 level. The distribution of GSA's workforce among its services and staff offices was as follows:

PBS	7,379
FSS	3,425
FTS	1,354
OGP	290
Other	1,844
Total	14,292

GSA Full-Time Employees Number by Fiscal Year



GSA Financial Performance in FY 1999

GSA obligated \$15.7 billion in FY 1999, 14% more than in FY 1998. Over 98% represented reimbursements from other Federal agencies; only \$153 million came from direct appropriations to fund operations. Over 94% was passed through to the private sector; only 6% went for GSA salaries and benefits.

Financial Operations.

GSA's financial operations included the following in FY 1999:

- The CFO provided payroll services for nearly 14,300 GSA and 9,700 client agency employees.

- All new employees and 98% of all GSA employees were paid by electronic funds transfer (EFT) through GSA's *Direct Deposit Program*. GSA's goal is to pay all GSA employees electronically.
- The CFO billed Federal clients for \$13.1 billion in services and supplies, a 38% increase from FY 1998. GSA now collects 82% of this amount directly through the Department of Treasury, 10% more than last year, reducing the need for GSA to send its customers bills. This year, the CFO sent out only about 318,000 bills, 30% fewer than in FY 1998. Average monthly delinquencies rose 48% to \$326 million.
- Ninety percent of GSA's vendor payments were made on time. The agency earned \$2.3 million in discounts. This was 87% of all possible discounts, short of the 92% FY 1999 goal.
- Late payment interest paid by GSA to vendors increased to nearly \$190 per million dollars disbursed this year, after dropping to \$102 in FY 1998. The FY 1999 goal was \$100.



- GSA's cash management function continues to be increasingly electronic. In FY 1999, GSA disbursed \$11.8 billion, 69% of it—representing half of all invoices—by electronic funds transfer. In the previous year, disbursements of \$10.9 billion were 56% electronic, equating to 34% of all invoices. In addition, 9% of vendor invoices were received electronically, up from 8% the previous year. GSA's financial operations continue to be more efficient than others in the public or private sectors. A study

At the GSA Greater Southwest Finance Center in Fort Worth, paper invoices are scanned as the first step in automating the verification and payment process.

completed in FY 1999 compared GSA's core financial processes with those of 10 Government agencies and a contractor database of over 1,200 corporations. The study showed GSA's finance operating costs of 33 cents per \$100 of revenue were considerably below the Government average of 85 cents and the industry benchmark of \$1.07.

Financial Statements.

GSA's financial statements have been subject to an outside audit for the past 12 years, and they have earned unqualified opinions each year. This standard of excellence is unmatched by any other large Federal agency.

GSA's audited financial statements, incorporated in this *Annual Report* (see p. 81), report GSA's financial position and results of operations pursuant to the requirements of 31 U.S.C. 3515(b) and in accordance with prescribed formats. They are in addition to the financial

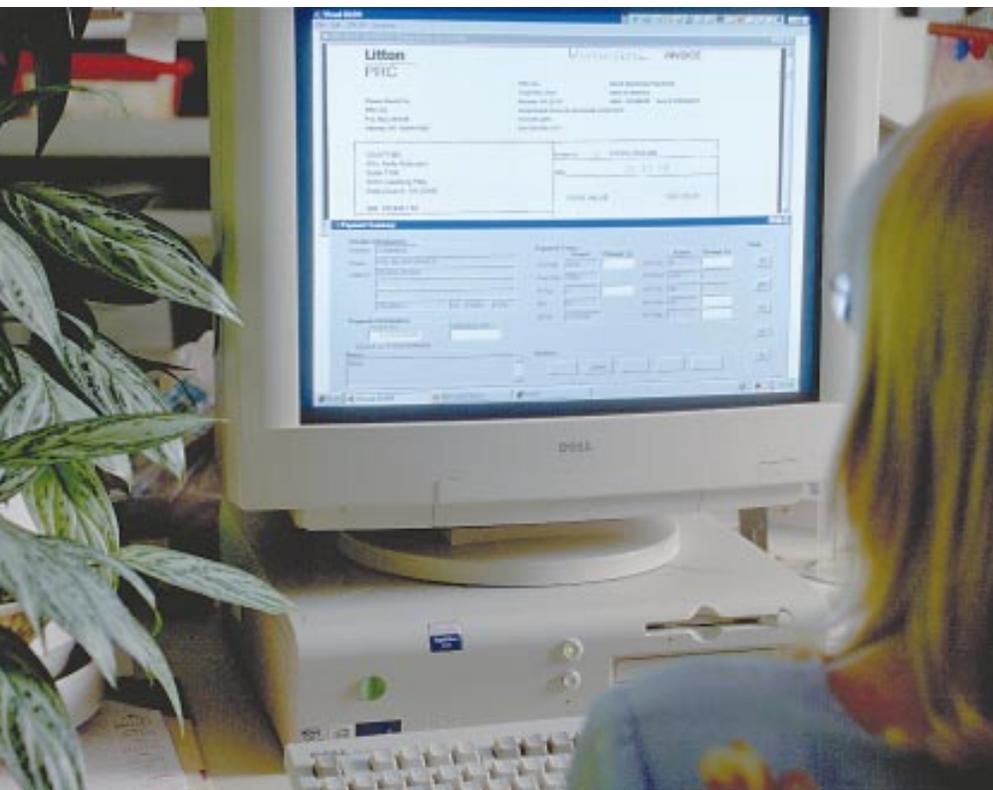
reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the understanding that, as GSA is a component of the U.S. Government, its liabilities cannot be liquidated without legislation that provides resources to do so.

Internal Controls. GSA's Office of Inspector General (IG) and its outside auditors, PricewaterhouseCoopers, have identified a need for GSA to strengthen internal controls in four areas: (1) the security of GSA computer

systems (2) the development, implementation and change of GSA's system environment; (3) the integrity of rent and leasing data used to manage the Federal Buildings Fund; and (4) credit card purchases. The first three items were also identified in the *Federal Managers' Financial Integrity Report*. (See p.129.)

Both the IG and the auditors cite inadequate computer security. In FY 1999, the auditors (see p. 89) identified a lack of controls over the systems development process, while the IG determined that GSA system security management and oversight continue to need improvement. The IG identified physical access control weaknesses and a lack of adequate security policies and procedures with GSA's local area networks.

The auditors also found that development, implementation and change controls over GSA's system environment need improvement. Although the agency has made progress in improving the



Automation speeds up the process of verifying invoices against purchase orders and receiving reports.

application development process, the auditors found weaknesses in testing, user involvement in development, user acceptance, and control over changes. (See p. 87.)

As in FY 1998, the auditors found a need to improve controls over the integrity of rent and leasing data used to manage the Federal Buildings Fund. (See p. 90.) In separate reports on performance measures, the IG pointed out (1) that GSA does not have a formal agencywide process to ensure that data supporting performance measures exist and are complete, and (2) that data-entry practices preclude accurate reporting of some reimbursable work authorizations and of cycle time from customer contact to completion of work. Regional audits also surfaced problems with data entry that resulted in inaccurate building financial reports.

The IG also noted instances of credit card use for items not related to program needs and for items not procured at reasonable prices or in compliance with procurement regulations. Additionally, because credit card purchases are generally handled by payment subsystems different from those that process purchase orders, GSA cannot readily identify and resolve

possible duplicate payments. GSA's new accounting system, *Pegasys*, will make it easier to identify duplicate payments.

Contract Appeals, Prosecution and Litigation Cases, and Audits

Contract Appeals. The GSA Board of Contract Appeals is an independent tribunal that hears and decides contract disputes between Government contractors and GSA, as well as between contractors and other executive branch agencies. The Board encourages resolution of these disputes through alternative dispute resolution (ADR) and makes ADR services available to executive agencies on contract-related matters. The Board also hears and decides requests for review of transportation audit rate determinations and claims by Federal civilian employees regarding travel and relocation expenses.

In FY 1999, 194 appeals and cost applications were filed with the Board, and 181 were resolved; 239 requests for transportation audit reviews and travel and relocation claims were filed, and 238 were resolved. In all, the

Board received 433 filings and resolved 419 cases.

General Counsel. In addition to supporting GSA's legislative, ethics, contracting, construction and environmental initiatives, the Office of General Counsel resolved 84 PBS litigation cases with a value of \$142.7 million. These cases were resolved either by trial, motion or settlement, for \$60 million, representing a saving of \$82.7 million to taxpayers.

Inspector General. In FY 1999, the Office of Inspector General made 408 referrals for criminal prosecution, civil litigation and administrative actions. Criminal referrals resulted in 15 successful prosecutions. Management decisions agreeing with audit recommendations, civil settlements, and court-ordered and investigative recoveries totaled \$439.8 million dollars.

Supporting Small Business

GSA's advocate for the small business community is its Office of Enterprise Development. During 1999, the office embarked on a tour of major U.S. cities to explain

to small, minority-owned, and women-owned businesses across the country how they can apply for Federal Supply Schedule contracts. The office holds similar sessions every month at GSA's headquarters in Washington, DC. Other outreach sessions in FY 1999 focused on courthouse construction projects and major information technology procurements. In addition to holding its own outreach sessions, the office participated in procurement fairs and conferences sponsored by Members of Congress, trade associations and professional organizations.

In FY 1999, GSA contracts with small businesses totaled more than \$3.1 billion, compared with \$3 billion a year earlier. This 36.6% share

GSA's Office of Enterprise Development holds seminars to help small, minority, and women-owned businesses identify Government contracting opportunities.

of all GSA contract obligations reported to the Federal Procurement Data Center exceeded the agency's goal of 36%. The FY 1999 total includes \$367 million for

women-owned small businesses and more than \$1 billion for minority-owned small businesses, increases of 43% and 28%, respectively, from FY 1998 levels.



GSA Public Buildings Service

GSA's Public Buildings Service (PBS) is the largest commercial-style real estate organization in the United States, managing more than 339 million rentable square feet of workspace for more than a million Federal employees in over 1,600 American communities. This inventory of 1,800 Government-owned buildings and 6,500 leased locations comprises 40% of all Federal office space.



Robert A. Peck
Commissioner

Paul Chistolini
Deputy Commissioner

Robin Needleman
Chief of Staff

Assistant Commissioners:

Chief Financial Officer:

Frederick T. Alt

Portfolio Management:

Pamela Wessling

Federal Protective Service:

Clarence Edwards

Business Performance:

Paul Lynch

Property Disposal:

Brian K. Polly

Chief Information Officer:

Albert Curley II

Chief Architect:

Edward Feiner

Employees: 7,379

Resources:

Federal Buildings Fund (FBF)

Revenue: \$6.4 billion

(Direct and Reimbursable)

Other FBF Funding: \$450 million

(Appropriated)

Other Funding: \$31 million

(Appropriated and

Reimbursable)

The source of real estate and related services for more than 100 Federal organizations, PBS constructs, leases, manages, maintains and protects Federal office buildings, courthouses, border stations, laboratories, and data processing centers nationwide. It also disposes of unneeded Federal property.

In FY 1999, PBS completed 25 major projects valued at approximately \$1.1 billion. Forty-four major projects, valued at approximately \$3 billion, were under construction at the end of the year. Thirty commissioned works of art were installed in Federal buildings and courthouses under the PBS *Art-in-Architecture* program.

The funding mechanism for PBS is the Federal Buildings Fund, which received \$5.4 billion in rental income from Federal tenants and \$908 million for reimbursable work. PBS new obligational authority—\$5.7 billion in FY 1999—is funded primarily from rental income. Overall, 91% of all PBS program dollars are spent in the

private sector for construction, leases, maintenance, repairs, protection, and other services.

The PBS Vision

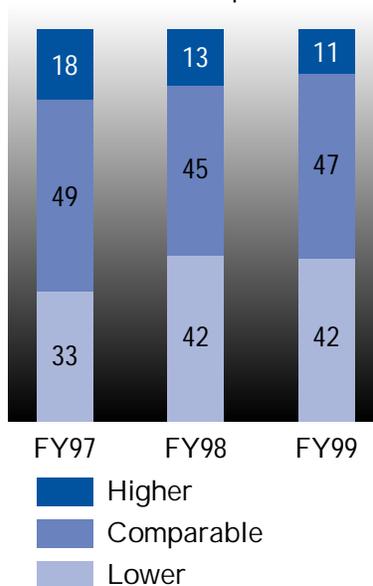
The PBS vision is to be recognized as the best public real estate organization in the world and to provide quality work environments for Federal employees. As Commissioner Peck points out, "Each GSA office building, laboratory, or courthouse is a symbol of our democracy; each is a significant public investment, an investment that must contribute to the vitality of its neighboring community." To achieve this vision, PBS continues to improve its internal operations by instilling accountability standards, benchmarking internally and against commercial equivalents and emphasizing financial and other performance measures. PBS is improving how it is perceived by its Federal customers and private partners. PBS strives to be a provider of choice for Federal agencies, to be easy to do business with and to help Federal agencies utilize real estate more efficiently.

PBS Performance in FY 1999

In FY 1999, PBS reached or exceeded most of its key annual performance goals as follows:

- Revenues were up 11% from last year to \$6.4 billion in FY 1999.
- Funds from operations (FFO) increased to \$1.2 billion, yielding funds to support the Repair and Alteration (R&A) program and fund limited new construction projects. The FFO per rentable square foot in FY 1999 was \$6.63 for PBS-controlled

PBS Office Space Operating Costs Per Square Foot vs. Private Sector
Percent of Total Space



Government-owned space and -\$0.25 for leased space.

- Indirect (overhead) costs were down to 8.3% of total revenue, establishing a baseline measure for controlling overhead.
- By renegotiating many of its contracts, PBS was able to reduce its average operating costs per rentable square foot of office space to \$4.17 in FY 1999, 13% below comparable private sector costs. This exceeded the annual performance goal of 11% below private costs.
- Non-revenue-producing Government-owned space was reduced from 16% in FY 1998 to 13.5% in FY 1999. Over the same period, PBS reduced non-revenue-producing leased space from approximately 7% to 3.7%, just short of the 3% goal. PBS reduced vacancies by renovating and back-filling vacant space, realigning space assignments to consolidate vacant space and, where possible, buying out leases and moving tenants from leased to vacant space in Government-owned buildings.
- PBS completed Repair and Alteration projects 2% under budget. But cost escalation on construction



National Oceanic and Atmospheric Administration scientists conduct experiments from the roof of the David Skaggs Federal Building in Boulder, CO, built by GSA.



projects, at 3.6%, was above the 2% goal for the year.

- PBS completed 59% of construction projects on time, against a 78% goal, and 69% of R&A projects, against an 81% goal. One focus of the new PBS *Construction Excellence* program is to improve this record.
- Customer satisfaction ratings increased from 74% in 1994 to 80% in FY 1998. The FY 1999 survey will be conducted during January and February 2000. The

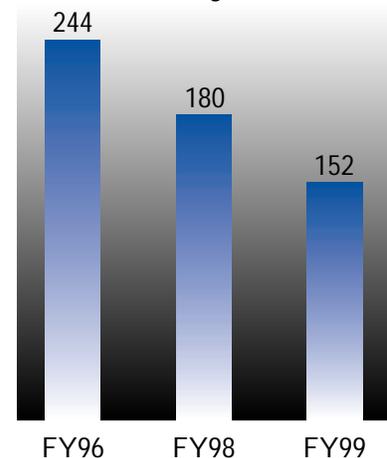
PBS long-term goal is to reach and maintain a satisfaction rating of 85%.

- The average time to acquire leased space for PBS customers was reduced from 180 days in 1998 to 152 days in FY 1999, beating the FY 1999 goal of 171 days. PBS has dramatically reduced leasing time from 244 days since its *Can't Beat GSA Leasing* program in FY 1996. PBS continues to benchmark against commercial leasing operations to reduce leasing costs.

GSA's FY 1998 annual audit surfaced discrepancies in PBS corporate data. As a result, PBS created internal teams to review the data issues, as well as problems

with PBS' System for Tracking and Administering Real Property (STAR), and to develop corrective action plans (see p. 90). The FY 1999 annual audit found many of the same problems, which PBS will continue to address until all corrective actions have been implemented. To ensure continued attention, data accuracy was designated a key PBS performance measure in FY 1999.

**Cycle Time for New Leases
Number of Days**



Program Highlights

Linking Budget to

Performance. In support of its vision, PBS has adopted a number of strategies designed to improve internal operations by making all employees aware of the key PBS performance objectives and by sharing information about proven ways to achieve them. The Office of Business Performance has taken the lead in developing, communicating and implementing PBS performance measures. In FY 1999, the key performance measures stressed by PBS management included funds from operations, customer satisfaction, leasing costs,

maintenance costs, cleaning costs, construction budget and schedule, non-revenue-producing space and indirect costs. They form the centerpiece of a bold initiative for linking the PBS budget allocation to regional achievement on performance measures. PBS now bases a portion of its annual regional budget allocation on performance, rather than relying only on more traditional allocation methods.

Linking budget to performance provides incentives for improving performance down to individual employees. Regions that perform better in

the key areas receive national recognition awards. As a result, PBS has experienced a shift in the way management and employees measure success. Instead of focusing excessively on process, PBS employees now focus on achieving outcomes and results that are measurably improved over past performance.

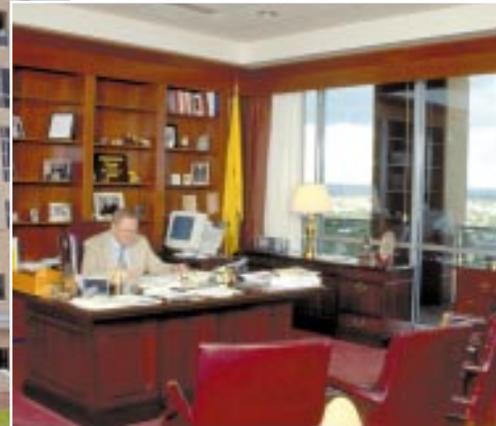
There are many pockets of excellence where PBS employs good practices that help it achieve a higher standard of performance for customers. PBS collects, manages and markets these good practices nationwide, accelerating the sharing of better procedures and lessons learned among all PBS offices. To date, PBS has identified and disseminated over 50 good practices, which will help improve performance in the key measurement areas.

Portfolio Management.

The PBS Office of Portfolio Management carries out planning for capital investment and divestment, analysis of portfolio and asset performance and

PBS had 44 major projects valued at around \$3 billion under construction at the end of FY 1999.





Chief Judge John Edwards Conway works in his chamber in the new U.S. Courthouse in Albuquerque, NM, dedicated in January 1999.

development of the capital program. Portfolio Management uses asset business plans to monitor the performance of owned buildings under PBS management. These plans provide a common direction for the management, operation and use of assets and focus performance management down to the individual building. The asset business plan process won a 1999 *Best Practice Award* from the International Development Research Corporation, an organization of corporate real estate

executives. Additionally, this office, through its National Accounts Program, develops strategic alliances to solve long-term housing needs for PBS customers.

Under Portfolio Management's leadership, PBS has simplified its rent-pricing structure to more closely resemble commercial practice. Rents in Government-owned space are based on market appraisals and, in leased space, on PBS's actual lease payments to the owner plus an administrative fee. Rents also include a basic security charge. PBS has expanded its application of the new pricing structure to all newly leased space and all new assignments in Government-owned space. It will be extended to all existing space

assignments in FY 2000. Over the next five years, PBS plans to execute formal occupancy agreements (akin to private leases) with agencies for all existing assignments.

Chief Architect. The Office of the Chief Architect provides national leadership and advocacy for GSA's construction program with its *Design Excellence* program. Over the last five years, this program has become internationally recognized as a model for achieving high standards of quality in public buildings and has attracted renowned private sector architects to design the nation's most important public buildings. The program uses peer selection panels of distinguished architects to ensure adherence to the highest design standards. As an

extension of the *Design Excellence* program, the *First Impressions* initiative is improving the appearance and function of lobbies and other public spaces in Federal buildings so that employees and visitors will feel welcome, safe and professionally served. A new initiative called *Construction Excellence* has begun to bring the same high standards of design excellence to construction.

Federal Protective Service. PBS has a responsibility to the taxpayer and Federal employees to provide safe, open work environments that also reflect the openness of the Federal Government. The nature of threats to Federal workers



Federal Protective Service Police Officer phones in a report from his van; it will be transcribed and held for his signature.

has broadened in recent years with the increase in terrorist incidents and workplace violence. The Federal Protective Service is evolving to meet customers' needs by shifting from a reactive posture of patrol and incident response to a proactive stance of crime prevention and threat reduction. Since the 1995 bombing of the Alfred P. Murrah Federal Building in Oklahoma City, 98% of high-risk buildings and 96% of lower-risk buildings have been evaluated for security needs. PBS employs 646 police officers, as well as physical security specialists, criminal investigators and contract guards. The number of contract guards increased nearly 8% in FY 1999 to 5,700. In addition, PBS has created 92 new positions for law enforcement and security officers—uniformed, multi-skilled officers who will perform a wide range of physical security and law enforcement duties.

Under the First Impressions initiative, GSA will open up the entrance to the Denver Federal Building, now hidden in a corner.



Property Disposal. The Office of Property Disposal manages the use and disposal of excess and surplus Federal real property, which is redistributed to other Federal agencies, conveyed to State and local governments and eligible nonprofit institutions or sold to the general public. It acts as a central broker to meet the Government's real property disposal needs with an

expansive network of market contacts in both the public and private sectors. The office provides assistance and advice on complex disposal issues to Congress and other public and private organizations. Disposal actions range from releasing small easements to the conveyance of large, historically significant properties such as Governors Island in New York Harbor. In FY 1999, the value of disposed properties was \$448 million, a 31% increase from \$342 million in FY 1998.

Property Disposal coordinates Government-owned Real Estate sales for Federal agencies through joint real estate fairs and auctions. Participating Government agencies reduced their marketing costs by an average of 10% to 15% by using shared resources and eliminating the costs of multiple auctions.

Planning with Communities. PBS leverages Federal real estate actions to support the economic vitality and cultural vibrancy of communities. Under the *Good Neighbor* program, the agency has joined downtown Business Improvement

PBS Energy Consumption Rate
Thousands of BTUs Per Gross Square Foot



Districts in 25 cities. In FY 1999, PBS launched the *Planning with Communities* program, which trains GSA staff nationwide to collaborate more effectively with local elected officials, planners, and community groups in making Federal real estate decisions.

Historic Buildings and the Arts. More than 450 GSA buildings have historical, architectural or cultural significance, including 11 national landmarks. In FY 1999, PBS produced a policy report, *Held in Public Trust*, that outlines steps to better manage GSA's historic assets to ensure their viability and attractiveness within

funding limitations. Under its Fine Arts Program, PBS awarded contracts for 39 conservation projects, 22 of which were completed.

Energy. PBS is partnering with many local utility companies to deliver innovative energy conservation projects and to comply with the mandated reduction of energy consumption in Federal buildings. In FY 1999, the energy consumption rate in GSA buildings, based on preliminary data, was approximately 70,000 BTUs per square foot. The target for FY 2000 is 67,800 BTUs per square foot, and for FY 2005, 59,300. GSA's energy use is down 18% from the baseline year of 1985; it has been reduced by 44.5% from the 1973 level. In FY 1999, PBS created a National Center for Utilities Management. This new group seeks opportunities to reduce costs across the Government by buying natural gas directly from deregulated suppliers. It operates on a reimbursable basis through administrative fees incorporated into service agreements.

Centers of Expertise. In order to be more responsive to customers' needs, PBS established Centers of Expertise with national

responsibility for specialized functions. Bringing together core groups of specialists in one place, they leverage dwindling resources, accommodate fluctuating regional workloads and deliver state-of-the-art expertise, best practices and operational guidance as needed. These centers provide all PBS regional

operations with access to specialized expertise in Border Stations, Child Care Operations, Complex Leases, Courthouse Management, Energy, Historic Buildings and the Arts, Presidential Libraries, Project Management, Retail Tenant Services, Site Acquisition and Relocation, and Urban Development and Livability.

The Office of the Chief Architect also functions as a center of expertise.

For more information about PBS and its programs, go to <http://www.gsa.gov/pbs> on the Internet.

These children attend one of the 113 child care centers in GSA facilities, two of which opened in FY 1999.



GSA Federal Supply Service

GSA's Federal Supply Service (FSS) leverages the Government's vast buying power and the professional expertise of its staff to offer quality products and efficient service, helping agencies reduce their own investments in acquisition and in the management of Federal personal property assets.



Frank P. Pugliese, Jr.
Commissioner

Donna D. Bennett
Deputy Commissioner

Barney Brasseur
Chief of Staff

Assistant Commissioners
Acquisition:

William N. Gormley

Business Management and
Marketing:

Gary Feit

Contract Management:

Patricia M. Mead

Chief Information Officer:

Raymond J. Hanlein

Controller:

Jon A. Jordan

Distribution Management:

John R. Roehmer

Transportation and Property
Management:

Allan J. Zaic

Vehicle Acquisition and
Leasing Services:

Lester D. Gray, Jr.

Employees: 3,425

Resources:

General Supply Fund Revenue:
\$2.8 billion

Other Funding: \$22.2 million
(Appropriated—Direct
and Reimbursable)

FSS provided Federal agencies across the globe with products and services worth \$17 billion in FY 1999, experiencing a 26% increase in business over the comparable total of \$13.5 billion for FY 1998. (The \$17.4 billion reported in the FY 1998 *Annual Report* included \$3.9 billion in Federal travel expenses charged on the GSA *SmartPaycard*.)

Management has determined that these charges should not be included in FSS total business volume.)

FSS serves customer agencies through four business lines: Supply and Procurement, Vehicle Acquisition and Leasing Services, Travel and Transportation, and Personal Property Management. These business lines cover nearly all

of their costs of operations with the revenue they generate through their competitive, easy-to-use, and accessible programs.

FSS Performance in FY 1999

FSS met or exceeded many of the goals set forth in GSA's *FY 1999/2000 Performance Plan* by:

- Reducing the cost of supply and procurement programs by 19% from \$3.51 per \$100 sales to \$2.85, exceeding the FY 1999 target by 23 cents per \$100.
- Maintaining the high proportion (77%) of Schedules contracts held by small businesses.
- Holding the FY 1999 increases in fleet costs per mile to less than the inflation rate.
- Achieving 68% savings on Federal travel as compared with commercial prices for airline fares.
- Reducing Government transportation costs by over \$20 million through pre-payment and post-payment audits.
- Maintaining savings of 45% to 48% over commercial rates for shipping small packages, household goods and freight.
- Maximizing cost avoidance through reutilization and donation of excess and surplus personal property, achieving \$1.9 billion savings in FY 1999.

FSS did not meet two of its performance goals in FY 1999. Instead of making 1 million products available to customers through the FSS

The Department of Defense is FSS' biggest customer, purchasing the full range of products for its stockrooms and base supply stores.

on-line ordering system, *GSA Advantage!*[™] FSS had 800,000 products on-line by year's end. During FY 1999, FSS reevaluated its e-business concepts to improve product and service accessibility through *GSA Advantage!*[™]. In light of these advances and the move toward corporate contracting, this performance goal has been reframed around the percentage of contracts accessible, both product and service contracts, with a goal of 95% of all FSS contracts on-line by the end of FY 2001. In addition, FSS had expressed its goal for fleet expansion in terms of a market share target of 48%. This percentage was based upon reports of overall fleet size which, by year's end, had changed. In actuality, FSS did meet its goal of accomplishing all planned fleet consolidations, which actually equates to a 44% market share. This performance goal has been adjusted to reflect the most recent overall fleet size reports.



Supply and Procurement

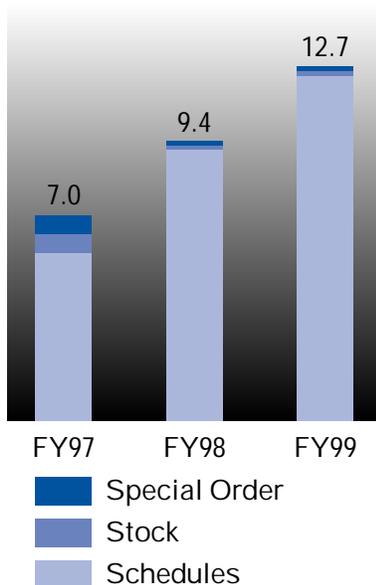
From furniture and office equipment to computers and lab equipment, FSS provides the products Federal employees need to do their jobs. But products are only one side of the story. Today, with over 7,400 contracts in place to meet Federal agencies' needs, FSS has seen the fastest growth in its service and technology offerings.

FSS is constantly expanding its range of products and services and streamlining processes, making it easier to shop, order, and pay. FSS Supply and Procurement business segments, which include Federal Supply Schedules,

Stock, and Special Order programs, have added value by saving Government resources, shortening lead times, and eliminating hassles. These programs delivered \$12.7 billion in products and services to Federal customers in FY 1999, a 35% increase over the previous year.

The overall growth in the Supply and Procurement business line, almost entirely because of the expansion of the less resource-intensive Schedules program, reduced GSA's cost per \$100 sales by 19% to \$2.85 in FY 1999 from \$3.51 in FY 1998.

Supply and Procurement Business Volume
Dollars in Billions

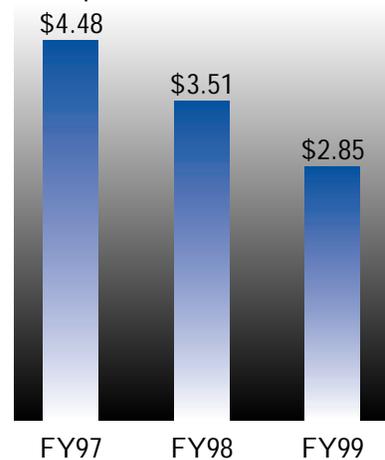


Federal Supply Schedules. The Federal Supply Schedules program is the FSS growth engine, due largely to information technology and services expansion. Sales rose 41% to \$11.4 billion in FY 1999, compared with \$8.1 billion in FY 1998. The program allows Federal customers to acquire more than 4 million commercial products and services directly from commercial suppliers through 7,400 Schedule contracts. FSS improvements in the Schedules program have afforded customers:

- Simplified ordering.
- Access to new products and services, which FSS vendors can introduce at any time during the term of the Schedule.
- Guaranteed acceptance of the Government commercial purchase card to pay for orders under \$2,500.
- Internet access to an electronic Schedules library, which customers can use to research products and services covered by FSS Schedules contracts.

The Schedules program also helps meet Government socioeconomic and

Supply and Procurement Cost per \$100 Sales



environmental goals, and customer agencies now get credit for small business purchases when using it. In FY 1999, FSS met its goal that 77% of Federal Supply Schedules contracts be held by small businesses, the same percentage as in FY 1998.

FSS expanded its new service contract offerings in FY 1999 to include schedules for the following:

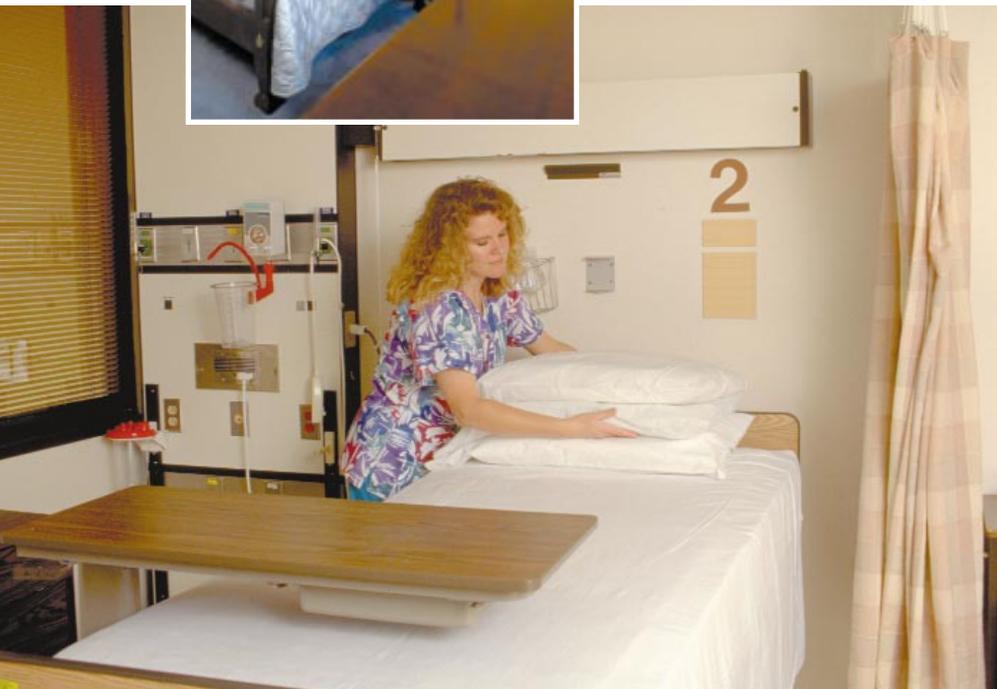
- **Financial Asset Services**, to cover all aspects of receivables management, including loan and asset servicing and asset sales, a companion piece for the FSS Auditing and Financial Management Services Schedule introduced in FY 1998.

- **Marketing, Media, and Public Information Services**, providing Federal agencies with expertise in communications, media services, commercial photography, market research, graphic design, video production, website design, trade shows, and conference and event planning.



- **Professional Engineering Services**, providing the full range of engineering services, including strategic planning for technology programs, concept development and requirements analysis, systems design, acquisition, and life cycle management.
- **Environmental Advisory Services Worldwide**, a schedule to help Federal agencies support compliance with the Clean Air and Water Acts, the

GSA provides hospital furnishings and complete "packaged rooms" as well as office furniture.



National Environmental Protection Act, the Resource Conservation and Recovery Act, and the Comprehensive Environmental Response, Compensation, and Liability Act. Using it, customers can tap experts who will advise on environmental planning and documentation, environmental studies, site assessments environmental impact statements and training certification programs.

- Also new in FY 1999 were Schedules for **Security, Energy Management, Human Resources, Mail Management, and Translation and Interpretation Services. Stock and Special Order Programs.** Combined sales for the Stock and Special Order Programs remained constant in FY 1999 at the previous year's level of \$1.3 billion. Stock program sales declined 5% from \$817 million in FY 1998 to \$781 million in FY 1999. This is largely attributable to Government downsizing, which has reduced the demand for the 7,000 Stock items, and to widespread use of Government purchase cards, which make it easy for Federal purchasing agents to obtain



SmartPay cards simplify paying and accounting for Federal purchases and travel, reduce administrative costs, and generate refunds.

these items directly from commercial sources. Special Order Program sales for items such as furniture and appliances increased 3% from \$477 million to \$490 million. GSA is currently reviewing the financial condition of the Stock program and the viability of operating its distribution centers.

Electronic Shopping.

GSA Advantage!™, the FSS e-business service, offered more than 800,000 products on-line in FY 1999, 200,000 more than in FY 1998 but short of its goal of 1 million. Internet access and ease of browsing put FSS product offerings just a keystroke away from Federal customers, who can pay with *GSA SmartPay* charge cards as well as by traditional methods. In FY 1999, 23% percent of FSS

Schedules contracts were accessible via *GSA Advantage!™*, and a goal of 50% of contracts has been set for FY 2000. FSS continues to improve this electronic commerce system by offering faster searches, adding services in addition to products, and increasing user-friendliness through links and photographs.

Charge Card Programs.

GSA first offered a charge card in 1983 as a safe and convenient way for Federal employees to pay travel expenses. The individually billed cards substantially reduced the administrative costs associated with official travel and provided agencies with valuable information for monitoring expenditures. Later, two additional charge-card

contracts were put in place for Federal purchasing and to cover fuel and other vehicle expenses.

In FY 1999, GSA launched *GSA SmartPay*. Instead of a single contractor providing each type of card—travel, purchase, and fleet—*GSA SmartPay* permits Federal agencies to choose from among five companies for any combination. Agencies may combine all their travel, purchase, and fleet needs using one integrated card, or they may continue to have separate cards for each. Either way, they save administrative time and money while improving accountability. The contracts also cover such services as ATM, debit cards, stored-value cards, and account maintenance and financial processes. In the future, *GSA SmartPay* cards may incorporate advanced technologies used in electronic purchasing and smart cards.

Federal employees used purchase cards provided under FSS contracts for more than 21 million transactions

worth \$10.1 billion in FY 1999, a 28% increase over 1998. Nearly 515,000 Federal employees held cards. Their use saved the Government more than \$1 billion in administrative costs and generated \$46 million in refunds in FY 1999.

Recognizing the popularity of *GSA SmartPay* in making purchases, FSS went one step further and established point-of-sale discounts. Any Federal employee with the *GSA SmartPay* card can walk into a participating store and receive a discount automatically.

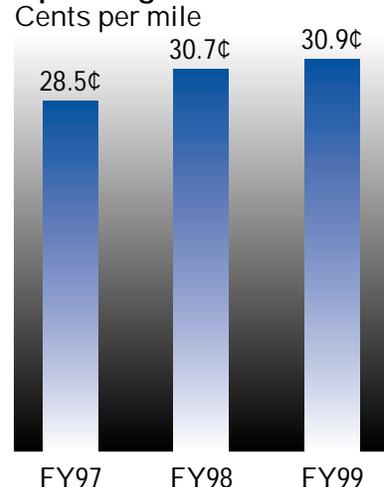
Vehicle Acquisition and Leasing Services

The Vehicle Acquisition and Leasing business line merged GSA vehicle purchase and leasing responsibilities into a single office in FY 1998. Customers deal with one provider, whether they decide to purchase vehicles and/or lease them. In either case, they benefit from GSA vehicle acquisition and management expertise and savings derived from volume buying.

GSA is a leader in promoting the use of alternative fuel vehicles, purchasing 6,700 in FY 1999.

In FY 1999, FSS bought more than 57,000 vehicles worth over \$1 billion, at average savings of 13% to 18% below dealer invoice prices. FSS achieved 20% savings on the commercial “Black Book” prices for the most commonly purchased vehicle, compact sedans. Of all vehicles bought in FY 1999, over 36,500 were acquired for the GSA Interagency Fleet, which leases them to 75 Federal agencies. FSS continued expansion of the GSA fleet in FY 1999 by consolidating nearly 7,100 vehicles from other agencies, resulting in a cost-avoidance for taxpayers of nearly \$6.8 million in a single year. At year end, the GSA fleet of 167,000 vehicles was 44% of the civilian, non-tactical Government fleet outside the U.S. Postal Service.

FSS Fleet Operating Costs



The FSS full-service vehicle leasing program offers low lease costs, timely replacement of vehicles, engineering services for agencies needing customized vehicles, and a selection of alternative-fuel vehicles. FSS Maintenance Control Centers



The Department of Defense is GSA's biggest customer for Fleet services.

provide access to maintenance and repair services and professional maintenance management for fleet customers nationwide through a single call-management system. In FY 1999 the cost per mile for the GSA Fleet (leased vehicles) was 30.9 cents, compared to 30.7 cents in FY 1998. The GSA Fleet program met its goal of maintaining the annual increase in cost per mile well below the FY 1999 inflation rate of 2.9%.

To help agencies meet the requirements of the Energy Policy Act, FSS offers a selection of original equipment manufacturers' alternative fuel products, including vehicles that run on ethanol, compressed natural gas, and electricity. GSA purchased approximately 6,700 alternative fuel vehicles (AFVs) in FY 1999, principally sedans, vans, pick-up trucks, and buses. Approximately 5,300 or 80% of these were for the GSA fleet. GSA plans to make up to \$4 million in matching funds available to Federal agencies in six cities to cover the cost difference between AFVs and traditional gasoline-powered vehicles if



they use GSA's AFV vehicles.

FSS also arranges for the design of specialty vehicles. In FY 1999, FSS acquired a medical evaluation trailer for the National Institutes of Health Institute on Aging and vehicles to train personnel in bomb disposal techniques for the FBI and the Department of Defense. FSS also participated in the major redesign of school buses and other buses to handle extremely severe off-road conditions, particularly those experienced on Indian reservations.

FSS continues to expand its use of web-based technology to better serve its vehicle customers. Information on vehicle types, makes, models, and prices appears on the Vehicle Acquisition and Leasing Services website, <http://pub.gsa.gov/motor/automotive>. Customers can view the Federal Vehicle Standards and the status of

their orders, enter their monthly mileage reports, and access vehicle inventory information. An application under development will allow customers to select vehicles, price out all the desired options, and place their orders electronically.

Travel and Transportation

In recent years, Federal travel and transportation budgets have totaled approximately \$18 billion annually. By leveraging this huge market, the FSS Travel and Transportation business line is able to negotiate favorable rates and provide agencies with significant savings. Travel services include discounted fares and lodging; travel agency services through Travel Management Centers; and a travel charge card provided through the GSA SmartPay



The Government saved \$2.5 billion in travel expenses in FY 1999 through GSA's city-pairs contracts for discounted travel with 14 airlines.

program . Transportation services include high-volume contracts for shipment of parcels and discount rate agreements for freight and household goods.

City-Pairs Program. The Contract Airline City-Pairs Program provides Federal travelers discounts of 68% from published unrestricted coach fares, with no advanced booking requirements or penalties for changes. Business volume for city-pairs contracts totaled \$1.2 billion in FY 1999, about the same level as in the

previous year. With discounts available from 14 airlines, the Government saved \$2.5 billion. The FY 1999 contracts covered 4,895 domestic and 587 international routes, with nonstop service in 99% of markets where nonstop service was offered.

Travel Management Centers. FSSTravel Management Centers reduce Federal administrative costs by shifting the burden of arranging travel from in-house staffs to commercial travel agents. They ensure that Federal travelers take

advantage of GSA's airline city-pairs contracts and other cost-saving programs and provide a mechanism for centrally billing and reconciling airline charges through the Government's charge card program. Travel agents have provided these services at no cost to the Government, relying instead on commissions from the airlines. As airlines change their commission policies, however, the Government will begin paying for these services. FSS will roll out fee-for-service programs in FY 2000.

Freight and Household Goods Relocation. FSS consolidates civilian agency requirements for shipping freight and the household goods of Federal employees and negotiates discounted transportation rates and services from carriers. During FY 1999, Federal rates were at least 46%, for freight, and 47.5%, for household goods, below commercial rates for comparable services. Federal agencies using these programs saved about \$126 million during the year.

Small Package Express Shipments. Federal agencies saved nearly \$100 million on next-day and second-day express delivery services through the FSS small-package contract with Federal Express. Federal shippers sent more than 21 million parcels at rates 45% less than the comparable corporate rate. Small package business volume totaled over \$126 million, 14% more than the \$110 million spent to send 19.9 million packages in FY 1998. This contract has two types of service—overnight delivery by 10:30 a.m. and second-day delivery by 4:30 p.m.—with an automatic, money-back guarantee if delivery is even one minute late. The contract allows customers to pay for services with the *SmartPay* card and *Power Track*, an FSS on-line processing and tracking system. GSA has also negotiated discount rate agreements for delivery services outside the scope of the FSS small package express shipments contract; e.g., next-day or second-day small package aggregate shipments in excess of 150 pounds. Federal agencies using these agreements saved \$19 million in FY 1999.

Transportation Audits. FSS audits Federal freight and transportation vouchers to recover or avoid excess charges. In FY 1999, prepayment audits reduced transportation costs by \$3 million, and post-payment audits recovered over \$17 million in overpayments. The prepayment reduction met the FSS FY 1999 savings target, while the total post-payment recovery exceeded the target by \$4 million. FSS will accelerate its efforts to educate customers on the benefits of prepayment audits to help them comply with recent legislation requiring all Federal agencies to perform mandatory prepayment audits beginning in FY 2000.

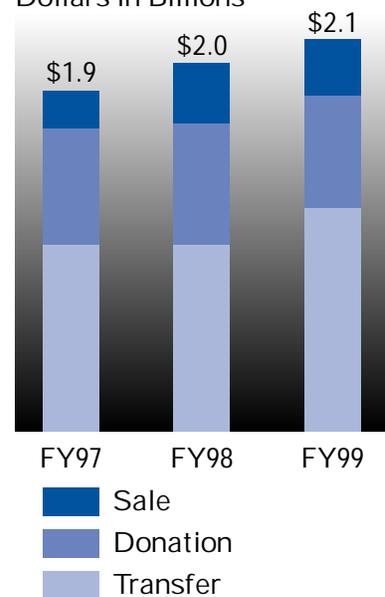
Personal Property Management

In its role as an asset manager for Federal personal property, FSS arranges for redistribution of excess property among Federal agencies, donation of excess property to eligible State and local governments and public nonprofit groups, and sale of surplus property to the public.

New expenditures equating to \$1.9 billion were avoided through the utilization and

donation of excess personal property, exceeding the FY 1999 goal of \$1.8 billion. Of this, redistribution of personal property among Federal agencies avoided expenditures of \$1.3 billion, an increase of \$200 million from FY 1998. Donations to State and local governments and other qualifying institutions saved these groups \$580 million, a decrease from \$651 million in FY 1998. FSS oversees the donation of personal property to approximately 70,000 tax-supported organizations, including schools, day care centers, hospitals, homeless

Value of Personal Property Re-used/Sold
Dollars in Billions



shelters, senior citizen organizations and programs, vocational training facilities, fire and police departments, and drug treatment and rehabilitation programs.

The value of Federal personal property sold to the public was \$254 million in FY 1999, down slightly from \$265 million the previous year. In FY 1999, FSS continued

to improve Internet access to its nationwide inventory of personal property available for transfer and donation. The FSS Federal Disposal System (FEDS) provides an on-line clearinghouse for personal property information and makes it possible for agencies to report, search for, screen, and select property on-line. Information about sales of surplus property to the public is on the FSS website at www.fss.gsa.gov.

GSA set up 1,157 facilities nationwide for the 2000 census and will dispose of them when the census is completed.



GSA Federal Technology Service

GSA's Federal Technology Service (FTS) provides local and long-distance telecommunications, information technology (IT), and information security services to Federal agencies and to other authorized entities such as the Native American Tribal Nations.



Dennis J. Fischer
Commissioner

Sandra N. Bates
Deputy Commissioner

Cheryl R. Ward
Chief of Staff

Assistant Commissioners

Chief Financial Officer:
Robert E. Suda

Chief Information Officer:
Randall E. Touchton

Service Delivery:

Frank E. Lalley

Regional Services:

Margaret C. Binns

Service Development:

Bruce Brignull

Information Security:

Thomas R. Burke

Acquisition:

Al Olson

Strategic Planning and Business Development:

Abby Pirnie

Information

Technology Integration:

Charles A. Self

Employees: 1,354

Resources:

Information Technology Fund

Revenue: \$4.2 billion

Other Funding: \$18.6 million

(Appropriated—Direct and Reimbursable)

FTS Performance in FY 1999

FTS FY 1999 revenue was \$4.2 billion, an increase of more than 23% over the \$3.4 billion reported in FY 1998, while the FTS share of the Federal IT market has grown dramatically in the last four years.

FTS met its FY 1999 targets for the following performance goals:

- Increasing its share of the Federal IT/ telecommunications market from 11.8% to 13.7%.
- Increasing business volume by over 20% with revenue and reserves covering all expenses.
- Maintaining long-distance rates that are estimated to be 15.5% lower than the lowest commercial offerings.

IT Fund Business Volume

Dollars in Millions



- Reducing average monthly local line rates by over 6%.

FTS Management Strategies

In FY 1999, FTS adopted two management strategies to help position itself as the leading provider of value-added IT services to the Federal Government.

Recognizing that its customers are its reason for being and its employees are its most vital asset, FTS is focusing on being both customer-centric and employee-centric. These dual priorities are reflected in the creation of cross-Service customer action teams and the development of a high-performance entrepreneurial culture.

As a customer-centric organization, FTS cuts across business lines to deliver superior customer service by better understanding customers' needs and helping them find better solutions. In FY 1999, customer action teams were established to grow the business with four

specific customers by gathering customer information for use in repackaging FTS goods and services. These initial teams serve the Internal Revenue Service, the Environmental Protection Agency, the Corps of Engineers and the Defense Finance and Accounting Service.

FTS is also creating a culture where all employees can be successful and are respected. FTS expects to generate better customer satisfaction and business results by ensuring its workforce is highly trained in the acquisition, telecommunications and IT fields, among others, and by implementing a number of employee-centric initiatives. These will increase communications, foster

employee development and recognition and nurture future FTS leaders, while, at the same time, expanding and enhancing FTS' service offerings.

To meet the challenge of providing technology products and services to Federal agencies in the highly competitive Federal marketplace, FTS has initiated an aggressive marketing program. Marketing its non-mandatory services under an "umbrella" approach, FTS provides enterprise solutions and tailored levels of service to meet Federal IT needs for everything from palm computers to artificial intelligence and long-distance services. The FTS "Smart Government: Bringing the Information Age

FTS has helped the Indian Health Service set up touchtone prescription refill services with prompts in English and tribal languages.



to the Public Sector,” “Connected Government: Connecting Government to the 21st Century,” and “AnyWARE Government: Tools for the 21st Century” programs offer impressive economies of scale in procurement of the broadest range of IT and telecommunications services available to the Federal Government.



FTS customer service representative (left) checks up on telecommunications equipment obtained for the U.S. Department of Agriculture in Fort Worth, TX.

FTS Business Lines

FTS is organized into two business lines: Network Services and Information Technology (IT) Solutions. There is substantial crossover between the two, reflecting the increasing interrelationship between telecommunications and other IT services, and the extent to which FTS brings its acquisition expertise to bear in the provision of the full range of technology services.

Network Services conducts virtually all of its business by awarding and managing large contracts to acquire services for its Federal clients (in sharp contrast to the original Federal Telecommunications System that employed hundreds of telephone operators at switchboards). Long-distance services for Federal agencies were delivered in FY 1999 by AT&T and Sprint under 10-

year contracts that required specified levels of service at pre-negotiated prices. Local telecommunications services were provided to Federal agencies nationwide through the ownership and operation of voice telecommunications equipment or through the resale of centrex services from the local exchange carriers.

IT Solutions conducts all its operations through FTS, FSS and other contract vehicles, offering comprehensive services and one-stop shopping. It provides fully competed contracts, competitive pricing, problem resolution and interoperability.

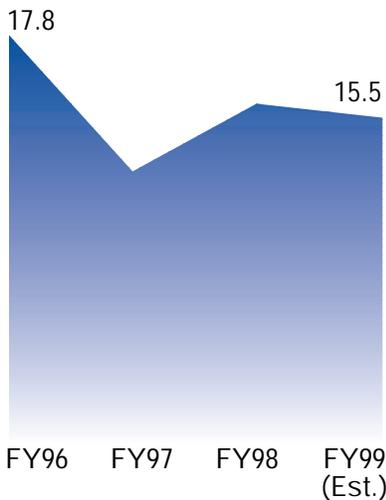
FTS operations are financed on a reimbursable basis through the Information Technology Fund. Only \$18.6 million—less than half a percent—of FTS activities are funded by Congressional appropriations.

• Network Services

Network Services provides FTS customers with end-to-end telecommunications services, supporting both local and long-distance Government users. It also provides advanced telecommunications products and services through so-called “niche” contracts. Network Services revenues for FY 1999 totaled \$1.1 billion, 10% more than the FY 1998 total of \$1 billion.

Deregulation in the telecommunications industry is bringing about increased integration of local and long-distance services. After a 1-year forbearance period, FTS long-distance contractors may ask for GSA

FTS Long-Distance Rates
Percent Below
Commercial Rates



approval to offer local telecommunications services as well, and qualified local service providers may compete for the large long-distance contracts for the first time.

FTS 2000/2001 Long-distance Telecommunications Service. As the highly successful FTS2000 contracts with AT&T and Sprint expired in FY 1999, FTS awarded the next generation of Federal long-distance service contracts, FTS2001, to Sprint and MCI WorldCom. Awarded in December 1998 and January 1999, the FTS2001 contracts retain many key features of FTS2000, especially aggressive price

competition. They will provide agencies with low-cost, state-of-the-art, integrated voice, data, and video telecommunications. Their estimated worth is more than \$5 billion over the eight-year contract period. With implementation of FTS2001, GSA-provided long-distance service will be non-mandatory for Federal agencies for the first time.

Through GSA's aggressive negotiations over the past 10 years, the cost of Federal long-distance services went from a national average of 27 cents per minute in FY 1988 to 5 cents per minute. Under FTS2001, prices will start at about 4 cents per minute and drop to less than 1 cent per minute by the end of the contracts. Currently an estimated 15.5% below the lowest commercial rates, FTS long-distance rates are expected to remain as competitive through the term of the new contracts. Customer agencies will transition from the old FTS2000 contracts to the new FTS2001 contracts. Transition to FTS2001 began in June 1999 and will be completed by mid-year 2000.

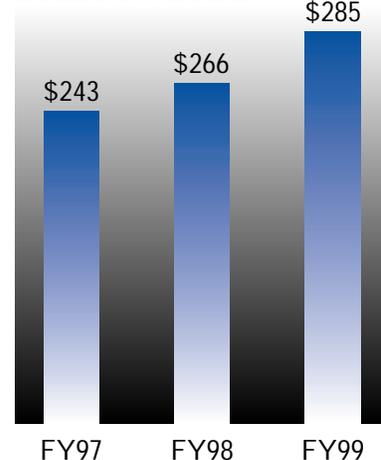
Local Telecommunications Services. FTS Local Telecommunications Services provides local voice and data telecommunications

to Federal agencies. These programs generated \$285 million in FY 1999, 7% more than the \$266 million in FY 1998. The number of FTS phone lines increased 3% from 531,676 in FY 1998 to 548,012 in FY 1999, after declining steadily for years.

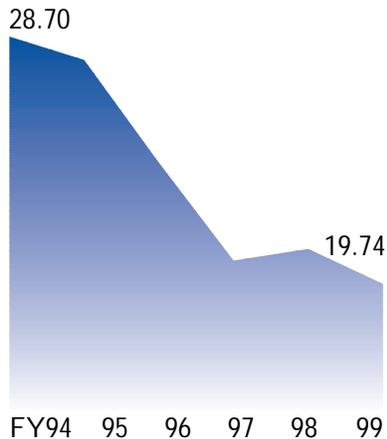
FTS provides switched services through more than 400 local telecommunications systems, offering all the features of the most modern telecommunications systems. The FTS average monthly line rate dropped 6% in FY 1999, from \$21.01 to \$19.74. This continued a five-year downward trend.

FTS achieved significant cost-savings through two Local Telecommunications programs in FY 1999.

FTS Local Telecommunications Revenues
Dollars in Millions



Local Telecommunications Average Monthly Line Rate
Rate per Month in Dollars



- Metropolitan Area Acquisition (MAA).** Monthly telephone costs for Federal agencies will soon drop precipitously in selected cities across the country. The new MAA program seeks immediate, substantive and sustained price reductions in local telephone markets through the increased competition permitted by the Telecommunications Act of 1996. FTS is leveraging these regulatory changes to reduce prices in local exchange markets previously characterized by high prices and low competition through an aggregation of requirements and open competition. In May 1999,

FTS awarded three separate contracts in its first large competitive procurement of local exchange services. Although there is a preference for multiple awards, AT&T was awarded all three because its pricing was substantially lower than other potential vendors in New York, Chicago and San Francisco. Each city will achieve an average price reduction of 70%. MAA contracts for 17 more cities will be awarded in FY 2000.

- Washington Interagency Telecommunications System (WITS).** WITS provides up-to-date and cost effective communications services to all Federal agencies and other authorized users in the Washington, DC, metropolitan area. In FY 1999, WITS provided switched voice and data services to more than 183,000 Federal users. It will be replaced by a WITS2001 contract to be awarded in FY 2000, which will also offer Internet and Intranet access and such data services as circuit switched data, dedicated transmission, asynchronous transfer mode, frame relay, and switched multi-megabit data.

“Niche” Contract Services—International, Wire and Cable, and Wireless Applications. FTS provided Federal agencies with nearly \$151 million in specialized services through these contracts in FY 1999. This amount includes direct-order, direct-billed, and GSA-billed services. The contracts include the following:

- The **Telecommunications Support Contract 2 (TSC2)**, is a worldwide contract that spans six functional telecommunications areas: planning; analytical support services; design and engineering support; acquisition support; installation, integration, and implementation; and operations and maintenance support.
- The **Technical and Management Support Services (TMS)** contract provides technical, management, analytical, and financial services.
- The **International Direct Distance Dialing (ID3) Services** contract, jointly administered by GSA and the Department of Defense, offers switched voice services to over 280 countries and a variety of features, at prices 35% to

45% below comparable services.

- The **Wire and Cable Services** contracts allow users to economically maintain and upgrade telecommunications cable and wiring systems.
- The **Federal Wireless Telecommunications Services** contract provides nationwide wireless voice and data telecommunications services and equipment, including cellular telephones and pagers.
- **Satellite Service** contracts offer a wide variety of commercial fixed, broadcast and mobile satellite services.

Electronic Messaging.

The FTS Electronic Commerce, Internet, and E-mail Access (CINEMA) program offers Internet access and other services, including web hosting, virtual private networks, firewalls, universal messaging, and five different electronic commerce offerings.

In-flight

Telecommunication Services. In cooperation with FSS, FTS offers discounted in-flight voice, data, and fax services for Federal travelers through GTE Airfone and AT&T Wireless. The discount for Federal

travelers averaged between 25% and 30% in FY 1999.

Federal Relay Service (FRS). FRS acts as an intermediary between hearing individuals and individuals who are deaf, hard of hearing, and/or have speech disabilities, for telecommunications with and within the Federal Government. The service was used for approximately 400,000 minutes in FY 1999.

•IT Solutions

The Information Technology (IT) Solutions business line helps agencies acquire, manage, integrate, and use automated data processing resources in a secure environment. It provides a variety of ways for agency customers to buy—through FTS contracts, through the FSS Schedules, and through the contracting offices of other agencies that have strategic partnering agreements with FTS. The IT Solutions business line generated \$3.1 billion in FY 1999 revenues, an increase of \$690 million, or approximately 28%, over the FY 1998 level. The FTS contracts include programs that have the potential to generate revenues of up to \$25 billion each over the next decade.

One of IT Solutions' most important FY 1999 initiatives was launching its IT Solutions Shop (ITSS), a web-based electronic commerce system. ITSS fully automates the procurement process, allowing users to place, award and track orders for any IT product or service over the Internet—from any place, at any time.

Concept of Operations.

IT Solutions adopted a new concept of operations in late 1998. It is designed to leverage FTS strengths and economies of scale, improve communications and coordination among FTS operating components, and stretch limited resources. It discourages the creation of unnecessary contracts and ensures that all new FTS contracts fit into a strategic acquisition plan. FTS customers benefit by gaining a broad range of industry partners and contract options. The new concept is based on distinct service delivery and solutions development centers of expertise.

Five national and 11 regional Client Support Centers (CSCs) provide direct client interface and support, issue and manage task orders against contracts, and deliver solutions to clients. Four Solutions Development



FTS helped the Bureau of Indian Affairs acquire a Facilities Management Information System for nationwide use.

Centers (SDC's) award and administer IT contracts for CSCs and other Government agencies.

Regional Client Support Centers. Under the management of the new IT Solutions Regional Services Center, CSCs in each of GSA's 11 regions serve regional customers. The Center performs four key functions: business development, CSC coordination and oversight, product development, budgeting and financial management. It has overseen dramatic growth in the regional IT Solutions business-helping revenues climb from \$1.4 billion to approximately \$2.1 billion in FY 1999. The **FAST** program (Federal Acquisition Services for Technology) continued to be a major

service offered in the Regional Services Center. It enables Federal agencies to quickly purchase commercial, off-the-shelf IT software, equipment and non-complex services.

National Client Support Centers. The five national CSCs are:

- The **Federal Systems Integration and Management Center (FEDSIM)**. One of the national Client Support Centers, FEDSIM has for many years helped agencies acquire and use information systems and IT, including hardware, software, maintenance, training, and analyst support. FEDSIM focuses on large, complex systems integration projects. Business volume for FEDSIM totaled \$856

million in FY 1999. This includes FEDSIM's largest-ever award, \$192 million in support of the U.S. Agency for International Development's modernization and maintenance program. FEDSIM business is expected to grow to \$933 million a year in FY 2000.

- The **Financial Management Systems Support Center**, which helps Federal agencies evaluate, design, and implement financial and administrative systems;
- The **IT Acquisition Services Center**, which provides contracting support for internal GSA customers
- The **GSA Office of Smart Card Initiatives**, which was moved to FTS in FY 1999. It had previously reported to the Administrator. In FY 2000, FTS will award a Governmentwide "Common Access Identification" smart card contract. Offering the next generation of paperwork-

reduction services, this contract will provide smart cards for employee identification, access to secure computer networks, credit card purchases and boarding airline flights. The cards carry data for public key infrastructure, digital signatures and biometric data such as fingerprints.

- The **Office of Information Security (OIS)**. OIS provides worldwide information systems and infrastructure security solutions to Federal agencies, and supports the security needs of U.S. allies in the conduct of classified, sensitive diplomatic and

FTS has acquired satellite telemetry ground equipment for the Air Force Space and Missile Center in Albuquerque, NM.



military missions. Its services range from supporting U.S. intelligence missions in Europe to working with Government and industry to develop a secure Federal infrastructure. Revenues were \$117 million in FY 1999, 2% above the \$115 million in FY 1998. OIS Programs include:

— **Access Certificates for Electronic Services (ACES)**. In FY 1999, OIS awarded the first contracts under its new ACES project. The primary goal of the ACES contract is to facilitate public access to the services offered by government agencies through use of information technology. ACES uses digital signature technology to

authenticate individuals and businesses wishing to access Government information and services electronically.

— **Presidential Decision Directive 63 (PDD63)**.

PDD63 directed Federal agencies to take a phased approach to protecting their own critical infrastructures. The Office of Information Security has provided each executive department and agency with guidance in preparing their protection plans. Its Federal Computer Incident Response Capability (FedCIRC) program serves as a central response and reporting mechanism to help Federal agencies deal with computer-security issues. It is a partnership of computer incident response teams, security and law enforcement professionals, and academia and industry partners to handle computer security incidents and provide both proactive and reactive security services. OIS is also developing a mechanism to coordinate responses to widespread attacks

on Federal computer systems, which will be called the Federal Intrusion Detection Network (**FIDNet**). FTS initiated its **Operation Safeguard** under PDD63 in FY 1999. This program consists of Blanket Purchase Agreements (BPAs) with 27 industry partners to provide a full range of professional infrastructure assurance services and products to strengthen defenses against both physical and cyber-based attacks. Services include risk management; critical infrastructure asset identification, continuity and contingency planning, physical infrastructure protection, information systems security, information assurance, emergency preparedness, awareness training, exercises, and simulation.

Solutions Development Centers (SDCs). IT Solutions operates four Solutions Development Centers that develop, award and administer contracts for use by all Client Support Centers. They include three



SDCs based in the regions and the Federal Computer Acquisition Center (FEDCAC), which develops full-service management of computer acquisitions worth more than \$100 million. Major contracts awarded by SDCs are:

- **Seat Management.** Seat Management contracts were awarded to eight companies to provide Federal agencies with complete desktop computer support in a new way. The 10-year contracts, worth an estimated \$9 billion, could revolutionize the way the Government

Under Seat Management, agencies can choose various configurations and service levels, including laptop computers with docking stations.

acquires IT. They provide desktop computing as a non-owned service that encompasses the hardware, software, connectivity, management, operation, and maintenance of the desktop environment and its associated network infrastructure. Agencies choose the level of service they want and pay by the "seat." Seat Management offers the potential for

complete interoperability, standardization and compatibility across an entire agency. It provides performance-based service levels, commercial best practices, integrated products and services, and managed life-cycle support. GSA itself became the first customer for Seat Management, awarding a task order worth \$140 million over 10 years to Litton/PRC, Inc. for Seat Management support for 2,500 employees. This task order eventually will be extended to nearly all GSA employees across the country and overseas. It has a potential value of \$600 million over 10 years.

- **Millennia.** In FY 1999, FEDCAC awarded this contract to 12 prime vendors. There has been an explosive interest in this contract since its award.

With a ceiling value of \$25 billion, Millennia will lead to a significant increase in FTS revenue. This highly flexible, comprehensive contract is designed to support large, complex systems integration projects by providing timely and cost-effective IT services, hardware and software. Not limited to existing technology, the Millennia contract provides for the acquisition of new and emerging technologies that evolve over the contract's life. The first task order, for \$24 million, was awarded in August 1999.

- **Applications 'n' Support for Widely-diverse End User Requirements (ANSWER).** The Pacific Rim SDC awarded the ANSWER contract to 10 prime contractors in FY 1999. It covers a very wide range of IT services,

including systems analysis, requirements definition, system design, software maintenance, facilities management support services, scientific and engineering applications, network support services, and systems installation and integration. ANSWER was designed to cover many of the contracts that supported the former FISSP program.

New Business: Call Centers and Distance Learning. New FTS contracts will offer customers flexible means of obtaining call center systems and services, with tiered levels of service and competitive pricing. FTS also is developing an FTS University that will provide Federal employees with IT/telecommunications training and education programs.

GSA Office of Governmentwide Policy

GSA's Office of Governmentwide Policy (OGP) was created in 1995 in response to a recommendation of the National Performance Review to separate GSA's policymaking from its service delivery and operations. All policymaking functions assigned to GSA were combined under OGP's broad mandate to build and maintain a policy infrastructure for the Federal Government.



G. Martin Wagner
Associate Administrator

John G. Sindelar
Chief of Staff

Stephanie A. Fontenot
Executive Officer

Deputy Associate Administrators

Real Property:
David Bibb

InterGovernmental Solutions:
Francis A. McDonough

Transportation and Personal Property:
Becky Rhodes

Acquisition Policy:
Ida Ustad

Information Technology:

Joan Steyaert

Electronic Commerce:

Mary Mitchell

Directors

Chief Information Officer:

Joseph B. McKay III

Committee Management

Secretariat:

James L. Dean

Regulatory Information Service Center:

Ronald C. Kelly

Employees: 290

Resources: \$53.8 million
(Appropriated—Direct and Reimbursable)

OGP became the focal point for intergovernmental collaboration, shared systems, acquisition systems and support, professional development, information technology policy, and regulatory information.

OGP's policymaking authority encompasses or supports 12 areas: acquisition, advisory committees, aircraft,

electronic commerce, information technology, mail, motor vehicles, personal property, real property, regulatory information, transportation, and travel.

OGP Performance in FY 1999

OGP's performance goals center on its roles in building and maintaining a policy

infrastructure, identifying best practices and providing education and training. In FY 1999, OGP met or exceeded most of its key goals. It:

- Organized, collaborated with, and/or led interagency committees in all 12 of its policy areas.
- Increased the number of areas with performance measurement systems

from just one in FY 1998 to seven in FY 1999.

- Made information systems in seven areas available on the Internet. This was one area short of its goal for FY 1999.
- Expanded the number of agencies using OGP's Electronic Posting System to advertise contract solicitations from 5 in FY 1998 to 12 in FY 1999.

OGP provided 11,157 training instances (defined as one person completing one course session), against a goal of 2,500 and a 1998 level of 849. The number of students completing traditional classroom-based *Trail Boss* seminars rose 6% to 1,383, just short of the FY 1999 target.

Intergovernmental Collaboration

OGP collaborates with other Federal agencies, State and local governments, private industry, and other entities to develop Federal policies and guidelines that apply to all agencies Governmentwide. Working with over 70 interagency groups, OGP coordinates the identification, development, and dissemination of policies and guidelines, education

and training opportunities, and best practices in GSA's areas of expertise.

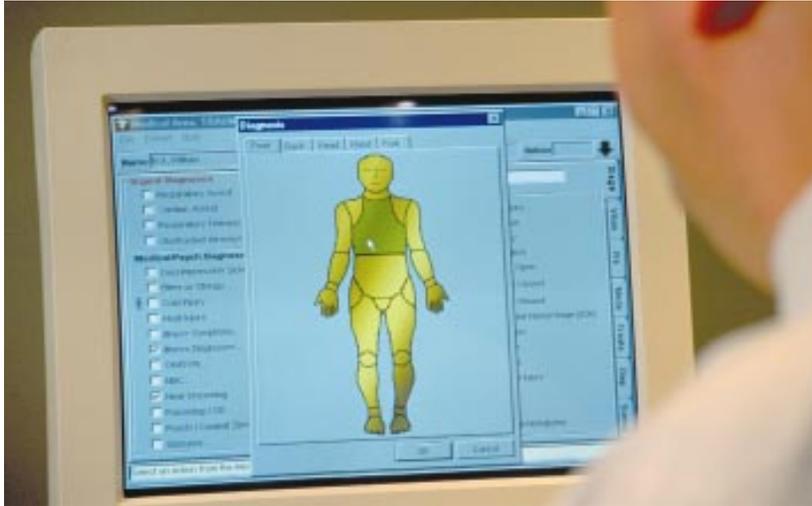
Federal Acquisition Policy. GSA, with the Department of Defense and NASA, issues and revises the Federal Acquisition Regulation (FAR), which implements Federal procurement legislation. As GSA's policy arm, OGP chairs the 14-agency Civilian Agency Acquisition Council, which, with the Defense Acquisition Regulations Council, produces changes to the FAR. The two councils have formed 25 interagency committees of technical experts in all areas of procurement to advise on FAR changes.

Electronic Commerce. Electronic commerce is the comprehensive, end-to-end electronic exchange of information needed to do business. OGP co-chairs an electronic commerce program office that coordinates, monitors, and reports on the development of electronic commerce within the Federal Government. The group is responsible for developing a policy framework to support electronic commerce, helping agencies identify and use the right tools and promulgating best practices.

OGP provides continuity and focus for (1) development of new policies to promote the effective use of electronic commerce, (2) development and implementation of electronic services for citizens; (3) implementation of electronic benefits transfer; (4) expansion of government card services; and (5) process design, prototyping and evaluation of electronic commerce technologies to meet Government needs. Federal electronic commerce initiatives are posted on the Internet at www.ec.fed.gov.

OGP has taken the lead in coordinating electronic commerce initiatives across Government, including:

- **Government Services to Students.** OGP is leading an interagency team in support of Access America for Students, whose aim is to provide post-secondary students secure access to a wide range of information and financial services, including electronic delivery of financial assistance. Agency offerings are accessible from a single web site, www.students.gov, providing information on student loans, military recruitment, and many other Federal programs.



GSA has pioneered the use of smart cards for a wide range of uses, including storage of medical and dental records.

- **Electronic Benefits Transfer (EBT).** The U.S. Government provides more than \$500 billion annually in benefits to its citizens. While electronic transfer of these benefits has undeniable advantages, there are many obstacles to its widespread use. For example, over 20% of the people who receive benefits do not have bank accounts, and scores of systems exist for processing transactions. OGP is working with Federal benefit-providing agencies, States and private companies to develop a standard nationwide EBT system, including a single card for accessing cash and food benefits at automated teller machines and point-of-sale locations.

- **Smart Cards.** OGP has worked with agencies and dozens of commercial firms to reach agreement on common requirements for smart cards in the Federal Government. These cards, which look like credit cards, contain computer chips capable of holding a wide variety of information, including digital signatures and biometric data like fingerprints. Their uses include identification and authentication, building and computer access, and storage of medical and dental data, and they can serve as both credit and debit cards. Information on smart cards is available on the Internet at www.fedcac.gsa.gov/smartcard.htm.
- **Secure On-line Transactions.** People

accessing Government services electronically will need to be able to identify themselves in a way that leaves no room for mistakes or fraud. In FY 1999, GSA's Federal Technology Service awarded the first two contracts for identification, authentication, and nonrepudiation through the use of digital signature technology based on public key infrastructure. OGP helped lay the policy groundwork for this procurement, called Access Certificates for Electronic Services or ACES. For more information on ACES, consult www.gsa.gov/aces.

- **Efficient Government Buying.** OGP is working with 11 Federal agencies and CommerceNet, a nonprofit consortium of Internet companies, to make it possible for Federal buyers to search Government and commercial online catalogs simultaneously, compare products, and make

purchases using smart cards. The first phase of this pilot project created and tested a secure, interoperable, multi-catalog architecture. The second phase, now underway, is demonstrating the extensive end-to-end electronic commerce business process.

Real Property. OGP develops policies to ensure that Federal real estate is managed according to sound asset management principles, acting as an advocate for taxpayers and for the Government's social objectives. In collaboration with other Federal agencies

and private sector real estate groups, OGP identifies and promulgates common themes and best practices, supporting GSA's role as a leader in shaping the Federal workplace of the future.

OGP's real property reports and best practices clearinghouse are on the Internet at <http://policyworks.gov/realproperty>. Projects in FY 1999 included:

- **Property Act Amendments.** OGP and GSA's Office of Congressional Affairs drafted amendments to the Federal Property and Administrative Services Act in FY 1999. The

proposed amendments would establish new authorities and requirements to guide Federal landholding agencies in making decisions on the acquisition, use, and disposal of their real estate. They would allow agencies to keep the proceeds from property sales; to upgrade properties through exchanges, sales, and outleases; and to partner with private entities to use the properties in ways that support the agencies' missions. Pending final approval from OMB, the bill will be transmitted to the 106th Congress for consideration.

- **Integrated Workplace.** OGP's report, The Integrated Workplace, has received high praise from Government groups and the private sector since its release in May 1999. The report describes a collaborative, multidisciplinary process for developing workspace

GSA is applying innovative workplace concepts at its Federal Technology Service's new offices in Fairfax, VA.



that aligns an organization's strategic real property plan with its strategic business goals. This process can provide work environments that increase productivity, improve employee health and satisfaction, and make better use of resources.

- **Workplace Evaluation Study.** This innovative study shifts the basis for real property performance measurement from a facilities orientation (cost per square foot, vacancy rate) to a workplace orientation (productivity, employee satisfaction). It contains OGP's Excel-based Cost per Person Model. OGP expanded the definition of cost beyond real estate to include telecommunications, IT, furniture, and alternative work environments (home-based work and telecenters). The information is useful for benchmarking, space planning and scenario testing of alternative work environments.
- **Governmentwide Real Property Information Sharing Studies.** Building on 1997's successful pilot in Washington State, OGP completed additional studies in Boston and South Florida in 1999,

OGP's strategic storage study compares Government and private-sector practices and identifies warehousing trends.

resulting in the successful establishment of a Federal Real Property Information Sharing Council in each area. The studies and councils encourage sharing real property information and assets to save resources and improve effectiveness through such things as joint pier use, co-location of maritime inspection agencies, and property exchange.

- **Strategic Storage.** In July 1999, OGP released its groundbreaking study on improving storage practices in the Federal Government's 467 million square feet of owned and leased warehouse space. The study compares storage practices of the Federal Government and the private sector in Florida, Georgia, and Tennessee. It identifies space-sharing opportunities that could enable the National Archives and Records Administration to occupy 465,000 square feet of vacant space in Palmetto, GA. The study also highlights emerging trends in warehousing



technologies and has been used for Government training.

- **Best Practices.** OGP shares best practices in real estate asset management through the annual *GSA Achievement Award for Real Property Innovation*, its *Real Property PolicySite* newsletter, forums and agency visits, and its homepage/clearinghouse.
- **Telework.** OGP works with the U.S. Office of Personnel Management to expand the scope of telework across the Federal Government in support of the Administration's National Telework Initiative.
- **Federal Travel.** OGP develops Federal travel policies. It also determines and disseminates per diem rates for Federal travelers.

The plain-language travel regulations that OGP issued in 1998 have been so well-received that it has launched a plain-language rewrite of all regulations.

Personal Property. OGP develops policies and guidance on the reuse and disposal of Federal personal property. In FY1999, OGP published a regulation that allows certain firearms to be donated to State and local law enforcement entities, awarded the first annual *Miles Romney Innovation Award for Personal Property Management*, issued a Y2K bulletin on disposal of biomedical equipment, drafted amendments to the Federal Property and Administrative Services Act of 1949, and assumed responsibility for the *Computers for Learning*

Governmentwide website.

Motor Vehicle and Aircraft Fleets. OGP develops goals and performance measures for managing the Federal motor vehicle and aircraft fleets, working with the 28 agencies that manage vehicles and the 18 that manage aircraft. Partnering with private industry, OGP has vigorously promoted the use of Alternative Fuel Vehicles (AFV). Responding to recommendations from a blue-ribbon panel, OGP developed safety standard guidelines for Federal flight programs and a new Federal Aviation Interactive Reporting System. This is a user-friendly, Internet-accessible database that provides real-time reporting and focuses on data analysis rather than data processing.

Transportation. OGP develops policy for all modes of transportation for freight and household goods. In FY1999, it completed implementation of the changes mandated by the Travel and Transportation Reform Act of 1998.

Public Participation. OGP's Committee Management Secretariat coordinates management, administration, and reporting requirements for Federal advisory committees, which provide valuable public input into the Federal decision-making process. In FY 1999, the Secretariat expanded its Internet site to permit committees to submit on-line reports and introduced training to help committee members and managers understand their roles and participate more effectively. OGP coordinates production of the *Annual Report of the President on Federal Advisory Committees*.



OGP develops policies governing Federal motor vehicle use and promotes Government use of alternative fuel vehicles .



Intergovernmental Solutions. OGP has taken the lead in promoting an international conversation on the use of IT to make governments work better. It chairs the U.S. Intergovernmental Advisory Board. Through its semiannual *Intergovernmental Solutions* newsletter and special reports, OGP disseminates information on trends, perspectives, and innovations so that what works in one place might be adapted to another. OGP also produces a one-page *Federal/State Issue Alerts* for busy managers on such "hot topics" as Internet taxation, Internet privacy, and digital signatures. Both the newsletter and the *Alerts* are

posted on the Internet at <http://policyworks.gov/intergov>.

Shared Systems

OGP develops and maintains computer systems and databases that are used Governmentwide, including the following:

- **Foundation Information for Real Property Management (FIRM).**

OGP installed FIRM software and provided training and technical support for 25 Federal agencies and bureaus in FY1999. FIRM is an inventory system that permits timely access to information on leasing, construction, renovation, and asset management for

about 25% of all civilian Government-owned and leased property. FIRM is on the Internet at <http://policyworks.gov/realproperty>.

- **Domestic Assistance Catalog.** OGP compiles Governmentwide information on over 1,400 Federal assistance programs from 57 Federal agencies, departments and other establishments in the annual *Catalog of Federal Domestic Assistance* and its

semi-annual update. Its Internet site at www.gsa.gov/fdac hosted 675,000 sessions and 1.3 million searches during FY 1999.

- **Federal Procurement Data Center.** OGP operates the Federal Procurement Data Center, which assembled detailed information on more than 20 million actions on Federal contracts worth \$25,000 or more in FY 1999. This information is available on CD-ROM and on the Internet at <http://fpds.gsa.gov>.

- **Acquisition Reform Network (ARNet).** This is GSA's hub for Internet-based acquisition tools and information. It is the entry to the *Federal Acquisition*

Regulation, Commerce Business Daily, the List of Parties Excluded from Federal Procurement and Nonprocurement Programs, and electronic catalogs such as *GSA Advantage!*[™]. Located at www.arnet.gov, it also links to the Electronic Posting System.

Acquisition Systems and Support

GSA is one of three agencies required by law to issue and maintain the Federal Acquisition Regulation (FAR), which is the regulatory framework for Governmentwide procurements totaling approximately \$200 billion per year. The GSA Administrator has delegated

this statutory authority to OGP. In FY 1999, OGP:

- Amended the FAR to conform to a Supreme Court ruling on affirmative action in Federal procurement. The amendments were written under extraordinarily short deadlines and established a new model for determining when race may be used as a decision-making factor in the award of Federal contracts.
- Began the phased replacement of the *Federal Property Management Regulations* with plain-language regulations and policies on managing property and administrative services.
- Rewrote GSA's acquisition regulations and policies in

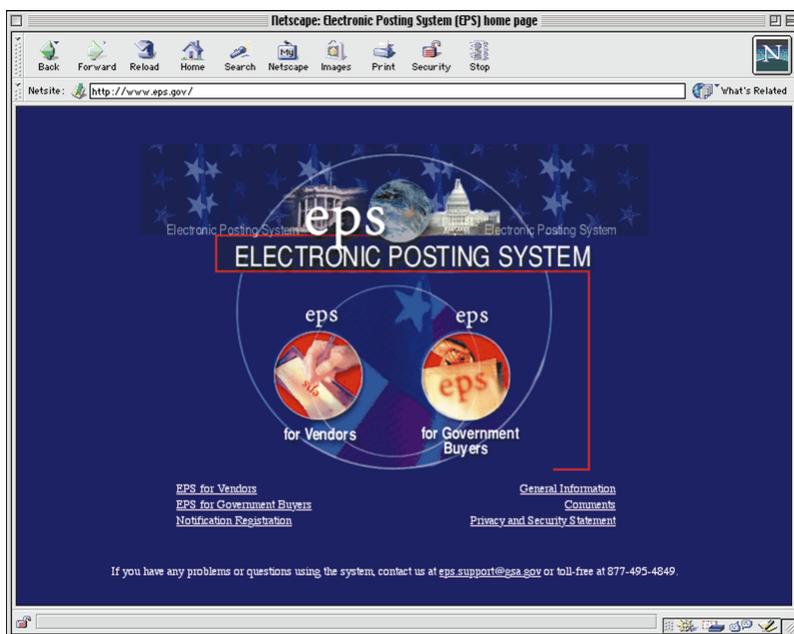
plain language, making them easier to use and providing contracting personnel more discretion.

- Completed an independent validation and verification of the Electronic Posting System (EPS) for advertising solicitations on-line, which showed that EPS has the capability to be the single Government-wide source of business opportunities. In FY 1999, the number of vendors registered to receive notices of contracting opportunities rose to 29,000, 24% over the 1998 level. The EPS Internet address is www.eps.gov.

Professional Development

To ensure that the Government has a highly trained workforce and remains in the forefront of IT use, OGP identifies, develops, and makes available professional development opportunities for Federal employees.

OGP's Federal Acquisition Institute (FAI) establishes and promotes career management programs for the procurement workforce. In FY 1999, the Institute established an OnLine University that trained approximately 20,000 during



the year. FAI also is working with academic and professional organizations, to establish a body of knowledge for Internet-based education and training for public and private sector acquisition professionals.

The OGP-sponsored Interagency Resources Management Conference (IRMCO) brought together two influential Government communities—top managers and the Chief Information Officers (CIO) Council—to focus on strategic planning and major IT developments and initiatives. Around 400 senior officials representing more than 50 Federal agencies and State and local governments attended.

In partnership with 29 colleges and universities, OGP has for many years supported the “1,000 by the Year 2000” program, which prepares Government IT managers for leadership roles in information resources management. Its objective is to train 1,000 IT professionals by the year 2000. To date, 710 students have graduated from the program, of whom 204 received Master’s degrees.

GSA’s *Trail Boss* program has been training managers of Federal IT systems for 11 years. During FY 1999, OGP hosted three *Trail Boss*

seminars and the annual interagency *Trail Boss* Roundup conference. Since the start of the program, more than 1,300 students have completed *Trail Boss* seminars.

In cooperation with the CIO Council, OGP developed two new professional development programs in FY 1999. One, the *Strategic and Tactical Advocates for Results* (STAR) program will replace *Trail Boss* in training managers who oversee IT programs. The other, the CIO University offers graduate level programs addressing the executive core competencies adopted by the CIO Council.

Another OGP initiative links university students and interns with electronic commerce projects in Federal agencies and provides agencies with a fresh source of high-technology skills.

Information Technology (IT)

OGP provides executive and interagency IT support, including critical policy-level support to the CIO Council, in acquisition pilot projects, training, planning, outreach, and resolution of Year 2000 (Y2K) computer programming problems, and provides IT tools to support agencies’ missions.

Support for IT Management. During FY 1999, OGP expanded its planning and operations management support to three key Federal IT management groups: the CIO Council, the Government Information Technology Services Board, and the Information Technology Resources Board. These groups were organized to assist in fulfilling reforms mandated under the Information Technology Management Reform Act of 1995, widely known as the Clinger-Cohen Act.

OGP has created several Web-based products to enable the Government Information Technology Resources Board to communicate effectively with its public customers. They include Access America for Students at www.students.gov (see p. 54) and Access America Online Magazine at www.accessamerica.gov. OGP also streamlined the Board’s assessment process and produced five highly acclaimed publications for it on managing IT systems. These may be viewed at <http://itrb.gov>.

Federal Webmaster Forum. OGP hosted the interagency Federal Webmaster Forum to address Internet issues and provide

opportunities for networking and sharing best practices. In support of the forum, OGP provided training for over 600 Federal webmasters nationwide. The training covered copyrights, trademarks, patents, capital planning databases, security, the Freedom of Information and Privacy Acts, and other policy issues.

Y2K Support. OGP supported many Government activities to address the Y2K challenge. It managed a Y2K website for the President's Council on the Year 2000 Conversion (www.y2k.gov) and the Federal Government's Gateway for Year 2000 Information Directories (www.itpolicy.gsa.gov/mks/yr2000/y2khome.htm). These sites covered the range of worldwide Y2K-related issues, including business continuity and contingency planning.

OGP held regular teleconferences with State and local government officials and civic groups to address

Y2K concerns at all levels of government. It also established and maintained the Federal/State Data Exchange Database to help alleviate possible disruption of Federally funded State programs.

IT Accommodation. GSA's Center for Information Technology Accommodation (CITA) has for many years been the Government's principal advocate and coordinator for making information technology accessible for people with disabilities. In FY 1999, OGP began a number of initiatives to help agencies implement new legislation that requires Federal agencies to ensure access for all employees to the information technology used on their programs.

Regulatory Information

OGP's Regulatory Information Service Center compiles and disseminates

information about Federal regulatory activity. Its principal publication is the Unified Agenda of Federal Regulatory and Deregulatory Actions. This provides a unique, comprehensive source of information about regulatory actions that Federal agencies are considering. It includes The Regulatory Plan, which discusses agencies' regulatory priorities and provides fuller descriptions of their significant rulings. Both Agenda and Plan are available on the Internet at www.policyworks.gov/mi.

The Center also maintains a comprehensive Internet site on regulatory information, www.reginfo.gov, that provides links to sources of information on Federal, State, and local regulations. These include databases and search tools for legislation and regulations, Federal agency home pages, and information about pending and recently completed OMB regulations.

GSA Regions

GSA operations are carried out through 11 regional offices and the field offices that report to them. They are the front lines, where new ideas are tested and customer suggestions adopted. Spurred by a genuine desire to serve their Federal customers, they market GSA products and services face-to-face, troubleshoot and resolve problems, present alternative solutions, and ensure that Federal workers carry out their missions in safe, healthful and pleasant work environments.

Over the years, the regions have become centers of experimentation, innovation and collaboration. They are workshops, where partnerships with customers,

communities and vendors are commonplace and a commitment to solving customers' problems enriches the quality of the services that GSA provides. They are

building, supplying and connecting the future for GSA.

Some of the innovations achieved by GSA's regional offices are described on the following pages.





Robert J. Dunfey, Jr.
Regional Administrator

The New England Region is based in Boston and has 255 employees and an operating budget of \$201 million. Its real estate inventory includes 115 Government-owned buildings and 246 leased buildings that house 32 agencies with 31,055 employees.

U.S. Courthouses Offer Outreach and Outleasing.

The stunning new Federal courthouse on Boston's Fan Pier—dedicated in September 1998—expanded its public outreach in 1999 with the opening of the Harbor View Children's Center and the Harbor Islands Discovery Center. The latter features educational programs on the role of the courts in American society and on Boston's maritime legacy. The U.S. Courts' former home, the John W. McCormack Post

New England Region

Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

Office and U.S. Courthouse, was designated an Official Landmark by the Boston Landmarks Commission in July. Its courtrooms were sites of numerous trials on civil rights and Vietnam War draft resistance. The region outleased 228,154 usable square feet in the older courthouse to the Trial Court of Massachusetts. This lease will generate \$33 million over its 5-year term.

New Practices Improve Customer and Employee Relations. The region has adopted new management practices to streamline operations and improve its customer interface. To better support tenants in GSA buildings, PBS created an account representative program to collect and analyze market and business data and do customer-centric planning. An annual customer conference features all GSA offerings, from space to supplies, services and technology. To support employees and improve productivity and work quality, the region set and achieved a goal to have 10% of its employees working from home one or more days a week. The success of this trial

now drives the region's space-use and technology decisions.

Creative Property Disposal. Property Disposal in the region developed a new way to market and convey environmentally complex property. Called Activity Use Limitation, it was introduced in the sale of a parcel of industrial property in Woburn, MA, for \$3 million. The region also participated in a Vice Presidential Hammer Award to Boston's Real Property Partnership for a number of successful disposals. The region also supported the U.S. Coast Guard in saving 28 historic lighthouses by transferring them to State and local governments and nonprofit groups.

Providing Air Traffic Control Up-to-date Technology. The region completed a major communications upgrade for the Federal Aviation Administration's Air Routes Traffic Control Center in Nashua, NH. This consisted of a PBX cutover from a vintage system to a state-of-the-art server, and includes such enhancements as automatic number identification and call accounting.



Thomas J. Ryan
Regional Administrator

The Northeast & Caribbean Region is based in New York City and has 862 employees and an operating budget of \$1.9 billion. Its real estate inventory includes 107 Government-owned buildings and 523 leased locations that house 43 agencies with 74,684 employees. The region manages a 15,197-vehicle fleet that also serves the New England Region.

New Partnerships with Communities. Reaching out to form new partnerships and support local communities, GSA has arranged for the new Federal courthouse under construction in Islip, NY, to share space with the Suffolk County courts. The county has leased approximately 26,000

Northeast & Caribbean Region

New York, New Jersey, Puerto Rico, U.S. Virgin Islands

square feet to meet its needs for courtroom and chamber space. The lease will become effective when the building is completed, currently expected in the spring of 2000, and is revocable when the Federal courts need the space.

Videoconferenced International Judicial Proceedings. In another first, the region set up the first videoconferenced international bankruptcy hearing between locations in the United States and Canada. The hearing was held to finalize decisions regarding creditor claims against a Canada-based company with extensive assets in the United States. The U.S. Bankruptcy Court judge used a conference room equipped with several video screens in the Jacob Javits Federal Building in New York City.

On-line Saves Time and Money. Discounts for Buying Books On-line. GSA's Office Supplies and Paper Products Center, based in the region, negotiated a Federal Supply Schedule contract with *barnesandnoble.com* that

provides substantial discounts for on-line book purchases. This is the first FSS Schedule contract ever awarded to an Internet-based business. Discounts for Federal customers include 25% off prices and free shipping and handling. Access is via the *barnesandnoble.com* website (www.bn.com) or the *GSA Advantage!*TM on-line shopping network (www.fss.gsa.gov).

Confronting Contemporary Security Concerns. Looking at security issues for the 21st century, the region's Federal Protective Service (FPS) trained all its police officers in nuclear, biological, and chemical awareness and response. Building managers also received training. FPS and New York's Federal Executive Board co-hosted a Security Officers Council meeting to inform tenant agencies of lessons learned from three anthrax hoaxes in regional Federal buildings and promote awareness of these threats. More than 80 people from 21 agencies attended.



Rafael Borrás
Regional Administrator

The Mid-Atlantic Region is based in Philadelphia and has 1,317 employees and an operating budget of \$382 million. Its real estate inventory includes 154 Government-owned buildings and 588 leased locations that house 161 agencies with 106,544 employees. The region manages a 19,354-vehicle fleet.

A New Service: Consolidated Electricity Buys. Strategically positioning itself to reap maximum benefits from deregulation of the electric industry in Pennsylvania, the Mid-Atlantic Region combined the electricity requirements of 27 federally-funded organizations throughout the State into a single procurement valued at \$24.6 million and

Mid-Atlantic Region

Delaware, Maryland, Pennsylvania, Southern New Jersey, Virginia, West Virginia, U.S. Installations in Europe

covering an estimated use of 663 million kilowatt hours. This procurement is expected to reduce the annual cost of electricity for these groups by over \$5 million.

Co-locating State and Federal Benefits Providers.

The December 1998 completion of the \$9 million, 65,000-square-foot Clarksburg Federal Center in Clarksburg, WV, permitted consolidation of executive agencies in that city. The center became the first location in the country to co-locate the Social Security Administration with its State counterpart.

A Hammer Award for Consolidating Space. The region received the Vice President's Hammer Award for its creativity and technical know-how in resolving a space shortage in the Byrne Federal Courthouse in Philadelphia. A GSA team partnered with private industry and the Courts to convert office space into 12 chambers and 9 courtrooms, saving \$9.8 million.

Awards for New Construction and Design.

The Robert C. Byrd U.S. Courthouse in Charleston, WV, won *Buildings* magazine's

1999 New Construction Award in the Public/Government category. The building's stained glass windows and doors by artist David Wilson received a GSA Design Award in March 1999.

Improving FSS

Processes. GSA's National Furniture Center, based in the region, consolidated its Multiple Award Schedules, reducing the number of contracts by several hundred and making it easier for customers to find and order what they need. The region's "GSA Direct Team" received a Hammer Award for reducing shipping times and saving \$400,000 in annual transportation costs for the Army's 11 self-service supply centers in Europe.

From Office Building to Art Center. The Region, with help from the Southeast Sunbelt Region, transferred a Federal office building in Philadelphia to the city, which, in turn, is giving it to the Philadelphia Academy of Fine Arts. Following renovation, the academy will be able to combine its school, studios, and museum into a single building.



Carole A. Dortch
Regional Administrator

The Southeast Sunbelt Region is based in Atlanta and has 1,158 employees and an operating budget of \$491 million. Its real estate inventory includes 175 Government-owned buildings and 1,229 leased locations that house 45 agencies with 126,884 employees. The region manages a 31,900-vehicle fleet.

GSA Construction Firsts. The new IRS Customer Service Center in Chamblee, GA, dedicated in October 1998, was the first GSA construction project to incorporate "bridging," which employs an architect to establish a project's aesthetic and functional aspects, then

Southeast Sunbelt Region

Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee

consolidates responsibility for detailed design documents and construction in a single design/build team. The 400,000 sq. ft. building was also the first GSA project overseen by a single management consultant throughout the design and construction phases.

Specialized Construction for Law Enforcement Agencies. In partnership with GSA's Greater Southwest Region, the Southeast Sunbelt Region initiated the first phase of a \$100 million construction program for the Federal Law Enforcement Training Center. This phase covers five projects in Glynco, GA, and Artesia, NM, valued at \$37 million. In January 1999, the region dedicated a new facility for the FBI in Columbia, SC, that meets all new security requirements, including the 100-foot setback.

First Place Award for Historical Office Building. The Gene Snyder U.S. Courthouse and Customhouse in Louisville, KY, won first place at the local

and regional levels in the Historical category of the Building Owners and Managers Association's 1998/99 Office Building of the Year award.

Partnership with the Centers for Disease Control. In December 1998, the region acquired 34 parcels of land in Atlanta, totaling 11.5 acres, for the expansion of the Centers for Disease Control (CDC). The result of an ongoing partnership with CDC, this marks the beginning of a major construction project at CDC offices.

State-of-the-Art Telecommunications. The region recently completed implementation of a state-of-the-art telecommunications solution for the Army Corps of Engineers' Waterways Experiment Station (WES). After extensive study, GSA proposed a plan to replace the current system. The transition was accomplished in record time. In a single "flash" cut, the entire WES campus was transitioned from the old system to the new one in March 1999.



William C. Burke
Regional Administrator

The Great Lakes Region is based in Chicago and has 1,067 employees and an operating budget of \$381 million. Its real estate inventory includes 189 Government-owned buildings and 778 leased locations that house 107 agencies.

Renovation of a Modernist Masterpiece. The region completed the addition of eight courtrooms to the Everett McKinley Dirksen U.S. Courthouse in downtown Chicago. This extraordinary renovation project required reworking the interior structural framework of the famous Mies van der Rohe-designed building without altering its architecture or halting court proceedings. The \$18 million project involved hoisting 40 tons of girders and slipping them through windows of the 30-story building and included

Great Lakes Region

Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin

renovation of 40 elevator lobbies. The 35-year-old courthouse is a prime example of the modernist school.

Art in Bronze and Bricks. GSA's Art in Architecture program introduced new public art in Minneapolis and Detroit. "Rockman," a bronze sculpture of whimsical, boulder-like characters by Tom Otterness, was dedicated in September on the plaza of the U.S. Courthouse in Minneapolis. The work is composed of eight figures 18 to 30 inches tall placed at various distances from a 15-foot-high central character. At the U.S. Customs Inspection Facility in Detroit, a 12-foot canted brick arch by Caroline Court was dedicated in June. Entitled "Penelopeia," the sculpture is made of 2,100 bricks, many carrying names and inscriptions carved by community members and others invited by the artist to participate in its creation.

Conservation Rewarded. Recent energy-conservation efforts earned the Ralph H. Metcalfe Federal Building in Chicago an Energy Star rating from the Environmental Protection Agency and the Department of Energy. The designation, which places the

building among the top energy-efficient facilities in the nation, is the first of its kind given to a Federal building in the Midwest. Improvements in energy management and lighting systems will result in an estimated annual savings of more than \$233 million. Elsewhere in the region, GSA property management teams at the Anthony J. Celebrezze Federal Building in Cleveland and Theodore Levin U.S. Courthouse in Detroit won 1999 Federal Energy and Water Management Awards. With modifications costing only \$8,560, the GSA teams saved taxpayers \$118,900 in yearly utility costs.

A Centennial in Milwaukee. More than 400 people attended a day-long celebration in April marking the centennial of the Federal Building and U.S. Courthouse in Milwaukee. Constructed in an era when horse drawn sleds were used to pull granite foundation blocks into place, the turreted, steeply gabled building has been listed on the National Register of Historic Places since 1972. The main program for the celebration was held in the lobby of the six-story atrium, restored as part of a \$35 million renovation of the Milwaukee landmark.



Woody Overton
Regional Administrator

The Heartland Region is based in Kansas City, MO. It has 777 employees and an operating budget of \$697 million. Its real estate inventory includes 111 Government-owned buildings and 333 leased locations that house 50 agencies with 59,000 employees. The region manages a 7,044-vehicle fleet.

Totally “Green” Building. The Heartland Region delivered GSA’s first totally “green” building in FY 1999. Built for the Environmental Protection Agency in Kansas City, KS, the building incorporated environmentally responsible alternatives to traditional building methods and products without sacrificing quality, sustainability, or cost-effectiveness and without

The Heartland Region

Iowa, Kansas, Missouri, Nebraska

committing additional funding. The project team thought “green” every step of the way, from design and site orientation through lighting, finishes, and flooring. The building won an Honorable Mention in the *Closing the Circle Award* competition for Federal efforts to preserve the environment.

Innovative Contract Vehicles. The region is the hub for a number of innovative nationwide GSA activities: The National Customer Service Center for the agency’s supply and service offerings, the Hardware and Appliances Center, the Energy Center of Expertise, and the FAST (Federal Acquisition Services for Technology) Small Business Center.

- The Hardware and Appliances Center initiated a new kind of Multiple Award Schedule in 1999. Called the “Hardware Store,” this schedule provides point-of-sale discounts for Government shoppers who use SmartPay purchase cards to pay for purchases from the stores or catalogs of approved vendors.
- The PBS Energy Center of

Expertise is partnering with the FSS Management Services Center in the Northwest/Arctic Region to provide a comprehensive approach to energy management. MOBIS will develop Federal Supply Schedules for energy-efficient and renewable products and energy management services, while the Energy Center will provide natural gas nationwide and aggregated electricity purchases in deregulated States.

- FAST is one of GSA’s most used vehicles for acquiring computers and related hardware, software, and noncomplex services. The FAST Small Business Center, based in the region, specializes in providing Federal contracting opportunities for small and disadvantaged businesses. The Center has more than 200 8(a) Indefinite Delivery, Indefinite Quantity (IDIQ) contracts for Standard Industrial Classification 7373 (noncomplex integration services). These contracts provide an estimated \$100 million annually in business for participating vendors.



John C. Pouland
Regional Administrator

The Greater Southwest Region is based in Fort Worth. It has 1,521 employees and an operating budget of \$401 million. Its real estate inventory includes 378 Government-owned buildings and 736 leased locations that house 38 agencies with 94,287 employees. The region manages a 36,500-vehicle fleet that also covers the Rocky Mountain Region.

New Partners for Preservation. Capitalizing on new authorities to maintain historical properties, the Greater Southwest Region leased the U.S. Custom House in Galveston, TX, to the Galveston Historical Foundation. This is the first long-term arrangement whereby a qualified lessee will

Greater Southwest Region

Arkansas, Louisiana, New Mexico, Oklahoma, Texas

occupy a significant Federal structure and provide all renovation, repairs and restoration needed during the term of the lease. This national treasure will be returned to public use, at no cost to taxpayers, as headquarters for the Foundation and a Preservation Resource Center for the Strand National Historic Landmark District of Galveston.

Three New Courthouses Built Using Design Excellence and Partnerships. The region completed new U.S. Courthouses in Albuquerque, NM, Lafayette, LA, and Brownsville, TX. The landmark buildings were designed and built under the Design Excellence program in partnership with occupying agencies and local communities.

Automating Vendor Payments with Internet Status Checks. The Greater Southwest Finance Center implemented a new accounts-payable system that automatically processes electronic purchase orders, receiving reports and invoices. Since the system is

exception-based, processors do not have to review "perfect matches" and are free to focus on exceptions. Paper documents are scanned and routed to appropriate queues for processing. Vendors can view the status of their invoices via the Internet.

Taking Technology to Native Americans. The Department of the Interior has become an important new technology customer for the region. Its Bureau of Indian Affairs purchased \$13 million in equipment and services in New Mexico alone in FY 1999. These included a facilities management system and associated services and computers with Internet connections for tribes and schools. An additional order worth \$12 million is expected. The region worked with Interior's Indian Health Service to implement prescription refill services via touch-tone telephone in English and Navajo, and to develop programs to track patient care, medical trends, contract health services, and Medicare/Medicaid claims.



Susan B. Damour
Regional Administrator

The Rocky Mountain Region is based in Denver and has 396 employees and an operating budget of \$165 million. Its real estate inventory includes 239 Government-owned buildings and 399 leased locations that house 27 agencies with 45,251 employees.

Innovative Buildings.

The region completed the innovative Wildlife Science Building for the Department of Agriculture's National Wildlife Research Center in Ft. Collins, CO. The building contains over 80,000 square feet. One-third is state-of-the-art laboratory space using 100% outside air at a rate of 10 air changes per hour. The tenant agency is so pleased with the building, it has asked GSA to develop the remainder of its campus.

Rocky Mountain Region

Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming

In building the David Skaggs Federal Building in Boulder, CO, a research center for scientists of the National Oceanic and Atmospheric Administration, GSA preserved in its natural state a large area in front of the building considered sacred by Native Americans. In June 1999, the region dedicated the first major construction project at the Denver Federal Center in more than 30 years. The U.S. Geological Survey's National Water Quality Laboratory was built by the first 8(a) (minority) contractor to lead a large GSA construction project in the region. It, too, contains state-of-the-art laboratories and ventilation systems.

Improved Operations and Increased Sales. The region halved its processing time for IT orders to an average of 15 days. Orders from GSA Multiple Award Schedules are processed in an average 8.5 days. The region has set standards for each phase of an order, hoping to reduce processing time even further. IT sales bounded to \$140 million in FY 1999, compared with \$98 million in 1998 and \$36 million in 1997.

A Hammer for Outreach in Personal Property

Disposal. The region's Surplus Personal Property Sales Team received a Hammer Award for expanding business through outreach and resource sharing with other Federal agencies and new processes for inventorying and marketing Government surplus property.

Storage for Denver's Schools. In support of Denver's Enterprise Community, the region has made warehouse space available to store educational materials collected for community schools. In addition, GSA's Community Business Center provided 22,000 square feet of space for sorting and storing the thousands of memorial items associated with the Columbine High School tragedy.

Keeping Historic Properties Alive. The region helped move a military enlistment center into a formerly vacant historic building in downtown Butte, MT, and a Department of Housing and Urban Development storefront office into a historic building in downtown Helena.



Kenn N. Kojima
Regional Administrator

The Pacific Rim Region is based in San Francisco and has 1,227 employees and an operating budget of \$631 million. Its real estate inventory includes 197 Government-owned buildings and 834 leased locations that house approximately 45 agencies with 101,000 employees. The region manages a 27,825-vehicle fleet.

Bringing Government to People. GSA brought a new style of Government service to the San Francisco Bay Area in FY 1999 with the opening of the first Government Services Express store in the largest outlet mall in Northern California. This facility co-locates the IRS with the California State Franchise Tax Board, providing taxpayers with seven-day-a-week service at convenient hours.

New Courthouses Thwart

Pacific Rim Region

Arizona, California, Guam, Hawaii, Nevada, Pacific Trust Territories, American Samoa, U.S. installations in the Far East

Terrorism, Save Energy and Preserve History. In one of the largest construction programs in the region's history, U.S. Courthouses were under construction during FY 1999 in Las Vegas, Phoenix, Tucson, Santa Ana, Sacramento, and Agana (Guam).

- The Las Vegas courthouse is one of the first being built according to new post-Oklahoma City blast-resistance standards. When tested by the Department of Defense, its curtain wall exceeded the new standards, showing that GSA's new security and safety criteria can be met without compromising creative design.
- The new U.S. Courthouse under construction in Phoenix will be passively cooled by natural convection currents and a water-misting system that causes temperature to drop without significant energy expenditure.
- The Evo DeConcini U.S. Courthouse under construction in Tucson is the first Federal new construction project to incorporate an Energy Savings Performance Contract. This Department

of Energy program permits agencies to finance energy conservation projects with savings on utilities and related maintenance costs. Energy-efficient equipment is expected to reduce energy use by 30%.

- The Santa Ana courthouse, named for President Ronald Reagan, contains a prize-winning epic mural by John Valadez that brings to life the history, culture and traditions of Orange County.
- A display in the rotunda of the new courthouse in Sacramento showcases artifacts from a mid-19th century Chinese community recovered from the site, which was a supply center for Chinese miners during the California Gold Rush.
- The courthouse in Guam has the distinction of being the first Federal courthouse in Micronesia.

Building on Success with New Base Supply Stores in Asia.

In FY 1999, the region added seven base supply stores to the four it opened successfully in FY 1998. GSA provides the inventory, inventory management, and point-of-sale equipment while the military provides the resources to maintain and operate the stores.



L. Jay Pearson
Regional Administrator

The Northwest/Arctic Region is GSA's largest region geographically, covering 815,000 miles. Based in Auburn, WA, near Seattle, the region has 560 employees and an operating budget of \$287 million. It provides space for 164 Federal agencies with 36,600 employees in 134 Government-owned and 429 leased locations. The region manages a 13,647-vehicle fleet.

Donating Computers to Schools. The Northwest/Arctic Region has partnered with other Federal agencies to actively support the Computers for Education Program under Executive Order 12999. In FY 1999, the

Northwest/ Arctic Region

Alaska, Idaho, Oregon, Washington

region assisted with the transfer of 5,581 items with an acquisition cost of \$7.6 million to more than 110 recipients.

Providing New Services in High Demand. In October 1998, the region opened GSA's new Management Services Center. The center has been developing Federal Supply Schedules for services ranging from management and organizational consulting to environmental planning and mail management. Sales against the new schedules soared to \$425 million in FY 1999. The Center has a sales goal of \$1 billion for FY 2000.

Three Design Awards for the Region. Three of the six Honor Awards presented by the GSA Design Awards went to this region. The Mark O. Hatfield U.S. Courthouse in Portland, OR, and the U.S. Port of Entry in Point Roberts, WA, were cited for their architecture. The courthouse also was recognized in the graphic design category for its exterior and interior signage, its electronic video displays for court calendars, and its

interactive touch-screen building directory system.

Getting Closer to Customers. PBS has continued to move business activities closer to customers by co-locating with other GSA offices where possible, delegating additional responsibilities and authorities to the customer service centers in regional cities, and letting regional managers focus on policy and program management.

Coordinating Customer Interface and Communications. The region continues to work toward presenting "one face" to the customer. This effort has been strengthened through the regional marketing communications (Marcom) group, which consists of sales and marketing employees from PBS, FSS and FTS in the region. Marcom's mission is to identify and lead the implementation of internal and external marketing strategies and to integrate the communications efforts of the entire region.



Nelson B. Alcalde
Regional Administrator

The National Capital Region is based in Washington, DC. It has 1,860 employees and an operating budget of \$1.6 billion. Its real estate inventory includes 194 Government-owned buildings and 470 leased locations that house 91 Federal agencies with 389,489 employees.

Ronald Reagan Building and International Trade Center: A Successful Public-Private Partnership. The Ronald Reagan Building and International Trade Center on Washington's Pennsylvania Avenue marked its first anniversary in May 1999 as the home of 35 private sector and non-Federal organizations. Tenants include the Greater Washington Board of Trade, the District of Columbia Chamber of Commerce, and the Washington International Trade Association. Federal

National Capital Region *Washington, DC, Metropolitan Area*

agencies housed there include the U.S. Agency for International Development, the U.S. Customs Service, the Environmental Protection Agency, and the Woodrow Wilson International Center for Scholars. With the opening of the DC Visitors' Center and the Department of Commerce's USA Trade Center, the building is becoming a mecca for trade and tourism. Washington's new mayor was inaugurated there in January 1999.

Supporting NATO's 50th Anniversary Celebration. GSA provided significant support for the planning, preparation, and conduct of the NATO 50th Anniversary Summit held in Washington, DC, in April 1999. Regional personnel ensured the operational readiness of each venue and its life-safety systems, and coordinated the various contractors within these facilities. During the elaborate festivities, which shut down much of Washington, President Clinton entertained 44 heads of state at the Ronald Reagan Building, which also served as the operational center for the media. GSA's Federal Protective Service helped

provide security for all locations.

Continuing Revitalization of Downtown DC. As the successor to the Pennsylvania Avenue Development Corporation, NCR is partnering with local officials, the business community, and residents to redevelop the Pennsylvania Quarter, which is just down the avenue from the Ronald Reagan Building. Developers will invest extensively, generating long-term public revenues and helping to bolster a vibrant, growing, mixed-use neighborhood that includes arts, retail, residential and office space.

Developing Tools for Learning about Customers. FTS in the region developed a nationwide Customer Tracking System and a model Account Marketing Plan to collect customer intelligence. The systems are being used by FTS nationwide.

IT Support for District of Columbia. FTS provided remediation and contingency planning support to the District of Columbia's Y2K Program Office, as well as an array of IT products and services for DC schools and the police, fire, emergency services and health departments.

GSA Staff Offices



**Chief Financial Officer
William B. Early, Jr.**

- Manages GSA financial operations: accounting,

- cash management, payroll, financial reporting, strategic planning, and performance measurement. Produces the annual accountability and performance reports.
- Prepares and administers GSA's budget; reviews financial plans, legislation, and regulations.
- Responsible for *Pegasys*, the new GSA financial management system. With state-of-the-art capabilities to create and

- manage budgets at all levels, *Pegasys* will improve accountability through source-level data entry and electronic approval routing.
- Manages more than 30 GSA funds.
- Provides reimbursable payroll and accounting services for more than 40 agencies and commissions and supports the Department of Justice in litigating Indian Tribal claims against the Government.



**Chief Information Officer
William C. Piatt**

- Principal advisor to the Administrator and all GSA offices on information technology and its potential for improving customer service and the performance of GSA's operations.

- Leads GSA's governance of IT investments, aligning corporate and business line investments to achieve maximum effectiveness and efficiency. As they apply to information systems, oversees the development and implementation of consistent architectural standards, security procedures, privacy policies and overall capital planning for IT investments.
- Manages GSA's shared corporate IT services, including the wide-area data network and the corporate Lotus Notes infrastructure.
- Manages GSA's Seat Management task order, a desktop infrastructure

- outsourcing contract designed to promote the agency's ability to rapidly adapt to changing market conditions and ensure that employees have the technology and IT training to do their jobs. Implementation began in FY 1999 and will be extended to nearly all employees.
- Managed testing and verification of GSA mission-critical systems to ensure Y2K readiness. Oversaw the agency's Y2K Business Continuity and Contingency Plan.
- Serves as co-chair of the Federal CIO Council's Capital Planning Committee.



Chief Knowledge Officer
Shereen G. Remez

- Created in 1999 on a par with the Chief Financial Officer, the Chief Information Officer, and the Chief People Officer to coordinate the use of information technology to manage GSA's knowledge base.
- Gathers, sorts, and presents information from throughout the agency to make it easier for employees to share and use data for informed decisionmaking.
- Develops new training models, such as "just-in-time" training.



Chief People Officer
Gail T. Lovelace

- Manages GSA's human resources and administrative management program, including development of policies and practices in staffing; employee development; labor-management relations; downsizing; employee relations; and performance, administrative, and facilities management. Provides extensive information in these areas via web, telephone and personal contact.
- In FY 1999, successfully established a Consolidated Processing Center that will ensure more efficient records processing and management. Cost savings of 40% are anticipated.
- In cooperation with the Chief Information Officer, opened OnLine University, a unique opportunity to use information technology to deliver training to employees' desktops.
- Manages GSA's role in Federal emergency response. Responded to 63 emergencies in FY 1999; developed and held a Continuity of Operations course for Federal agencies and developed a special version for the intelligence community.



Child Care
Susan D. Clampitt
Associate Administrator

- Provides policy leadership, guidance, oversight and information on quality child care in Federal facilities.
- Leads the Interagency Federal Child Care Council, which represents all agencies that sponsor the more than 250 Federal civilian child care programs. Works to obtain 100% accreditation of all eligible centers by the end of 2000. Works with Congress to make child care more affordable for low-income Federal workers.
- In FY 1999, provided computers and Internet access to all GSA child care centers.
- Supports new concepts in affordable Federal child care, such as the current collaboration between Federal agencies, the District of Columbia government, and the Marriott Corporation to develop a new center scheduled to open in 2000 in Washington, DC.



Congressional and Intergovernmental Affairs
William R. Ratchford
Associate Administrator

- GSA's liaison with Congress, coordinating testimony and meetings for the agency's senior staff, shepherding GSA's legislative program and budget through Congress, and helping Congressional offices resolve GSA-related problems.
- Responded to hundreds of Congressional inquiries in FY 1999, regarding chiefly child care, Federal buildings, FTS, doing business with the Government, and disposal of surplus Federal property.
- Supports GSA's 19 regional Congressional Services Representatives, who coordinate space, furnishings and supplies for 1,380 State offices for Senators and Members of Congress and arrange for storage and relocation services.
- Was instrumental in advancing legislation to create uniform quality standards for all Federal child care facilities, improve their affordability, and allow agencies to engage in new types of child-care partnerships.
- Worked with GSA's Office of Governmentwide Policy to draft legislation to amend the Federal Property and Administrative Services Act of 1949.
- Supported GSA's request for capital construction funds, resulting in an appropriation of nearly \$75 million for capital construction in FY 2000.



Communications
Beth W. Newburger
Associate Administrator

- Coordinates agency communications and public affairs activities and disseminates information to the media, the public, other Government offices, and GSA employees.
- Amplifies GSA's message through the news media and professional publications, public events, and outreach to the public.
- Leads the GSA Marketing Council, which consolidates and focuses the agency's strategic analysis, research and customer-tracking activities. In FY 1999, the Council produced and implemented GSA's first-ever agencywide *Strategic Marketing Plan* and compiled critical market-share, competition, and customer data.
- Manages the Consumer Information Center, which provides free and low-cost publications of broad consumer interest via Internet and mail from Pueblo, CO.



Enterprise Development
Dietra L. Ford
Associate Administrator

—Requiem—
GSA mourns the death of Dietra Ford in October 1999 following a brief illness. During Ms. Ford's more than three years as Associate Administrator for the Office of Enterprise Development, GSA provided record-setting contracting opportunities for small, minority, and women-owned businesses.

- Advocate in GSA for the small business community, including small disadvantaged businesses, small women-owned businesses, Historically Black Colleges and Universities, and HUBZone businesses.
- Develops and coordinates policies to implement the President's annual small business goals, monitors GSA contracting activities to ensure compliance with these goals, and provides compliance training for contracting personnel.
- Conducts outreach activities to introduce small businesses to GSA contracting and subcontracting opportunities.



**General Counsel
Stephenie Foster**

- Provides legal support for GSA programs in areas such as contracting, information technology policy, travel and transportation, real estate, construction, leasing, environmental issues, litigation, personnel and labor relations, equal employment opportunity, appropriations, finance, the

Freedom of Information Act, the Privacy Act, and the Federal Advisory Committee Act.

- Supports GSA's response to Congressional inquiries.
- Develops and manages GSA's ethics program and supports the agency's alternative dispute resolution efforts.



**GSA Board of
Contract Appeals
Stephen M. Daniels
Chairman**

- Hears and decides contract disputes between Government contractors and GSA, as well as between contractors and other executive agencies.
- Encourages resolution of

contract disputes through alternative dispute resolution (ADR) and makes ADR services available to all executive agencies on contract-related matters.

- Hears and decides requests for review of transportation audit rate determinations and claims by Federal civilian employees regarding travel and relocation expenses.



**Inspector General
William R. Barton**

- Conducts independent audits and investigations of GSA's internal operations and external contractors; produces audit and investigative reports, advisory and evaluation reports and legal opinions; makes civil and criminal referrals to the Department of Justice and other legal authorities; and refers to GSA officials cases of misconduct by GSA employees and contractors.

- Reviews existing and proposed legislation and regulations that could affect GSA's operations and policies.
- Works closely with GSA management to identify opportunities for program and operations improvements; informs the Administrator and Congress of GSA's progress in meeting organizational objectives.

