

**U.S. GENERAL SERVICES
ADMINISTRATION**



FY 2005

**CONGRESSIONAL
JUSTIFICATION**



SUMMARIES

General Services Administration

FISCAL YEAR 2005 BUDGET SUMMARY AND HIGHLIGHTS

INTRODUCTION

The General Services Administration (GSA) was established by the Federal Property and Administrative Services Act of 1949 when Congress mandated the consolidation of the Federal Government's real property and administrative services. For more than half a century, GSA has carried out its mission to acquire goods and provide services and facilities to support the needs of other Federal agencies.

GSA provides policy leadership and expert solutions in services, space and products to enable Federal employees to accomplish their missions. We believe that no other organization in the public or private sector can bring to bear as much experience, knowledge, and range of capability as GSA in ensuring high performance in Federal work environments. Due to its procurement expertise and experience, GSA is uniquely qualified to provide Federal agencies with the products and services needed to accomplish their missions and improve their performance.

GSA is organized into the Public Buildings Service (PBS), the Federal Supply Service (FSS), the Federal Technology Service (FTS), the Office of Governmentwide Policy (OGP), the Office of Citizen Services and Communications (OCSC), and various staff support offices. Geographically, operations are conducted through 11 regional offices located throughout the country.

Mission Statement

GSA helps Federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services, and management policies.

To accomplish our mission GSA has adopted a set of values and goals to serve as our guide towards meeting our mission.

Values

- Ethics and integrity in all we do
- Respect for fellow associates
- Results orientation
- Teamwork
- Professionalism

Strategic Goals

- Provide best value for customer agencies and taxpayers
- Achieve responsible asset management
- Operate efficiently and effectively
- Ensure financial accountability
- Maintain a world-class workforce and world-class workplace
- Carry out social, environmental, and other responsibilities as a Federal agency

General Services Administration

FISCAL YEAR 2005 BUDGET SUMMARY AND HIGHLIGHTS

PERFORMANCE BUDGET

GSA's Fiscal Year 2005 Budget justification is a significant step forward in providing an integrated performance budget, aligning resources with performance measures. Our budget request was developed through our Performance Management Process for strategic planning, budgeting and program evaluation. This process provides the framework to analyze our performance and to consequently formulate initiatives to realign resources and improve business practices.

Specifically, the Performance Management Process is a continuous cycle providing a comprehensive analysis of how well we are meeting GSA's strategic goals, our performance goals and measures, the President's Management Agenda, and how we can best position GSA for future successes. The cyclical process allows for collaborative crosscutting decision-making among senior leadership.

GSA's strategic direction is reflected in our performance goals. We have developed goals that emphasize improving customer service, improving product value and delivery, constraining costs, leveraging technology, and implementing responsible asset management. In fiscal year 2005, GSA will continue to help agencies realize the benefits of technology and improve the Federal Government's IT infrastructure by supporting E-Gov initiatives. GSA itself is leveraging technology in our customer relationship management approach for crosscutting management and program delivery, which

will allow us to operate as one-GSA for mission critical procurement, technology, and property management activities in the near future.

While Federal agencies comprise the majority of GSA's customers, our client base has grown to state and local governments, international partners and thousands of vendors with whom we exchange information. With the establishment of the Office of Citizen Services and Communications in support of a citizen-centric Federal Government, we directly serve the public as well.

The Fiscal Year 2005 Budget also reflects a new business unit in GSA. Effective January 12, 2003, the Office of Professional Services was established in FTS to provide assistance on a cost reimbursement basis to Federal agencies in acquiring a range of professional services through GSA Multiple Award Schedules. The new business line is funded under the General Supply Fund.

We continue to pursue legislative reforms to provide GSA and other Federal agencies the authority to implement modern asset management practices.

PROGRAM ASSESSMENT RATING TOOL (PART)

GSA's Fiscal Year 2005 Budget request addresses the various programmatic directions prescribed through PART performance evaluations. Since 2002, GSA and the Office of Management and Budget have conducted nine program performance assessments using the PART process. We will continue

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to conduct additional PART reviews during fiscal year 2004. Considerable time and effort was dedicated to developing program effectiveness and accountability ratings. These ratings may be reviewed at www.results.gov.

To date, the following programs were assessed using PART.

Federal Supply Service

- Personal Property Management
- Supply Depots and Special Order
- Vehicle Leasing
- Vehicle Acquisition
- Multiple Award Schedules

Public Buildings Service

- Leasing
- Real Property Disposal
- Asset Management of Federally-Owned Real Property

Federal Technology Service

- Regional IT Solutions

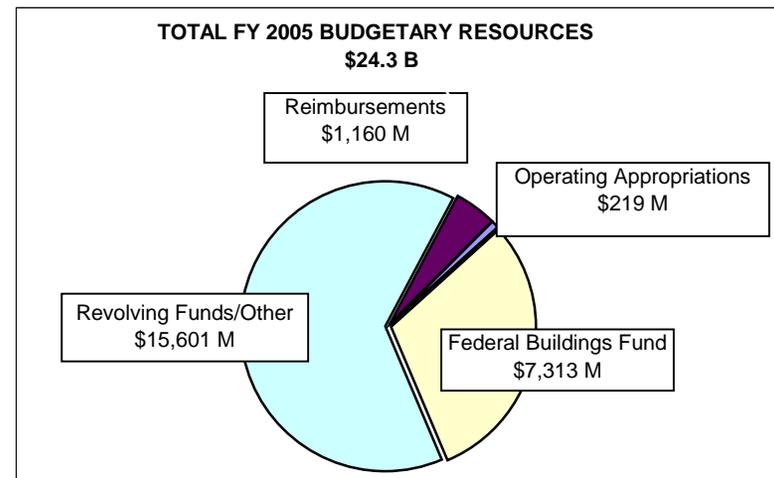
The major findings of the PART reviews were that these programs needed meaningful long-term outcome goals which can be accurately measured. Further information on the PART reviews may be found in the FSS, PBS, FTS, and Operating Expenses justification packages.

FUNDING TOTALS AND SOURCES

Measured in obligations, GSA's fiscal year 2005 request totals approximately \$24.3 billion for programs under agency accounts. Most funds become available to GSA from customers through reimbursements to revolving funds for purchase of goods and services, or as Rent paid for space in GSA-owned and leased buildings.

We are requesting appropriations of \$218 million for GSA direct funded activities, about 1% of total funding. The remaining 99% of funding is from customer requested work that is funded under reimbursements to revolving funds for the purchase of goods and services, or as Rent paid to the Federal Buildings Fund (FBF) for space in GSA-owned and leased buildings.

Budgetary resources (obligations) by fund source are as follows:



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This Table provides a summary of GSA's budget request by appropriation and fund.

THE FY 2005 BUDGET IN SUMMARY \$(In Thousands)

	FY 2003 Actual	FY 2004 Current	FY 2005 Request
<u>TOTAL OBLIGATIONS</u>			
Operating Accounts (Appropriations)	\$ 853,133	\$ 206,550	\$ 218,682
Federal Buildings Fund Direct (Including Appropriations)	6,546,606	7,100,494	7,313,195
Reimbursable Programs	1,245,899	1,014,798	1,155,694
Real Property Relocation	0	6,050	6,000
General Supply Fund	4,066,351	4,896,773	5,130,708
Information Technology Fund	10,034,941	9,970,687	10,071,313
Working Capital Fund	316,914	347,877	357,698
Federal Citizen Information Center Fund (Reimb.)	2,650	3,901	4,353
Permanent Appropriations	15,928	29,493	34,926
	<u>\$ 23,082,422</u>	<u>\$ 23,576,623</u>	<u>\$ 24,292,569</u>
<u>REQUIRING APPROPRIATIONS ACTION</u>			
<i><u>Operating Appropriations:</u></i>			
Office of Governmentwide Policy	\$ 55,569	\$ 59,669	\$ 62,100
Operating Expenses, GSA	81,089	83,971	82,175
Electronic Government Fund	4,968	2,982	5,000
Election Reform Payments	650,000	0	0
Election Reform Reimbursements	14,903	0	0
Office of Inspector General	37,270	38,938	42,351
Federal Citizen Information Center	13,356	13,917	14,907
Presidential Transition	0	0	7,700
Former Presidents	3,156	3,373	3,449
<i>Subtotal Budget Authority/Appropriation</i>	<u>\$ 860,311</u>	<u>\$ 202,850</u>	<u>\$ 217,682</u>
<i><u>Federal Buildings Fund New Obligational Authority:</u></i>			
Construction & Acquisition of Facilities	\$ 734,868	\$ 745,314	\$ 650,223
Repairs and Alterations	985,009	1,002,997	980,222
Installment Acquisition Payments	178,897	169,677	161,442
Rental of Space	3,381,265	3,551,032	3,672,315
Building Operations	1,546,514	1,608,064	1,709,522
<i>Subtotal FBF New Obligational Authority</i>	<u>\$ 6,826,553</u>	<u>\$ 7,077,084</u>	<u>\$ 7,173,724</u>
<i>FBF Net Budget Authority</i>	463,347	254,194	15,447
<i>FBF Appropriations</i>	375,711	459,669	0
TOTAL, Treasury Appropriation Action (BA/NOA)	\$ 7,673,508	\$ 7,266,017	\$ 7,376,499
<i>Budget Authority</i>	1,310,302	443,127	218,222
<i>Appropriations</i>	1,222,666	648,602	202,775
TOTAL, VA/HUD Appropriations Action (BA)			
<i>Federal Citizen Information Center (Direct)</i>	13,356	13,917	14,907

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BUDGET AND PERFORMANCE HIGHLIGHTS

The major focus of the Fiscal Year 2005 Budget request is for resources to provide enhancements in two areas: 1) real property capital investment and 2) electronic government (E-Gov). In addition, the budget request is presented as an integrated performance budget. Funding requests for programs and business lines in GSA are aligned with associated performance goals and measures, listed at the end of this section.

Operating Appropriations

The total for all the operating appropriations in GSA's fiscal year 2005 request is \$202.8 million. The request includes:

- \$82.2 million for Operating Expenses;
- \$62.1 million for the Office of Governmentwide Policy;
- \$5 million for E-Gov;
- \$42.4 million for the Inspector General;
- \$7.7 million for the Presidential Transition; and
- \$3.4 million for Former Presidents

The Budget also proposes a General Provision that would devote \$40 million from GSA surplus revenues to E-Gov, bringing the total to \$45 million for governmentwide E-Gov projects.

The budget and performance plan for the Inspector General proposes the transfer of \$2 million each from the

ITF and GSF to support an expansion of pre-award audits and contract performance assessment programs of government-wide contracts within these funds.

By law GSA is required to request funding for a possible Presidential transition. Our request includes \$1 million related to providing training and briefings for key prospective Presidential appointees. The FY 2005 Appropriation language proposes to amend the Presidential Transition Act to permit the retention of this \$1,000,000 for incoming appointees associated with the second term of an incumbent President.

Electronic Government (E-Gov)

GSA has expanded the scope and level of Federal E-Gov services transforming the way citizens interact with government. By leveraging Internet technologies GSA is building a more citizen-centric and results-oriented Federal Government.

The establishment of USA Services within GSA's OCSC in 2003 has provided citizens with government information in a more responsive and consistent manner. GSA's fiscal year 2005 request includes an additional \$1.5 million for USA Services to establish government-wide standards in customer service, performance metrics and best practices.

USA Services' FirstGov.gov is the official Internet portal of the U.S. Government. GSA is planning several improvements to FirstGov. Included in our request is \$3.7 million to enhance the FirstGov.gov site by further

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leveraging the Internet technology and by providing a highly secure environment. Although FirstGov is new, it has proven to reduce costs. In fiscal year 2003, there were 580 instances of Federal Government organizations using FirstGov.gov search services as their primary search engine mechanism, equating to a savings of \$21 million from avoiding the need to purchase search engine software for each individual Web site.

Another E-Gov initiative underway is e-Travel. In 2003, the Office of Governmentwide Policy and our partner agencies identified the requirements for a standard, integrated Internet-based travel authorization, reservation, and vouchering system for the Federal Government. These requirements will be met by a new eTravel Service that agencies may obtain from any of three contracts managed by FSS. OGP, through the Travel Management Office (TMO) established in fiscal year 2004, will continue to oversee and assist in the implementation of the eTravel Service throughout the Federal agencies. FSS, via the General Supply Fund will integrate the e-Travel Service contracts with GSA's other travel service contract offerings. FSS will provide an additional \$9.9 million to this E-Gov project in fiscal year 2005.

Currently, the Federal Government has no standards for identity management or electronic authentication. In order for the Federal E-Government initiatives to be successful, the Office of Governmentwide Policy is working towards establishing cross-agency governance structure and process for e-Authentication and identity management in order to unify Government systems.

GSA is requesting \$4.6 million to support this effort, an increase of \$0.57 million over fiscal year 2004.

To provide much needed resources for E-Gov projects managed by GSA and other agencies, GSA is proposing a new general provision that would amend existing law to permit the Administrator, after consulting with the Office of Management and Budget, to retain and transfer surplus funds generated by the operation of the General Supply Fund to the Electronic Government Fund in an amount not to exceed \$40 million in any given fiscal year. These funds would be used for government-wide E-Gov projects for purposes authorized under Section 3604 of Title 44.

Federal Technology Service

Through the Information Technology Fund, Federal Technology Service (FTS) delivers Federal agencies the latest in telecommunications and information technology (IT). In fiscal year 2005, the projected revenue of \$9.5 billion reflects an increase of \$506 million from fiscal year 2004 total revenue. Of that increase, 88% is from the fast growing IT Solutions programs.

In light of increased business volume and complexity of the acquisition process, FTS has taken the following aggressive actions designed to improve acquisition quality and integrity across FTS.

- The Commissioner of FTS has reiterated key policies and internal controls pertaining to FTS.

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- Additional legal review requirements to assure compliance with all applicable laws, regulations and internal GSA policies and procedures have been implemented.
- FTS is developing a series of detailed acquisition improvement plans that will specify required actions, methods, and results for each regional and national Client Support Center.

To deal with the rapidly changing telecommunications environment and IT, FTS has developed new strategies and has acquired new systems. The new strategy framework envisions a marketplace based on FTS value-added systems and processes that deliver superior products, services and solutions to agency customers via an electronic commerce infrastructure. When implemented, the new systems will create significant benefits including web-based access to online project and funding status, and electronic data exchange. The fiscal year 2005 budget provides resources for improving customer satisfaction and awareness, maintaining effective service delivery and cost management, and ensuring the financial integrity of the IT Fund. Along with these goals, FTS will measure its performance in key areas such as fostering competition, achieving significant savings for customer agencies, providing a well-trained workforce, and maintaining FTS' focus on supporting small businesses.

Effective January 12, 2003, GSA established the Office of Professional Services, a new business unit in FTS, to provide assistance on a cost reimbursable basis to

Federal agencies in acquiring a range of professional services through three GSA Multiple Award Schedules. These schedules are Management, Organization and Business Improvement (MOBIS), Logistics Worldwide (LOGWORLD) and Professional Engineering Services. The new business unit is funded under the General Supply Fund. The value of Professional Services is that customer agencies can now obtain both IT and Professional Services acquisition support from an integrated service point in GSA, thereby enhancing the delivery of services and providing best value solutions. In fiscal year 2005, FTS projects Professional Services revenue of \$1.2 billion.

Federal Supply Service

The Federal Supply Service (FSS) manages a large, diverse and innovative Federal marketplace that brings hundreds of thousands of Federal customers together with over 10,000 private sector contractors. FSS serves the Federal community as a trusted source for business, administrative, and mission solutions, by providing a portal to virtually every commercial product or service an agency might need. FSS leverages the Government's vast buying power to offer Federal agencies access to contracts and other buying arrangements that provide quality services and products at competitive prices. The fiscal year 2005 budget estimate of \$3.2 billion is only a slight increase over fiscal year 2004 levels.

Effective January 1, 2004, the Federal Supply Service lowered the Industrial Funding Fee (IFF) for the Multiple Award Schedules Program from one percent to 0.75

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percent. This reduction will save customer agencies over \$60 million in fiscal year 2005.

FSS priorities for fiscal year 2005 are to:

- provide effective customer training so that Federal agencies use FSS programs to their best advantage;
- control FSS' internal costs;
- ensure that associates have the education and skills to perform critical acquisition functions; and
- take measures to deal with the increasing number of associates who will become eligible for retirement during the next five years.

To address these priorities, the proposed budget includes resources to fund e-systems, emphasize the use of technology, and implement a Warehouse Management System for supply distribution. FSS is committed to the Administration's directives on results and performance. FSS uses service-wide performance measures to focus on evaluating customer satisfaction, reducing the cost-to-output ratios; ensuring accurate cost and revenue forecasting; and providing Federal agencies with commercial sources which will further the Government's socioeconomic goals. In addition to the service-wide measures, FSS's business lines have measures that gauge the efficiency of their unique operational areas.

Public Buildings Service

The Public Buildings Service (PBS) provides superior workplaces for Federal workers while providing value to

the American taxpayer. The fiscal year 2005 budget request for New Obligational Authority (NOA) of \$7.2 billion includes authority for construction, repairs and alterations, installment acquisition payments, rental of space, and building operations.

PBS has undertaken an initiative, known as the Strategy for Restructuring and Reinvesting in the Owned Inventory, to better align the building portfolio with GSA's mission. Overtime, GSA will restructure and transform its portfolio to one of assets with strong, positive cash flows. Performance criteria and diagnostic tools have been established that will allow us to tier existing assets into performers, under-performers and non-performers. This rating process will permit rational decisions as to whether particular assets should be retained or disposed of and provide the means for PBS to better allocate scarce investment dollars. PBS strives to achieve the best value for the taxpayer by consistently keeping lease rates and operating costs low.

In fiscal year 2003, PBS's leased costs were 7.41 percent below comparable market rates and operating service costs for office space were 14.8 percent below private sector benchmarks.

Adequate repairs and alterations (R&A) funding remains a high priority with GSA. An approximately \$5.7 billion backlog in repairs and alterations has left many assets in poor condition. The Public Buildings Service budget request includes approximately \$980 million for repairs and alterations.

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Repairs and Alterations highlights include:

- \$394 million for basic Repairs and Alterations
- \$62 million for limited scope programs
- \$411 million for full scope Repairs and Alterations
- \$50 million for design
- \$13 million for chlorofluorocarbons program
- \$30 million for energy conservation program
- \$20 million for glass fragmentation retention program

The PBS budget request will also provide \$650 million for new construction of needed facilities for critical Federal Government functions. This includes the highest priority projects of the U.S. Judiciary in accordance with their five-year facility plan. It also includes 12 border station projects identified by the Border Station Partnership Council as the highest priority border station needs.

New construction highlights include:

- \$381 million for construction for U.S. Courthouses in Los Angeles, CA and El Paso, TX; and design of a U.S. Courthouse in San Diego, CA
- \$89 million for FDA Consolidation in Montgomery County, MD
- \$14 million for FBI Facility in Los Angeles, CA
- \$2 million for Southeast Federal Center Site Remediation in Washington, DC
- \$53 million to purchase 10 West Jackson Blvd., Chicago, IL
- \$91 million for 12 Border Stations

- \$10 million for non-prospectus construction and acquisition
- \$10 million for Judgment Fund Repayment

The budget also includes a general provision permitting the sale of the Middle River Depot at Middle River, Maryland to the public, and the retention of the sale's proceeds in the Federal Buildings Fund for capital activities. This provision, along with similar provisions in other agency budgets, is part of the Administration's asset management initiative to encourage improved usage of Federal real property assets.

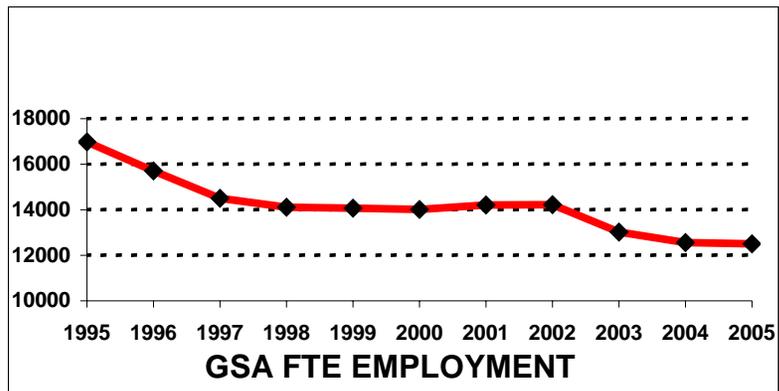
PBS continually strives to become a better provider of workspace and services for the Federal Government and measures its performance in multiple program areas. PBS measures itself against the private sector in many different areas. The cost of cleaning, maintenance, and utility expenses are measured against industry benchmarks. Another area where PBS sets performance measures is the on-time delivery of projects. Completing projects on time is essential for customer satisfaction, cost control and revenue flows. During fiscal year 2003, PBS demonstrated that construction durations are within industry standards.

Employment

The budget supports 12,508 FTE in fiscal year 2005, resulting in a net increase of 36 FTE from fiscal year 2004 projected levels. This change is due to increases in staffing in the Working Capital Fund, the appropriated

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accounts associated with electronic government activities and the Office of Inspector General. The following chart shows GSA's FTE employment levels from fiscal year 1995 projected through fiscal year 2005. NOTE: All employment levels (FY 1995 – FY 2005) have been adjusted to reflect security positions transferred to the Department of Homeland Security.



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WATERFALL TABLE
Changes in Appropriated Accounts
\$(Thousands)

	Governmentwide Policy	Operating Expenses	Inspector General	Former Presidents	Electronic Government	Presidential Transition	Total
FY 2004 Enacted	56,383	88,110	39,169	3,393	3,000	0	190,055
.59% Rescission	-333	-520	-231	-20	-18	0	-1,122
E-Authorization Transfer	3,619	-3,619					0
FY 2004 Adjusted Enacted	59,669	83,971	38,938	3,373	2,982	0	188,933
<i>Decreases</i>							
FY 2004 Congressional Initiatives		-8,947					-8,947
GovNet		-250					-250
NSEP Study		-200					-200
Personnel Compensation for Former President Clinton				-17			-17
Decrease to offset pension increase for Former President Carter				-6			-6
<i>Increases</i>							
Pay Raise/Pensions	594	896	608	30			2,128
Increase to Common Information Technology Infrastructure Costs	1,170	1,153	880				3,203
Federal Identity Management & E-Authentication Management/Governance	567						567
RISC/OIRA Consolidated System II (ROCIS II)	100						100
USA Services		1,500					1,500
FirstGov Enhancements		3,021					3,021
FirstGov Shared Technologies		650					650
Partial Restoration of Direct FTE		381					381
Computer Forensic Investigations Unit			775				775
Information Management System			1,150				1,150
Increased cost of goods and services				7			7
Rent increase for Former Presidents				16			16
Mail Handling Contract for Former President Clinton				6			6
Increased cost of equipment for Former President Bush				20			20
Infrastructure Contingency Planning				20			20
Increase to Electronic Government Fund					2,018		2,018
Transition Activities						7,700	7,700
FY 2005 Congressional Request	62,100	82,175	42,351	3,449	5,000	7,700	202,775

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WATERFALL TABLE
Changes in FBF NOA
\$(Thousands)

	Installment Acquisition Payments	Rental of Space	Building Operations	Construction and Acquisition	Repairs and Alterations
FY 2004 New Obligational Authority	\$169,677	\$3,551,032	\$1,608,064	\$745,314	\$1,002,997
Decrease in Capitalized Interest Payments	-3,691				
Decrease in Interest Payments	-4,544				
Annualization of Remaining FY 2004 Program		14,041			
Rental Increases		57,169			
Lump Sum Payments for taxes and lease buyouts		58,355			
Lease Cancellations		-50,343			
Lease Expansions (all other)		42,061			
Building Services in New Space			17,117		
Increase cost of Supplies, Materials and Service Contract (1.5%)			12,506		
Part Year Increase of FY 2004 Pay Act (4.1%), effective January 2004			5,006		
Wageboard and Pay Act Increase (1.5%), effective January 2005			4,915		
Increase for Utilities and Fuel Rates			10,273		
Increase for Cleaning & Maintenance Contract Labor Rates and Benefits			6,465		
Security Requirements			12,969		
Denver Federal Center Remediation			7,000		
Increase for IT Services			19,044		
Increase to the Working Capital Fund			6,163		
Decrease to Construction for Executive Agencies				-248,029	
Increase to Construction for Judiciary				152,938	
Increase to Basic R&A program					56,261
Decrease to Line-Item R&A program					-79,036
FY 2005 New Obligational Authority	\$161,442	\$3,672,315	\$1,709,522	\$650,223	\$980,222

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**FEDERAL BUILDINGS FUND
New Obligational Authority**

2005 Construction and Acquisition of Facilities (NOA) In Priority Order \$(Thousands)	
Executive Agencies	
Montgomery County, MD, FDA Consolidation.....	88,710
Los Angeles, CA, FBI Facility	14,054
Washington, DC, Southeast Federal Center Site Remediation.....	2,650
Chicago, IL, 10 West Jackson Boulevard (Purchase)	53,170
Portal, ND, Border Station.	22,351
El Paso, TX, Ysleta Border Station.....	2,491
Alexandria Bay, NY, Border Station	8,884
Dunseith, ND, Border Station	2,301
El Paso, TX, Paso Del Norte Border Station	26,191
Calais, ME, Border Station	3,269
Madawaska, ME, Border Station.....	1,760
Massena, NY, Border Station.....	15,000
Warroad, MN, Border Station.....	1,837
Richford, VT, Border Station.....	1,545
Norton, VT, Border Station.....	1,747
Derby Line, Border Station.....	3,348
Non-Prospectus Construction Program	10,000
Judgment Fund Repayment	10,000
Subtotal, Executive Agencies	\$269,308
Federal Judiciary	
Los Angeles, CA, U.S. Courthouse	314,385
El Paso, TX, U.S. Courthouse	63,462
San Diego, CA, U.S. Courthouse	3,068
Subtotal, Federal Judiciary	\$380,915
TOTAL CONSTRUCTION PROGRAM FY 2005	\$650,223

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FEDERAL BUILDINGS FUND (Cont'd)

2005 Repairs and Alterations Program (NOA) In Priority Order \$(Thousands)	
Nonprospectus (Basic) Repairs and Alterations Program	394,500
Washington, DC, Eisenhower Executive Office Building.....	5,000
Washington, DC, Federal Office Building 6.....	8,267
Suitland, MD, National Record Center.....	7,989
Washington, DC, Theodore Roosevelt Building.....	9,730
New York, NY, Foley Square Courthouse.....	2,505
Queens, NY, Joseph P. Addabbo Federal Building.....	5,455
Washington, DC, Hoover FBI Building.....	10,242
Washington, DC, New Executive Office Building.....	6,262
Woodlawn, MD, SSA Altmeyer Building.....	6,300
Atlanta, GA, Martin Luther King Jr., Federal Building.....	14,800
Cincinnati, OH, Potter Stewart Courthouse.....	37,975
Kansas City, MO, Richard Bolling Federal Building.....	40,048
St. Paul, MN, Warren E. Burger Federal Building Courthouse.....	36,644
Seattle, WA, William Nakamura Courthouse.....	50,210
Washington, DC, Mary E. Switzer Building.....	80,335
Baltimore, MD, George H. Fallon Federal Building.....	46,163
Hilo, Hawaii, Hilo Federal Building - Post Office.....	5,133
Atlanta, GA, U.S. Court of Appeals.....	32,004
Cleveland, OH, Celebrezze Federal Building.....	37,375
New Orleans, LA, Boggs Federal Building.....	22,581
New Orleans, LA, Wisdom Courthouse of Appeals.....	8,005
Glass Fragment Retention Program.....	20,000
Chlorofluorocarbons Program.....	13,000
Energy Program.....	30,000
TOTAL REPAIRS AND ALTERATIONS CONSTRUCTION PROGRAM	930,523

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FEDERAL BUILDINGS FUND (Cont'd)

2005 Repairs and Alterations Program (NOA) - continued	
<i>In Priority Order</i>	
\$(Thousands)	
Repair and Alteration Design Program	
New York, NY, Thurgood Marshall U.S. Courthouse.....	13,500
Washington, DC, Eisenhower Executive Office Building.....	4,788
Washington, DC, Lafayette Building.....	8,470
Chicago, IL, Everett McKinley Dirksen Courthouse.....	8,152
Birmingham, Al, Robert S. Vance Federal Building – Courthouse.....	1,739
Indianapolis, IN, Federal Building – Courthouse.....	2,413
Cincinnati, OH, John W. Peck Federal Building.....	2,587
Newark, NJ, Peter W. Rodino Federal Building.....	4,700
Kansas City, MO, Richard Bolling Federal Building (Phase 3).....	3,350
TOTAL REPAIRS AND ALTERATIONS DESIGN PROGRAM	49,699
TOTAL REPAIRS AND ALTERATIONS PROGRAM	980,222

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GSA'S GENERAL PROVISIONS

Brief explanations of proposed GSA general provisions are listed below. Several Title VI General Provisions of special interest to GSA are also shown. Section 406 involving the repayment of funding provided by GSA (Information Technology Fund) to other agencies was deleted because this arrangement has been discontinued; a new provision is now numbered 406. Sections 408 and 409 are new provisions. Bold text below represents changes from the prior year's provisions.

GSA General Provisions	
Sec. 401.....	Provides for reimbursement by wholly owned Government corporations and agencies to GSA for provision of building services, including costs of operations, protection, maintenance, upkeep, repair and improvement, included as part of rentals.
Sec. 402.....	Provides GSA authority for the hire of passenger motor vehicles, to satisfy its requirements for vehicles from other sources when the motor pool system cannot supply the required vehicles.
Sec. 403.....	Provides that notice of any proposed transfers for the Federal Buildings Fund, GSA, shall be transmitted in advance to the Committee on Appropriations for activities that may be transferred between such activities only to the extent necessary to meet program requirements.
Sec. 404.....	Provides that requests for Courthouse construction must (1) meet the GSA/OMB/ Judicial Conference design guide standards, (2) reflect the Judicial Conference approved 5-year construction plan, and (3) include a standardized courtroom utilization study.
Sec. 405.....	Provides that GSA shall not provide usual building services to agencies that do not pay the assessed rental rate as determined by GSA in compliance with law.
Sec. 406	Provides that claims against the Government for less than \$250,000 arising from direct construction and the acquisition of buildings may be liquidated from savings in other construction projects provided that the Appropriations Committees are notified in advance.
Sec. 407	Notwithstanding 40 U.S.C. 524, 571, and 572, the Administrator of General Services may sell the Middle River Depot at Middle River, Maryland, and credit the proceeds of such sale as offsetting collections to the Federal Building Fund, to be available, in addition to amounts otherwise appropriated for such Fund, for such capital activities of the Fund as the Administrator may deem appropriate.
Sec. 408	SEC. 408. 40 U.S.C. 572 is amended in subsection (a) (2) (A) (ii) by inserting the following before the period: “, highest and best use of property studies, utilization of property studies, deed compliance inspection, and the expenses incurred in a relocation”
Sec. 409	Amends existing law to permit the Administrator, after consulting with OMB, to retain and transfer to the electronic Government Fund not to exceed \$40 million in a fiscal year of surplus generated by the operation of the General Supply Fund to provide for governmentwide E-Gov projects.
Title VI General Provisions (of special interest to GSA)	
Sec. 606.....	Provides that appropriations for any department or agency during the current FY for necessary expenses, including maintenance or operating expenses, shall also be available for payment to GSA for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements performed in accordance with appropriate law.
Sec. 622	Provides that current year appropriations for any department or agency that is a Member of the Joint Financial Management Improvement Program (JFMIP), are available to finance an appropriate share of the JFMIP administrative costs, as determined by the JFMIP, but not to exceed \$800,000 including the salary of the Executive Director and staff support.
Sec. 631.....	Notwithstanding any other provision of law, a woman may breastfeed her child at any location in a Federal building or on Federal property, if the woman and her child are otherwise authorized to be present at the location.

General Services Administration
FISCAL YEAR 2005 BUDGET SUMMARY AND HIGHLIGHTS

OBLIGATIONS SUMMARY

by Object Classification
\$(Thousands)

	FY 2003	FY 2004	FY 2005
	ACTUAL	CURRENT	REQUEST
Personnel Compensation:			
11.1 Full-time Permanent	847,189	893,821	924,321
11.3 Other than permanent	9,652	11,992	12,675
11.5 Other personnel compensation	49,395	46,337	48,006
11.8 Special personal service payments	669	537	521
11.9 Total personnel compensation	906,905	952,687	985,523
12.1 Civilian personnel benefits	218,945	229,074	236,288
13.0 Benefits for former personnel	10,573	6,816	6,940
21.0 Travel and transportation of persons	32,480	33,938	34,536
21.0 Motor Pool travel	3,694	3,534	3,621
22.0 Transportation of things	52,479	53,727	54,892
23.1 Rental payments	77,689	82,652	86,016
23.2 Rental payments to others	3,404,007	3,626,371	3,672,886
23.3 Communications, utilities, and misc.	373,883	425,509	445,006
24.0 Printing and reproduction	9,103	11,464	11,764
25.1 Advisory and Assistance Services	77,948	87,368	120,009
25.2 Other services	12,391,893	13,291,763	13,726,272
25.3 Purch. of goods & services from Govt	375,666	283,960	293,175
25.4 Operation & maintenance of facilities	666,444	667,943	751,460
25.7 Operation & maintenance of equipmt	41,532	42,282	42,917
26.0 Supplies and materials	2,791,255	2,736,350	2,758,506
31.0 Equipment	775,217	814,179	836,647
32.0 Lands and structures	19,944	52,289	46,743
41.0 Grants, subsidies and contributions	679,657	41	42
42.0 Insurance claims and indemnities	100	79	80
43.0 Interest and dividends	159,167	156,779	152,286
91.0 Unvouchered	0	0	7,700
99.9 Total New Obligations	23,068,581	23,558,805	24,273,309

NOTE: All data exclude the Federal Citizen Information Center, financed under the VA/HUD Appropriations Act; these obligations are (\$000): \$13,841 for FY 2003, \$17,818 for FY 2004, and \$19,260 for FY 2005.

**General Services Administration
FISCAL YEAR 2005 BUDGET SUMMARY AND HIGHLIGHTS**

**ACQUISITION WORKFORCE EDUCATION AND TRAINING
FY 2005 BUDGET DATA**

As prescribed by 41 U.S.C. 433(h), the following table shows funding levels included in the FY 2005 program for education and training of the acquisition workforce.

Organization	Amounts programmed for Acquisition Workforce Education and Training \$ (Thousands)		
	FY 2003 Actual	FY 2004 Current	FY 2005 Request
Federal Supply Service General Supply Fund	\$1,192,246	\$1,252,000	\$1,315,000
Federal Technology Service Information Technology Fund	99,600	150,000	175,000
Public Buildings Service Federal Buildings Fund	717,730	790,000	869,000
General Management Working Capital Fund Operating Expenses	163,381 4,242	180,000 4,700	198,000 5,000
Office of Governmentwide Policy Working Capital Fund	25,013	28,000	31,000
Total	\$2,202,212	\$2,404,700	\$2,593,000

**General Services Administration
FISCAL YEAR 2005 BUDGET SUMMARY AND HIGHLIGHTS**

**Fiscal Year 2005 Long-Term Outcome Goals Summary
\$ (Thousands)**

<ul style="list-style-type: none"> • LONG-TERM OUTCOME GOALS <ul style="list-style-type: none"> ○ PERFORMANCE MEASURES 	FY 2003 ACTUAL	FY 2004 TARGET	FY 2005 TARGET
GOVERNMENTWIDE POLICY			
Office of Electronic Government and Technology			
<ul style="list-style-type: none"> • Provide an effective policy framework and key enablers for E-Government implementation and operational development. <ul style="list-style-type: none"> ○ Number of agencies using Federal Identity Credentialing Committee (FICC) policy standards ○ Number of E-Gov initiatives meeting E-Authentication credentialing policy standards • Efficient government electronic transfers of data through the standard use of extensible Mark-up Language (XML) founded on an effective policy framework. <ul style="list-style-type: none"> ○ Number of common business processes and/or key components adopted by Federal programs • Effective and efficient software asset management <ul style="list-style-type: none"> ○ Number of agencies (out of 24 major agencies) that implement the standard software asset management policy 	N/A	7	10
	N/A	4	8
	0	12	24
	0	4	10
Office Acquisition Policy			
<ul style="list-style-type: none"> • Provide an effective regulatory framework, expert advice, management information, and support to customers and stakeholders for the acquisition of Government goods and services. <ul style="list-style-type: none"> ○ Percent of new FAR rules completed within 40 weeks • Achieve best value from improved acquisition practices <ul style="list-style-type: none"> ○ Percent of GSA eligible service contract dollars awarded as performance-based contracts • Achieve a fully qualified, competent, and continuously learning Federal acquisition workforce. <ul style="list-style-type: none"> ○ Number of FAI Online training instances completed 	10%	80%	80%
	24%	40%	50%
	19,390	21,300	27,700
Office of Real Property			
<ul style="list-style-type: none"> • Effective and efficient asset management. <ul style="list-style-type: none"> ○ Number of Federal programs with effective web-enabled software for the management of real property 	N/A	3	6
Office of Transportation and Personal Property			
<ul style="list-style-type: none"> ○ Number of vouchers processed through eTravel Service 	N/A	68,000	1,300,000

**General Services Administration
FISCAL YEAR 2005 BUDGET SUMMARY AND HIGHLIGHTS**

**Fiscal Year 2005 Long-Term Outcome Goals Summary - continued
\$ (Thousands)**

• LONG-TERM OUTCOME GOALS ○ PERFORMANCE MEASURES	FY 2003 ACTUAL	FY 2004 TARGET	FY 2005 TARGET
OFFICE OF CITIZEN SERVICES AND COMMUNICATIONS			
Office of Citizen Services (Operating Expenses and FCIC)			
<ul style="list-style-type: none"> • Help the Federal Government become more citizen-centric, by enabling Americans' interaction with Federal Government via their preferred OCSC channel <ul style="list-style-type: none"> ○ Signed Working Partner Agreements ○ Agencies adopting FirstGov common content model ○ Tax dollars saved as a result of agencies sharing FirstGov technologies 	14 of 75 0 of 75 \$18,000I	20 of 75 4 of 75 \$30,600	36 of 75 6 of 75 \$40,000 mil
FEDERAL SUPPLY SERVICE			
GSA Global Supply			
<ul style="list-style-type: none"> • Provide supply chain solutions for the global needs of out key strategic customers by delivering timely supplies for national emergencies and disasters at best value. <ul style="list-style-type: none"> ○ External customer satisfaction survey score ○ Percent of Supply mark-up for stocked items ○ Percent of orders delivered within 1 to 7 days ○ Fill rate for requisitions 	79.6 45.9% New 95.3%	78 45.0% TBD 95.3%	78.5 43.5% TBD 95.4%
Commercial Acquisition			
<ul style="list-style-type: none"> • Increase value to the Federal Government while reducing overall cost of acquisition across government. <ul style="list-style-type: none"> ○ Direct cost as a percentage of revenue • Improve Multiple Award Schedule (MAS) acquisition process, providing an increasingly effective alternative to more costly acquisition processes. <ul style="list-style-type: none"> ○ Cycle time to process offers (days) ○ Cycle time to process modifications (days) • Improve and implement the Governmentwide Acquisition Contracts (GWACs) to better meet the needs of our customers. <ul style="list-style-type: none"> ○ Percentage of new GWACs and GWACs with significant changes reviewed by CVRB 	11.9% 92 16 New	11.7% 105 22 100%	11.6% 100 20 100%

**General Services Administration
FISCAL YEAR 2005 BUDGET SUMMARY AND HIGHLIGHTS**

**Fiscal Year 2005 Long-Term Outcome Goals Summary - continued
\$ (Thousands)**

• LONG-TERM OUTCOME GOALS ○ PERFORMANCE MEASURES	FY 2003 ACTUAL	FY 2004 TARGET	FY 2005 TARGET
FEDERAL SUPPLY SERVICE – continued			
Office of Vehicle Acquisition and Leasing			
<ul style="list-style-type: none"> • Achieve acquisition cost savings for customer agencies by acquiring vehicles at 20% or more below manufacturers' invoice price. <ul style="list-style-type: none"> ○ GSA Fleet external customer satisfaction survey score ○ Percentage discount from invoice price • Achieving leasing rates to customer agencies that are 20% or more below commercial rates. <ul style="list-style-type: none"> ○ External customer satisfaction survey score ○ Percentage GSA Fleet leasing rates below commercial rates on the GSA Vehicle Leasing Schedule ○ Annual savings to the government (\$ million) per customer cost benefit study 	 75.7 26%	 78 = > 20%	 79 = > 20%
Personal Property Management			
<ul style="list-style-type: none"> • Provide optimal property disposal solutions for Federal agencies to maximize cost avoidance (Utilization/Donation), while efficiently and effectively managing the sale of surplus property. <ul style="list-style-type: none"> ○ External customer satisfaction survey score ○ Cycle time for disposal process ○ Percent of property reported electronically 	 75 83 86 %	 77 87 99 %	 78 86 99 %
Travel and Transportation			
<ul style="list-style-type: none"> • Provide an end-to-end and fully integrated travel management solution for agency customers, featuring a comprehensive Travel Services Solution Schedule to complement supporting eTravel Services (eTS). <ul style="list-style-type: none"> ○ External customer satisfaction survey score ○ Percentage discount from walk-up fare ○ Number of agencies migrating to eTS • Provide an end-to-end transportation/freight management system/solution to increase value for agency customers. <ul style="list-style-type: none"> ○ Number of TMSS users 	 72 72% New	 71 74% 8	 73 74% 16
	 New	 1,850	 1,950

**General Services Administration
FISCAL YEAR 2005 BUDGET SUMMARY AND HIGHLIGHTS**

**Fiscal Year 2005 Long-Term Outcome Goals Summary - continued
\$ (Thousands)**

• LONG-TERM OUTCOME GOALS ○ PERFORMANCE MEASURES	FY 2003 ACTUAL	FY 2004 TARGET	FY 2005 TARGET
FEDERAL SUPPLY SERVICE - continued			
Professional Services			
<ul style="list-style-type: none"> • Establish a business model, supporting processes, and operational capability for providing assisted acquisition solutions for all specified FSS (non-IT) service schedules. Become the provider of choice to Federal agencies for assisted services in the acquisition of Professional Services by increasing our customer base and enhancing FTS core capabilities.. <ul style="list-style-type: none"> ○ Number of FSS Schedules for which we provide acquisition support ○ Direct operating expense as a percentage of gross margin 	<p style="text-align: center;">N/A</p> <p style="text-align: center;">N/A</p>	<p style="text-align: center;">8</p> <p style="text-align: center;">52%</p>	<p style="text-align: center;">15</p> <p style="text-align: center;">47%</p>
FEDERAL TECHNOLOGY SERVICE			
Regional IT Solutions			
<ul style="list-style-type: none"> • By 2008, become the provider of choice in the acquisition of Information Technology services by increasing the customer base and enhancing core capabilities. <ul style="list-style-type: none"> ○ Percentage of negotiated award dates for services and commodities that are met or bettered ○ Percentage of dollar value of eligible service orders awarded with performance-based statements of work ○ Percentage of task and delivery orders subject to the fair opportunity process • Ensure full cost recovery of operations in the Information Technology (IT) Fund. <ul style="list-style-type: none"> ○ Direct operating expense as a percent of gross margin 	<p style="text-align: center;">91%</p> <p style="text-align: center;">Not Measured</p> <p style="text-align: center;">86%</p> <p style="text-align: center;">57%</p>	<p style="text-align: center;">> 93%</p> <p style="text-align: center;">40%</p> <p style="text-align: center;">> 85%</p> <p style="text-align: center;">48%</p>	<p style="text-align: center;">> 94%</p> <p style="text-align: center;">50%</p> <p style="text-align: center;">> 85%</p> <p style="text-align: center;">48%</p>
National IT Solutions			
<ul style="list-style-type: none"> • By 2008, become the provider of choice in the acquisition of Information Technology services by increasing the customer base and enhancing core capabilities. <ul style="list-style-type: none"> ○ Percentage of negotiated award dates for services and commodities that are met or bettered ○ Percentage of the dollar value of eligible service orders awarded with performance-based statements of work ○ Percentage of task and delivery orders subject to the fair opportunity process 	<p style="text-align: center;">95%</p> <p style="text-align: center;">Not Measured</p> <p style="text-align: center;">86%</p>	<p style="text-align: center;">> 93%</p> <p style="text-align: center;">40%</p> <p style="text-align: center;">> 85%</p>	<p style="text-align: center;">> 94%</p> <p style="text-align: center;">50%</p> <p style="text-align: center;">> 85%</p>

**General Services Administration
FISCAL YEAR 2005 BUDGET SUMMARY AND HIGHLIGHTS**

**Fiscal Year 2005 Long-Term Outcome Goals Summary - continued
\$ (Thousands)**

• LONG-TERM OUTCOME GOALS ○ PERFORMANCE MEASURES	FY 2003 ACTUAL	FY 2004 TARGET	FY 2005 TARGET
FEDERAL TECHNOLOGY SERVICE - continued			
National IT Solutions -continued			
• Ensure full cost recovery of operations in the Information Technology (IT) Fund.			
○ Direct operating expense as a percentage of gross margin	81%	67%	62%
Regional Telecommunications			
• Meet our customer demand for more diverse service offerings by providing, at best value, an increasing percentage of Expanded Services in our service mix, while ensuring a high level of customer satisfaction with the service being offered.			
○ Percentage of the dollar value of eligible service orders awarded with performance-based statements of work	Not Measured	40%	50%
○ Percentage of task and delivery orders subject to the fair opportunity process	Not Measured	> 60%	> 65%
• Ensure full cost recovery of operations in the Information Technology (IT) Fund.			
○ Direct operating expense as a percentage of gross margin	59%	67%	70%
Long Distance			
• Award, implement, and efficiently manage FTS Nationwide Service contracts to provide Federal customers with best value telecommunications products and services.			
○ Manage post award milestones Planned vs. Actual	Not Measured	Dev. Req.	Begin Transition
○ FTS telecommunications services pricing as compared to best commercial prices	\$574,100	\$514,000	\$520,000
• Ensure full cost recovery of operations in the Information Technology (IT) Fund.			
○ Direct operating expense as a percent of gross margin	95%	52%	49%

**General Services Administration
FISCAL YEAR 2005 BUDGET SUMMARY AND HIGHLIGHTS**

**Fiscal Year 2005 Long-Term Outcome Goals Summary - continued
\$ (Thousands)**

• LONG-TERM OUTCOME GOALS ○ PERFORMANCE MEASURES	FY 2003 ACTUAL	FY 2004 TARGET	FY 2005 TARGET
PUBLIC BUILDINGS SERVICE			
New Construction			
<ul style="list-style-type: none"> • GSA will execute the new construction program on the schedule committed to our customers 90% of the time by 2010, and maintain the percentage of escalations on the program to 1%. <ul style="list-style-type: none"> ○ Construction projects on schedule ○ Percentage of escalations on construction projects 	68%	84%	85%
	0.6%	1.5%	1%
Leasing Program			
<ul style="list-style-type: none"> • By 2010, GSA will effectively manage our lease program by delivering new lease requirements at not less than 9.5% below industry averages for office space while maintaining highly satisfied tenants 80% of the time. <ul style="list-style-type: none"> ○ Cost of leased space relative to market ○ Customer satisfaction – tenants in leased space ○ Percent of vacant space in leased inventory ○ Funds From Operations (FFO) from leased inventory 	7.41%	8.00%	8.25%
	66%	68%	70%
	1.4%	1.5%	1.5%
	\$45,000	\$0	\$0
Asset Management			
<ul style="list-style-type: none"> • Achieve a viable, self-sustaining inventory with an average Return on Equity of at least 6% by FY 2010 for 80% of our government owned assets. <ul style="list-style-type: none"> ○ Percentage of government-owned assets with an ROE of at least 6 percent ○ Percentage of government-owned assets achieving a positive FFO ○ R&A projects on schedule ○ Percent of minor R&A budget obligated on planned projects by the end of the fiscal year ○ Percentage of vacant and committed space in the government-owned inventory ○ Percent of escalations on R&A projects ○ Percent of highly satisfied customers on the ordering official survey 	64%	65%	68%
	73%	75%	80%
	78%	86%	86%
	N/A	Baseline	75%
	8.3%	7.6%	7%
	0.5%	1.5%	1%
	72%	73%	74%

**General Services Administration
FISCAL YEAR 2005 BUDGET SUMMARY AND HIGHLIGHTS**

**Fiscal Year 2005 Long-Term Outcome Goals Summary - continued
\$ (Thousands)**

<ul style="list-style-type: none"> • LONG-TERM OUTCOME GOALS ○ PERFORMANCE MEASURES 	FY 2003	FY 2004	FY 2005
	ACTUAL	TARGET	TARGET
PUBLIC BUILDINGS SERVICE - continued			
Asset Management - continued			
<ul style="list-style-type: none"> • Reduce energy consumption by 35% by fiscal year 2010 over FY 1985 baseline while maintaining overall operating costs 12% below the private sector and customer satisfaction levels at or above 80% ○ Percent reduction in energy consumption over the 1885 baseline ○ Customer Satisfaction – tenants in owned space ○ Cleaning, maintenance and utility costs in office and similarly services space-percent below private sector benchmarks 	18.6%	22.5%	30%
	67.6%	69%	71%
	14.8%	13.4%	12%
Real Property Disposal			
<ul style="list-style-type: none"> • To promote responsible asset management and achieve an 80% highly satisfied customer ranking for the national utilization and disposal programs by FY 2010 ○ Percentage of disposals completed within 320 days ○ Percentage of customers indicating satisfaction on annual customer survey ○ Percentage of customers indicating satisfaction on customer transactional surveys 	68%	73%	80%
	75%	75%	76%
	90%	92%	93%



GOVERNMENTWIDE POLICY

General Services Administration

GOVERNMENTWIDE POLICY

Strategic Assessment

Under the Federal Property and Administrative Services Act of 1949 the Administrator of GSA helps Federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies. The Office of Governmentwide Policy (OGP) has responsibility for providing Government-wide policies that improve the management of acquisition, property, travel and transportation, and administrative services through the effective use of technology, performance measures, collaboration, regulations and best practices.

The strategic direction for OGP in 2005 will include:

1. Transitioning from implementation to the institutionalization and governance of the E-Gov initiatives;
2. Better leveraging of Federal acquisition resources for information technology (IT) investments in enterprise software;
3. Continuation of policy and business case development for new IT investments that close performance gaps by leveraging new technologies;
4. Ensuring cyber security for OGP IT systems; and
5. Maximizing human capital development of the acquisition workforce.

In addition, OGP will utilize interagency solutions and commercial practices to:

1. Promote effective and efficient asset management,
2. Provide the policy framework and key enablers for eGovernment implementation, and
3. Increase training opportunities for IT and acquisition workforce pursuant to the direction of the President's Management Agenda.

Specifically, in FY 2005, OGP will work with agencies and other GSA programs to operationalize the E-Gov initiatives including the development of effective governance structures and self-sustaining funding mechanisms. OGP will increase its emphasis on the

development of the Federal and GSA acquisition community through funds remitted to the Acquisition Workforce Training Fund established under the Services Acquisition Reform Act (SARA).

OGP continues to provide leadership and dedication to improving management Government-wide, meeting the strategic goals of GSA, and the objectives of the President's Management Agenda.

Major Offices:

1. **Office of Electronic Government and Technology** – The OGP Office of Electronic Government and Technology, provides guidance and support in using Internet-based and related information technology (IT) services and delivering information to citizens, business partners, associates, agencies, and governments. The office promotes citizen-centered services and the assessment of emerging technologies, such as security, electronic signatures, smart cards, to improve the efficiency and effectiveness of government. The office fosters interagency collaboration on IT management policies and assists agencies on IT policy matters such as IT accommodation, the development of professionals managing or acquiring IT, and improvements IT business cases.
2. **Office of Acquisition Policy** - The OGP Office of Acquisition Policy supports the Federal acquisition system through which the Government obligates more than \$200 billion annually. Responsibilities include researching, developing, and publishing policy guidance; providing career development services for the Federal acquisition workforce, including the development of acquisition training and career management programs and materials; and reporting on more than 20 million contract actions. OGP chairs the 14-agency Civilian Agency Acquisition Council that collaborates with the Defense Acquisition Regulations Council to develop changes to the Federal Acquisition Regulations (FAR).

General Services Administration GOVERNMENTWIDE POLICY

3. **Office of Real Property** - OGP provides leadership to the Federal community in the use and management of real property and encourages the adoption of best practices for use by the Federal real estate community. It is responsible for the development, coordination, administration and issuance of Government-wide guidelines, regulations, standards, criteria, policies and asset management principles concerning real property programs.
4. **Office of Transportation and Personal Property** – Through the Office of Transportation and Personal Property, OGP leads Government-wide development and evaluation of issues, legislation, policies and objectives related to travel, transportation, and personal property management.

Specific responsibilities include (1) developing policies for Government-wide freight and household goods transportation, transportation audit and documentation; (2) developing mail management regulations and policies to enhance Federal mail security, effectiveness and efficiency; (3) developing regulations and procedures governing the management and oversight of Federal agencies' motor vehicles; (4) developing regulations, policies, and procedures for aircraft procurement, management, operations, safety, utilization and disposal; (5) developing the policies and regulations governing civilian agencies' travel, per diem rates (maximum reimbursement levels) for Federal travelers; and (6) developing legislation and regulations governing the management of Federal personal property.

General Services Administration

GOVERNMENTWIDE POLICY

OFFICE OF ELECTRONIC GOVERNMENT AND TECHNOLOGY

Strategic Direction

The OGP Office of Electronic Government and Technology provides leadership and direction in the policymaking and use of electronic Government and technology within the Federal Government. It provides Federal agencies with guidance and support in using Internet-based and related Information Technology (IT) services and delivering information to citizens, businesses partners, associates, agencies and governments in order to accomplish its mission.

The Office of Electronic Government and Technology is committed to furthering Electronic Government through collaboration and interoperable solutions as agencies are encouraged to use common ways of leveraging IT across Government. In time, this will eliminate redundant systems and improve performance thereby reducing cost and improving services to citizens.

The strategic direction of the Office of Electronic Government and Technology is to promote Government-wide initiatives and the use of key enabling tools that will help agencies:

1. Maximize their return on investment,
2. Reduce development cost,
3. Increase the use of shared systems,
4. Enhance human capital to meet the gaps between performance and IT knowledge, and
5. Facilitate commercial solutions and standards that are non-proprietary.

Strategies

Although GSA has direct responsibility for only five of the E-Gov initiatives, OGP's progress in its assigned areas have implications on all 24 E-Gov initiatives. To facilitate interagency collaboration, the Office of Electronic Government and Technology brings together

agencies and vendors in multiple venues for exchange of information and consensus building. Other efforts include hosting workshops, leading conferences and participating in the development and implementation of E-Gov initiatives. Such collaboration is also necessary to develop and promote the acceptance and use of policy standards and emerging technology including enterprise architecture, extensible markup language (XML), and identity validation for Internet transactions.

The Office will also partner with the Office of Management and Budget, the Architecture and Interoperability Committee (AIC), working groups of the CIO Council and agencies in establishing the governance structure for shared systems evolving from E-Gov initiatives. In addition, OGP, in cooperation with the Federal Technology Service will utilize partnerships to develop and implement a software asset management policy that lowers acquisition costs, increases benefits to acquiring agencies, and provides a buying approach consistent with the Federal Government's enterprise architecture.

The ability to implement these strategies will require continuing emphasis on the development of human capital including project management, training related to emerging technology, and performance metrics for effective evaluation. Long-term operational success is dependent upon the quality of our human capital. Associates with skills in the areas of enterprise architecture, IT Capital Planning, business case development, strategic planning, performance measurement, and project management are increasingly important. These areas are linked in the development of Government-wide electronic Government and IT policy and the pursuit of technology solutions that achieve measurable business process improvement. Issues of data interoperability, data sharing, data ownership, privacy and security will also rise to higher importance as the implementation of eGovernment proceeds.

General Services Administration GOVERNMENTWIDE POLICY

FEDERAL IDENTITY MANAGEMENT AND E-AUTHENTICATION MANAGEMENT GOVERNANCE:

The Office of Management and Budget (OMB) recognizes the need for cross-agency management structures in the area of identity management and electronic authentication in order for the Expanding E-Government Initiative to be successful. OGP is a key GSA partner in the E-Authentication E-Government Initiative. In fiscal years 2004 and 2005 OGP will take significant strides toward establishing processes for E-authentication and identity management. (1) OGP will provide leadership and staff support to the Federal Identity Credentialing Initiative for the development of Government-wide standards and policies for the credentialing of Federal personnel, contractors, and other affiliated personnel; (2) In coordination with OMB, OGP will issue policies to support and standardize identity authentication requirements for Government-to-citizen, Government-to-business, and Government-to-Government transactions; (3) OGP (in coordination with OMB, the E-Authentication Executive Steering Committee, National Institute of Science and Technology (NIST), and other agencies) will establish and expand inter-agency governance structures and procedures for the other key components of the E-Authentication initiative's authentication services for enabling Government applications. The inter-agency governance structure will include: (a) coordination with NIST for development of technical guidance corresponding to the OMB-established assurance level policy (OMB's M-04-04 E-Authentication Guidance for Federal Agencies), (b) the establishment of a Credential Assessment Framework which specifies requirements for credentials and credential providers; and (c) the establishment of business operating rules. In addition, E-Authentication will advance the development of the Federal Enterprise Architecture (FEA) by establishing the E-Authentication component of the FEA.

Long-term Outcome Goal: Provide an effective policy framework and key enablers for the success of the E-Authentication Initiative.

Performance Goal: Develop and issue effective guidance and policies in support of the Federal E-Authentication initiative.

The Federal E-Authentication initiative supports a key element in the President's Management Agenda -- Expanded Electronic Government on a Government-wide basis. By providing authenticated identity assertion, the E-Authentication initiative enables trust, for both the American public and the agencies, when conducting business with the Federal Government online. In order to enable this trust, effective guidance must be in place for ensuring interoperability and compatibility across a wide-range of platforms and operational environments. The results will serve all users of electronic government services and the Federal agencies providing those services.

Performance Measures:

- (1) Number of agencies using Federal Identify Credentialing Committee (FICC) policy standards for credentialing employees and contractors.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
NA	NA	7	10
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
20	24	24	24

This measure is the number of Federal agencies, out of the 24 major agencies, that are complying with FICC policy standards including the Common Federal PKI Policy, Federal Smart Card Policy, and the Federal Identity Assurance Guidance.

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(2) Number of agency IT applications meeting E-Authentication credentialing policy standards.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
<i>NA</i>	<i>NA</i>	<i>4</i>	<i>8</i>
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
<i>16</i>	<i>24</i>	<i>N/A</i>	<i>N/A</i>

(Through FY 2007, this measure will be focused on the 24 E-Gov initiatives.)

Although E-Authentication has applicability to many electronic processes in Government, current performance targets are focused on authentication service support for E-Government Initiatives. This priority is the most effective means of enabling a broad base of users across Government. The targets are also based on the earliest anticipated availability dates of the most advanced E-Government Initiatives, as well as the earliest availability of E-Authentication Initiative funding from agency contributions.

FY 2005 targets are temporary estimates, based on limited information. Changes to FY 2005 and out-year targets will be based on the availability of the remaining E-Government Initiatives, and a future estimation of the number of agency applications that have not yet met Government Paperwork Elimination Act (GPEA) requirements for on-line services that require authentication services. FY 2005 targets will change when the scope of non-compliant applications can be determined through data calls for authentication needs for E-Government services.

The objective is to establish and implement an assessment process for evaluating the level of assurance of non-cryptographic credential service providers as defined in the OMB Guidance and the associated guidance developed by the National Institute of

Standards and Technology (NIST). This assessment will result in the formal recognition of the credential service provider's assurance "rating" and its inclusion in the Federal E-Authentication Initiative "trust list", thereby enabling Federal agency acceptance of identity assertions.

To further Federal E-Authentication OGP will:

- Gain acceptance for a policy framework that reflects various levels and authentication requirements and assurance.
- Develop and implement a policy framework that creates a unified authentication and identity-credentialing environment for Federal Employees.
- Establish and implement an assessment process for non-cryptographic identity credentials.
- Provide outreach to ensure cross-organizational acceptance of a wide variety of credentials for asserting identity.
- Establish viable cross-agency management/governance structures for E-Authentication.
- Provide tools and analysis to help Government provide electronic services to businesses, citizens and Government customers.

Impact on Performance:

The success of E-Authentication is dependent on effective Government-wide guidance. Successful implementation of the Government-wide E-Authentication initiative will enable the entire Federal E-Government agenda. The credential service provider assessment process is a key component of the overall initiative. By investing in the success of this component, we will ensure cross-

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organizational acceptance of a wide variety of credentials for asserting identity. Currently, Federal organizations independently devise electronic authentication solutions for their trading partners and constituencies. The result is multiple solutions independently developed, all with the same expected outcomes, and the requirement to perform individual and unique identity assertion

procedures with each entity. This investment will improve efficiencies by enabling Federal organizations to leverage a common solution for identity assurance and provide citizens and businesses with a single sign-on capability for doing business with Government.

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**FY 2005 Budget Request / Performance Goal
Budget Links
Office of Electronic Government and Technology
\$ (Thousands)**

Long-term Outcome Goal

Provide an effective policy framework and key enablers for E-Government implementation and operational development.

Performance Goal	Performance Measure	FY 2003		FY 2004		FY 2005		Change FY 04 to FY05	
		Target	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
Develop and issue effective guidance and policies in support of the Federal E-Authentication initiative.	(1) Number of agencies using Federal Identify Credentialing Committee (FICC) policy standards for credentialing employees and contractors	N/A	See costs for (2) below	7	See costs for (2) below	10	See costs for (2) below	3	-
	(2) Number of agency IT applications meeting E-Authentication credentialing policy standards	N/A	\$3,901 appropriation + \$21,900 collected from partner agencies	4	\$4,069 appropriation + \$6,300 to be collected from agencies	8	\$4,636 appropriation + \$9,700 to be collected from agencies	4	+567 appropriation + \$3,400 to be collected from agencies
			4 FTE		5 FTE		8 FTE		3 FTE

Note: The Federal Identity Management and E-Authentication Management Governance Initiative, like many technical projects, is front-loaded so that resources are used to develop the foundation and infrastructure, therefore the early years performance are not commensurate with investment. The benefits snowball as time goes on when many agencies will utilize the services without equivalent increases in their resources.

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Explanation of Dollar Changes:

In FY 2003, \$3.5 million was appropriated for this initiative, of which \$1.5 million went to FTS for bridge operations and \$2 million went to OGP. In FY 2003, OGP allocated an additional \$401,000 from existing resources for authentication activities. In FY 2005, GSA requests that the Federal Identity Management and

E-Authentication Management function, along with its appropriation be transferred from the Federal Technology Service portion of the Operating Expense account to the Office of Governmentwide Policy. The transfer includes the FY 2004 base appropriation of \$4,069 plus an additional \$567 in appropriations for increased program costs and three FTE.

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COMPONENT ORGANIZATION & REGISTRATION ENVIRONMENT (EXTENSIBLE MARKUP LANGUAGE):

Note: Additional funding was requested for this project in FY 2004, but not appropriated. However, it is a vital part of the interagency IT infrastructure, therefore it is being developed in phases using existing resources.

OGP is developing an Extensible Markup Language (XML) Component Organization & Registration Environment (CORE) to encourage collaborative and consistent IT development across Government by allowing Federal agencies to share resources and reuse data architecture components. A component is a business process or service with predetermined functionalities that are visible through a business or technical interface. XML is critical to the interoperability of systems and a CORE registry (CORE.gov) will provide a consolidated, standardized repository for XML definition, storage, and reuse of data among Federal agencies and their partners. The CORE registry is one of the critical enablers for electronic Government, including the 24 E-Gov initiatives and future IT efforts. In FY 2005 OGP will commit additional resources to fund the (XML) initiative.

Long-term Outcome Goals: Efficient Government electronic transfers of data through the standard use of extensible Mark-up Language (XML) founded on an effective policy framework.

Performance Goals:

- (1) Establish a CORE Registry of common business practices and/or key components.
- (2) Increase adoption of common business processes and/or key components that enable those processes.

The Federal Enterprise Architecture (FEA) is a business-based framework to standardize the description of common Government-wide activities that will guide IT investment decisions for the Federal Government and facilitate interoperability of data and systems resources. Extensible Markup Language (XML) lays the technological foundation of interoperability. This initiative will provide a consolidated Government-wide approach to XML definition, storage, and reuse of data items and business processes within business lines. This approach will promote the implementation of the FEA Government-wide.

OMB is meeting with each agency to discuss their Enterprise Architecture and strategies for mapping to the Federal Enterprise Architecture (FEA) reference models. The meetings will be used to identify reuse opportunities and consolidate common business processes. OGP will refine FEA/ XML related performance measures and targets based upon the Federal Enterprise Architecture Program Management Office's (FEAPMO) determination of the FEA/ XML baseline.

Performance Measures:

Number of common business processes and/or key components adopted by Federal programs

The universe for this measure is the Federal Enterprise Architecture Business Reference Model (BRM), which contains 39 lines of business and 153 sub functions. The BRM defines the business lines and functions within the Federal Government. CORE.gov will register business processes and key components that map to the business lines. The common business processes and key components will be listed by agency within the CORE registry (CORE.gov) and be accessible through web-based technologies.

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<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
0	0	12	24
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
36	48	60	72

To support the CORE registry (CORE.gov) development GSA will:

- Assist the Office of Management and Budget in the development, implementation, maintenance and operation of the Federal Enterprise Architecture (FEA) through contract management for the Federal Enterprise Architecture Program Management Office through FY 2005.
- Develop the CORE registry (CORE.gov) to house and reuse XML artifacts and common business processes. A searchable repository will allow XML artifacts and business processes to be used consistently, both in projects and between organizations thus increasing interoperability of data and reuse Government-wide.
- Create a web-based collaboration zone environment to foster the development of Government-wide data layouts.
- Provide linkages to the E-Forms environment to ensure that data being collected through electronic forms is in accordance with approved XML data layouts.
- Work to organize XML efforts across Government to align agency efforts with industry direction.

Impact on Performance:

The Federal Enterprise Architecture and related CORE registry (CORE.gov) is very important to the development of a Government-wide interoperable architecture, sharing of data and improvement of interagency collaboration.

The impact of this will be to reduce the number of systems needed to support eGovernment applications across agencies and provide data that is easily accessible and re-usable by the remaining systems, as appropriate.

This effort will reduce operating costs to implement and sustain internal business processes that optimize reliable, timely, and quality service.

A key benefit of the FEA will be the identification of opportunities for agencies to collaborate on new systems and share information. To do this the information has to be in an interoperable form. XML lays the technological foundation of interoperability. As communities of interest define XML elements to be used in their business transactions and other business partners are seeking to implement XML solutions, either within these particular communities or for their own internal use, these standardization efforts can be assessed. These XML definitions can be published via XML registries, which are data stores created according to industry standards to facilitate the sharing, and reuse of XML artifacts and common business processes. Several such registries have been operational or are currently being established by the Federal Government to support agencies' use of XML technology in IT projects. The initiative will provide a consolidated Government-wide approach to XML definition, storage, and reuse among all Federal agencies and their partners. To be ready to begin development of the CORE registry (CORE.gov) in FY 2004, an "initial operational registry " was developed in FY 2003 and operates to develop lessons learned and evaluate repository processes and technologies.

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FY 2005 Budget Request / Performance Goal Budget Links Office of Electronic Government and Technology \$ (Thousands)									
Long-term Outcome Goal									
Efficient government electronic transfers of data through the standard use of extensible Mark-up Language (XML) founded on an effective policy framework.									
Performance Goals	Performance Measure	FY 2003		FY 2004		FY 2005		Change FY 04 to FY05	
		Target	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
(1) Establish a CORE Registry of common business processes and/or key components (2) Increase adoption of common business processes and/or key components that enable those processes.	Number of common business processes and/or key components adopted by Federal programs	0	\$0 appropriated \$300 from CIO Council	12	\$300 appropriated	24	\$300 appropriated	12	-
			0 FTE		2 FTE		2 FTE		0 FTE

Note: OMB is meeting with each agency to discuss their Enterprise Architecture and strategies for mapping to the Federal Enterprise Architecture (FEA) reference models. The results of these meetings will identify reuse opportunities and consolidate common business processes. We will refine the target performance measure upon receipt of the baseline number from the FEAPMO.

Explanation of Dollar Changes:

In FY 2003 the CORE registry (CORE.gov) development was funded through the Chief Information Officer (CIO) Council, \$300,000. OGP will use existing staff and resources to support this initiative in FY 2004 and FY 2005.

General Services Administration GOVERNMENTWIDE POLICY

SOFTWARE ASSET MANAGEMENT AND (SmartBUY):

The Software Managed and Acquired on the Right Terms (SmartBUY) program was established as a strategic initiative in collaboration with OMB. SmartBUY agreements are one of the key components for improving Government-wide software asset management. OGP's development of the Software Asset Management (SAM) framework will result in improved asset management of Government-wide IT and increase the current knowledge base of costs and opportunities in software contracts to enhance the success of the SmartBUY initiative. Through the SmartBuy initiative, the Federal Technology Service (FTS) will establish contracting vehicles that will reduce the cost of commodity software, and help the Government gain more favorable terms and conditions in its contracts. For FY 2004 and FY 2005 GSA will provide program support for the SmartBuy Initiative with no additional funds required for FY 2005. The Federal Government has the potential of saving \$100 million annually with the first five SmartBUY agreements in place. SmartBUY and the SAM framework provide mechanisms to support the goals of the Federal Enterprise Architecture (FEA.). GSA keeps the FEA Program Management Office apprised of the progress on SmartBUY and the SAM framework and ensures the efforts are consistent.

Long-term Outcome Goal: Effective and efficient software asset management.

Performance Goal: Improve software asset management in Government.

Studies in the public and private sectors have shown that if the Federal Government does a better job of managing its software assets and leverages its immense buying power, it is possible to achieve great cost savings for commonly used software through

enterprise licensing. Examples of such commodity software include office automation, database, anti-virus, and Internet products.

OGP will lead an interagency team to develop a Software Asset Management Framework. This framework will then be used to establish Government-wide policy and guidance to improve Software Asset Management (SAM). The policy effort will enable the Government to capture and forecast software requirements and facilitate the SmartBUY initiative in establishing Government-wide enterprise licenses for commodity software. Initial efforts demonstrated that an emphasis on SAM must be assessed earlier in the SmartBUY initiative than initially planned. GSA's objectives for the SmartBUY program include:

1. Five SmartBUY agreements are in place
2. Achieve \$100 million in "annualized" savings by July 1, 2004
3. 80% of major agencies are using SmartBUY agreements or getting SmartBUY prices by FY 2005

Performance Measures:

Number of agencies that implement the standard software asset management policy (total of 24 major agencies recognized by the CIO Council).

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
N/A	N/A	4	10
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
16	24	24	24

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GSA's Office of Governmentwide Policy and the Federal Technology Service (FTS) are working together with Federal enterprise software licensing experts as an integrated project team. To achieve SmartBUY objectives, SAM will provide the policy and methods to organize and consolidate existing and planned agency software investments into Government-wide requirements for commercial off-the-shelf software packages. We will use interagency focus groups to determine common software requirements and unifying terms and conditions. (NOTE: Agencies must first determine their software requirements prior to participation in a SmartBUY agreement.) The GSA Federal Technology Service (FTS) will determine the most efficient way to buy from software publishers, and what contract vehicles are needed to support the Government-wide requirements for a particular software market category. Then, FTS will negotiate multi-year Government-wide contract vehicles with software publishers for better prices, terms and conditions.

This measure reflects the initial policy on the SAM framework. We will then continue to work with OMB to enhance policy, define agency roles and responsibilities for SAM, and develop an outreach

program to advance improved software asset management across Government.

OGP set the target for adoption of the software asset management policy by the CIO Council for July 2004. While OGP's focus will be more policy-oriented in FY 2005, OGP will continue to monitor and address lessons learned from SmartBUY to ensure that this policy is used and useful. We will continue to promote the adoption of effective software asset management processes across Government.

Impact on performance:

1. Improved software asset management. Through the control and inventory of enterprise software the Federal Government will no longer over-license itself, providing additional savings and benefits.
2. Enable SmartBuy to achieve better software prices and terms and condition.

**General Services Administration
GOVERNMENTWIDE POLICY**

FY 2005 Budget Request / Performance Goal Budget Links Office of Electronic Government and Technology \$ (Thousands)									
Long-term Outcome Goal:									
Effective and efficient software asset management.									
Performance Goal	Performance Measure	FY 2003		FY 2004		FY 2005		Change FY 04 to FY05	
		Target	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
Improve software asset management in Government	Number of agencies (out of 24 major agencies) that implement the standard software asset management policy	0	\$125	4	\$250	10	\$250		-
			1 FTE		2 FTE		2 FTE		-

Explanation of Dollar Changes:

N/A

General Services Administration GOVERNMENTWIDE POLICY

OFFICE OF ACQUISITION POLICY

Strategic Direction

The Office of Acquisition Policy provides the overall management framework for Federal procurement activities and career development services for the civilian acquisition workforce.

Strategies

FEDERAL ACQUISITION REGULATIONS (FAR):

In FY 2005, OGP will work to ensure that changes to the Federal Acquisition Regulations (FAR) are completed in a more timely manner. The current regulatory drafting process is very complex, with a multi-layered review structure and an insufficient number of full-time dedicated staff. It has hindered timely implementation of FAR changes. Therefore, OGP is streamlining the FAR development and publication process, consolidating regulatory committees, and redirecting current resources to provide more focused attention on effective regulatory development. These changes will ensure direct accountability for the timely and effective implementation of the priorities established by the FAR signatories (the Civilian Agency Acquisition Council and Defense Acquisition Regulation Council).

Long-term Outcome Goal: Provide an effective regulatory framework, expert advice, management information, and support to customers and stakeholders for the acquisition of Government goods and services.

Performance Goal: 80% of all changes to the Federal Acquisition Regulation are accomplished within 40 weeks.

An effective Federal acquisition framework is supported by up-to-date Federal Acquisition Regulations (FAR) that provide the relevant guidelines that are easily accessible by the acquisition community. Timely changes to the FAR are dependent on an efficient regulatory process that incorporates the needed updates. Unfortunately there always will be a certain number of cases that cannot be fully implemented within 40 weeks due to factors outside the direct control of the FAR signatories. The goal for FY2005 is also set at 80 percent.

Performance Measure:

Percent of new FAR rules completed within 40 weeks

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
10%	10%	80%	80%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
85%	85%	85%	85%

In FY 2001 OGP moved 2 FTEs from the FAR rules team to work on the Federal Procurement Data System reengineering (FPDS-NG) effort. FPDS-NG is now complete and the 2 FTEs will revert back to the policy area in FY 2004.

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GOVERNMENTWIDE POLICY**

**FY 2005 Budget Request / Performance Goal
Budget Links
Office Acquisition Policy
\$ (Thousands)**

Long-term Outcome Goal

Provide an effective regulatory framework, expert advice, management information, and support to customers and stakeholders for the acquisition of Government goods and services.

Performance Goal	Performance Measure	FY 2003		FY 2004		FY 2005		Change FY 04 to FY05	
		Actual	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
Accomplish 80% of all changes to the Federal Acquisition Regulation within 40 weeks of initiation	Percentage of new FAR rules completed within 40 weeks	10%	\$1,062.5	80%	\$1,375	80%	\$1,375	-	0
			9 FTE		11 FTE		11 FTE		0 FTE

General Services Administration GOVERNMENTWIDE POLICY

PERFORMANCE-BASED CONTRACTING:

Both the Administration and Congress have continued to challenge agencies to use performance based contracts (PBCs) to reduce Government risk and help ensure accountability for the dollars spent through the procurement process. Approximately 12 percent of GSA administered contracts are PBCs. OGP will promote the PBC concept internally through increased training to regional offices and services, and providing guidance to agency users on how to use PBC when placing orders against Multiple Award Schedules.

Long-term Outcome Goal: Achieve best value from improved acquisition practices.

Performance Goal: Increase GSA Performance Based Service Contracting actions.

Increasing the effectiveness of acquisition actions Government-wide requires agencies to award an increasing number of performance-based contracts (PBC). The Office of Acquisition Policy will help agencies increase the percentage of contract dollars from 40 percent to 50 percent for performance-based contract awards in

FY 2005. The Office of Acquisition Policy will train the Federal acquisition workforce in how to accomplish PBCs. Industry meetings will be held to educate vendors. Government-wide conferences will continue to feature the PBC effort.

Performance Measure:

Percent of GSA eligible service contract dollars awarded as performance based contracts.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
<i>9%</i>	<i>24%</i>	<i>40%</i>	<i>50%</i>
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
<i>60%</i>	<i>70%</i>	<i>80%</i>	<i>90%</i>

**General Services Administration
GOVERNMENTWIDE POLICY**

FY 2005 Budget Request / Performance Goal Budget Links Office Acquisition Policy \$ (Thousands)									
Long-term Outcome Goal									
Achieve best value from improved acquisition practices.									
Performance Goal	Performance Measure	FY 2003		FY 2004		FY 2005		Change FY 04 to FY05	
		Target	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
Increase GSA Performance Based Service Contracting actions	Percentage of GSA eligible service contract dollars awarded as performance-based contracts	24%	\$719 from Working Capital Fund	40%	\$474 from Working Capital Fund	50%	\$329 from Working Capital Fund	10%	- \$145 from Working Capital Fund
			1 FTE		1 FTE		1 FTE		0 FTE

Explanation of Dollar Changes:

Since OGP developed performance based contract training in previous years, OGP is able to allocate a reduced amount of resources to promoting performance-based contracts each fiscal year and still achieve increased performance. Outyear costs for the performance-based contracting initiative will be used to maintain and update existing performance-based contract training.

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FEDERAL ACQUISITION INSTITUTE (FAI):

The Federal Acquisition Institute (FAI) has partnered with executive agencies, Defense Acquisition University (DAU), and the education communities to leverage resources needed to provide training opportunities for the civilian acquisition workforce. To more efficiently service its FAI customers, OGP contracted out the entire FAI function in FY 2003. The direct conversion of FAI afforded OGP the opportunity to evaluate the costs necessary to perform acquisition workforce development activities in a competitive environment. Prior to the direct conversion, FAI resources were used to support 11 Government FTEs. FAI is now funding a contractor, SRA International, to perform the FAI function. Three full-time equivalents (FTE), a Director and two Contracting Officer's Technical Representatives, remain to manage the FAI contract.

The Services Acquisition Reform Act of 2003 (SARA), part of the National Defense Authorization Act for FY 2004 (P.L. 108-136), was signed into law on November 24, 2003. This law established an Acquisition Workforce Training Fund, administered by FAI, to finance education and training programs for the acquisition workforce within civilian executive agencies. Under this statute, FAI will receive 5% of the administrative fees collected from non-Department of Defense executive agencies using Government-wide task and delivery order contracts, Government-wide contracts for information technology, and GSA multiple award schedules. GSA expects at least \$6 million to be remitted to the training fund in FY 2005. However, based upon recent Federal Procurement Data System information, agency remittances could create a training fund as large as \$10 million in coming years. (The Acquisition Training Fund budget for FY 2005 is presented as a separate account).

During FY 2003, FAI worked to deploy the Acquisition Career Management Information System (ACMIS), a computerized information system that provides Government-wide data on acquisition workforce characteristics. FAI will continue to deploy the

system to the 17 civilian agencies with the highest acquisition activity in FY 2004.

Long-term Outcome Goal: Achieve a fully qualified, competent, and continuously learning Federal acquisition workforce.

Performance Goal: Increase the use of Federal Acquisition Institute Online training.

Efforts are being made to improve the look and ease of use of the FAI website. FAI will develop additional courses in FY 2005. In addition, FAI is developing an outreach plan, which will include more booths at various expos and events, more information in the FAI newsletter, and other methods to increase publicity and visibility.

Performance Measure:

Number of FAI Online training instances completed.

The targets were set using statistics for civilian agency Contracting Officers, Contracting Officer Technical/Representatives (CORs/COTRs) and the required continuing education requirement for all members of the acquisition workforce. The target population for the number of training instances is estimated at 20,000 persons. This includes approximately 9,000 Federal employees in the GS-1102 series (Contracting Officers) and 11,000 individuals in different series who serve as Contracting Officer's Technical Representatives.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
19,280	19,390	21,300	27,700
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
30,500	33,500	35,200	37,000

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FY 2005 Budget Request / Performance Goal Budget Links Office Acquisition Policy \$ (Thousands)									
Long-term Outcome Goal									
Achieve a fully qualified, competent, and continuously learning Federal acquisition workforce									
Performance Goal	Performance Measure	FY 2003		FY 2004		FY 2005		Change FY 04 to FY05	
		Target	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
Increase the use of Federal Acquisition Institute Online training by 10%	Number of FAI Online training instances completed	19,390	\$1,310	21,300	\$1,310 + \$4,000 from AWTF*	27,700	\$1,310 + \$6,000 from AWTF*	6,400	+2,000 from AWTF*
			3 FTE		3 FTE		3 FTE		0 FTE

Explanation of Dollar Changes:

*GSA will provide for online course development for the civilian acquisition workforce through fees remitted to the Acquisition Workforce Training Fund. Anticipated collections to the Acquisition Workforce Training Fund (AWTF) are \$4 million in FY 2004 and \$6 million in FY 2005.

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GOVERNMENTWIDE POLICY

OFFICE OF REAL PROPERTY

Strategic Direction

The OGP Office of Real Property develops and disseminates policies, guidance and recommendations to improve management of real property.

Strategies

OGP will continue its collaborative work with customer agencies, the rest of GSA, the private sector, other governments, professional associations, and academia. Other efforts include assessment of emerging property management trends, facilitation of continuous dialogue between agencies and industries for cooperative opportunities, sharing of best practices, and development of innovative solutions. The Office of Real Property will also use its extensive network of professional contacts to gather and disseminate best practices and foster innovation and leadership in the real property and workplace professions.

PROPERTY MANAGEMENT REFORM:

The Federal real property inventory, which is approximately 3.3 billion square feet of space and valued at an estimated \$328 billion has been labeled by the General Accounting Office as “High Risk” in a recent report (GAO-03-122). Reliance on outdated business and technological models have hampered the effective management of the Government’s real estate assets. Many buildings are functionally obsolete, unable to promote worker productivity, or support 21st century technology. These facilities are in various stages of deterioration, and some are not environmentally healthy workplaces. These challenges require new statutory authorities and other incentives that would allow landholding agencies to use stewardship practices and principles for Federal assets that are used by the commercial real property management sector.

Property Management Reform is needed to give the Government additional management tools and new financial incentives to better manage the inventory of real property assets. The Government should have the authority to use commercial practices to maximize the use of existing real property, and to replace property with acquisitions that are better suited to address agencies missions. Retention of proceeds by Federal agencies will give new incentives to agencies to identify obsolete properties that could be disposed of. Agencies could use these proceeds to cover the expenses incurred in the remediation of existing property that must be retained in Government ownership, and in the disposal of property that is surplus to Federal Government’s needs.

There are currently two property reform bills under consideration by the Congress. Both bills would provide the Government with the authority to utilize additional commercial realty practices, including outleasing underutilized properties and retaining proceeds from outleases and sales of surplus properties.

The OGP is committed to addressing the growing problems with asset management that confront Federal landholding agencies. An OGP legislation team has been formed to work with senior level managers, Administration officials, and Congressional staff. The team provides the required research, support, and logistics incident to promoting and enacting property management reform.

- OGP also hosts and facilitates the Federal Real Property Council of executive-level real property professionals. Working collaboratively through the Federal Real Property Council (FRPC) and industry organizations, the Office of Real Property is able to implement pilot programs on major property management initiatives.

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The OGP sponsors an annual Achievement Award for Real Property Innovation recognizing innovative best practices that promote efficient and effective property management. OGP also develops and distributes professional articles and publicizes case studies that keep Federal agencies informed and involved in such efforts. With an active outreach program that addresses each agency's unique management challenges and concerns, the Office of Real Property provides the opportunity to build synergy and gain stakeholders support.

Major actions planned:

- Promote and support Administration and Congressional efforts to pass property management reform and build support and communication networks with Federal landholding agencies.
- Work with Federal property managers to ensure access to the proper management practices and incentives needed to efficiently and effectively plan, acquire, manage and dispose of property assets.
- Sponsor and facilitate an ongoing public-private partnership working group of Federal landholding agencies to recommend effective asset management strategies and promote leveraging the value in Government real property.
- Prepare, coordinate, promote and deliver implementation policy guidance for any new property management authorities that are passed by the Congress or contained in Executive guidance.

WEB-ENABLED REAL PROPERTY MANAGEMENT SYSTEMS:

The OGP adopted the E-RealEstate initiative to encourage the significantly expanded use of web-enabled software for the management of Federal real estate assets. Web-enabled systems lead to improved asset management, lower costs, reduced transaction times with fewer errors, increased productivity, and a more complete understanding of the Federal real property inventory.

OGP has surveyed 14 agencies and hosted discussion forums to discuss availability and functionality of web-enabled asset management software applications. OGP will take the following actions to promote Web-enabled Real Property Management Systems throughout the Federal real property community:

- Improve the effectiveness and efficiency of the Federal real estate asset management system;
- Assist agencies in developing business cases supporting the use of web-enabled software to manage their real property assets;
- Publicize current information on the existing E-RealEstate web site;
- Work with agency programs to develop, evaluate, and review their real property operations and assess ongoing benefits of E-RealEstate;
- Make presentations to Federal landholding agencies promoting the advantages of E-Commerce and web-enabled software on the E-RealEstate web site, other E-Gov web sites, and with private sector organizations interested in exchanging information on the use of such software to effectively manage real property assets.

General Services Administration GOVERNMENTWIDE POLICY

Long-term Outcome Goal: Effective and efficient asset management.

Performance Goal: Increase the number of Federal programs using effective web-enabled real property management systems.

Performance Measure:

Number of Federal agency programs with effective web-enabled software for management of real property.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
<i>N/A</i>	<i>N/A</i>	<i>3</i>	<i>6</i>
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
<i>9</i>	<i>12</i>	<i>15</i>	<i>18</i>

OGP will measure progress toward achieving our long-term goal by counting the number of Federal agency programs that use web-enabled software packages for the management of their real property operations software that for the most part can be acquired off-the-shelf. The target is set at 3 additional Federal programs each fiscal year. The cumulative total at the end of FY 2009 is 18 programs.

There are currently 32 Federal agencies with their own real property authority, which make up the universe of Federal programs that may be candidates for using web-enabled software to manage their real property. The type of real property management functions include: lease administration, construction administration, materials acquisition and monitoring, budget, facility operations, energy monitoring, security, etc. The E-RealEstate project focuses on encouraging Federal agencies to examine these functions and where necessary, use web-enabled software to track, report, and effectively manage these functions. If we assume that the approximately 12 Federal agencies that have significant real property management functions web-enable a majority of these functions, the impact on the Government will be significant. It will lead to more efficient management, more accurate data about their real property assets, and easier and more effective communication and data management between systems within the individual agency and between agencies. The E-RealEstate program has the potential to ensure that software standards and vocabulary will be consistent throughout the Federal Government.

**General Services Administration
GOVERNMENTWIDE POLICY**

FY 2005 Budget Request / Performance Goal Budget Links Office of Real Property \$ (Thousands)									
Long-term Outcome Goal									
Effective and efficient asset management.									
Performance Goal	Performance Measure	FY 2003		FY 2004		FY 2005		Change FY 04 to FY05	
		Target	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
Increase the number of Federal agency programs using effective web-enabled real property management systems	Number of Federal programs with effective web-enabled software for management of real property	N/A	N/A	3	\$387.5	6	437.5	3	+ \$50
					2 FTE		2 FTE		0 FTE

Explanation of Dollar Changes:

This is a new measure in FY 2004. In FY 2005 OGP will realign the budget within the OGP Office of Real Property in order to allocate an additional \$50 thousand to promote effective web-enabled real property management systems to other agencies.

General Services Administration GOVERNMENTWIDE POLICY

OFFICE OF TRANSPORTATION AND PERSONAL PROPERTY

Strategic Direction

The Office of Transportation and Personal Property develops policies, regulations, guidelines, and reports; collects data; and identifies and disseminates best practices by working collaboratively with interagency groups and other stakeholders.

Strategies

The Office of Transportation and Personal Property will continue to work collaboratively with customers and stakeholders to develop and improve policies and guidelines for the management of Federal aviation, transportation, mail, personal property, travel, and motor vehicles, and identify and promote sound management practices that lead to improved Government efficiency and effectiveness.

E-TRAVEL

The OGP is developing a world-class commercial travel business model known as “eTravel” that will soon be available to all Federal agency travelers. This state-of-the-art travel management tool will make official travel more efficient for the traveler by placing end-to-end travel solutions at their fingertips in a Web-based application. Work will continue toward a vision to deliver a unified, simplified service that delivers a cost-effective travel experience, supports excellent management and results in superior customer satisfaction.

To accomplish this goal, OGP is establishing a Travel Management Office (TMO) and was provided \$2 million and 5 FTE in FY 2004 for this purpose. The eTravel team (3 FTE), currently detailed to the GSA E-Gov PMO, along with the 5 additional FTE hired during FY 2004, will merge with the Travel Policy Office into a single Travel Management Office (TMO). The TMO will provide services for consolidated travel management

that will lower costs, improve services, and capture data for improved decision-making Government-wide. During FY 2004, the new TMO will oversee the establishment of eTravel Services across Government, in compliance with the Federal Travel Regulation. ETravel will reduce current stove piped systems into three centrally-managed, outsourced services. The TMO will accomplish this through program planning and modeling based on best commercial practices.

Long-term Outcome Goal: Effective end-to-end travel management program for the Federal Government.

Performance Goal: Implement eTravel Service.

Performance Measure:

Number of vouchers processed through the eTravel Service.

<i>FY02 Target</i>	<i>FY03 Target</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
<i>N/A</i>	<i>N/A</i>	<i>68,000</i>	<i>1.3 mil</i>
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
<i>3.2 mil</i>	<i>3.2 mil</i>	<i>3.2 mil</i>	<i>3.2 mil</i>

The number of trips serviced through the eTravel Service (eTS) demonstrates progress towards the transformation of Government-wide travel transactions into a shared services approach. In FY 2004, the eTravel Program Management Office (PMO)/TMO will work to ensure agencies have the opportunity to effectively and efficiently migrate to the eTravel Service. As agencies begin eTravel Service deployment, the focus of the eTravel PMO/TMO will shift towards ensuring that agencies are not only effectively

General Services Administration GOVERNMENTWIDE POLICY

migrating to the eTravel Service, but also that they are establishing a framework for a world-class travel management service.

The TMO has identified the 24 Business Reference Model (BRM) agencies as the largest users of travel services in the Executive

Branch. These agencies generate an estimated 3.5 million travel vouchers each year. The target of 3.2 million vouchers processed through eTS in the above table represents 91.4 percent of this estimated total.

FY 2005 Budget Request / Performance Goal Budget Links Office of Transportation and Personal Property \$ (Thousands)									
Long-term Outcome Goal									
Effective and efficient asset management									
Performance Goal	Performance Measure	FY 2003		FY 2004		FY 2005		Change FY 04 to FY05	
		Target	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
Implement eTravel Service	Number of vouchers processed through eTravel Service	N/A	\$10,050 from General Supply Fund	68,000	\$2,000 + 10,400 from GSF	1.3 mil	\$2,000 + \$9,900 from GSF	932,000	0 - \$500 from GSF
			3 FTE		8 FTE		8 FTE		0 FTE

Explanation of Dollar Changes:

During the development phase of the eTravel initiative, OGP provided executive sponsorship and leadership to the initiative – 3 FTEs were assigned to this project. In FY 2003, GSA’s General Supply Fund (GSF) provided the \$10,050,000 for the initiative. It is estimated that the GSF will contribute \$10.4 million and \$9.9 million respectively in FY 2004 and FY 2005, to provide for: requirements development, service design, acquisition activities, best practices development, eTS testing, reports, and customer relationship/ change management services to customers. Beginning in FY 2004 through FY 2006, overall efforts will be funded through a combination of OGP appropriations, the GSF, and fees from the eTS transactions.

**General Services Administration
GOVERNMENTWIDE POLICY**

EXPLANATION OF BUDGET CHANGES IN PRIORITY ORDER \$(Thousands)	
FY 2004 Congressional Justification.....	\$56,383
Reduction for .59% Rescission.....	-333
Transfer of E-Authentication function to OGP.....	3,619
FY 2004 Current Level.....	\$59,669
Pay Raise, Annualization.....	594
Increased Common Information Technology Infrastructure Costs	1,170
Federal Identity Management and E-Authentication Management/Governance.....	567
¹ RISC/OIRA Consolidated Information System II (ROCIS II).....	100
FY 2005 Total Budget Request.....	\$62,100

Explanation of Changes:

The fiscal year 2005 budget request of \$62,100 includes the following increases: a \$3,619 thousand base transfer of the E-Authentication function from the Operating Expense account and an additional \$567 thousand increase for the E-Authentication program; \$594 thousand for the pay raise, \$1,170 for increased Common Information Technology Infrastructure Costs, and \$100 thousand for ROCIS II.

¹ The GSA Regulatory Information Service Center's (RISC) Consolidated Information System II (ROCIS II), supports executive oversight of the Federal regulatory process under Executive Order (EO) 12866. ROCIS II is the platform that continuously serves the Office of Management and Budget, Federal agencies, and the Public regarding information about the Government's regulatory activities. GSA is requesting an additional \$100 thousand in appropriations to enhance ROCIS II in FY 2005.

General Services Administration GOVERNMENTWIDE POLICY

Background:

ROCIS II is a cooperative project of RISC and OIRA to develop an enhanced computerized system to manage both OIRA's and RISC's missions. The Regulatory Information Service Center (RISC) is responsible for compiling and analyzing data on both Government-wide and agency specific activities in support of the regulatory oversight role of the Executive Office of the President. The Center also maintains a comprehensive Internet site of regulatory information that provides links to sources of information on Federal, State, and local regulations. RISC activities allow Federal agencies to manage their regulatory development and information collection activities through the provision of databases. RISC reports to the public such regulatory activities through the semiannual publication of the Unified Agenda. RISC also furnishes information support services to the Office of Management and Budget's Office of Information and Regulatory Affairs (OIRA). OIRA's responsibilities include review and coordination of Federal regulations and approval of Federal forms and other collections of information conducted by Federal agencies.

**General Services Administration
GOVERNMENTWIDE POLICY**

**BUDGET AUTHORITY
\$(Thousands)**

	FY 2003 Actual	FY 2004 Budget	FY 2005 Request	FY 2004/2005 Change
DIRECT PROGRAM:				
Budget Authority (BA)	55,877	59,669	62,100	+2,431
TOTAL DIRECT (Obligations)	55,569	59,669	62,100	+2,431
TOTAL REIMBURSABLE	3,968	5,000	5,000	0
TOTAL TRANSFERS (for Management Councils)	16,647	17,000	17,000	0
NET OUTLAYS	35,040	58,434	61,372	+2,938
EMPLOYMENT (FTE):				
Direct	236	245	248	+3
Reimbursable	0	0	1	+1

**General Services Administration
GOVERNMENTWIDE POLICY**

GOVERNMENTWIDE POLICY				
Obligations by Object Class				
\$(Thousands)				
		FY 2003 Estimate	FY 2004 Current	FY 2005 Request
Personnel Compensation:				
11.1	Full-time permanent	21,911	23,085	24,044
11.5	Other personnel compensation	<u>75</u>	<u>1,577</u>	<u>1,579</u>
11.9	Total personnel compensation	21,986	24,662	25,623
12.1	Civilian personnel benefits	3,834	4,452	4,598
21.0	Travel and transportation of persons	516	800	820
21.0	Motor pool travel	8	100	120
22.0	Transportation of things	0	0	80
23.1	Rental payments to GSA	1,819	1,932	2,564
23.3	Communications, utilities, and misc. charges	215	400	475
24.0	Printing and reproduction	720	846	900
25.2	Other services	13,518	14,320	14,450
25.3	Purchases of goods and services from Government accounts	12,559	11,312	11,445
26.0	Supplies and materials	332	450	600
31.0	Equipment	62	395	425
99.0	Subtotal direct obligations	55,569	59,669	62,100
99.0	Reimbursable obligations	20,615	22,000	22,000
99.9	Total Obligations	76,184	82,119	84,100



OPERATING EXPENSES

General Services Administration

OPERATING EXPENSES

INTRODUCTION

Operating Expenses (OE) provides direct appropriations for a variety of activities, which are not feasible or appropriate for a user fee arrangement. The major programs include the Office of Citizen Services and Communications (OCSC), which promotes increased access to Government information; the personal property utilization and donation activities of the Federal Supply Service; and the real property utilization and disposal activities of the Public Buildings Service. OE also provides for select Management and Administration activities including Indian Trust Accounting, administrative support of Congressional District and Senate State offices, support of government-wide Emergency management activities, and top-level agency-wide management and administration.

EXPLANATION OF ESTIMATES

Operating Expenses programs support the GSA mission and provide direction and coordination of comprehensive Government-wide programs.

Direct Program

The fiscal year 2005 budget request of \$82,175 thousand reflects a net decrease of \$1,796 thousand over the comparable amount of \$83,971 thousand for fiscal year 2004 (see pages OE-2-4 for additional details). The net change of \$1,796 thousand provides \$5,552 thousand for program increases consisting of: \$1,500 thousand and six FTE for USA Services, \$3,021 thousand for FirstGov enhancements, \$650 thousand and five FTE for FirstGov shared technologies, and \$381 thousand for six Real Property Disposal FTE. Other cost increases total \$2,049 thousand consisting of: \$896 thousand for increased pay costs and \$1,153 thousand for increased

common information technology infrastructure cost. These increases are offset by a decrease of \$9,397 thousand consisting of: \$8,947 thousand for non-recurring Congressional initiatives, \$250 thousand for GovNet, and \$200 thousand for a National Security Emergency Preparedness (NSEP) study.

Reimbursable Program

Operating Expenses provides reimbursable services to other Federal agencies in the amount of \$14,500 thousand. These activities include \$2,750 thousand for personal property services, and \$11,750 thousand for: (a) real estate disposal services for specialized properties outside the purview of the Federal Property and Administrative Services Act of 1949; and, (b) real property seized, forfeited, or foreclosed on by other agencies such as the U.S. Marshals Service, Department of Housing and Urban Development, Internal Revenue Service, and the Small Business Administration.

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OPERATING EXPENSES**

EXPLANATION OF CHANGES DIRECT APPROPRIATION \$(Thousands)	FTE	\$
FY 2004 Enacted	410	88,110
FY 2004 Across-the-Board Rescission (.59%)		-520
FY 2004 Current Available	410	87,590
Transfer of E-Authentication function to Governmentwide Policy	-1	-3,619
Transfer of E-Authentication function to Information Technology Fund	-1	0
FY 2004 Comparable Budget	408	83,971
<i>Decreases:</i>		
Non-recurring Congressional Initiatives.....		-8,947
GovNet		-250
National Security Emergency Preparedness (NSEP) study		-200
<i>Increases:</i>		
Part Year Increase for FY 2004 Pay Act (4.1%), Effective January, 2004		425
Wageboard and Pay Act Increase (1.5%), Effective January, 2005.....		471
Increased Common Information Technology Infrastructure Costs		1,153
USA Services	6	1,500
FirstGov Enhancements		3,021
FirstGov Shared Technologies	5	650
Real Property Disposal FTE	6	381
FY 2005 Budget Request	425	82,175

General Services Administration OPERATING EXPENSES

BUDGET AUTHORITY \$(Thousands)

	FY 2003 Actual	FY 2004 Current	FY 2005 Request	FY 2004/2005 Change
Direct Program:				
New Budget Authority	77,854	83,971	82,175	- 1,796
Prior Year Carryover	1,946	6,457	0	-6,457
Total Direct Program	79,800	90,428	82,175	- 8,253
Reimbursable Program	6,902	15,000	14,500	- 500
Net Outlays	81,405	88,444	88,494	+ 50
Employment (FTE):				
Direct	379	408	425	+ 17
<u>Reimbursable</u>	<u>21</u>	<u>23</u>	<u>17</u>	<u>- 6</u>
Total	400	431	442	+ 11

FY 2003 Actual amounts reflect the transfers of: 1) FedCIRC to the Department of Homeland Security, 2) OCSC from Policy and Citizen Services to Operating Expenses, and 3) FirstGov website to Federal Citizen Information Center.

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OPERATING EXPENSES**

OBLIGATIONS BY OBJECT CLASS \$(Thousands)			
	FY 2003 Actual	FY 2004 Current	FY 2005 Request
Personnel Compensation:			
11.1 Full-time permanent	28,153	29,544	33,146
11.3 Other than full-time permanent	846	873	878
11.5 Other personnel compensation	1,185	4,147	4,397
11.8 Special personal services payments	81	0	0
11.9 Total personnel compensation	30,265	34,564	38,421
12.1 Civilian personnel benefits	6,020	6,921	7,289
13.0 Benefits for former personnel	0	0	0
21.0 Travel and transportation of persons	1,449	1,801	1,816
21.0 Motor Pool	110	15	15
22.0 Transportation of things	2	47	47
23.1 Rental payments to GSA	3,164	4,207	4,243
23.2 Rental payments to others	2	200	570
23.3 Communications, utilities and miscellaneous charges	600	1,371	1,387
24.0 Printing and reproduction	64	779	784
25.1 Advisory and assistance services	8	772	771
25.2 Other services	24,390	19,036	12,214
25.3 Other purchases of goods and services from Government Accounts	12,595	12,412	12,754
25.4 Operation and maintenance of facilities	0	26	26
25.7 Operation and maintenance of equipment	25	83	83
26.0 Supplies and materials	449	696	699
31.0 Equipment	657	1,041	1,056
99 Comparable Direct Program	79,800	83,971	82,175
99 Reimbursable obligations	6,902	15,000	14,500
99.9 Total Direct & Reimbursable	86,702	98,971	96,675

General Services Administration

OPERATING EXPENSES

OFFICE OF CITIZEN SERVICES AND COMMUNICATIONS

Strategic Direction

The Office of Citizen Services and Communications (OCSC) was created in June 2002 to advance President Bush's proposal to create a more citizen-centric, results oriented Federal Government. As part of this effort, OCSC supports President Bush's management agenda, including e-Gov initiatives, focusing on providing best value for customer agencies and taxpayers by increasing access to government through a wide variety of channels. OCSC has opened the way for citizens to interact with government by creating a single front door to the services and information they require in the medium they prefer: the Web, e-mail, telephone, fax or print. This one-stop shopping brings these tools together in one place, cutting through red tape and ensuring that the Federal Government provides the public with the most effective path to services and information.

OCSC has two programs: 1) Citizen Services and 2) Communications.

Strategies

Several initiatives are underway to improve the way OCSC delivers these services to the public, to the media, to its internal GSA clients, and to other government agencies.

Office of Citizen Services (OCS)

To this end, the USA Services program was created by joining together the FirstGov.gov website program and the Federal Citizen Information Center (FCIC)/National Contact Center. USA Services was officially launched by OCSC in July 2003 to

provide the citizen with government information in a more responsive and consistent way. Twelve partner agencies have signed on to participate in USA Services. Through this participation, USA Services answers citizen queries about partner agency programs for them via telephone, e-mail and the Internet, and/or redirects contacts that should be addressed by other agencies.

FirstGov.gov, the official portal of the U.S. Government, now receives approximately 175,000 visitors every day. To keep pace with the traffic volumes, with the volume of information and services that agencies are constantly adding to their websites, as well as advancements in the technology itself, OCS plans several improvements to the website while maintaining a highly secure environment to protect our citizens.

OCS is also working with other GSA offices to find a way to share FirstGov technologies with other E-Gov initiatives on a reimbursable basis. This would further advance the President's Management Agenda by enabling the other E-Gov managers to get their services up and running quickly and economically, and in the same secure environment as FirstGov.

Office of Communications

The Office of Public Affairs has found that with the increase in activities in OCSC and GSA, and with the increase in the attention given to these activities, the workload in the office rose by 38 percent in 2003. To keep pace with increasing demand for communications support across GSA, OCSC plans to increase its support to the Services, staff offices and the Regions in 2005.

General Services Administration OPERATING EXPENSES

Within the Office of Editorial Services, the remediation of GSA.gov was followed by full redesign of the website. There is increasing appreciation for the fact that GSA.gov is vitally important to the successful delivery of GSA programs and services across government, as well being important to the day-to-day operations of the agency. After the launch of the redesigned GSA.gov site in September 2003, efforts began to improve the agency's intranet web service, InSite.

These efforts across OCSC have significantly improved the consistency and responsiveness of GSA offices and other Federal agencies in providing services and information to citizens, businesses, the media, and our own GSA associates.

Additional resources are requested for the following initiatives to further meet the goals of OCSC. Discussion of these initiatives and their impact on performance follows.

Strategies – USA Services

- **Additional Citizen Services Positions** - Six (6) Full-Time Equivalent (FTE) and \$800 thousand to fund the additional personnel needed to meet the goals for USA Services initiatives.
- **Performance Benchmarking** - \$500 thousand is required for USA Services to establish best practices and performance metrics for Federal call centers through consultation with managers of government call centers, private industry, and academia. Based on these performance benchmarks, USA Services will perform a gap analysis and work with the NCC outsourced service provider to meet the established service standards.

- **Government-wide Citizen Service** - \$200 thousand is required for USA Services to create a government-wide network of citizen service advocates. The development of agency customer service “Best Practices” will better service citizens that seek agency information and services.

Long-Term Outcome Goal: Help the Federal Government become more citizen-centric, by enabling Americans' interaction with the Federal Government via their preferred OCSC channel.

Performance Goal: Enable Federal agencies to become more citizen-centric, by providing answers to citizens that are timely, accurate, and responsive.

Performance Measures: Signed Working Partner Agreements. The total, potential universe for this measure includes the cabinet level departments and the independent agencies and government corporations. This universe totals 75 entities. By the end of fiscal year 2005, OCSC will have signed working partner agreements with the cabinet level departments and executive level agencies that handle 90% of citizen inquiries received by the federal government. At that time, USA Services will be reevaluating the program to develop the next generation performance measure.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
<i>N/A</i>	<i>14 out of 75</i>	<i>20 out of 75</i>	<i>36 out of 75</i>
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>

General Services Administration

OPERATING EXPENSES

Strategies – FirstGov

- **Security** - \$880 thousand is required to buy new security-based hardware, security-based software (firewalls, Intrusion Detection software) and support security program management such as auditing, reviews, and documentation required to maintain certifications. These funds will support the performance measure of no successful security attacks against the Firstgov.gov infrastructure. The funds are necessary to maintain necessary “safeguards” to keep FirstGov secure while adding new services and serving the rapidly growing numbers of public website visits.
- **Governmentwide Search** - \$721 thousand is required for computers and software for the existing search services (Federal and State documents). These funds will support the performance measure of improved relevancy and consistency of search results. The search function has been on “maintenance” mode and needs new investment to stay on top of needs and evolving technologies, such as additional software options to “cluster” results and/or make customization or refinements of the search index by the technical team.
- **Content Management** - \$540 thousand is required for implementing the content management infrastructure in the FirstGov environment. Funds will support resources and tools required to effectively continue the integration of the system into the web data center.
- **Web Trends Upgrade** - \$130 thousand is required to support an enhancement to the existing performance metrics system by providing a secure web-based access to metrics programs utilized to measure and

analyze FirstGov activity, including customer and affiliate traffic. The additional metrics will enable continuous improvement in the methods utilized to present information in a citizen-centric manner.

- **Integration Contractor** - \$750 thousand is required to provide general systems integration support for FirstGov. These funds will support the performance measure of increasing the number of site visits and the reliability of the FirstGov.gov infrastructure. OMB has requested that FirstGov help set the standard (best practices) for all other agencies to manage their websites.

Performance

Long-Term Outcome Goal: Help the Federal Government become more citizen-centric, by enabling Americans’ interaction with the Federal Government via their preferred OCSC channel.

Performance Goal: Government websites are citizen-centric and user-friendly.

General Services Administration OPERATING EXPENSES

Performance Measures: Agencies adopting FirstGov common content model. The total, potential universe for this measure includes the cabinet level departments and the independent agencies and government corporations. This universe totals 75 entities.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
<i>N/A</i>	<i>0 out of 75</i>	<i>4 out of 75</i>	<i>6 out of 75</i>
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
<i>8 out of 75</i>	<i>10 out of 75</i>	<i>12 out of 75</i>	<i>13 out of 75</i>

Strategies – FirstGov Shared Technologies

- Systems Integrator Support** - \$250 thousand is required for a Systems Integrator support contract for the shared technologies initiative. These funds will support the performance measure to implement scalable technology, provide cost savings for our client agencies, and support agencies' use of a shared infrastructure. The systems integrator will run the Program Management Office and establish repeatable technical and business processes.
- System Engineering and Technical Assistance (SETA)/Independent Validation and Verification (IV&V)** - \$400 thousand is required for SETA/IV&V. These funds will support the independent engineering and validation necessary to implement scalable technology, promote competitive pricing, and support increased capacity required by supporting other initiatives. A SETA/IV&V contractor is necessary for "checks and balances" to oversee and audit the systems integrator. The SETA contractor will also support

the Program Management Office in defining technical requirements for agency customers.

Performance

Long-Term Outcome Goal: Help the Federal Government become more citizen-centric, by enabling Americans' interaction with the Federal Government via their preferred OCSC channel.

Performance Goal: Leverage FirstGov technologies and solutions across the Federal Government.

Performance Measures: Tax dollars saved as a result of agencies sharing FirstGov technologies

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
<i>\$9 million</i>	<i>\$18 million</i>	<i>\$30.6 million</i>	<i>\$40 million</i>
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
<i>\$44 million</i>	<i>\$48.4 million</i>	<i>\$53.2 million</i>	<i>\$58.5 million</i>

General Services Administration OPERATING EXPENSES

Budget Links: Office of Citizen Services

Long-Term Outcome Goal: Help the Federal Government become more citizen-centric, by enabling Americans' interaction with the Federal Government via their preferred OCSC channel.									
Performance Goals	Performance Measures	FY 2003		FY 2004		FY 2005		Change from FY 2004	
		Actual	Dollars \$(000)	Target	Dollars \$(000)	Target	Dollars \$(000)	Target	Dollars \$(000)
Enable Federal agencies to become more citizen-centric by providing answers to citizens that are timely, accurate, and responsive.	Signed Working Partner Agreements	14 out of 75	N/A	20 out of 75	250	36 out of 75	1,750	+ 16	+ 1,500
Government websites are citizen-centric and user-friendly.	Agencies adopting FirstGov common content model	0 out of 75	N/A	4 out of 75	16,645	6 out of 75	19,666	+ 2	+ 3,021
Leverage FirstGov technologies & solutions across the Federal Government.	Tax dollars saved as a result of agencies sharing FirstGov technologies	\$18.0M	N/A	\$30.6M	N/A	\$40.0M	650	+ \$9.4M	+ 650
			N/A		16,895		22,066		+ 5,171

General Services Administration

OPERATING EXPENSES

FEDERAL SUPPLY SERVICE PERSONAL PROPERTY MANAGEMENT

Strategic Direction

The Federal Supply Service's (FSS) personal property management program facilitates the transfer of Federal personal property among Federal agencies, states, and localities. Personal property no longer needed by one Federal agency may be transferred to another agency that needs it, thereby saving tax dollars by avoiding new procurements. Personal property no longer needed by a Federal agency may also be offered at no cost to state and local governments and eligible nonprofit groups.

FSS's reimbursable program provides logistics services to other Government agencies via reimbursable support agreements.

Program Assessment Rating Tool (PART) review

We recently received the following recommendations from the fiscal year 2005 PART review. FSS has developed a remediation plan for these recommendations.

1. Develop acceptable long-term outcome goals, including efficiency goals. The current efficiency measures used by FSS do not meet the definition of efficiency measures used by OMB.

FSS has developed the following long-term outcome goal for Personal Property Management.

- Provide optimal property disposal solutions for Federal agencies to maximize cost avoidance while efficiently and effectively managing the sale of surplus property.

FSS will use the following *efficiency measure* to track the overall efficiency of the program.

- Cycle time for the disposal process (measured in days)

2. Resolving some "boundary conditions" in the roles and responsibilities of FSS and OGP in carrying out the GSA mission in this area.

FSS Personal Property Management associates met with OGP associates in an offsite meeting in May of 2003 to discuss issues relative to "boundary conditions". FSS and OGP will continue to work together to strengthen this relationship in Personal Property Management.

3. Developing performance-based agreements with the State Agencies for Surplus Property (SASPs) who assist FSS in executing this program.

The Personal Property Management business line researched the potential of forming performance-based agreements with SASPs. Through the advice of GSA's legal offices, it has been determined that performance standards be applied up to the limits of the law and regulations. FSS will work with OGP to assure that sufficient guidance is present in the personal property regulations on which to base good performance-based agreements with the SASPs.

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4. *Developing an acceptable independent assessment process for this program.*

An independent assessment of the Utilization and Donation (U&D) component of the Personal Property Management program began in fiscal year 2003 as part of the Federal Asset Sales e-Gov initiative. This study will be a sweeping review of the state of U&D across the Federal Government, with a significant portion of the study reviewing FSS's U&D program. Recommendations will be forthcoming in fiscal year 2004. In regard to the sales program, FSS will propose that the GSA Office of the Inspector General include the Sales program in its fiscal year 2005 Audit Plan.

5. *Changing the budget presentation to show in at least one place all of the costs associated with this program, regardless of their funding source. The PART identified three different funding sources.*

The budget presentation has been updated to address this issue. See the chart on page OE-15.

Strategies

The U&D Program maximizes tax dollars invested in Government-owned personal property by helping avoid outlays for new purchases by transferring one agency's excess Federal property to another agency that can use it, and by donating surplus Federal property to states or localities. This strategy provides taxpayer savings by avoiding new government procurements.

In fiscal year 2003, the *utilization* program generated \$434 million in savings for the Government via the transfer of personal property in excess of one agency's needs to meet those of

other Federal agencies. Estimated savings for fiscal years 2004 and 2005 are \$320 million and \$300 million per annum, respectively.

The *donation* program created \$354 million in savings in fiscal year 2003 by giving surplus usable property to states for donation to public agencies and certain non-profit tax-exempt activities. Estimated savings for fiscal years 2004 and 2005 are \$330 million and \$320 million per annum, respectively.

FSS's U&D Program plans to implement the following strategies:

- Implement customer outreach enhancements to improve services provided to customer agencies.
- Leverage information technology to maximize use of and improve online tools and technology for a fully integrated disposal system.

By implementing these strategies, the U&D Program is able to help Federal agencies better meet their missions and ensure that the taxpayers' money is used as efficiently and effectively as possible. Resources devoted to this strategy are employed towards creating innovative services and products; targeting key customers and market segments; and providing competitive solutions and services.

The key initiatives to accomplish these strategies are as follows:

- Customer Outreach and Training-- The Personal Property Management Program strives to provide optimal disposal solutions to Federal customers and promotes a fully integrated disposal system amidst a continuing downtrend of excess property. Field representatives

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will be available and receptive to customer inquiries (customer outreach), customer training needs will be met. Segmenting the market to determine what agencies have a need for exchange/sale property versus those that need full disposal support for a continuing stream of excess property. An aggressive nationwide customer outreach/training schedule will promote the benefits of using our exchange/sale and utilization/donation programs to key and new customers at national events and during regional customer visits/training opportunities. Also, headquarter level visits will raise customer awareness. Feedback from FY 2004 visits will be used and the training schedule adjusted accordingly.

- The U&D Program will continue to implement and sustain streamlined reutilization and donation business processes via GSA XcessXpress and the Agency Asset Management System (AAMS). The implementation of XcessXpress relative to utilization and donation is one of the primary outcomes of streamlining under this initiative.
- XcessXpress - Compresses the screening process from 42 to 21 days and allows agencies to move remaining assets to sales more quickly, reducing agency costs. This new process allows simultaneous screening, with both excess and surplus customers screening all available property while it is excess. This will result in reduced inventory holding costs and other process efficiency savings for customers as well as making a major contribution toward achieving the performance goal of reducing the cycle time.

Impact on performance:

Customers of the U&D Program continue to demand more sophisticated solutions, which reduce the holding time for property disposal. This is evidenced by customer feedback at meetings and through our annual customer satisfaction survey. Implementing the strategies listed above will help us meet the changing needs of FSS customers and ultimately contribute to better value for each tax dollar spent.

As all executive agencies are required to report property to GSA for utilization and donation, all will benefit from the reduction in cycle time achieved by GSA XcessXpress. Technology enhancements in FEDS will also provide benefits to all agencies that participate as generators and/or recipients of excess property.

Long-Term Outcome Goals:

The Personal Property Management business line has developed one long-term outcome goal that relates to all operations within the business line. There are two annual performance goals with annual performance measures that are centered on actions that address the accomplishment of the goal.

Long-term Outcome Goal: Provide optimal property disposal solutions for Federal agencies to maximize cost avoidance (Utilization/Donation) while efficiently and effectively managing the sale of surplus property.

Performance Goal: Maintain customer satisfaction at or above the 75th percentile (currently a score of 79 is the threshold for the 75th percentile) for customer satisfaction in government.

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Customer satisfaction is important in all aspects of services provided to customer agencies by the FSS. It is important that Personal Property Utilization & Donation customers are pleased with the services provided by GSA to encourage use of the program. Through the reuse of excess personal property by other agencies the efficient use of government personal property is realized and customer agencies realize a cost avoidance for items that would otherwise need to be purchased.

The following annual performance measure is used in conjunction with this goal.

Performance Measure: External customer satisfaction survey score

This measure and its corresponding targets focus the Personal Property Management business line's effort on meeting its customers' needs and improving its operations into the future and evolving with its customers.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
73	75	77	78
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
79	79	79	79

Performance Goal: Ensure the timely, effective and efficient disposition of excess and surplus personal property by decreasing the time it takes to complete disposal action from 99 days to 86 days.

Reducing the amount of time that a given item is in the disposal system directly impacts operating costs and program efficiency. Through reducing the total days that an item is held, warehousing costs, personal costs and all operating costs are reduced.

The following annual performance measures are used to track performance of this goal.

Performance Measure: Cycle time for disposal process

Measurement of the number of days of cycle time to dispose of a given item is a direct measure of the days that an item was in the possession of FSS as part of this process. The days that an item is in the U&D portion of the disposal cycle is also included in this measure as this is the first phase of the disposal process.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
99	83	87	86
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
85	85	85	85

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Performance Measure: Percent of property reported electronically

Through using electronic methods to track personal property, operating efficiencies can be maximized through timesavings and reduced manual processes. Tracking the percent of personal property reported electronically will ensure continued emphasis on automating processes to promote efficient use of resources.

The following table reflects GSA's total costs for the Federal Supply Service (FSS) Personal Property disposal program. It aligns the total spending with the performance targets and displays the funds that are available from all sources. FSS's Personal Property program consists of the Sales program, which is fee based and funded through the General Supply Fund, and the Utilization and Disposal program, which is funded through the Operating Expenses appropriation.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
N/A	86%	99%	99%
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
99%	99%	99%	99%

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Budget Link:

FY 2005 Budget Request / Performance Goal Budget Links Personal Property Disposal - Federal Supply Service (FSS) Total Sources of Funding \$ (Thousands)										
Long-term Outcome Goal Provide optimal property disposal solutions for Federal agencies to maximize cost avoidance (Utilization/Donation) while efficiently and effectively managing the sale of surplus property										
Performance Goal	Performance Measure	Funding Source	FY 2003		FY 2004		FY 2005		Change FY 04 to FY05	
			Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Maintain customer satisfaction at or above the 75 th percentile (currently a score of 79 is the threshold for the 75 th percentile) for customer satisfaction in government	External customer satisfaction survey score	General Supply Fund		\$1,458		\$1,498		\$1,504		\$6
		Operating Expenses Direct	75	3,471	77	3,687	78	3,812	1	125
		Total		4,929		5,185		5,316		131
Ensure the timely, effective and efficient disposition of excess and surplus personal property by decreasing the time it takes to complete disposal action from 99 days to 86 days.	Cycle time for disposal process	General Supply Fund		11,593		10,884		10,881		- 3
		Operating Expenses Direct	83	6,719	87	7,137	86	7,376	-1	239
		Total		18,312		18,021		18,257		236
	Percent of property reported electronically	Operating Expenses Direct	86	1,008	99	1,070	99	1,107	0	37
		Total		1,008		1,070		1,107		37
		Total General Supply Fund		13,051		12,382		12,385		3
		Total Operating Expenses Direct		11,198		11,894		12,295		401
		Subtotal		24,249		24,276		24,680		404
	Other Funding:									
	Operating Expenses Reimbursable			1,864		2,626		2,701		75
		Total Personal Property		\$26,113		\$26,902		\$27,381		\$479

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PUBLIC BUILDINGS SERVICE REAL PROPERTY DISPOSAL

Strategic Direction

The Public Buildings Service's Office of Property Disposal is responsible for applying asset management strategies and tools to ensure that Federal landholding agencies realize maximum utilization and efficiencies and, when appropriate, redeploys properties in a way that benefits the Federal Government and surrounding communities. Federal real property can serve as a catalyst for urban revitalization when reused by localities to provide jobs, contribute to the local tax base, or preserve greenspace. With thousands of Federal properties located throughout the country, Property Disposal is partnering with communities to ensure that underutilized Federal properties are an active component in the redevelopment of our nation's urban centers.

Property Disposal has major opportunities in the future based on continued downsizing and consolidation of Federal agencies and new asset management tools being made available to Federal agencies. We are starting to expand our customer base by addressing not only disposal needs, but also other asset management needs.

The need for asset management and disposal support will remain strong over the next 10 years, as a result of an increased awareness in the financial performance of real estate portfolios by landholding agencies. The complexity and sensitivity of projects is expected to increase as more Federal agencies determine that real property holdings are no longer needed, either through their own assessment or legislative mandates.

By promoting responsible asset management and implementing process improvements to optimize reliable, timely and quality customer service, Property Disposal will be able to help agencies determine which properties should be considered for disposal and then assist agencies in the disposal of unneeded properties. It will also ensure that taxpayer's money is used effectively and efficiently and that agencies practice responsible asset management. Resources used in this strategy will be utilized to market our asset management service and disposal support to key customers and develop new services to respond to customer and market needs. Property Disposal provides the necessary expert, independent analysis at a competitive cost.

Program Assessment Rating Tool (PART) review

Property Disposal recently received the following recommendations from the fiscal year 2005 PART review and has developed a remediation plan for these recommendations.

1. *Develop acceptable long-term outcome goals, including efficiency goals.*

Property Disposal is in the process of developing new goals to be implemented in fiscal year 2004.

2. *Resolving some "boundary conditions" in the roles and responsibilities of Property Disposal and OGP (and possibly within PBS) in carrying out the GSA mission in this area.*

Property Disposal is to meet with OGP to propose the following:

- a. Property Disposal is to actively participate as a member of the Federal Real Property Council;

General Services Administration OPERATING EXPENSES

- b. Property Disposal is to be included in all meetings with landholding agencies and;
- c. OGP is to coordinate with Property Disposal in the preparation of any proposed Executive Orders for landholding agencies.
- d. Property Disposal has merged its Survey 2 database with The Federal Real Property Profile reporting system, which is managed by OGP. The new system has all of the data elements that previously resided in Survey 2 and Worldwide Inventory. The new system is a centralized source of Federal real property information.

- 3. *Developing performance-based contracts with the contractors who assist Property Disposal in executing this program.*

Property Disposal has determined that this cannot be done until new performance measures are implemented. We anticipate that work on this will begin in fiscal year 2004.

- 4. *Modifying the current industry roundtable approach to obtain outside assessments of the Property Disposal program so that the final assessment is issued by an independent entity, not by Property Disposal itself.*

An independent assessment of Property Disposal was done after the Sponsoring Agency Roundtable and one will be done after the next Industry Roundtable.

- 5. *Changing the budget presentation to show in at least one place all of the costs associated with this program, regardless of the funding source.*

This information was sent to OMB. See charts on page OE-21-22.

- 6. *Strengthening the procedural and information linkages between the receipts anticipated from various disposal actions and the actual collection, deposit, and transfer of those receipts.*

Property Disposal is in the process of developing these procedures.

- 7. *Developing clearer internal management procedures for addressing improvements recommended by the SWOT and other internal and external mechanism.*

Property Disposal has implemented an online tracking system that tracks recommendations and planned actions.

Strategies

The primary purpose of the Office of Property Disposal is to facilitate, promote, and manage the utilization and disposal of excess and surplus real property under the control of various landholding agencies in the Federal Government. Real property that is no longer used or needed by Federal agencies continues to incur operating and maintenance costs. By selling the property, Property Disposal provides both savings to the taxpayer and provides a source of revenue to the Government.

Property Disposal seeks to improve service delivery, minimize operational costs, and provide a competitive advantage to its

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products. However, the inability of many agencies to retain funds from the sale of real property has limited these agencies in making a determination that property is no longer needed. Enactment of the Property Reform Act legislation would permit agencies to retain these funds.

Property Disposal is setting up a major marketing campaign with the support of key industry partners to meet with agency real property heads to discuss our proposed offering to support their needs. Our goal is to respond positively to customer needs and serve as national experts on property utilization and disposal. Marketing teams will meet with agencies to assist them in analyzing current and future real property needs. We are working with other landholding agencies to explore using authorities under the Federal Property and Administrative Services Act of 1949 (49 Act) as well as other authorities to help support their asset management efforts.

The key initiatives to accomplish these strategies are as follows:

- BRAC 2005 – GSA has partnered with DOD to reduce its real property infrastructure. Through Base Realignment and Closure (BRAC) and traditional excessing actions, DOD has identified numerous facilities for divestiture and reuse. Congress has authorized an additional Base Closure round in fiscal year 2005 to support the Administration's initiative to further reduce DOD's infrastructure by twenty-five percent. This disposal of DOD property under this program is funded on a reimbursable basis; however, Property Disposal incurs direct operating expenses in assisting DOD in planning and reviewing the program.

- Passage of the Property Reform Act – Enactment of HR 2548, the Federal Property Asset Management Reform Act, provides incentives for improvement in managing real property inventory. The Act will allow landholding agencies to retain the proceeds from real property disposals, thereby creating a significant incentive to dispose of obsolete and/or unneeded real property assets. GSA anticipates a substantial volume of properties being reported excess under passage of the Property Asset Management Reform Act.
- Modernize management information system – Property Disposal's current legacy system has remained a data tracking system of work-in-progress for the disposal of real property. However, more than two-thirds of current workload is in pre-disposal and post-disposal work that is not automated.
- Restoration of Six FTE To Direct Funding - The Office of Property Disposal has seen changes in legislation that have restructured or redirected disposals, which has limited our opportunities for reimbursable business. Reimbursable programs such as the Government Owned Real Estate program, legislation such as the Everglades Act, and customers like the Resolution Trust Corporation are no longer in existence. There is currently underway a cyclical shift of needs that compels Property Disposal to request a shift of resources to enhance productivity in the assistance of our 49 Act customers. The shift of six (6) reimbursable FTE to direct for use in the disposal of 49 Act properties will provide additional human capital to achieve our performance goal of disposing of 49 Act properties within 320 days.

General Services Administration OPERATING EXPENSES

The Office of Property Disposal will continue to use annual measures that indicate how well the program is making progress in achieving its strategies. These measures include customer satisfaction for both quality of service and how transactions are handled, and cycle time for the disposal of real property. The successful completion of the annual measures is expected to result in the attainment of our long-term goal.

Long-term Outcome Goal: To promote responsible asset management and achieve an 80% highly satisfied customer ranking for the national utilization and disposal programs by FY 2010.

Performance Goal: By fiscal year 2005, Property Disposal will complete 80% of 49 Act disposals within 320 days.

Performance Measure: Cycle time: Cycle time is the number of days between the date the report of excess was accepted by Property Disposal and the date the case was awarded. The anticipated outcome for cycle time is to minimize the time it takes to complete the disposal of real property and increase the percentage of property disposed of within the target days. Management uses this measure in making decisions on improving operations and successful accomplishment of this should improve customer satisfaction and reduce holding time for customers.

1. Percentage of disposals completed within 320 days.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
N/A	68%	73%	80%
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
80%	80%	80%	80%

Performance Goal: Attain a highly satisfied customer satisfaction score of 76% on the quality of service delivered by fiscal year 2005.

Performance Measure: Customer satisfaction from the Annual customer survey: An annual survey is sent to every customer by an independent private sector organization. The purpose is to determine how customers rate Property Disposal's overall quality of service. Property Disposal's goal is that by 2010 at least 80% of respondents rate our overall quality of service as highly satisfied.

2. Percentage of customers indicating satisfaction on annual customer survey.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
N/A	75%	75%	76%
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
77%	78%	79%	79%

Performance Goal: Maintain "highly satisfied" ratings of 93% on the Property Disposal Transaction Survey.

Performance Measure: Customer satisfaction from the Property Disposal Transaction Survey: A survey is sent to every customer after a transaction has been completed. The goal is to have 93% of respondents rate Property Disposal as "extremely satisfied" or "more than satisfied".

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3. Percentage of customers indicating satisfaction on customer transactional surveys.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
N/A	90%	92%	93%
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
93%	94%	94%	95%

Both customer satisfaction surveys provide management with information on how well the program is meeting customer expectations and what actions need to be taken to improve. They will also assist Property Disposal in developing a more responsive service offering for customers.

The following table reflects GSA's total costs for the Public Buildings Service (PBS) Real Property Utilization and Disposal program. It aligns the total spending with the performance targets and displays the funds that are available from all sources. PBS's Real Property Utilization and Disposal program is funded by the Operating Expenses appropriation for in-house program costs and by the Expenses, Disposal of Surplus Real Property account for contractual costs of the program. In addition, funds are available in a separate account for relocation expenses.

General Services Administration OPERATING EXPENSES

Budget Links:

FY 2005 Budget Request / Performance Goal Budget Links
Real Property Disposal - Public Buildings Service (PBS)
Total Sources of Funding
\$ (Thousands)

Long-term Outcome Goal

To promote responsible asset management and achieve an 80% highly satisfied customer ranking for the national utilization and disposal programs by FY 2010.

Performance Goal	Performance Measure	Funding Source	FY 2003		FY 2004		FY 2005		Change FY 04 to FY05	
			Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
By FY 2005, Property Disposal will complete 80% of 49 Act /1 disposals within 320 days.	Percentage of disposals completed within 320 days.	Operating Expenses Direct	68%	\$18,324	73%	\$14,675	80%	\$15,456	7%	\$781
		Expenses, Disposal Direct		4,483		11,132		13,959		2,827
		Total		22,807		25,807		29,415		3,608
Attain a highly satisfied customer satisfaction score of 76% on the quality of service delivered by FY 2005.	Percentage of customers indicating satisfaction on annual customer survey.	Operating Expenses Direct	75%	245	75%	350	76%	400	1%	50
		Total		245		350		400		50
		Operating Expenses Direct	90%	340	92%	400	93%	425	1%	25
Maintain "highly satisfied" ratings of 93% on the Property Disposal Transaction Survey.	Percentage of customers indicating satisfaction on customer transactional survey.	Total		340		\$400		425		25
		Operating Expenses Reimbursable	TBD	4,709	TBD	12,100	TBD	11,750	TBD	- 350
		Expenses, Disposal Reimbursable	TBD	254	TBD	600	TBD	600	TBD	0
Under development /2	Under development /2	Total		4,963		12,700		12,350		- 350
		Total Operating Expenses Direct		18,909		15,425		16,281		856
		Total Operating Expenses Reimbursable		4,709		12,100		11,750		- 350
Total Expenses, Disposal Direct and Reimbursable, Fund 190				4,737		11,732		14,559		2,827
Subtotal				28,355		39,257		42,590		3,333

/1 Federal Property and Administrative Services Act of 1949 (49 Act)

/2 Anticipated to be implemented in FY 2004

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Budget Links:

FY 2005 Budget Request / Performance Goal Budget Links Real Property Disposal - Public Buildings Service (PBS) Total Sources of Funding \$ (Thousands)									
	Funding Source	FY 2003		FY 2004		FY 2005		Change FY 04 to FY05	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
	Other Funding:								
	Real Property Relocation Expenses		0		6,050		6,000		-50
	Operating Expenses, No Year/1		4,017		2,000		1,769		-231
	Subtotal		4,017		8,050		7,769		-281
	Total Real Property Disposal		\$32,372		\$47,307		\$50,359		\$3,052

/1 Includes Lorton and Governors Island post conveyance expenses and the underutilized PBS Buildings program

General Services Administration

OPERATING EXPENSES

MANAGEMENT AND ADMINISTRATION

Strategic Direction

This program area supports management and administrative activities associated with GSA internal operations. These activities include: (1) the Office of the Administrator; (2) the Regional Administrators and their staffs; (3) the Office of Congressional and Intergovernmental Affairs; (4) the Indian Trust Accounting division; (5) the GSA Office of Emergency Management; (6) the Executive Secretariat; (7) administrative support of Congressional District and Senate State offices; and (8) the GSA Board of Contract Appeals. GSA requests \$27,180 thousand for these activities in fiscal year 2005.

Administrator and Regional Administrators

The Administrator and Regional Administrators are responsible for the execution of all functions assigned to GSA by the Federal Property and Administrative Services Act of 1949, as amended, and by other laws. These officials plan, coordinate, and supervise assigned programs in accordance with Central Office goals, objectives, and policies.

Office of Congressional and Intergovernmental Affairs

The Office of Congressional and Intergovernmental Affairs acts as GSA's liaison with Congress. The Office coordinates meetings and testimony before Congressional Committees for the Administrator and other agency senior staff; helps congressional offices solve GSA-related problems; coordinates responses to congressional inquiries; and supports the GSA legislative program through Congress.

Indian Trust Accounting

The Indian Trust Accounting division provides accounting services to the Department of Justice on Indian Trust Funds and assists in the Government's defense against Indian Tribal claims by providing accounting reports, other evidentiary materials, and expert witness testimony pertaining to accounting policies, practices, and procedures.

Emergency Management

GSA, by law and Executive Order, is responsible to assist Federal agencies responding to aid state and local governments, support client agency needs, and restore our own operations during domestic and national security emergencies. GSA's Office of Emergency Management plays an active role in the planning for all types of emergencies and supports them when the President declares a disaster or national emergency.

Presidential Decision Directive 67 assigned GSA the responsibility to ensure that Executive Branch departments and agencies have the tools needed to comply with Continuity of Operations (COOP) directives and to conduct Government-wide COOP training. GSA is also responsible for selected classified Continuity of Government activities, which include setting standards and establishing procedures for such activities.

Executive Secretariat

This office will continue to enhance GSA's ability to respond quickly and accurately to written inquiries from the public, Members of Congress, and other Governmental officials. The implementation of a new agency-wide correspondence man-

General Services Administration OPERATING EXPENSES

agement system and planned process improvements during fiscal year 2004 has resulted in improved performance.

Congressional Support

GSA provides support to 1,400 home-state offices for Senators and Members of Congress. This support includes office space, furniture and furnishings, property disposal, equipment and supplies, and storage and relocation services. GSA also provides Congressional Services Representatives in each GSA region as the contact points for all matters pertaining to Congressional, State, and district offices. The funds appropriated to this account reimburse the GSA Working Capital Fund for the support provided by the Congressional Services Representatives.

GSA Board of Contract Appeals

The GSA Board of Contract Appeals (GSBCA) was established under the Contract Disputes Act of 1978 as an independent tribunal to hear and decide contract disputes between Government contractors and GSA. The GSBCA also hears and decides disputes between contractors and other Executive agencies, including the Department of Treasury, the Department of State, the Department of Commerce, and the Department of Education. Additionally, the GSBCA hears and decides claims involving transportation rate determinations, travel and relocation expense claims, and claims for the proceeds of the sale of property of certain Federal civilian employees.

The GSBCA also provides alternative dispute resolution services to Executive agencies both in contract disputes that are the subject of a contracting officer's decision, and in other contract-related disputes.



GENERAL SUPPLY FUND

General Services Administration

GENERAL SUPPLY FUND

Overview

The General Supply Fund (GSF) is a full-cost recovery, revolving fund that finances certain activities within the Federal Supply Service (FSS) and the Federal Technology Service (FTS). FSS offers Federal agencies an extensive range of commercial services and more than four million commercial products. To provide total solutions for customers, FSS acquisition and service delivery activities are organized around five business lines: Global Supply, Commercial Acquisition, Vehicles Acquisition and Leasing, Personal Property Management and Travel and Transportation. A detailed discussion of each FSS business line is included in this document.

The Federal Supply Service also plays an important role in expanding electronic government (e-gov), one of the five key elements of the President's Management Agenda. In supporting this goal FSS will invest \$22 million in fiscal year 2004 and \$9.9 million in fiscal year 2005 in information technology projects within the e-gov initiative. GSA is the lead agency for three FSS mission-related projects; e-Acquisition (Integrated Acquisition Environment), e-Property (Federal Asset Sales) and e-Travel.

In addition, GSA is proposing a new general provision that would amend existing law to permit the Administrator, after consulting with the Office of Management and Budget (OMB), to retain not to exceed \$40 million in a fiscal year of surplus generated by the operation of the Fund to provide for governmentwide e-gov projects authorized under Section 3604 of title 44.

In January 2003, the GSA Administrator established the Office of Professional Services within the Federal Technology Service to manage and direct a new professional services program. This new business line provides assistance to Federal agencies in the areas of acquisition management, project management and financial management. Since this program involves non Information

Technology (IT) assisted procurement services it is financed through the General Supply Fund. A detailed discussion of the Professional Services business line is included in this document.

A consolidated Income Statement for the Fund, broken out by the six business lines, a Waterfall Table explaining budget changes from FY 2004 to FY 2005, and a consolidated Object Class Schedule are also included.

**General Services Administration
GENERAL SUPPLY FUND**

INCOME STATEMENT
\$(Thousands)

	FY 2003 Actual	FY 2004 Current	FY 2005 Request	FY04/05 Change
Income				
Supply	\$968,431	\$1,017,185	\$1,024,839	\$7,654
Commercial Acquisition	549,279	473,887	513,767	39,880
Vehicle Acquisition & Leasing	1,701,931	1,560,333	1,591,540	31,207
Personal Property Management	15,802	16,100	16,422	322
Travel and Transportation	13,029	11,396	11,624	228
Professional Services	20,801	978,631	1,174,357	195,726
E-Government Initiatives	0	0	0	0
Subtotal Income	\$3,269,273	\$4,057,532	\$4,332,549	\$275,017
Expense				
Supply	\$943,316	\$984,087	\$1,006,662	\$22,575
Commercial Acquisition	420,514	428,221	455,318	27,097
Vehicle Acquisition & Leasing	1,654,391	1,514,582	1,527,079	12,497
Personal Property Management	17,244	17,876	17,738	(138)
Travel and Transportation	9,582	12,589	12,344	(245)
Professional Services	21,162	973,000	1,165,180	192,180
E-Government Initiatives	33,893	22,000	9,900	(12,100)
Subtotal Expense	\$3,100,102	\$3,952,355	\$4,194,221	\$241,866
Net Income from Operations	\$169,171	\$105,177	\$138,328	\$33,151
Less Reserve/Requirements	\$47,306	\$40,700	\$62,700	\$22,000
Final Adjusted Profit (Loss)	\$121,865	\$64,477	\$75,628	\$11,151
Net Outlays	(\$49,711)	\$0	\$0	\$0
FTE	2,889	2,908	2,908	0

**General Services Administration
GENERAL SUPPLY FUND**

GENERAL SUPPLY FUND Explanation of Budget Changes Obligations \$(Thousands)	
FY 2004 Current Level	\$4,896,773
Business Volume	+211,789
Adjustments.....	+13,768
Change in Capital Acquisitions.....	
Pay	+7,535
Increase.....	
Increase in Rental Payments to GSA.....	+817
Payment to Capital Security Cost Sharing Program.....	+37
FY 2005 Total	\$5,130,708

**General Services Administration
GENERAL SUPPLY FUND**

GENERAL SUPPLY FUND Obligations by Object Class \$(Thousands)			
	FY 2003 Estimate	FY 2004 Current	FY 2005 Request
Personnel Compensation:			
11.1 Full-time permanent	\$183,993	\$189,232	\$195,051
11.3 Other than full-time permanent	2,558	2,637	2,718
11.5 Other personnel compensation	5,317	5,474	5,743
11.9 Total personnel compensation	191,868	197,343	203,512
12.1 Civilian personnel benefits	42,866	44,070	45,425
13.0 Benefits for former personnel	229	234	238
21.0 Travel and transportation of persons	6,981	7,020	7,160
21.0 Motor pool travel	670	695	709
22.0 Transportation of things	49,603	50,595	51,607
23.1 Rental payments to GSA	40,047	40,624	41,641
23.3 Communications, utilities, and misc. charges	7,091	7,032	7,376
24.0 Printing and reproduction	3,825	3,623	4,002
25.2 Other services	147,986	1,111,908	1,304,644
25.3 Purchases of goods and services from Government accounts	161,138	69,425	70,815
26.0 Supplies and materials	2,739,099	2,676,081	2,691,123
31.0 Equipment	674,926	688,101	702,433
42.0 Insurance claims and indemnities	22	22	23
99.9 Total Obligations	\$4,066,351	\$4,896,773	\$5,130,708

General Services Administration

GENERAL SUPPLY FUND - FSS

Strategic Assessment

Targeting the largest, most diverse market place in the world, the Federal Supply Service (FSS) – with over 10,000 contractors, affects financial transactions throughout the Government. We provide a value-added portal for virtually every commercial product or service needed by the Government. FSS is organized around five business lines, which comprise the General Supply Fund (GSF): Global Supply, Commercial Acquisition, Vehicle Acquisition and Leasing, Personal Property Management, and Travel and Transportation. The Federal Technology Service (FTS) manages the Professional Services business line which is also funded by the GSF, this business line is discussed following the discussion of FSS programs.

FSS provides customers with economical, efficient, and effective service delivery with significant savings in time and administrative costs, including teaming with GSA services to provide integrated service delivery where needed. Time and administrative cost savings are key reasons why agencies use FSS contracts. Logistics Management Institute conducted a study and found that it takes Federal agencies an average of 268 days to award a contract. In contrast a later Johnson & Johnson Associates study found it takes a Federal agency only an average of 49 days to make a similar purchase using an FSS Schedule. Based on Federal Procurement Data System (FPDS) of transactions greater than \$25,000 in Federal Supply Classes supported by FSS, agencies purchased \$88.5 billion of products and services; of these purchases only \$15.1 billion were purchased using FSS Schedules. Increased use of FSS Schedules by

Federal Agencies could potentially generate substantial savings for agencies and US taxpayers.

FSS continues to implement process improvements to optimize reliable, timely, and quality service and enhance its internal infrastructure and technology to meet the increasing demand for online tools and solution sets. Online technologies are measures of FSS success that in turn support GSA's strategic e-gov initiatives mandated in the President's Management Agenda (PMA) that allow our customers to purchase products and services as well as access information on Federal Supply Schedules, to make informed purchase decisions, perform price comparisons and gather vendor and contract information.

Trends, Issues and Concerns

FSS is continuously searching for solutions and methods through which to adapt and change to meet the needs of its customers. This is required to keep pace with the changing market place of the 21st century and to enable customers to meet the challenges they are faced with and will be faced with in the future. Some of the major trends, issues and concerns that face FSS are discussed below.

Consolidation of operations has been in the forefront of the business environment in recent years and will likely continue to be a trend into the future. In order for customers to consolidate their operations around core functions turn-key integrated solutions are needed and are being provided by FSS. These integrated solutions include the bundling of functionality to complete a number of tasks with one product or application. Being aware of trends such as these and adapting to meet the

General Services Administration GENERAL SUPPLY FUND - FSS

changing needs of customers is an integral part of FSS being a superior provider of goods and services.

Human capital strategies are an issue for FSS as well as for most Federal agencies. As the business environment changes it is important to have a workforce that is capable of meeting the requirements and needs of the business world. These requirements are largely generated through the incorporation of new technology and practices in daily operations in all facets of FSS. Through the recruitment of new associates that possess the necessary skills to implement and sustain new business processes FSS is creating a well-qualified workforce for the future. Additionally, FSS provides training for its current associates ensuring they have the skills needed to do their jobs effectively helping to ensure that the organization continues to improve its operations and business practices. Human capital strategies reach all business lines at FSS as the associates that perform the work in the given business areas are the greatest asset to the organization. With this in mind it is important to keep a well-trained engaged workforce to balance the health of the organization.

One major concern for FSS is the integration of legislative initiatives that impact business models and or the use of FSS programs. Some examples of such legislative initiatives include Cooperative Purchasing and Section 803 of the FY 2002 Defense Appropriations Act. FSS has responded to these initiatives by enhancing technology, internal systems and committed resources to training and development of the workforce to meet the changes as a result of new legislation. Changes like these are likely to continue into the future and will require FSS to take

appropriate action to ensure the fulfillment of legislative initiatives.

Program Assessment Rating Tool (PART) Reviews

In FY 2002, four FSS programs were analyzed through a joint effort with the Office of Management and Budget (OMB) using the PART process to find ways in which program effectiveness and accountability can be improved. The programs assessed were the Vehicle Leasing, Vehicle Acquisition, Multiple Awards Schedules and the Supply Depots and Special Order programs. In FY 2003, the Personal Property Management program was assessed using the PART tool. The findings of these evaluations will be further discussed in the business line breakouts of this document. By the third quarter of FY 2004 all FSS programs will have completed PART reviews.

Long-Term Outcome Goals

FSS has developed long-term outcome goals for each of its business lines. In addition to long-term goals, annual performance goals and performance measures have also been developed that are specific to a given program's long-term goals. These goals are outlined in detail in business line sections of this document.

Improved Oversight of FSS Contracting

The General Supply Fund will transfer \$2 million to the Office of the Inspector General (OIG) in FY 2005 for an expanded effort to conduct pre-award audits or contract performance assessments of government-wide contracts. These funds will be used by the OIG to ensure activities through FSS contract

General Services Administration GENERAL SUPPLY FUND - FSS

vehicles result in reasonable pricing for customers and adherence to fundamental contracting principles in the Federal Acquisition Regulations. FSS will work closely with the Office of the Inspector General to develop a pre-award/contract performance assessment program that targets possible areas of management weaknesses or contracts of particular significance because of price, value or government-wide importance.

General Services Administration GENERAL SUPPLY FUND - FSS

GSA Global Supply

Strategic Direction

FSS' Global Supply program provides quick fulfillment of recurring customer needs for basic business and mission supplies by leveraging best practices in supply chain management. The supply distribution system provides critical support to the government's national defense, wildfire suppression, disaster relief and other strategic missions worldwide.

Global Supply changed its business model in FY 2002 to develop a unified full-service program that will provide basic business and mission supplies and full-service supply logistics support to Federal customers. This will enable Global Supply to respond to the changing demands, conditions, and developments of the marketplace. By 2005, the Global Supply Business Line will align acquisition practices with the goal of reducing the cost of acquisition, and minimizing the cost of goods purchased—producing savings that will be reflected in lower mark-ups.

Sustaining strategic and emergency capabilities as part of an evolving and new service delivery program is a current issue for Global Supply. This issue is important as it involves the program's ability to meet its customer's needs. The key aspects of this issue are backorders, declining revenue, improved business processes and pricing concerns.

Backorders - Based on findings and recommendations as reported in the 2001/2002 FSS Customer Satisfaction

Survey customers' major concern when ordering through Global Supply is the occurrence of backorders in the system. The Office of Global Supply is taking steps to identify essential business items and eliminate backorders on these items, in turn increasing customer satisfaction and increasing the effectiveness of the program.

Declining revenue -The Supply business model has had relatively inflexible fixed costs in the face of steadily declining sales as Federal customers have shifted demand to other sources. The Office of Global Supply is currently implementing business development processes to add value, increase business volume and leverage customer purchasing. Additionally, the expansion of supply's product offering coupled with the streamlined ordering system is expected to ultimately drive up customer demand and increase revenues.

Improved business processes -The Office of Global Supply is negotiating a BPA with a major vendor in each of three categories: office products, tools and Maintenance/Repair/Operations (MRO) supplies. The Office of Global Supply will create strategic agreements with a third party for fulfillment of pre-selected items to result in increased number of commercial items available through the Supply system, without increasing warehouse costs or current depot inventory levels. The introduction of this expanded inventory took place in phases throughout the end of FY 2003, enabling FSS to monitor order processing and system functionality. The expanded distribution channel will leverage mature vendor delivery systems currently in place to better meet customer demands while lowering the supply chain's total operating costs. Improving efficiency and lowering program overhead will ensure the long-term health of the traditional supply system.

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Pricing concerns -The Supply program intends to align acquisition practices with the goal of reducing the cost of acquisition, thereby minimizing the cost of goods purchased, producing savings that would be reflected in lower mark-ups.

PART Status

The Supply Depots and Special Order program received a rating of “*Results Not Demonstrated*” on its FY 2004 PART review. OMB put forward the recommendations below based on their analysis of the program. Implementation of these findings will be incorporated in program operations and in future PART reviews and should result in improved PART ratings.

1. Develop adequate long-term measures.

FSS has established long-term goals for the FY 2005 budget cycle for each business line. The long-term goals for each business line are stated and discussed in the “Long-Term Goal” section of this document for each business line. FSS is continuing to work on its long-term goals to ensure that goals are in place, which represent business line operations.

2. Develop aggressive annual goals that support the achievement of long-term outcome goals.

In addition to the long-term outcome goals, annual performance goals and performance measures have been formulated to drive program performance toward the accomplishment of the long-term goals. Annual targets are assigned to each of the annual performance measures;

these targets are intended to drive program performance improvement and the achievement of the long-term outcome goals. Documentation and discussion of these goals and measures is in the “Long-Term Outcome Goal” section.

3. Evaluate the program to identify opportunities to increase efficiency and effectiveness by ensuring that redundancy with commercial sources is minimized and delivery models are standardized and/or consolidated.

Steps have also been taken to address OMB’s concerns about program efficiency and effectiveness. The Office of Global Supply has been working on the implementation of the Expanded Direct Delivery (EDD) program, which is designed to provide an efficient and effective delivery model for customer supply fulfillment. The EDD program will increase sales by expanding both the breadth and depth of products offered to customers by establishing contracts for direct delivery of goods to a customer from a commercial source of supply. EDD provides GSA customers seamless integration between products currently stocked in the depots and a significant portion of the qualified contractor’s catalog. The program is fully complementary with other FSS supply fulfillment options, including items stocked in the depot, items supplied by our socioeconomic partners—NIB, NISH, and UNICOR, and items available through Commercial Acquisition Multiple Awards Schedules.

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Strategy and Action Plans

The two key strategies driving the operations of GSA Global Supply are:

- Providing competitive solutions, services and products
- Implementation of process improvements to optimize reliable, timely and quality service

These strategies are the result of an evolving business model for the Office of Global Supply and are an expansion of the vendor direct delivery program already in existence. The Global Supply EDD distribution channel will leverage mature vendor delivery systems currently in place to better meet customer demands. In addition, product offerings will be increased to customers and delivery times reduced in turn increasing overall customer satisfaction.

Key actions to accomplish these strategies are as follows:

Expansion of Product Offerings --The Office of Global Supply is negotiating a BPA with a major vendor in each of three categories: office products, tools and Maintenance/Repair/Operations (MRO) supplies. The introduction of these expanded products has taken place in phases throughout the end of FY 2003 and in FY 2004, enabling FSS to monitor order processing and system functionality.

Consolidation of FSS' Distribution System -- In the Supply program, FSS completed consolidation of its distribution operations into two Distribution Centers at Stockton, CA and

Burlington, NJ, in January 2002. The consolidation decision was based on an independent analysis performed by the Logistics Management Institute showing FSS could save approximately \$176 million over a ten-year period. The savings include all costs to close six distribution centers. To further optimize the Supply Program value chain, FSS is relocating operations from Stockton, to Sharpe Army Depot, CA. The relocation will allow operating, transportation and space costs to be reduced by over \$9 million annually. Payback of an approximate \$20 million relocation investment will be within 3 years. Tompkins Associates provided the business case analysis to support the move and provided best practices for materials handling capability.

Through the actions above, Global Supply will reduce supply chain costs, maintain competitive pricing, improve customer satisfaction and enhance program performance.

Global Supply business initiatives stress use of e-gov strategies in support of the President's Management Agenda (PMA).

In FY 2005, the Office of Global Supply will conduct a formal study to assess the end-product warehouse management system at the Western Distribution Center (Sharpe site) and determine if this new technology should be transferred to the Eastern Distribution Center (Burlington site). Implementing this commercial software at Burlington will enable that facility to take advantage of efficiencies found in the software, reduce the number of operating systems within Global Supply, benefit from lower costs, and leverage the development cost at Sharpe. It is expected that this study will begin in the middle of FY 2004 and if it is concluded that the software should be used in Burlington, implementation will be in FY 2005.

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Global Supply is in the process of conducting a market survey for software/commercial approaches that will enable FSS to reduce backorders, increase stock-turn, improve inventory management productivity and provide more accurate forecasting of strategic and seasonal products. Upon completion of this survey, it is expected that a solicitation will be issued to procure a commercial inventory management software package. If the solicitation is issued, it is anticipated that implementation will occur in early FY 2005.

The Office of Global Supply will develop a human capital strategy in FY 2004 and begin to implement it by fiscal year's end, continuing into FY 2005. The goal of this plan will be to assess the staffing patterns in Central Office and in the regional Global Supply offices and to re-train, reallocate, or reduce staffing and/or functions, where appropriate.

Long-Term Outcome Goal:

The Global Supply business line has developed the following long-term outcome goal to drive its operations in FY 2005 and the out years.

Long-term Goal: Provide supply chain solutions for the global needs of our key strategic customers (DoD, Homeland Security, USDA, et.al.) by delivering timely (1 to 7 days) supplies for national emergencies and disasters at best value (25% overall markup*).

*Twenty five percent target is based on a goal of 35% for stocked items, and a 7% - 9% goal for vendor direct delivery items.

Four annual performance goals have been developed that focus on the accomplishment of this long-term goal. These goals also have annual performance measures that are measured to determine the success or progress that GSA Global Supply is making toward achievement of the goals. The program's performance goals and performance measures are outlined below.

Performance Goal: Maintain customer satisfaction, which is at the 75th percentile (currently 79) for customer satisfaction in government.

FSS feels that customer and/or commercial benchmark measures of Best Value and Efficiency and Effectiveness are desirable. FSS has fully loaded audited cost data and reliable performance data, but there are no comparable, reliable data sources for agency or industry benchmark metrics. Until reliable and efficient sources of customer and/or commercial benchmark metrics become available, customer satisfaction surveys, business volume and cost per unit measures continue to be the best measures of demonstrated results for these goals.

Customer satisfaction is of major importance as FSS is not a mandatory source of goods and services to its customers. Federal agencies are free to purchase goods and services provided by the FSS from commercial vendors or other Government agencies that may provide like services. FSS customers are concerned with getting the best value for their dollar as all budgets are finite and resources cannot be used

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frivolously or a programs mission may be in jeopardy. Considering these facts external customer surveys are a valuable barometer of how well FSS programs are doing at meeting customer needs and are used for this reason.

The following annual performance measure is used in conjunction with this goal.

Performance Measure: External customer satisfaction survey score.

This measure and its corresponding targets focus Global Supply on meeting its customers' needs and improving its operations into the future and evolving with its customers.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
75	79.6	79	79
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
79	79	79	79

Performance Goal: Reduce mark-up for GSA stocked Supply items from 47.5% to 43.5% -- toward best practice goal of 34%.

This goal is directly related to the cost of items that are purchased by customers from the stock program. In order for Global Supply to fund its operations the cost of operations must be recovered through the sale of goods and services to customers. The goods and services that are provided to agencies have a mark-up assessed on a given item based on the associated costs of supplying that item to customers. Through reductions to this mark-up the program becomes more efficient as operating costs would need to be

reduced and customers would be receiving goods and services at a lower cost.

The following annual performance measure is used in conjunction with this goal.

Performance Measure: Percent of Supply mark-up for stocked items.

This measure focuses on the average mark-up that Global Supply places on Stock items and is a measure of the mark-up needed to recover operating cost for the program. Through reducing the mark-up customer agencies pay less for the products they purchase and are able to apply the savings received to other mission critical functions.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
48.5%	45.9%	45%	43.5%
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
40%	37.5%	35%	34%

Performance Goal: Achieve all customer orders delivered within one to seven days.

The receipt of goods that customers purchase from Global Supply in a timely fashion is important for maintaining customer satisfaction. Customers are able to purchase from other sources and if FSS customers do not receive the items they order in a reasonable timeframe sales will be lost impacting the revenue the program is able to generate. Maximizing inventory delivery also increases inventory turnover thereby increasing the efficiency of the program.

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The following performance measure is used in conjunction with this goal.

Performance Measure: Percent of orders delivered within one to seven days (as shown by Transportation Management Solutions Services – TMSS)*

*TMSS for tracking of supply items will be implemented in FY 2004.

Through tracking the time it takes for a customer to receive its order Global Supply is able to monitor the efficiency of delivery times and confirm receipt of goods by customers. This is directly related to maintaining customer satisfaction and tracking the accomplishment of the related performance goal.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
New	New	TBD	TBD
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
TBD	TBD	TBD	TBD

*This is a new performance measure for which data has not been previously collected. Measures will be put in place in FY 2004 to establish a baseline for this measure which will be used to set targets for the out years.

Performance Goal: Increase fill-rate by 0.1% per year, from 95.2% to 95.4%, while maximizing inventory turns.

The ability of customers to receive the goods they order within a reasonable timeframe is important to ensure customer satisfaction and that customers are not lost to more timely suppliers of goods. If items are on back-order

and available through another supplier it is possible that customers will use that other source resulting in a loss of sales. Through reducing the occurrence of this event customer satisfaction should stay at acceptable levels and sales should not be lost to other sources. Increasing the fill-rate of orders will reduce back-orders and prevent the loss of sales to other sources.

The following annual performance measure is used in conjunction with this goal.

Performance Measure: Fill-rate for requisitions

Measuring the fill-rate of requisitions provides a measure of customer orders that are filled upon receipt. Preventing an item from being backordered and potentially resulting in a lost sale to another vendor that has the item in stock will result from timely fulfillment of orders. An increase to this measure improves customer satisfaction and the financial performance of the program.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
New	95.3%	95.3%	95.4%
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
95.5%	95.6%	95.7%	95.8%

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FY 2005 Budget Request / Performance Goal
Budget Links
GSA Global Supply
\$ (Thousands)

Long Term Outcome Goal									
Performance Goals	Performance Measure	FY 2003		FY 2004		FY 2005		Change FY04 to FY05	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Provide supply chain solutions for the global needs of our key strategic customers by delivering timely supplies for national emergencies and disasters at best value.									
Maintain customer satisfaction toward the 75th percentile for customer satisfaction in government	External customer satisfaction survey score	79.6	\$ 12,489	78	\$ 13,731	78.5	\$ 14,007	0.5	\$ 276
Reduce mark-up for GSA stocked Supply items from 47.5% to 43.5% -- toward goal of 34%	Percent of Supply mark-up for stocked items	45.9%	\$ 115,124	45.0%	\$ 111,202	43.5%	\$ 113,426	-1.5%	\$ 2,224
Achieve all customer orders delivered within 1 to 7 days	Percent of orders delivered within 1 to 7 days (as shown by Transportation Management Solutions Services -TMSS)	New	\$ 19,147	TBD	\$ 19,389	TBD	\$ 19,776	-	\$ 387
Increase fill-rate by 0.1% per year, from 95.2% to 95.4%, while maximizing inventory turns	Fill-rate for requisitions	95.3%	\$ 12,249	95.3%	\$ 12,564	95.4%	\$ 12,815	0.1%	\$ 251
Total		-	\$ 159,009	-	\$ 156,886	-	\$ 160,024	-	\$ 3,138

General Services Administration

GENERAL SUPPLY FUND - FSS

Commercial Acquisition

Strategic Direction

FSS Commercial Acquisition offers Federal agencies consistent, efficient and effective access to millions of competitively priced, state-of-the-art services and products that meet Federal customer needs. The mission of the business line is to provide commercial solutions to customers worldwide and reduce costs to the Government. This is accomplished by contracting with more than 8,000 commercial firms for more than 4 million commercial products and services. These products and services cover a vast array of items, from hardware to scientific and information technology applications. Commercial Acquisition also focuses resources on training customers to use FSS programs to the best advantage and encourage key vendors to use the schedules program.

The adoption of legislative initiatives that have the potential to impact the Commercial Acquisition business model and/or customers' ability to use its programs is a major concern. Cooperative purchasing is an example of an initiative that could bring these concerns to light.

The e-Government Act of 2002, section 211, authorizes state and local governments to purchase IT products and services from Commercial Acquisition's Schedule 70. Due to exceptional planning and creative use of technology, FSS was able to implement the required changes within weeks after the final rule was signed. A marketing and education campaign will focus on gaining the taxpayer savings envisioned by the legislation. FSS will make a concerted

effort to maintain high levels of customer satisfaction and superior service during the implementation of this new legislative initiative. Current customer relationships also need to be maintained and changes like these need to have no impact on the current customer base to insure that there is not a net loss in the number of customers served.

In recent years there has been a convergence between IT products, services, expert services and management tools, available in the commercial marketplace. Most of the products and services provided by FSS and the Federal Technology Service (FTS) have an IT component/aspect. GSA believes that FTS and FSS resources supporting technology and expert services could be better leveraged for our customers. A management and technology-consulting firm was hired to review the situation and make recommendations. The study concluded that GSA essentially has the right mix of products and services necessary to serve Federal customers. However, there are opportunities to improve service to customers and reduce costs.

The study recommendations included the realignment of certain FSS and FTS functions. In December of 2002, GSA announced a plan to combine and realign certain functions carried out in FSS and FTS. The realignment enables GSA to efficiently meet the rapidly growing needs of customer agencies for IT products and services, as well as other professional services. Organizational and functional realignments in FSS and FTS were completed in the first quarter of fiscal year 2003. The rationalization team comprised of FSS and FTS management continued to address and implement the study recommendations during fiscal year 2003. During fiscal year 2004 and 2005 FSS will monitor changes in technology, market trends and customer satisfaction, updating the mix of programs

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and services as required. Commercial Acquisition will closely monitor how implementation of the recommendations impacts FSS' customers and vendors.

PART Status

The Multiple Award Schedule program received a rating of "Results Not Demonstrated" on its FY 2004 PART review. OMB put forward the recommendations below based on their analysis of the program. Implementation of these findings will be incorporated in program operations and in future PART reviews and should result in improved PART ratings.

1. Adjust administrative fee to .75 percent and develop mechanisms for evaluating the effect of this adjustment on programs.

The multiple awards schedule administrative fee was reduced effective January 1, 2004. Tracking Multiple Awards Schedule program financials will be used as a mechanism to monitor the effect of the administrative fee adjustment on the program ensuring that program revenue is sufficient to cover program costs.

2. Develop adequate long-term measurable goals

FSS has established long-term outcome goals for the FY 2005 budget cycle for each business line. The long-term goals for each business line are stated and discussed in the "Long-Term Goal" section of this document for each business line. FSS is continuing to work on its long-term

goals to ensure that goals are in place, which represent business line operations.

3. Develop annual goals that are ambitious, meaningful and linked to the achievement of long-term outcome goals.

In addition to the long-term outcome goals, annual performance goals and performance measures have been formulated to drive program performance toward the accomplishment of the long-term goals. Annual targets are assigned to each of the annual performance measures; these targets are intended to drive program performance improvement and the achievement of the long-term outcome goals. Documentation and discussion of these goals and measures is in the "Long-Term Outcome Goal" section.

4. Improve training to help agencies achieve best value on negotiated procurements.

FSS instituted aggressive training strategies and actions for FY 2003. A no cost on-line training course, "Using GSA Schedules," was developed for Government customers and is available through the FSS UMAS website (www.fss.gsa.gov/umas). The training course provides information aimed to accelerate and streamline their responsibilities of fulfilling an agency's requirements for acquiring services or products at the best value from the quality contractors participating in the Schedules Program. A classroom version of the on-line training course started in May 2003. The course is presented by professional trainers at locations throughout the country, as well as provided on-site to agencies if requested. The success of these courses is monitored through customer satisfaction surveys, which assist in

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insuring that participants are receiving valuable and helpful information.

Strategy and Action Plan

The four key strategies driving the operations of Commercial Acquisition are:

- Creating innovative services and products
- Providing competitive solutions, services and products
- Implementing process improvements to optimize reliable, timely, and quality service
- Leveraging information technology

The Commercial Acquisition business line will continue to work to expand the selection of innovative services and products available to customers and improve its e-systems in ways that transform GSA's interaction with customers and taxpayers. Commercial Acquisition will also increase business development efforts to assess and monitor new demands from customers and increase the ease of utilizing the schedules program for all customers.

Commercial Acquisition will continue to expand its service and product offerings based on new customer requirements, as determined through changing agency missions and needs. Improvement of the e-systems that support this business line will transform interaction with customers that have critical needs such as homeland security solutions. Outreach programs that focus on education and information sharing with customers will have an impact on resources in the schedules business line.

Process improvements will also be incorporated to improve current operations. One major area where this will be incorporated is for Commercial Acquisition's SmartPay contracts. The GSA SmartPay program provides purchase, travel, and fleet card services to over 350 agencies and organizations. These services are provided under the GSA SmartPay multiple award contracts with private financial institutions. This program creates significant administrative savings for agencies; however issues have come to light relative to oversight of purchase cards and situations of abuse that do occur. Preventing these instances from occurring through process improvements is a major focus of the business line; a long-term goal has been created to address this issue.

Key actions to accomplish these strategies are as follows:

Consolidation of overlapping areas of FSS/FTS will create a more streamlined organization within GSA. The convergence of IT products and services with professional and financial expert services and management tools resulted in some overlaps in FSS and FTS programs. To improve GSA's leverage of resources and simplify programs for customers, a management and technology-consulting firm concluded GSA has the right mix of products and services, but could improve service to customers. During fiscal year 2004 and 2005 FSS will monitor changes in technology, market trends and customer satisfaction, updating the mix of programs and services as required.

In June of 2000, FSS and the Public Buildings Service (PBS) agreed to form an Acquisition Partnership that would be of benefit to customers and the taxpayers. The PBS objective was to seek out "best value" contractors to support the variety of

General Services Administration GENERAL SUPPLY FUND - FSS

services that PBS provides to Federal customers. FSS was developing new schedule contracts in the facilities maintenance area that would be of value to the service providers of as many as 400,000 Federally owned facilities. Now, based on PBS technical advice and assistance combined with FSS' schedules program acquisition knowledge, vendors can offer Federal property services such as facilities maintenance through one contract vehicle. The business case is compelling as FSS expands its services offerings and educates its customer base; PBS has shorter contractual lead-times, administrative cost savings, and an improved ability to manage the quality and consistency of services for Federal clients. The team has developed a CEU certified presentation and travels to regional offices to conduct sessions with FSS and PBS associates. FSS Regional Marketing Managers join the team in each region along with representatives from the Office of Enterprise Development and/or Small Business liaisons. In several regions, the team has hosted an Industry Roundtable or a Small Business forum. Industry is presented with information on the Partnership, the schedules program, and how to submit quality offers.

Utilization of systems such as E-Buy incorporates all of the key strategies discussed previously. E-Buy is an electronic Request for Quotes system component of GSA Advantage![™] designed to facilitate the request for submission of quotes for a wide range of commercial services and products that are offered by GSA Federal Supply Schedule contractors who are on GSA Advantage! E-Buy allows Federal agencies (buyers) to maximize their buying power by leveraging the power of the Internet to increase Schedule contractor participation in order to obtain

quotes which will result in a best value purchase decision. Commercial Acquisition will continue to educate its customers on this tool and increase its effectiveness to meet the needs of E-Buy users.

E-Gov Initiative – Integrated Acquisition Environment creates a secure business environment that will facilitate and support cost-effective acquisition of goods and services by agencies, while eliminating inefficiencies in the current acquisition environment. Commercial Acquisition will continue to support the development of this project.

Reviewing and analyzing current processes will facilitate process improvement in current business practices and initiate improvements. A review of the effectiveness of its GSA Advantage on-line ordering tool is currently in process. The results of the review are expected to be complete at the end of fiscal year 2004.

Customers of the commercial acquisition business line continue to demand more sophisticated solutions. This is evidenced by recent homeland security and information technology needs. Implementing the strategies listed above will help meet the changing needs of FSS customers and ultimately contribute to better value for each tax dollar spent.

Long-Term Outcome Goals:

The Commercial Acquisition business line has developed several long-term outcome goals to drive its operations in FY 2005 and the out years. The long-term goals that have been developed also have annual performance goals and performance measures that are linked to the accomplishment of these goals.

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Long-Term Outcome Goal: Increase value to the Federal government while reducing overall cost of acquisition across government.

This long-term goal is directly related to providing customers with the solutions they need in an ever-changing business environment while working to minimize costs to customer agencies. There is one annual performance goal that has been developed to support this goal.

Performance Goal: Manage direct costs, to ensure that best value is provided to customer agencies and the taxpayer.

Through monitoring program direct costs relative to revenue the Commercial Acquisition business line is able to concentrate on reducing its direct costs. Through reducing these costs the resources needed to administer the program are reduced and can be passed on through reduced pricing to customer agencies.

The following annual performance measure is used in conjunction with this goal.

Performance Measure: Direct cost as a percent of revenue.

This measure is tracked by monitoring program direct costs relative to the revenue that is generated by the program each fiscal year.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
11.6%	11.9%	11.7%	11.6%
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target

11.5%	11.4%	11.3%	11.2%
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Long-Term Outcome Goal: Improve Multiple Award Schedule (MAS) acquisition process, providing an increasingly effective alternative to more costly acquisition processes.

The focus of this goal is to ensure that the Commercial Acquisition business line stays abreast of changes in the marketplace and provides the services that its customers need to accomplish their mission. There are four supporting annual performance goals with performance measures for this long-term outcome goal.

Performance Goal: Reduce cycle time to process offers from 110 to 100 days.

This goal addresses the ability of the business line to stay abreast of changes and process improvements that develop over time. In order to address these changes the way that business is conducted may need to change to insure acceptable performance of the organization.

The following annual performance measure is used in conjunction with this goal.

Performance Measure: Cycle time to process offers (days)

Cycle times are used to measure the efficiency of a business process, as the timely completion of a task is a reasonable barometer of the efficiency of an organization. Additionally, the process used to complete a task is expected to improve over

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time and as a result the time period should become shorter until the maximum level of efficiency is reached.

Offers

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
110	92	105	100
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
100	100	100	100

Performance Goal: Reduce cycle time to process modifications from 23 days to 20 days.

Like the previous goal relating to offers this goal also addresses the ability of the business line to stay abreast of changes and process improvements that develop over time. In order to address these changes the way that business is conducted may need to change to insure acceptable performance of the organization.

The annual performance measure below is used in conjunction with this goal.

Performance Measure: Cycle time to process modifications (days)

Cycle times are used to measure the efficiency of a business process, as the timely completion of a task is a reasonable barometer of the efficiency of an organization. Additionally, the process used to complete a task is expected to improve over time and as a result the time period should become shorter until the maximum level of efficiency is reached.

Modifications

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
23	16	22	20
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
20	20	20	20

Long-Term Outcome Goal: Improve and implement Government-Wide Acquisition Contracts (GWACs) to better meet the needs of our customers.

The significance of this long-term goal is that it focuses on process improvements and implementation of GWACs, which were recently realigned to be part of FSS instead of FTS.

Performance Goal: Rationalize GWACs to reduce overlap and result in contract vehicles that are more complementary to MAS.

The reason for realigning GWACs with FSS instead of FTS was to reduce the overlap of services that GSA provides to its customers and promote efficient operations under one organization instead of two separate organizations. This goal directly addresses the intent of the Administrator in placing GWACs under the control of FSS.

The following annual performance measure is used in conjunction with this goal.

Performance Measure: Percentage of new GWACs and GWACs with significant changes reviewed by the CVRB.

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The Contract Vehicle Review Board (CVRB) is a board of experts in the field of MAS and GWACs that monitor new GWAC contracts and changes to existing contract to ensure that there is no overlap between the two contracting vehicles. Through tracking the percentage of GWACs that are reviewed the Commercial Acquisition business line is able to ensure that this goal is met.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
New	New	100%	100%
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
100%	100%	100%	100%

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FY 2005 Budget Request / Performance Goal
Budget Links
Commercial Acquisition
\$ (Thousands)

Long Term Outcome Goals										
Performance Goal	Performance Measure	FY 2003		FY 2004		FY 2005		Change FY04 to FY05		
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars	
Increase value to the Federal government while reducing overall cost of acquisition across government										
Manage direct costs, to ensure that best value is provided to customer agencies and the taxpayer.	Direct cost as a percent of revenue.	11.9%	\$ 14,488	11.7%	\$ 16,597	11.6%	\$ 18,423	-0.1%	\$ 1,826	
Improve Multiple Award Schedule (MAS) acquisition process, providing an increasingly effective alternative to more costly acquisition processes										
Reduce cycle time to process offers from 110 days to 100 days	Cycle time to process offers (days)	92	\$ 64,470	105	\$ 74,924	100	\$ 83,142	-5	\$ 8,218	
Reduce cycle time to process modifications from 23 days to 20 days	Cycle time to process modifications (days)	16	\$ 63,580	22	\$ 74,263	20	\$ 82,400	-2	\$ 8,137	
Improve and implement Government-wide Acquisition Contracts (GWACs) to better meet the needs of our customers										
Rationalize GWACs to reduce overlap and result in contract vehicles that are more complementary to MAS	Percentage of new GWACs and GWACs with significant changes reviewed by the CVRB.	New	\$ 4,386	100%	\$ 5,099	100%	\$ 5,657	\$ -	\$ 558	
Total			-	\$ 146,924	-	\$ 170,883	-	\$ 189,622	-	\$ 18,739

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Vehicle Acquisition and Leasing

Strategic Direction

The Office of Vehicle Acquisition and Leasing Services (OVALS) business line provides two distinct services.

GSA Automotive manages the acquisition of vehicles for all Federal agencies through consolidated acquisitions and the Multiple Awards Schedules program. By consolidating all their customer requirements, they are able to leverage their buying power to achieve significant discounts. In fiscal year 2003, GSA Automotive contracted for over 58,000 sedans, trucks and other non-tactical vehicles with a total price tag of more than \$1.2 billion. Through acquiring vehicles in large volume GSA Automotive achieves significant buying power and saves customers about 20 percent off manufacturer's invoice prices. This service is funded through fees paid by federal agencies.

GSA Fleet is a leasing program that manages a fleet of more than 190,000 vehicles. GSA Fleet provides non-tactical vehicles needed by civilian and military customer agencies with a comprehensive "cradle to grave" leasing program. GSA Fleet handles all aspects of the management of these assets, including vehicle acquisition, maintenance and repairs, accident management, fuel expenses, and resale of the used vehicles. Revenue is generated through monthly and mileage charges based on vehicle use.

The major trend that is facing the OVALS business line today is that customers are increasingly looking for more turnkey, integrated solutions as they consolidate operations around

core functions. In order to respond to this change in the marketplace the business line needs to take a two-prong approach to its operating strategy.

The first approach is to streamline order processing for customers. Through easing the ordering process for OVALS' customers, customers will need to spend less time on fulfilling their vehicle needs and focus more on mission critical tasks in turn increasing the efficiency of the customer organization. Some of the steps through which this will be achieved include improving the accuracy of shipping dates, notifications and order modifications. An emphasis will also be placed on reducing the number of paper-based orders and transition more toward an electronic platform.

Customer relationship management is the second element of providing turnkey solutions for customers. This will be achieved through expanded training and outreach efforts to identify special needs and requirements of customer organizations. Through more intense customer outreach OVALS will be more in touch with changes in the marketplace and will be able to change its practices and buying patterns to reflect these changes.

PART Status

There were two FY 2004 PART reviews conducted for the OVALS business line, one for each of its two programs, both programs received a rating of "*Results Not Demonstrated*". OMB put forward the recommendations below based on their analysis of the programs. Implementation of these findings

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will be incorporated in program operations and in future PART reviews and should result in improved PART ratings.

The action items as determined by OMB for the Vehicle Leasing program are outlined below with the steps that have been taken to address these concerns.

1. Develop long-term, measurable goals for this program that require continuous improvement (i.e., stretch goals) and are consistent with GSA's strategic goals.

FSS has established long-term outcome goals for the FY 2005 budget cycle for each business line. The long-term goals for each business line are stated and discussed in the "Long-Term Outcome Goal" section of this document for each business line. FSS is continuing to work on its long-term goals to ensure that goals are in place, which represent business line operations.

2. Develop annual goals that support the achievement of the long-term goals and, where possible, match similar annual FSS goals.

In addition to the long-term outcome goals, annual performance goals and performance measures have been formulated to drive program performance toward the accomplishment of the long-term goals. Annual targets are assigned to each of the annual performance measures; these targets are intended to drive program performance improvement and the achievement of the long-term outcome goals. Documentation and discussion of these goals and measures is in the "Long-Term Outcome Goal" section.

3. Modify its internal budget guidance to link more clearly its budget projections to the achievement of annual performance goals.

The FY 2004 OMB and Congressional Budget submissions were formulated with a major emphasis on linking the budget to the performance plan. Activities and outputs that affect a given target were outlined and tied to given performance measures. Through formulating the budget in this manner resources were allocated based on the achievement of performance goal targets that were outlined in the FY 2004 Annual Performance Plan. The FY 2005 budget submission is also being formulated in this same fashion placing an emphasis on linking budget dollars to long-term performance goals and measures.

4. Accelerate the development and deployment of fleet management services to address additional agency fleet management needs.

In addition to providing full "cradle to grave" services to our agency customers, GSA Fleet has developed specialized services such as dry rates for use in Sigonella and La Maddalena bases for the Navy (The Commander and Chief, United States Navy, Europe), in Guam for the Air Force (Pacific Air Forces Command), and special mileage rates for selected USMC locations as requests have been made to GSA Fleet. In FY 2004, GSA Fleet will provide dry rates in Germany for the Air Force. GSA is also reviewing its primary Fleet Management Services software with an eye on providing additional flexibility to the current services provided to our agency customers.

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The action items as determined by OMB for the Vehicle Acquisition program are outlined below with the steps that have been taken to address these concerns.

1. *Develop long-term, measurable goals for this program that require continuous improvement (i.e., stretch goals) and are consistent with GSA's strategic goals.*

FSS has established long-term outcome goals for the FY 2005 budget cycle for each business line. The long-term goals for each business line are stated and discussed in the "Long-Term Outcome Goal" section of this document for each business line. FSS is continuing to work on its long-term goals to ensure that goals are in place, which represent business line operations.

2. *Develop annual goals that support the achievement of the long-term goals and are supported by the budget request.*

In addition to the long-term outcome goals, annual performance goals and performance measures have been formulated to drive program performance toward the accomplishment of the long-term goals. Annual targets are assigned to each of the annual performance measures; these targets are intended to drive program performance improvement and the achievement of the long-term outcome goals. Documentation and discussion of these goals and measures is in the "Long-Term Outcome Goal" section.

3. *Modify its internal budget guidance to require a clearer explanation of the relationship between its budget projections and the achievement of the corresponding annual performance goals.*

The FY 2004 OMB and Congressional Budget submissions were formulated with a major emphasis on linking the budget to the performance plan. Activities and outputs that affect a given target were outlined and tied to given performance measures. Through formulating the budget in this manner resources were allocated based on the achievement of performance goal targets that were outlined in the FY 2004 Annual Performance Plan. The FY 2005 budget submission is also being formulated in this same fashion placing an emphasis on linking budget dollars to long-term performance goals and measures.

Strategy and Action Plan

The following key strategies drive the operations of the OVALS program.

- Continue to maximize volume purchasing power
- Implement process improvements focusing on reliable, timely and quality service

Through consolidating purchases into large orders GSA Automotive is able to obtain significant volume discounts from the major US automobile manufacturers. The savings that are passed on to customer agencies are approximately 20 percent less than manufacturer's invoice prices, creating a significant savings for customers and taxpayers.

Process improvements that will increase the efficiency and effectiveness of the OVALS programs will involve a significant portion of operations. Improvements in daily operating processes will improve the ability of the programs to fulfill

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customer needs and will also allow costs to be managed and reduced. The use of technology to manage the GSA fleet as well as to purchase vehicles will also help to drive operations into the future and ensure the success of the program.

Key Actions to accomplish these strategies are outlined below.

Through the formulation of consolidation plans for customer agencies GSA Leasing is able determine the cost of managing the non-tactical vehicle needs of customer agencies. In return customer agencies will have fleet services that can manage every aspect of their vehicle requirement from purchasing the vehicle to the scheduled maintenance and repair of the vehicle. Much of the savings that is generated for customers is in the form of reduced personnel costs as GSA associates take over the operations of the customers' fleet. Savings are also generated through the economies of scale that are generated through the GSA Leasing program.

Keeping operating costs as measured by cost per mile as low as possible is important to ensure that customers are receiving favorable terms for services at a good value to the taxpayer. In order to accomplish this, an emphasis is placed on purchasing the smallest and least costly vehicle while meeting the needs of the customer's mission. Minimizing the cost of maintenance and repairs is also an important part of this equation, through negotiating agreements with maintenance and repair service providers; volume discounts can reduce these costs.

Field Services Representatives (FSRs) also are an integral part of keeping maintenance and repair costs as low as possible. FSRs review costs to assure that FSS only incurs

the necessary expenditures on vehicles assigned to customers and look for less expensive solutions where applicable saving taxpayer dollars. GSA Leasing associates visit vendors to ensure competitive pricing and quality work.

The OVALS business line will also maximize remarketing revenues by developing a remarketing plan to maximize net proceeds of vehicles that are cycling out of the GSA Leasing program. Some possibilities include exploring opportunities to sell used vehicles to state and local governments. Minimizing the time between the delivery of new vehicles and the sale of old vehicles would also significantly reduce operating costs. Additionally, holding customers responsible for damage to vehicles also would increase the return that is realized through resale and help prevent GSA from suffering a loss due to damage incurred as a result of a customer's use of a GSA vehicle.

The further incorporation of technology into the operations of the OVALS' business practices will also aid in realizing the success of the outlined strategies. Enhancements to on-line ordering systems and increasing the resources dedicated to electronic ordering and data transmission including invoice and electronic mileage reporting will further enhance the efficiencies realized in daily business activities. AutoChoice, an on-line ordering module that allows FSS customers to choose and compare vehicle models and contract prices for many vehicle types is an example of an application employing these concepts. Some of the benefits of this system include allowing customers to view base prices as well as prices of equipment options, choose delivering dealers and place orders. In addition, customers can check the status of orders placed, download a copy of the Federal Vehicle

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Standards and link to NHTSA's crash test results website. AutoChoice will calculate the prices for the selected vehicles and provide a price summary, including the GSA surcharge.

Long-Term Outcome Goals:

The Office of Vehicle Acquisition and Leasing Services business line has developed two long-term outcome goals to drive its operations in FY 2005 and the out years. The long-term goals that have been developed also have annual performance goals and performance measures that are linked to the accomplishment of these goals.

Long-Term Outcome Goal: Achieve acquisition cost savings for customer agencies by providing vehicles at 20% or more below manufacturers' invoice price.

This long-term outcome goal is designed for the Vehicle Acquisition portion of the business line. The purchase of vehicles is a major component of the OVALS business line as vehicles are purchased for customer agencies as well as for the GSA Fleet. Through volume purchasing OVALS is able to purchase vehicles below manufacture's invoice price and provide the vehicles to customer agencies. There are two annual performance goals that link to this goal.

Performance Goal: Increase customer satisfaction for GSA Automotive to the 75th percentile (currently at 79) or better for customer satisfaction in the government.

FSS feels that customer and/or commercial benchmark measures of Best Value and Efficiency and Effectiveness are desirable. FSS has fully loaded audited cost data and reliable

performance data, but there are no comparable, reliable data sources for agency or industry benchmark metrics. Until reliable and efficient sources of customer and/or commercial benchmark metrics become available, customer satisfaction surveys, business volume and cost per unit measures continue to be the best measures of demonstrated results for these goals.

Customer satisfaction is of major importance as FSS is not a mandatory source of goods and services to its customers. Federal agencies are free to purchase goods and services provided by FSS from commercial vendors or other Government agencies that may provide like services. FSS customers are concerned with getting the best value for their dollar as all budgets are finite and resources cannot be used frivolously or a programs mission may be in jeopardy. Considering these facts external customer surveys are a valuable barometer of how well FSS programs are doing at meeting customer needs and are used for this reason.

The following annual performance measure is used in conjunction with this goal.

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Performance Measure: GSA Automotive external customer satisfaction survey score.

This measure and its corresponding targets focus Vehicle Acquisition's effort on meeting its customers' needs and improving its operations into the future and evolving with its customers.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
78.7	75.7	78	79
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
79	79	79	79

Performance Goal: Maintain 20% or better discount from manufacturer's invoice price.

Focusing attention on the discount that Vehicle Acquisition achieves on its vehicle purchases directly affects the achievement of its long-term goal. Achievement of this goal also increases the value that customer agencies realize through using Vehicle Acquisition services as vehicle prices are significantly reduced through attaining this goal.

The following annual performance measure is aligned with this goal.

Performance Measure: Percentage discount from invoice price.

The percentage discount that Vehicle Acquisition receives from invoice prices is the measure of the actual price that is paid for vehicles purchased in relation to the invoice price. Significant discounts are possible due to the large orders that

are placed with manufacturers and the coordination of these orders to fit manufacturers' production schedules.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
27%	26%	= > 20%	= > 20%
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
= > 20%	= > 20%	= > 20%	= > 20%

Long-Term Outcome Goal: Achieve leasing rates to customer agencies that are 20% or more below commercial rates.

This long-term goal is based on the Vehicle Leasing portion of the OVALS business line. The cost of leasing a vehicle is the most relevant measure of the value that a customer agency is realizing by using this portion of the OVALS business. GSA Fleet is able to provide services at such low discounts due to operating efficiencies that are created based on the scale of its operations and its expertise in the industry. In order to track this long-term goal there are three annual performance goals that focus operations on areas that will affect the achievement of the long-term goal.

Performance Goal: Maintain customer satisfaction for GSA Fleet at the 75th percentile (currently at 79) or better for customer satisfaction in the government.

FSS feels that customer and/or commercial benchmark measures of Best Value and Efficiency and Effectiveness are desirable. FSS has fully loaded audited cost data and reliable performance data, but there are no comparable, reliable data sources for agency or industry benchmark metrics. Until reliable and efficient sources of customer and/or commercial

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benchmark metrics become available, customer satisfaction surveys, business volume and cost per unit measures continue to be the best measures of demonstrated results for these goals.

Customer satisfaction is of major importance as FSS is not a mandatory source of goods and services to its customers. Federal agencies are free to purchase goods and services provided by FSS from commercial vendors or other Government agencies that may provide like services. FSS customers are concerned with getting the best value for their dollar as all budgets are finite and resources cannot be used frivolously or a programs mission may be in jeopardy. Considering these facts external customer surveys are a valuable barometer of how well FSS programs are doing at meeting customer needs and are used for this reason.

The following annual performance measure is used in conjunction with this goal.

Performance Measure: GSA Fleet external customer satisfaction survey score.

This measure and its corresponding targets focus Vehicle Acquisition's effort on meeting its customers' needs and improving its operations into the future and evolving with its customers.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
83	83.7	83	83
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
83	83	83	83

Performance Goal: Maintain the gap between GSA Fleet rates and commercial rates at 20% or more.

The difference between GSA Fleet rates and commercial rates is a valuable goal as customer agencies are able to acquire fleet services through commercial vendors should they find a commercial source that provides services at a better value for the customer. Through keeping GSA Fleet rates below that of other comparable sources the customer base should continue to be satisfied with the services received and potentially new customers will come to GSA Fleet for their vehicle leasing needs. This goal is based on weighted average rates of sedans, SUVs and minivans.

Performance Measure: Percentage GSA Fleet leasing rates below commercial rates on the GSA Vehicle Leasing Schedule.

In order to measure the accomplishment of this goal GSA leasing rates are tracked in comparison to industry rates. Maintaining rates equal to or 20% below these rates will ensure the accomplishment of this goal.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
New	58%	= > 20%	= > 20%
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
= > 20%	= > 20%	= > 20%	= > 20%

Performance Goal: Consolidate other Federal agencies' vehicles to reduce overall cost of fleet to the government.

Through consolidating customer agency fleets when economically beneficial GSA Fleet is able to apply its expertise

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and experience in saving customers money on vehicle expenses. These consolidations allow GSA Fleet to incorporate its economies of scale and its institutional knowledge into improving fleet operations of other agencies.

The performance measure below is used to monitor the success of GSA Fleet in accomplishing this goal.

Performance Measure: Annual savings to the Government (\$ millions) per customer cost benefit study.

It is important to quantify the amount of the savings that are being generated by consolidations as this gives the true bottom line for each consolidation. By tracking consolidations in this fashion business decisions can be made to consolidate vehicles based on savings and affects on the programs bottom line.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
\$1.87	\$3.10	\$3.56	\$3.56
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
\$3.56	\$3.56	\$3.56	\$3.56

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FY 2005 Budget Request / Performance Goal
Budget Links
Vehicle Acquisition and Leasing
\$ (Thousands)

Long Term Outcome Goals			FY 2003		FY 2004		FY 2005		Change FY04 to FY05	
Performance Goal	Performance Measure		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
			Achieve acquisition cost savings for customer agencies by providing vehicles at 20% or more below manufacturers' invoice price							
Increase customer satisfaction to the 75th percentile or better for customer satisfaction in the government	GSA Automotive external customer satisfaction survey score		75.7	\$ 1,440	78	\$ 2,134	79	\$ 2,176	1	\$ 42
Maintain 20% or better discount from manufacturer's invoice price	Percentage discount from invoice price		26%	\$ 7,880	= > 20%	\$ 9,814	= > 20%	\$ 10,010	-	\$ 196
Achieve leasing rates to customer agencies that are 20% or more below commercial rates										
Maintain customer satisfaction at the 75th percentile or better for customer satisfaction in the government	GSA Fleet external customer satisfaction survey score		83.7	\$ 16,415	83	\$ 17,616	83	\$ 17,968	-	\$ 352
Maintain the gap between GSA Fleet rates and commercial rates at 20% or more	Percentage GSA Fleet leasing rates below commercial rates on the GSA Vehicle Leasing Schedule		58%	\$ 53,739	= > 20%	\$ 56,446	= > 20%	\$ 57,575	-	\$ 1,129
Consolidate other Federal agencies' vehicles to reduce overall cost of fleet to the government	Annual savings to the government (\$ millions) per customer cost benefit study		\$3.10	\$ 8,091	\$ 3.56	\$ 8,439	\$ 3.56	\$ 8,607	-	\$ 168
Total			-	\$ 87,565	-	\$ 94,449	-	\$ 96,336	-	\$ 1,887

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Personal Property Management

Strategic Direction

FSS' Personal Property Management program specializes in government cost avoidance and property sales through a variety of solutions. Property no longer needed by one Federal agency may fill a need in another, thereby avoiding new procurements or it may be donated to state governments or approved non-profit organizations. Property whose value cannot be extended by reuse or donation to state agencies is sold to the public. As part of its disposal services, FSS offers GSA Auctions™ as the preferred method of surplus property sales on behalf of executive agencies. The Sales Program is funded by the receipts from the sales of property that passes through the system.

In addition to the funding that this program receives through the General Supply Fund, funding is also provided through the Operating Expenses account of GSA. The Utilization and Donation (U&D) portion of the program receives funding through this source. The responsibility of this segment of the program is to transfer excess personal property from one government agency to another when the current owner no longer has a use for the given property. In the event that the property cannot be used within the Federal Government it may be donated to state governments or approved non-profit organizations. The request for funding in FY 2005 to fund the U&D portion of the business line is \$12,295 thousand; this appropriation request is presented to Congress in the consolidation of the Operating Expenses request for GSA.

Further explanation of the use of these funds is given in that section of the budget request.

Sustaining strategic and emergency capabilities as part of evolving and new service delivery programs for a complex and extremely diverse customer base is a major issue currently facing the Personal Property Management program. The two specific areas of the Personal Property Management business line that are affected by this issue include business processes and customer relationships.

The Personal Property Management business line will improve their business processes to better meet customers' needs by promoting a fully integrated disposal system to streamline the disposal process. Additionally, it is anticipated that sales transactions will increasingly be done electronically, thereby leveraging technology to better serve their customers. To address this issue, the business line will also consolidate sales management functions and implement XcessXpress.

FSS will improve relationships with customers by providing additional customer outreach and offering guidance and training on property programs and systems. Through this type of involvement the business line will also be able to adapt its services to better fit the changing business environment as FSS will be more in tune to what their customers need.

PART Status

The Personal Property Management program was included in the FY 2005 OMB PART review and like the FSS programs from the FY 2004 review it also received a rating of *“Results Not*

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Demonstrated". The recommendations of this review were received and are stated below in addition to the actions that are planned to date to address OMB's recommendations.

1. *Develop acceptable long-term outcome goals, including efficiency goals. The current efficiency measures used by FSS do not meet the definition of efficiency measures used by OMB.*

FSS has established long-term outcome goals for the FY 2005 budget cycle for each business line. The long-term goals for each business line are stated and discussed in the "Long-Term Outcome Goal" section of this document for each business line. FSS is continuing to work on its long-term goals to ensure that goals are in place, which represent business line operations.

2. *Resolving some "boundary conditions" in the roles and responsibilities of FSS and OGP in carrying out the GSA mission in this area.*

FSS Personal Property Management associates met with Office of Government-wide Policy (OGP) associates in an offsite meeting in May of 2003 to discuss issues relative to "boundary conditions". FSS and OGP will continue to work together to strengthen this relationship in Personal Property Management.

3. *Developing performance-based agreements with the State Agencies for Surplus Property (SASPs) who assist FSS in executing this program.*

The Personal Property Management business line researched the potential of forming performance-based agreements with SASPs. Through the advice of GSA's legal offices it has been determined that performance standards be applied up to the limits of the law and regulations. FSS will work with OGP to assure that sufficient guidance is present in the personal property regulations on which to base good performance-based agreements with the SASPs.

4. *Developing an acceptable independent assessment process for this program.*

An independent assessment of the Utilization and Donation (U&D) component of the Personal Property Management program began in FY 2003 as part of the Federal Asset Sales e-gov initiative. This study will be a sweeping review of the state of U&D across the Federal government, with a significant portion of the study reviewing FSS' U&D program. Recommendations will be forthcoming in FY 2004. In regard to the sales program FSS will propose that the GSA Office of the Inspector General include the Sales program on its FY 2005 Audit Plan. The implementation of GSA Auctions prevented such a review from taking place in FY 2002, which was recommended originally.

5. *Changing the budget presentation to show in at least one place all of the costs associated with this program, regardless of their funding source. The PART identified three different funding sources.*

GSA's FY 2005 Congressional Justification includes a table in the Operating Expenses account that reflects GSA's total cost for the FSS Personal Property Disposal Program.

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Strategy and Action Plan

The two main strategies the Personal Property Management program will employ in continuing operations are:

- Implementing process improvements to optimize reliable, timely and quality service.
- Leveraging information technology to maximize use of and improve online tools and technology for a fully integrated disposal system

To achieve these strategies, the Personal Property Management's Sales Program must offer Federal agencies state-of-the-art systems and services that meet Federal customer needs. The program will continue to work to expand the selection of innovative services available to customers and improve its e-systems in ways that transform GSA's interaction with customers and taxpayers. This program also focuses resources on training customers to use the Sales Program's on-line systems to the best advantage.

The use of tools such as GSA Auctions™ is an example of how information technology will be integrated into the Personal Property Management business model and influence operations in the future. GSA Auctions™ is not location-dependent, as is the more traditional sealed bid process. This new sales approach allows FSS to consolidate its sales function. By FY 2004, GSA Auctions™ is expected to generate significant savings annually within the business line through reduced printing, mailing, advertising and travel expenses. Despite trends toward

reduced property available for disposal, GSA Auctions™ generated \$25.7 million in proceeds during FY 2003.

Key Actions to accomplish these strategies are as follows.

Customer outreach and training will be incorporated through field representatives who will be available and receptive to customer inquiries (customer outreach), and customer training needs. Personal Property Management will segment the market by determining what agencies have a need for exchange/sale property versus those that need full disposal in addition to continuing excess property. An aggressive nationwide customer outreach/training schedule will promote the benefits of using our exchange/sale and utilization/donation programs to key and new customers at national events and during regional customer visits/training opportunities. Also, headquarter level visits will raise customer awareness while also targeting DOD as property generators for exchange/sale. Feedback from FY 2004 visits will be used and the schedule will be adjusted accordingly.

Through the use of GSA Auctions™, an electronic solution for revolutionizing and streamlining the management of surplus Federal assets, operating efficiencies will be realized. These auctions are completely web-enabled, allowing all registered participants to bid on items or lots of items within specified timeframes. The site offers the general public the opportunity to bid electronically, in a concurrent and easy-to-use format. The on-line capabilities of GSA Auctions™ provide competitive bidding and on-line photos; and as a consequence, GSA can now offer assets located across the country to any interested buyer, regardless of location. While this electronic platform is non-mandatory, it nevertheless provides a most cost effective and efficient means for the speedy sale of property.

General Services Administration GENERAL SUPPLY FUND - FSS

FSS will also bring greater efficiency and effective to sales for other agencies when it assumes ownership of the Federal Asset Sales (FAS) e-Gov initiative at the beginning of FY 05. FAS will enable FSS to offer new value added services to agencies, such as commercial enhancement of property descriptions and storage. Also, FAS will foster consolidation of Federal surplus sales and improve the market for this variety of property, which is expected to improve the return to the Government. GSA Auctions® is an integral component of the overall FAS solution, which is anticipated to create significant growth in the FAS e-marketplace, and thus better serve customer agencies and the taxpayer.

Long-Term Outcome Goals

The Personal Property Management business line has developed one long-term outcome goal that relates to the sale of personal property. There are two annual performance goals with annual performance measures that are centered on actions that address the accomplishment of the goal.

Long-term Outcome Goal: Provide optimal property disposal solutions for Federal agencies to maximize cost avoidance (Utilization/Donation), while efficiently and effectively managing the sale of surplus property.

Performance Goal: Achieve and maintain customer satisfaction at or above the 75th percentile (currently at 79) for customer satisfaction in government.

FSS feels that customer and/or commercial benchmark measures of Best Value and Efficiency and Effectiveness are desirable. FSS has fully loaded audited cost data and reliable performance data, but there are no comparable, reliable data sources for agency or industry benchmark metrics. Until reliable and efficient sources of customer and/or commercial benchmark metrics become available, customer satisfaction surveys, business volume and cost per unit measures continue to be the best measures of demonstrated results for these goals.

Customer satisfaction is important in all aspects of services provided to customer agencies the FSS. The Personal Property Sales program places a major emphasis on pleasing its customers. The sales portion of the Personal Property Management business line is unique in that the final stakeholder, the US taxpayer, is potentially the direct customer of the program. It is important that when excess property is sold to the public, the process is as user friendly as possible and free of burdens on the customer/taxpayer.

The following annual performance measure is used in conjunction with this goal.

Performance Measure: External customer satisfaction survey score.

This measure and its corresponding targets focus the Personal Property Management business line's effort on meeting its customers' needs and improving its operations into the future and evolving with its customers.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
73	75	77	78

General Services Administration GENERAL SUPPLY FUND - FSS

FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
79	79	79	79

Performance Goal: Ensure the timely, effective and efficient disposition of excess and surplus personal property by decreasing the time it takes to complete disposal action for excess property from 99 days to 86 days.

Reducing the amount of time that a given item is in the disposal system directly impacts operating costs and program efficiency. Through reducing the total days that an item is held warehousing costs, personnel costs and all operating costs are reduced.

The following annual performance measure is used to track performance of this goal.

Performance Measure: Cycle time for disposal process

Measurement of the number of days of cycle time to dispose of a given item is a direct measure of the days that an item was in the possession of FSS as part of this process. The days that an item is in the U&D portion of the disposal cycle is also included in this measure as this is the first phase of the disposal process.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
99	83	87	86
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
85	85	85	85

General Services Administration GENERAL SUPPLY FUND - FSS

FY 2005 Budget Request / Performance Goal
Budget Links
Personal Property Management
Total Sources of Funding
\$ (Thousands)

Long Term Outcome Goals			FY 2003		FY 2004		FY 2005		Change FY04 to FY05	
Performance Goal	Performance Measure	Funding Source	Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
			Provide optimal property disposal solutions for Federal agencies to maximize cost avoidance (Utilization/Donation) while efficiently and effectively managing the sale of surplus property.							
<p>Increase customer satisfaction toward the 75th percentile for customer satisfaction in government</p> <p>Ensure the timely, effective and efficient disposition of excess and surplus personal property by decreasing the time it takes to complete disposal action for excess property from 99 days to 86 days.</p>	External customer satisfaction survey score	General Supply Fund OE Direct	75	\$ 1,458 \$ 3,471	77	\$ 1,498 \$ 3,687	78	\$ 1,504 \$ 3,812	1	\$ 6 \$ 125
	Cycle time for disposal process	General Supply Fund OE Direct	83	\$ 11,593 \$ 6,719	87	\$ 10,884 \$ 7,137	86	\$ 10,881 \$ 7,377	-1	\$ (3) \$ 240
	Percent of property reported electronically	OE Direct	86%	\$ 1,008	99%	\$ 1,070	99%	\$ 1,106	0	\$ 36
		Total General Supply Fund Funding		\$ 13,051		\$ 12,382		\$ 12,385		\$ 3
		Total OE Direct Funding		\$ 11,198		\$ 11,894		\$ 12,295		\$ 401
		Total OE - Reimbursable Funding		\$ 1,864		\$ 2,626		\$ 2,701		\$ 75
		Subtotal		\$ 26,113		\$ 26,902		\$ 27,381		\$ 479

General Services Administration

GENERAL SUPPLY FUND - FSS

Travel and Transportation

Strategic Direction

The FSS Travel and Transportation business line helps control the government's direct and administrative costs for travel and transportation services. FSS leverages the Government's \$24 billion travel and transportation budget to establish favorable rates and provide significant savings to Federal agencies. Travel and Transportation programs are generally non-mandatory and funded through the fees customers pay. Travel services include commercial travel agency services, negotiated airline contracts, travel consulting, travel charge card services, lodging and employee relocation services. Transportation services include express package delivery, freight services and household goods moves as well as relocation of government employees. This business line is funded through fees paid by Federal agencies.

The business line also oversees the use of audit contractors to examine the government's air passenger, freight and household goods transportation billings to identify and seek recovery of incorrect billings and overpayments for the federal government. This program is financed from the collection of these overcharges from the transportation carriers.

Currently the most notable trend in the travel and transportation environment is the desire of customers to have more turnkey, integrated solutions as they consolidate operations around core functions. Customers are seeking simplified travel processes to better suit changing customer needs. This will be addressed through the implementation of

the e-Travel Service (eTS) contracts and expanded travel services to support the e-travel program. Prepayment audits of all transportation billings are now required by Public Law 105-264 so the business line must adapt to meet this requirement for customer agencies. FSS will continue to educate its customers on this requirement and increase the service level on this offering. The use of integrated systems to accomplish interconnected tasks will also address this trend. Often transportation functions such as prepayment audits, payment and dispute resolution are disconnected processes that when combined in one application can be completed more efficiently. (The separate justification for the Expenses, Transportation Audits Account provides additional information.)

PART Status

This program has not yet been reviewed using OMB's PART process.

Strategy and Action Plan

The following two strategies will be utilized to support operations of the Travel and Transportation business line.

- Implementation of process improvements to optimize reliable, timely and quality service
- Utilization of information technology to maximize use of and improve online tools and technology

In order to achieve these strategies the Travel and Transportation business line will support the implementation of

General Services Administration GENERAL SUPPLY FUND - FSS

an e-Travel program – a customer-centric, self-service, and web-based, end-to-end travel management solution. Additionally, the menu of travel services offered by the business line will be expanded to provide the turn-key solutions desired by the customer. The Transportation business line strategy includes the development of the Transportation Management Services Solution (TMSS), a web-based, fully automated, end-to-end system to handle all of our customers' transportation management needs, from rating and routing through pre-pay audit, payment, post-pay audit and dispute resolution. It is anticipated that TMSS will reduce operating costs by \$4.7 million during the first 5 years. Approximately \$363,000 of that will occur in FY 2004, the first year of implementation. Key actions to accomplish these strategies are as follows:

Industry and customer outreach efforts must be increased in order to develop new systems that provide electronic solutions for travel and transportation needs. The Travel and Transportation business line will work through the interagency E-travel task force to develop and implement electronic, customer-centric, web-based end-to-end travel management solutions for agencies. The transportation program will continue to analyze market research data in order to determine enhancements to the Transportation Management Services Solutions (TMSS).

The introduction and use of Travel Services Solutions (TSS) Schedule, a comprehensive contracting vehicle that will encompass a variety of distinct commercial travel services in support of the Government's travel needs, strives to implement process improvements for the travel functions. This schedule includes, but is not limited to, travel agent services and travel

consultants. The goal of the TSS Schedule is to provide the Federal Government with flexible, streamlined acquisition tools to meet its travel needs, obtain quality services at the best value, reduce acquisition time, reduce cost, minimize resource requirements, meet regulatory requirements, and achieve socio-economic goals. The TSS Schedule complements eTravel Service (eTS) by providing agencies with streamlined tools to migrate to and facilitate adoption of the eTS solution. It will also help agencies to accomplish their travel management needs.

The eTravel Service provides integrated solutions and Web-based tools for agencies to seamlessly integrate all travel and transportation procurement, payment and audit functions. Utilizing focus groups, industry awareness, and market research, the business line will develop trend data, establish priorities and target enhanced services that help streamline functions and bring efficiencies to the travel and transportation processes. Functions will include on-line booking, reservation, vouchering and reporting as well as potentially maintaining a business data warehouse to support management reporting, vendor negotiations, and oversight of travel policy compliance.

Through the implementation of these strategies and actions any Federal agency utilizing GSA's Travel and Transportation services will benefit from GSA's cost savings and technology enhancements. Federal agencies will derive administrative cost savings with the establishment of web based end-to-end transportation (TMSS) and travel (eTravel) solutions to manage transportation and more efficient ways to manage travel processes.

General Services Administration GENERAL SUPPLY FUND - FSS

Long-Term Outcome Goals

The Travel and Transportation business line has developed two long-term outcome goals which will influence the operation of the program in FY 2005 and the out years. One goal pertains to travel functions within the business line and the second goal focuses on efforts of the transportation functions of the business line.

Long-Term Outcome Goal: Provide an end-to-end and fully integrated travel management solution for agency customers, featuring a comprehensive Travel Services Solution Schedule to complement supporting eTravel Services (eTS).

This long-term goal focuses on the functions of the business line that are related to travel services. There are three annual performance goals and annual performance measures that help serve as guides to achieving the long-term goal.

Performance Goal: Achieve and maintain travel customer satisfaction at or above the 75th percentile (currently 79) for customer satisfaction in government.

FSS feels that customer and/or commercial benchmark measures of Best Value and Efficiency and Effectiveness are desirable. FSS has fully loaded audited cost data and reliable performance data, but there are no comparable, reliable data sources for agency or industry benchmark metrics. Until reliable and efficient sources of customer and/or commercial benchmark metrics become available, customer satisfaction surveys, business volume and cost per unit measures continue to be the best measures of demonstrated results for these goals.

Customer satisfaction is of major importance as FSS is not a mandatory source of most services for its customers. Federal agencies are generally free to purchase goods and services provided by FSS from commercial vendors or other Government agencies that may provide like services. FSS customers are concerned with getting the best value for their dollar as all budgets are finite and resources cannot be used frivolously or a programs mission may be in jeopardy. Considering these facts external customer surveys are a valuable barometer of how well FSS programs are doing at meeting customer needs and are used for this reason.

The following annual performance measure is used in conjunction with this goal.

Performance Measure: External customer satisfaction survey score (Travel Program customers)

This measure and its corresponding targets focus the Travel and Transportation business line's effort on meeting its customers' needs and improving its operations into the future and evolving with its customers.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
72	72.2	71	73
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
74.5	76	77.5	79

Performance Goal: Maximize percentage discount savings from the City Pair Program (CPP).

The CPP is the contract vehicle through which Government employees purchase airline tickets for official travel. Through

General Services Administration GENERAL SUPPLY FUND - FSS

using this program customer agencies are able to purchase air travel at significant savings over commercial rates, reducing travel costs and operating costs of customer agencies.

The following annual performance measure is used in coordination with this goal.

Performance Measure: Percentage discount from walk-up fare

Measuring the fares that Government agencies pay for travel using CPP and comparing these fares to average commercial fares on the same trip provides the data needed to calculate the percentage discount generated by CPP. This measure can also be used to track the overall savings realized on Government travel through the use of CPP and track the performance of the program.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
72%	72%	74%	74%
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
74%	74%	74%	74%

Performance Goal: Implement transition of Federal agencies to e-Travel Service by December 31, 2004 and complete migration to eTS by September 30, 2006.

The application of technology will help this business line meet its customer needs. The travel industry has evolved and become automated in the private sector and these applications are also applicable to Government travel and can produce savings and improve services. Through monitoring the use of

this new application the success of eTravel Service can be tracked to ensure that the desired benefits of the system are being realized. The number of agencies transitioned to this platform is an indicator of program success.

The following annual performance measure is used in coordination with this goal.

Performance Measure: Number of agencies migrating to eTravel Service*

Through tracking the number of customer agencies that use eTravel over time the success of the program can be determined. In the event that the number of users is not increasing it could be determined that improvements are needed to better suit customer needs. These statistics can then be used to assist in making informed management decisions.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
New	New	TBD	TBD
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
TBD	TBD	TBD	TBD

*This is a new performance measure for which data has not been previously collected. Measures will be put in place in FY 2004 to establish a baseline for this measure which will be used to set targets for the out years.

Long-Term Outcome Goal: Provide an end-to-end transportation/freight management system/solution to increase value for agency customers.

General Services Administration GENERAL SUPPLY FUND - FSS

This long-term goal is relative to the transportation and freight management services that are part of the Travel and Transportation business line. There is one annual performance goal with an annual performance measure that addresses this long-term goal.

Performance Goal: Increase the number of Federal agency customers through TMSS.

The efficacy of this increase will be measured by growth in freight program business volume, which is expected to grow 10% each year through FY 05 compared to FY 03 actual levels. TMSS utilizes technology to improve transportation and bundles all functions of the transportation process in one package. The automation of formerly paper intensive tasks not only saves time but these automated processes are more cost efficient. Increasing the number of TMSS users will generate significant savings of tax payer dollars.

The performance measure discussed below is being incorporated into tracking the success of this goal.

Performance Measure: Number of TMSS users*

Tracking the number of TMSS users like the dollar volume that runs through the system will give management a feel for the success and acceptance of the application. The number of users should increase over time indicating acceptance of the system in the Federal marketplace and the relative increase in the number of users can help gauge this success.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
New	New	TBD	TBD
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
TBD	TBD	TBD	TBD

*This is a new performance measure for which data has not been previously collected. Measures will be put in place in FY 2004 to establish a baseline for this measure which will be used to set targets for the out years.

General Services Administration GENERAL SUPPLY FUND - FSS

FY 2005 Budget Request / Performance Goal
Budget Links
Travel and Transportation
\$ (Thousands)

Long Term Outcome Goals			FY 2003		FY 2004		FY 2005		Change FY04 to FY05	
Performance Goal	Performance Measure		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Provide an end-to-end and fully integrated travel management solution for agency customers, featuring a comprehensive Travel Services Solution Schedule to complement supporting eTravel services (eTS)										
Increase travel customer satisfaction toward the 75th percentile for customer satisfaction in government	External customer satisfaction survey score		72	\$ 1,059	71	\$ 1,419	73	\$ 1,597	2	\$ 178
Maximize percentage discount savings from the City Pair Program (CPP)	Percentage discount from walk-up fare		72%	\$ 1,109	74%	\$ 1,417	74%	\$ 1,454	0%	\$ 37
Implement transition of Federal agencies to e-Travel Service by Dec. 31, 2004 and complete migration to eTS by Sept. 30, 2006.	Number of agencies migrating to eTS		New	\$ 1,827	8	\$ 2,349	16	\$ 2,441	8	\$ 92
Provide an end-to-end transportation/freight management system/solution to increase value for agency customers										
Increase the number of Federal agency customers through TMSS	Number of TMSS users		New	\$ 3,656	1,850	\$ 4,742	1,950	\$ 4,714	100	\$ (28)
Total			-	\$ 7,651	-	\$ 9,927	-	\$ 10,206	-	\$ 279

General Services Administration

GENERAL SUPPLY FUND - FTS

Strategic Assessment

The Federal Technology Service (FTS) provides information technology solutions and telecommunications services that deliver the best value and innovation in support of Federal agencies' missions. FTS meets Federal requirements in an effective and cost-efficient manner. FTS has five business units: Long Distance, Regional Telecommunications, Regional IT Solutions, National IT Solutions and Professional Services. All of the business units except Professional Services are financed by the Information Technology (IT) Fund. The Professional Services business unit is financed by the General Supply Fund.

Trends, Issues, and Concerns

The major trends, issues and concerns for FTS consist of Contract Bundling, Cost of Processing Small Task Orders, Execution of Consistent Customer Relationship Management (CRM) and Sales Practices in FTS, Human Capital - Training, Skills Development and Succession Planning, and Accurate Forecasting of Orders and Revenues.

General Services Administration GENERAL SUPPLY FUND - FTS

Professional Services

Strategic Direction

The Office of Professional Services Business Line will provide assistance on a cost reimbursable basis in the areas of acquisition management, project management, procurement support and financial management, to assist Federal agencies in acquiring a range of Professional Services via eight specific GSA Multiple Award Schedules. These schedules include: Management, Organization and Business Improvement (MOBIS), Logistics Worldwide (LOGWORLD), Professional Engineering Services (PES), Environmental Management, Energy Management, Language, Financial and Business Management and Marketing, Media and Public Information. Professional Services, established in FY 2003, rolled out offerings to customers for the first three listed schedules and will monitor customer requests for new services.

The value of Professional Services is that customer agencies can now obtain both IT and Professional Services acquisition support from an integrated service point in GSA. Delivering professional services empowers GSA associates to work across organizational boundaries and enhance the delivery of GSA services and best value solutions benefiting customer agencies and industry through improved procurement support.

We have identified significant long-term drivers of demand that include regulatory and legislative policies. For example, Government mandates such as OMB Circular A-76, the Government Performance and Results Act (GPRA), and the Federal Agency Inventory Review (FAIR) Act are prompting many agencies to enlist the services of management consultants via the MOBIS schedule, a trend that appears likely to continue into the foreseeable future.

FSS (Management Acquisition Center Business Development Plan for MOBIS and LOGWORLD) analysis and forecasts indicate substantial demand for both management consulting and logistics services among Federal agencies.

General Services Administration GENERAL SUPPLY FUND - FTS

Long-Term Outcome Goal: Establish a business model, supporting processes, and operational capability for providing assisted acquisition solutions for all specified FSS (non-IT) service schedules. Become the provider of choice to Federal Agencies for assisted services in the acquisition of Professional Services by increasing our customer base and enhancing FTS core capabilities.

Performance Goal: Increase operational capacity.

Performance Measure: Number of FSS Schedules for which we provide acquisition support.

The number reflects FSS schedules through which Professional Service offers support/solutions to Federal agencies. The number of schedules directly reflects the ability of Professional Services to provide total solutions and increases value to Federal customers.

FY02 Actual	FY03 Actual	FY04 Target	FY05 Target
Not Applicable	Not Applicable	8	15
FY06 Target	FY07 Target	FY08 Target	FY09 Target
TBD	TBD	TBD	TBD

Long-Term Outcome Goal: Ensure full cost recovery of the Program.

Performance Goal: Improve the financial condition of the Program.

Performance Measure: Direct operating expense as a percent of gross margin.

The operating expenses to gross margin ratio provides an efficiency measure of the rate structure of the fund. It gives an indication of the ability of a business unit to properly price with the goal to recover full costs.

FY02 Actual	FY03 Actual	FY04 Target	FY05 Target
Not Applicable	Not Applicable	52%	47%
FY06 Target	FY07 Target	FY08 Target	FY09 Target
47%	47%	47%	47%

**General Services Administration
GENERAL SUPPLY FUND - FTS**

FY 2005 Budget Request / Performance Goals
Budget Links

Professional Services
\$(Thousands)

Long-Term Outcome Goals										
Establish a business model, supporting processes, and operational capability for providing assisted acquisition solutions for all specified FSS (non-IT) service schedules. Become the provider of choice to Federal Agencies for assisted services in the acquisition of Professional Services by increasing our customer base and enhancing FTS core capabilities.										
	Performance Goals	Performance Measures	FY 2003		FY 2004		FY 2005		Change FY04 to FY05	
			Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
	Increase Operational Capacity	Number of FSS Schedules for which we provide acquisition support	N/A	\$732	8	\$17,386	15	\$19,681	7	\$2,295
Ensure full cost recovery of the Program										
	Improve the financial condition of the Program	Direct operating expense as a percent of gross margin	N/A	\$313	52%	\$7,451	47%	\$8,434	5%	\$983
Total			-	\$1,045	-	\$24,837	-	\$28,115	-	\$3,278

Explanation of Changes

The net change in operating expense from FY 2004 to FY 2005 reflects pay, inflation, and growth in anticipated business volume.



INFORMATION TECHNOLOGY FUND

General Services Administration

INFORMATION TECHNOLOGY FUND

Strategic Assessment

The Federal Technology Service (FTS) provides information technology solutions and telecommunications services that deliver the best value and innovation in support of Federal agencies' missions. FTS meets Federal requirements in an effective and cost-efficient manner.

FTS has five business units: Long Distance, Regional Telecommunications, Regional IT Solutions, National IT Solutions and Professional Services. All of the business units except Professional Services are financed by the Information Technology (IT) Fund. The Professional Services business unit is financed by the General Supply Fund.

Customers' needs are changing. Customers are addressing telecommunications requirements on an enterprise basis; combining local, long distance, data communications, and Information Technology (IT) requirements as part of a complete agency or enterprise architecture. Customers' desire integrated solutions, one-stop shopping and flexible packaging arrangements. Customers want the option of obtaining task/service order support from FTS (assisted services) or performing the same work with their own internal resources.

Trends, Issues, and Concerns

The major Trends, Issues and Concerns (TIC's) that affect the Federal Technology Service include (1) Enhance Management Controls within the IT Fund with focus on the acquisition, and financial policies and procedures, (2) Training, Skills Development, and Succession Planning, and (3) Retention of the Department of Defense (DoD) Client Base. In addition, each business unit has specific TIC's which are addressed in their respective strategic assessments.

1. Enhance Management Controls within FTS.

In light of increased business volume and complexity of acquisition process within FTS, FTS has taken aggressive actions designed to improve acquisition quality and integrity across FTS.

- The Commissioner of FTS has reiterated key policies and internal controls pertaining to FTS.
- The IT Solutions (ITS) business line is conducting an assessment to validate the value proposition of the business line and to develop long-term strategic goals, annual performance goals, and performance measures.
- Additional legal review requirements to assure compliance with all applicable laws, regulations, and internal GSA policies and procedures have been implemented.
- FTS is developing a series of detailed acquisition improvement plans that will specify required actions, methods, and results for each regional and national Client Support Centers.
- FTS has initiated an independent management review of the IT Solutions business line. It will include an analysis of all eleven regions and National ITS including the organizational, management and workforce structure. It will also assess the current training efforts and development of the workforce.

2. Training, Skills Development, and Succession Planning.

To ensure proper use of funds, formal training in Appropriations Law is being provided to all procurement, contracting, and financial regional associates. Formal and informal acquisition training in a number of areas has been conducted to solidify appropriate practices and prevent future misuses of FTS funds. Guidance and tools (i.e. checklists) have been developed to assist associates in accomplishing acquisition functions and to establish a solid foundation for acquisition efforts. Given the potential number of retirement eligibles, FTS must continue to aggressively and creatively recruit new associates. FTS must effectively train the

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INFORMATION TECHNOLOGY FUND

associates that have been hired to replace those associates nearing retirement.

3. Retention of DoD Client Base.

Department of Defense acquisition policies threaten to curtail or seriously reduce the amount of business DoD does with ITS. For several years, major military agencies (particularly the Department of the Army) have issued policies expressing use of their own internal contracting organizations as preferred sources of supply. Specifically, Section 803 of the FY 2002 Defense Authorization Act mandates the placement of restrictions on the use of multiple award contracts—particularly with GSA's Federal Technology Service and Federal Supply Service. Depending on the extent of DoD's reliance on its own contracting shops and the degree of restriction on the use of multiple award contract vehicles called for in Section 803 of the Defense Authorization Act, ITS could suffer a significant loss of business opportunities from DoD. DoD has traditionally constituted the majority of ITS business. Currently, sales and marketing staff are working on developing a strategy and action plan to provide our products and services at best value to all of our customer agencies.

Program Assessment Rating Tool (PART) Review

In FY 2003, the Regional IT Solutions program was assessed using the PART process. The findings of this evaluation will be further discussed in the Regional IT Solutions section of this document.

Long-Term Outcome Goals

FTS is working on developing long-term outcome goals for each of its business units that measure best value for its customers. In addition to the long-term goals, annual performance goals and performance measures have been developed that are specific to a given program's long-term goal. These goals are outlined in detail in the business unit sections of this document.

Improved Oversight of FTS Contracting

The Information Technology (IT) Fund will transfer \$2 million to the Office of the Inspector General (OIG) in FY 2005 for an expanded effort to conduct pre-award audits or contract performance assessments of government-wide contracts. These funds will be used by the OIG to ensure activities through FTS vehicles result in reasonable pricing for customers and adherence to fundamental contracting principles in the Federal Acquisition Regulations. FTS will work closely with the Office of the Inspector General to develop a pre-award/contract performance assessment program that targets possible areas of management weaknesses or contracts of particular significance because of price, value or government-wide importance.

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INFORMATION TECHNOLOGY FUND

Regional IT Solutions

The Regional Information Technology Solutions (ITS) business unit provides Federal agencies with systems definition and design, business and scientific software services, computer security studies and risk analyses, and access to all of FTS' products and services. A large part of the business unit is designed to enable Federal agencies to purchase information technology software, commodities, equipment, and non-complex services. It offers Federal agencies products and services, plus the "value-added" technical, acquisition, project management and financial services support. The Regional IT operates within particular geographic regions.

Strategic Direction

Regional IT Solutions has a clearly understood mission statement: "Regional IT Solutions assists Federal agencies in acquiring, deploying, managing, and using all types of IT products and services – primarily through the use of contracts with the private sector."

In an effort to be organized in the best way, many of our Regional IT Solutions offices have made adjustments to their organizational structure over the past few years to support their customers, in order to leverage long-term relationships with those customers and develop in-depth knowledge of their missions and strategic plans.

Accordingly, FTS initiated a business systems modernization program in the spring of 2001 called Third Generation System, or simply "3GS." The focus of the 3GS modernization effort is the design and implementation of an integrated system that supports all FTS business units with common business processes, within the context of a unified suite of integrated applications.

It is expected that the need for IT support will remain strong over the next few years, based on the requirements for the Department of Homeland Security and other Federal agencies' IT needs.

PART Status

A PART review has been completed for the Regional IT Solutions Program. FTS is in the process of implementing a corrective action plan that will include the following issues.

- 1) Implement recommendations contained in the final report developed by the Contract Vehicle Review Board (CVRB) to reduce the number of redundant contracts.

The CVRB found areas of contract vehicle overlap among the Schedules and Government-wide Acquisition Contracts (GWAC) programs and has made recommendations concerning many of the existing GWAC contract vehicles.

- 2) Develop long-term outcome goals and performance measures with ambitious targets that benchmark to other government agencies or the private sector performing similar work.

During FY 2003, FTS recognized the need to develop improved business performance goals and measures for IT Solutions. This need was reinforced when the Regional IT Solutions program was evaluated using the Office of Management and Budget (OMB) Program Assessment Rating Tool (PART) during FY 2003.

FTS awarded a task order to the Gartner Group, Inc. on August 22, 2003 to conduct an assessment to validate the value proposition of the IT Solutions business line (including both National and Regional business units) and to develop long-term strategic goals, annual performance goals and performance measures, which will show what IT Solutions will achieve for its customers.

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INFORMATION TECHNOLOGY FUND

The primary objectives of this assessment are to:

- Identify the key IT acquisition, procurement, and contract management services and practices and how these practices are bundled within IT Solutions and other agencies offering like services.
- Understand client agency motivations for acquiring these services from either ITS or other agency providers.
- Develop a set of critical success factors based on client agency discovery, research of industry best practices, and metrics.
- Recommend performance goals and measures that articulate business value and performance of IT Solutions provided services.

To date, work completed on the effort includes: 1) an internal organization discovery to understand IT Solutions services, business strategies, and plans; 2) an assessment of other government agencies to discuss critical success factors and identify acquisition requirements, buying behaviors, and procurement practices for different agencies; and, 3) an Acquisition and Procurement Organization analysis to study other organizations that are performing like IT Solutions missions and functions.

The assessment is currently in the final phase. FTS anticipates the outcome of the Gartner Group study will assist FTS to develop long-term outcome goals, annual performance goals, and performance measures so that they provide traceability from GSA strategic goals to discreet client agency acquisition, procurement, and contract management requirements. FTS will continue to report on existing performance measures pending the outcome of this effort to develop improved goals and measures.

3) Develop an internal review process that includes a systematic approach to correcting/addressing management deficiencies when they are identified.

Strategy and Action Plan (SAP)

Major Strategies and Action Plan

Strategies

The regions currently use IT Solutions Shop (ITSS) and Integrated Task Order Management System (ITOMS) systems to track finances, project status and procurement cycles to support its business interactions with client agencies and industry partners. ITSS is the only web-based ordering system that allows regional FTS associates the ability to collaborate with approximately 16,000 industry and 16,000 Government customer points of contact. ITSS enabled FTS to experience rapid growth, but the scalability of the product is peaking and must be replaced to take FTS' operational efficiency to the next level.

ITSS and ITOMS recently completed a major integration reengineering effort to improve data integrity and reliability. Although migration of regional data to the integrated ITSS/ITOMS is expected to be completed by February FY 2004, even fully integrated, these two systems will not allow the regions to improve service delivery, minimize operational costs, and provide a competitive advantage for IT Solutions.

The replacement of ITSS/ITOMS with 3GS will eliminate functional redundancy and value chain fragmentation, provide a highly scalable technology platform, and provide greater functionality desired by FTS not available in the current systems. By far, the greatest value opportunity is the replacement of existing systems

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with a single project ordering and management system using commercial off-the-shelf (COTS) software.

3GS requirements were engineered from the ground up supporting both national and regional programs' business functional needs. The 3GS program aspires to ensure that all requirements are met, relying on COTS software solutions, state-of-the-art technology, and modern business practices, including both electronic business-to-business (B2B) and collaborative commerce principles. 3GS is the first major project to be developed under the FTS Systems Development Life Cycle standard.

Action Plan and Performance

Overview:

The third of three critical design reviews and the final design review for the 3GS program was conducted in August 2003. The systems integration and systems acceptance tests are underway and scheduled to be completed in the 2nd Quarter of FY 2004. The initial software release will be deployed in phases to all FTS business units, commencing early 3rd Quarter of FY 2004 and completed by 4th Quarter of FY 2004.

Impact on performance:

3GS will primarily support the GSA goal to operate efficiently and effectively. As the principal business system for FTS, 3GS will unify national and regional programs and IT Integration, Telecommunications Services, and Professional Services programs under a common business system. 3GS will have far more functionality to support the supply chain management process than what is available in today's legacy systems and will improve FTS' business productivity. Additionally further efficiencies in servicing the customer will be attainable due to the elimination of manual

workarounds and data reconciliation efforts required to sustain current workload. 3GS will facilitate the development and implementation of business processes that will result in improved customer service and financial results.

3GS will also support GSA's goal to provide best value by improving on the level and uniformity of services delivered. 3GS will also support the GSA goal to ensure financial accountability by providing systematic controls and a two-way interface with GSA's accounting system, Pegasys, and will support the goal of maintaining a world-class workforce by providing knowledge management across FTS in developing and delivering solutions to customer agencies.

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Long-Term Outcome Goal: By 2008, become the provider of choice in the acquisition of Information Technology services by increasing the customer base and enhancing core capabilities.

Performance Goal: Meet customer requirements for transaction cycle time.

Performance Measure: Percentage of negotiated award dates for services and commodities that are met or bettered.

To improve customer communications concerning task order requirements and service expectations, Client Support Centers will track and report actual task order award dates for services and commodities against task order award dates that are negotiated with customers.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
93%	91%	>93%	>94%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
>95%	>96%	>98%	>98%

Performance Goal: Obtain best value solutions through competition.

Performance Measure: Percentage of the dollar value of eligible service orders awarded with performance-based statements of work.

Clients obtain best value solutions through performance-based contracting, which allows the client to define intended objective(s) rather than developing specification requirements. In addition, performance-based contracting uses positive and negative incentives to ensure timely and cost-effective delivery of solutions.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
<i>Not Measured</i>	<i>Not Measured</i>	40%	50%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
51%	51%	52%	52%

Performance Goal: Obtain best value solutions through competition.

Performance Measure: Percentage of task and delivery orders subject to the fair opportunity process.

As an executive agent, GSA is authorized to award and administer task and delivery orders against Government-wide Acquisition Contracts (GWACs) on behalf of other Federal agencies. This performance metric measures the competition fostered in placing orders against these contracts. It tracks the percent of task orders where all contract holders were afforded a fair opportunity to be considered for the award.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
70%*	86%*	>85%	>85%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
>86%	>86%	>87%	>87%

*For FY 2002 and 2003, this measure was planned and reported at the IT Solutions Business Line, which includes both the Regional and National IT Solutions business units.

General Services Administration INFORMATION TECHNOLOGY FUND

Long-Term Outcome Goal: Ensure full cost recovery of operations in the Information Technology (IT) Fund.

Performance Goal: Improve the financial condition of the IT Fund.

Performance Measure: Direct operating expense as a percent of gross margin.

The operating expenses to gross margin ratio provides an efficiency measure of the rate structure of the fund. It gives an indication of the ability of a business unit to properly price with the goal to

recover full costs. The ratio also considers the needs of the fund for reserves to meet future requirements.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
50%	57%	48%	48%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
47%	47%	46%	46%

General Services Administration INFORMATION TECHNOLOGY FUND

FY 2005 Budget Request / Performance Goals Budget Links Regional IT Solutions \$(Thousands)

Long-Term Outcome Goals										
<i>By 2008, become the provider of choice in the acquisition of Information Technology services by increasing the customer base and enhancing core capabilities</i>										
	Performance Goals	Performance Measures	FY 2003		FY 2004		FY 2005		Change FY04 to FY05	
			Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
	<i>Meet customer requirements for transaction cycle time</i>	<i>Percentage of negotiated award dates for services and commodities that are met or bettered</i>	91%	\$54,237	>93%	\$63,246	>94%	\$62,217	>1%	-\$1,029
	<i>Obtain best value solutions through competition.</i>	<i>Percentage of the dollar value of eligible service orders awarded with performance-based statements of work</i>	Not Measured	\$33,898	40%	\$39,529	50%	\$38,885	10%	-\$644
		<i>Percentage of task and delivery orders subject to the fair opportunity process</i>	86%	\$27,118	>85%	\$31,623	>85%	\$31,108	0%	-\$515
<i>Ensure full cost recovery of operations in the Information Technology (IT) Fund</i>										
	<i>Improve the financial condition of the IT Fund</i>	<i>Direct operating expense as a percent of gross margin</i>	57%	\$20,339	48%	\$23,717	48%	\$23,331	0%	-\$386
Total			-	\$135,592	-	\$158,115	-	\$155,541	-	-\$2,574

Explanation of Changes

In FY 2004, there will be additional expenses to operate and maintain 3GS along with the parallel operation of existing systems. In FY 2005, the net change in operating expenses is a result of overall reduced operations and maintenance. The FY 2005 operating expense level supports growth in business volume, as well as pay and inflation.

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INFORMATION TECHNOLOGY FUND

National IT Solutions

The National IT Solutions business unit assists Federal agencies on large, complex systems integration efforts, including hardware, software, maintenance, training and analysis support; delivers full service management of information technology acquisitions worth more than \$100 million; enables agencies to purchase information systems security services from various industry sources; and develops and deploys innovative new service areas that incorporate the most current technologies and approaches to solving Federal IT problems such as implementing financial and administrative systems, providing IT-based solutions to traditional training challenges encountered by Federal clients worldwide, including distance learning and computer-based training, and providing a full range of smart card services, and outsourcing solutions for the IT needs of Federal agencies.

Strategic Direction

National IT Solutions has a clearly understood mission statement: “National IT Solutions assists Federal agencies in acquiring, deploying, managing, and using all types of IT products and services – primarily through the use of contracts with the private sector.”

In an effort to be organized in the best way, our national program offices are organized around their customers so that they may leverage long-term relationships with those customers and develop in-depth knowledge of their missions and strategic plans. For example, in order to provide outstanding customer support, the largest National IT Solutions program, FEDSIM, is organized by four divisions that support DoD, Army, Navy, and Air Force clients, two divisions that support civilian sector clients, and one division that conducts all client acquisitions. Although we believe the current

organizational structure provides great access to our customers, we continue looking for ways to improve.

It is expected that the need for IT support will remain strong over the next few years, based on the requirements for the Department of Homeland Security and other Federal agencies’ IT needs. The need for IT support by state and local governments also presents IT Solutions with potential growth opportunities in a new market. Now that state and local governments have access to the IT schedules as authorized by Section 211, GSA is looking at ways to make sure they receive the support they need to use schedules wisely.

Strategy and Action Plan (SAP)

Major Strategies and Action Plan

Strategies

In order to improve service delivery, minimize operational costs, and provide a competitive advantage to its IT Integration, National IT Solutions programs will focus on the following strategic opportunities: the completion and implementation of the Third Generation System (3GS), and the strategic management of our human capital.

National IT Solutions Program offices currently use custom internal information systems to track finances, project status and procurement cycles to support its business interactions with client agencies and industry partners. In addition, there are a number of other systems used primarily for management reporting and business analysis that interface with the three business systems.

Due to the growth in the ITS business line over the past few years, existing systems are not fully meeting the needs of the business. The volume and complexity of business transactions have exceeded

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the ability of the systems' underlying technology. More importantly, these systems also do not have the necessary functionality to support business needs and meet growing customer expectations.

3GS will replace major business systems and several lesser systems, eliminate functional redundancy and value chain fragmentation among those systems, provide a highly scalable technology platform, and provide greater functionality desired by FTS not available in the current systems.

3GS is aligned to incorporate eGov requirements, specifically e-Authentication and Integrated Acquisition. 3GS will also align to the most recent, maturing vision of the GSA Enterprise Architecture by addressing artificial fragmentation in the value chain and integrating the GSA Enterprise Customer Information Management System (CIMS) with the project order and management modules for projects to facilitate straight-through processing.

In addition to the implementation of 3GS, National IT Solutions programs have placed a high priority on developing and maintaining a world-class workforce. It is important that we build and leverage our "intellectual capital," especially in the areas of project management, technology, acquisition and contracting. To do this, more of our associates will be receiving certifications in project management and acquisition. Also, an upcoming Quality Review of the FTS Organization will assess the adequacy of existing training and development programs. Our goal is to ensure that associates are trained in the mission critical areas of acquisition, technology, business and project management, and to ensure that learning opportunities are aligned with individual skill levels, program requirements and specific organizational priorities of the future.

Associates will be continually pursuing certifications in the areas of project management, technology and acquisition. Each National

Program office has selected associates to attend certification programs in the upcoming year.

Action Plan and Performance

Overview:

Implementation of 3GS throughout the National ITS programs is scheduled to be completed by the 4th quarter of FY 2004.

Impact on performance:

The National ITS business unit has identical performance measures to the Regional ITS business unit. However, their performance will be monitored and tracked separately using 3GS.

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Long-Term Outcome Goal: By 2008, become the provider of choice in the acquisition of Information Technology services by increasing the customer base and enhancing core capabilities.

Performance Goal: Meet customer requirements for transaction cycle time.

Performance Measure: Percentage of negotiated award dates for services and commodities that are met or bettered.

To improve customer communications concerning task order requirements and service expectations, Client Support Centers will track and report actual task order award dates for services and commodities against task order award dates that are negotiated with customers.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
88%	95%	>93%	>94%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
>95%	>96%	>98%	>98%

Performance Goal: Obtain best value solutions through competition.

Performance Measure: Percentage of the dollar value of eligible service orders awarded with performance-based statements of work.

Clients obtain best value solutions through performance-based contracting, which allows the client to define intended objective(s) rather than developing specification requirements. In addition, performance-based contracting uses positive and negative incentives to ensure timely and cost-effective delivery of solutions.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
<i>Not Measured</i>	<i>Not Measured</i>	40%	50%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
51%	51%	52%	52%

Performance Goal: Obtain best value solutions through competition.

Performance Measure: Percentage of task and delivery orders subject to the fair opportunity process.

As an executive agent, GSA is authorized to award and administer task and delivery orders against Government-wide Acquisition Contracts (GWACs) on behalf of other Federal agencies. This performance metric measures the competition fostered in placing orders against these contracts. It tracks the percent of task orders where all contract holders were afforded a fair opportunity to be considered for the award.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
70%*	86%*	>85%	>85%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
>86%	>86%	>87%	>87%

*For FY 2002 and 2003, this measure was planned and reported at the IT Solutions Business Line, which includes both the Regional and National IT Solutions business units.

General Services Administration INFORMATION TECHNOLOGY FUND

Long-Term Outcome Goal: Ensure full cost recovery of operations in the Information Technology (IT) Fund.

Performance Goal: Improve the financial condition of the IT Fund.

Performance Measure: Direct operating expense as a percent of gross margin.

The operating expenses to gross margin ratio provides an efficiency measure of the rate structure of the fund. It gives an indication of the ability of a business unit to properly price with the goal to recover full costs. The ratio also considers the needs of the fund for reserves to meet future requirements.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
82%	81%	67%	62%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
62%	61%	61%	60%

General Services Administration INFORMATION TECHNOLOGY FUND

FY 2005 Budget Request / Performance Goals Budget Links National IT Solutions \$(Thousands)

Long-Term Outcome Goals										
<i>By 2008, become the provider of choice in the acquisition of Information Technology services by increasing the customer base and enhancing core capabilities</i>										
	Performance Goals	Performance Measures	FY 2003		FY 2004		FY 2005		Change FY04 to FY05	
			Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
	<i>Meet customer requirements for transaction cycle time</i>	<i>Percentage of negotiated award dates for services and commodities that are met or bettered</i>	95%	\$24,839	>93%	\$27,121	>94%	\$27,941	>1%	\$820
	<i>Obtain best value solutions through competition</i>	<i>Percentage of the dollar value of eligible service orders awarded with performance-based statements of work</i>	Not Measured	\$15,525	40%	\$16,950	50%	\$17,463	10%	\$513
		<i>Percentage of task and delivery orders subject to the fair opportunity process</i>	86%	\$12,420	>85%	\$13,560	>85%	\$13,970	0%	\$410
<i>Ensure full cost recovery of operations in the Information Technology (IT) Fund</i>										
	<i>Improve the financial condition of the IT Fund</i>	<i>Direct operating expense as a percent of gross margin</i>	81%	\$9,315	67%	\$10,170	62%	\$10,478	-5%	\$308
Total			-	\$62,099	-	\$67,801	-	\$69,852	-	\$2,051

Explanation of Changes

The net change in operating expense from FY 2004 to FY 2005 reflects pay, inflation, and growth in business volume, primarily for FEDSIM.

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INFORMATION TECHNOLOGY FUND

Regional Telecommunications

The Regional Telecommunications business unit provides national program leadership and delivers telecommunications services to customers through eleven regional offices. Programs include the Metropolitan Area Acquisitions (MAA) for local access and local transport, *CONNECTIONS* for telecommunications infrastructure support, and other regionally negotiated agreements or contracts, including the Washington Interagency Telecommunications System (WITS). Regional Telecommunications also provides local voice and data telecommunications services to Federal agencies nationwide. Switched services are currently provided through more than 500 local telecommunications systems, which offer all the features of the most modern systems. The MAA contracts deliver substantial price reductions in local telephone markets by taking advantage of increased competition as permitted by the Telecommunications Act of 1996. With MAA contracts awarded in a total of 26 cities nationwide, FTS offers many local service customers the value FTS can provide in dealing with the changing environment, as well as the “cradle to grave” support offered by FTS that allows agencies to concentrate on core missions. FTS will also increase dialogue with industry, the Federal Communications Commission and State Public Utilities Commissions to assure that customers’ needs are met and satisfied.

Strategic Direction

There is a clearly understood mission and the office is organized in the best way without any unnecessary duplication. Efforts are underway to improve the organization by partnering with the IT Solutions Business Units at the national and local levels. The Telecommunications Ordering and Pricing System (TOPS) billing and ordering system requirements for the 4GS financial systems and improvements in data quality and reliability need to be reviewed.

We anticipate the telecommunications recovery will lag behind the broader technology industry as telecommunications carriers shed jobs to cut costs. Overcapacity is an issue with only 10% of available fiber optic pipes in use. This situation could stymie competition in the local telecommunications market possibly pushing prices up. The regulated environment is unsettled, since the recent FCC decision giving states authority on rules for Local Exchange Carriers (LECs) to lease parts of their network to competitors. This will create more confusion and inconsistency in the local markets. GSA should seek consistency in the regulated local telecommunications market.

An economic issue in this industry is the general concern of the financial viability of telecommunications sector and impacts on customers. The impact of this on our business unit is that the telecommunications sector has experienced many bankruptcies, mergers and acquisitions.

As the telecommunications and IT worlds continue to blur, telecommunications managers must be capable of understanding and delivering requirements that address both components. Over time there will be less emphasis on having telecommunications managers that support dial tone customers and greater emphasis on managing task order environment within integrated IT and Telecommunications solutions teams. FTS must continue development of contract management, project management, analytical, and writing skills that will enable the workforce to develop blended IT and telecommunications solutions task orders.

FTS ability to compete will be impacted without a blended local and long distance services offering. Without a blended service offering agencies might seek this offering directly from the service provider, resulting in a loss of both local and long distance revenue for FTS. This service is offered in limited cases in both residential and commercial markets. Failure to provide a blended service offering

General Services Administration INFORMATION TECHNOLOGY FUND

would primarily impact local and long distance voice services and would not necessarily impact other FTS services. The blending of local and long distance services by industry may require implementation of new processes.

Action Plan and Performance

Overview:

Regional Telecommunications plans to increase the diversity of its service mix between traditional dial tone services and expanded services. Increasing our expanded services via increasing task orders fulfills our customer's requirements by meeting their need for new technologies beyond traditional dial tone. Expanded services focus on solutions for first mile/last mile, supports converged technologies and offers a diverse range of features, functionality, and service aggregation for one stop shopping and end to end service for our customers.

Long-Term Outcome Goal: Meet our customer demand for more diverse service offerings by providing, at best value, an increasing percentage of Expanded Services in our service mix, while ensuring a high level of customer satisfaction with the services being offered.

Performance Goal: Deliver assisted services that demonstrate acquisition and project management excellence and result in solutions that meet customer mission requirements.

Performance Measure: Percentage of the dollar value of eligible service orders awarded with performance-based statements of work.

This is a measure of contracts awarded based upon performance criteria rather than technical specifications.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
<i>Not Measured</i>	<i>Not Measured</i>	40%	50%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
51%	51%	52%	52%

Performance Goal: Obtain best value solutions through competition.

Performance Measure: Percentage of task and delivery orders subject to the fair opportunity process.

As an executive agent, GSA is authorized to award and administer task and delivery orders against Government-wide Acquisition Contracts (GWACs) on behalf of other Federal agencies. This performance metric measures the competition fostered in placing orders against these contracts. It tracks the percent of task orders where all contract holders were afforded a fair opportunity to be considered for the award. Measure is included in the Performance Management Tool.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
<i>Not Measured</i>	<i>Not Measured</i>	>60%	>65%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
67%	68%	69%	70%

General Services Administration INFORMATION TECHNOLOGY FUND

Long-Term Outcome Goal: Ensure full cost recovery of operations in the Information Technology (IT) Fund.

Performance Goal: Improve the financial condition of the IT Fund.

Performance Measure: Direct operating expense as a percent of gross margin.

The operating expenses to gross margin ratio provides an efficiency measure of the rate structure of the fund. It gives an indication of the ability of a business unit to properly price with the goal to recover full costs. The ratio also considers the needs of the fund for reserves to meet future requirements.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
<i>52%</i>	<i>59%</i>	<i>67%</i>	<i>70%</i>
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
<i>69%</i>	<i>69%</i>	<i>68%</i>	<i>68%</i>

General Services Administration INFORMATION TECHNOLOGY FUND

FY 2005 Budget Request / Performance Goals Budget Links Regional Telecommunications \$(Thousands)

Long-Term Outcome Goals										
<i>Meet our customer demand for more diverse service offerings by providing, at best value, an increasing percentage of Expanded Services in our service mix, while ensuring a high level of customer satisfaction with the services being offered</i>										
	Performance Goals	Performance Measures	FY 2003		FY 2004		FY 2005		Change FY04 to FY05	
			Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
	<i>Deliver assisted services that demonstrate acquisition and project management excellence and result in solutions that meet customer mission requirements</i>	<i>Percentage of the dollar value of eligible service orders awarded with performance-based statements of work.</i>	Not Measured	\$20,955	40%	\$24,148	50%	\$25,093	10%	\$945
	<i>Obtain best value solutions through competition</i>	<i>Percentage of task and delivery orders subject to the fair opportunity process</i>	Not Measured	\$25,145	>60%	\$28,979	>65%	\$30,112	>5%	\$1,133
<i>Ensure full cost recovery of operations in the Information Technology (IT) Fund</i>										
	<i>Improve the financial condition of the IT Fund</i>	<i>Direct operating expense as a percent of gross margin</i>	59%	\$37,718	67%	\$43,468	70%	\$45,167	3%	\$1,699
Total			-	\$83,818	-	\$96,595	-	\$100,372	-	\$3,777

Explanation of Changes

The net change in operating expense from FY 2004 to FY 2005 reflects pay, inflation, and growth in business volume, primarily for Expanded Services.

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INFORMATION TECHNOLOGY FUND

Long Distance

The Long Distance business unit provides an integrated, solutions approach to the Federal Government as a wholesale buyer and reseller of telecommunication services using governmentwide contracts.

FTS provides long distance telecommunications services to customers primarily through the FTS2001 contracts. FTS2001 provides Federal agencies with integrated voice, data, video and wireless telecommunications, and provides agencies with flexible billing options and direct access to the industry partners. The cost of Federal long distance services declined from an average of 27 cents per minute in FY 1988 to less than 2 cents per minute in FY 2003. Under FTS2001, prices began at about 4.5 cents and will drop to less than 1 cent by the end of the contract period in FY 2008.

Strategic Direction

The mission of the Long Distance program is to “Provide network services that deliver the best value to support customers’ missions worldwide”. This program is organized around its customers and industry partners so that FTS can leverage long-term relationships and develop in-depth knowledge of their missions and strategic plans.

In an effort to improve the organization of the business unit, business process re-engineering initiatives to provide timely and effective service delivery have been implemented. The business unit is focusing on achieving a reduction in processing time of FTS2001 and Crossover contract modifications.

Most of the current FTS networks contracts are well along in their life cycle. The two initial FTS2001 contracts are scheduled to expire in December 2006 and January 2007, respectively. FTS has begun work on the next generation of best value contracts that will ensure

continuity of service for agencies and provide access to new and emerging technologies.

As has been the practice with the current contracts, FTS will continue to involve the customer agencies throughout the entire strategy, planning and acquisition phases of the programs. FTS will continue to work closely with the Interagency Management Council and Chief Information Officers Council to coordinate customer requirements.

An economic issue is the financial viability of the telecommunications sector and impacts on customers. The impact of this on our business unit is that the telecommunications sector has experienced many bankruptcies, mergers and acquisitions.

Strategy and Action Plan

The next generation of best value contracts, the Networx Program, will assure continuity of service for current Government Agency contract users, expanded choices, and flexibility in a changing marketplace. The contracts will be multiple award, performance based, Indefinite Delivery -Indefinite Quantity (IDIQ) contracts tailored to meet Government telecommunications requirements now and in the future. Following the Networx acquisition plan, a Request for Information (RFI) was issued in the fall of 2003, a draft Request for Proposals (RFP) will be issued in the summer of 2004, and an award of Networx contracts is expected in the summer of 2005 in time to transition current FTS2001 users to the new contractual vehicles.

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Long-Term Outcome Goal: Award, implement, and efficiently manage FTS Nationwide Service contracts to provide Federal customers with best value telecommunications products and services.

Performance Goal: Effectively plan and manage the post award implementation of the Networx contract.

Performance Measure: Manage post award milestones Planned vs. Actual.

This is a comparison of the planned milestone data with the actual milestone data in the Networx acquisition process.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
<i>Not Measured</i>	<i>Not Measured</i>	<i>Develop Requirements</i>	<i>Begin Transition</i>
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
		<i>Complete Transition</i>	

Performance Goal: Provide Federal customers with substantial savings as a result of purchasing FTS telecommunications products and services.

Performance Measure: FTS telecommunications services pricing (i.e., voice, video, data, and dedicated transmission) as compared to best commercial prices.

This is a comparison of the price of the FTS telecommunications products and services with the best commercial prices.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
<i>\$32.8M*</i>	<i>\$574M</i>	<i>\$514M</i>	<i>\$520M</i>
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
<i>TBD</i>	<i>TBD</i>	<i>TBD</i>	<i>TBD</i>

*For FY 2002, this measure was planned and reported for Switch Voice Service only.

General Services Administration INFORMATION TECHNOLOGY FUND

Long-Term Outcome Goal: Ensure full cost recovery of operations in the Information Technology (IT) Fund.

Performance Goal: Improve the financial condition of the IT Fund.

Performance Measure: Direct operating expense as a percent of gross margin.

The operating expenses to gross margin ratio provides an efficiency measure of the rate structure of the fund. It gives an indication of the ability of a business unit to properly price with the goal to recover full

costs. The ratio also considers the needs of the fund for reserves to meet future requirements.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
33%	95%*	52%	49%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
49%	48%	48%	47%

*The ratio is distorted because of a prior year adjustment of \$18.6M.

General Services Administration INFORMATION TECHNOLOGY FUND

FY 2005 Budget Request / Performance Goals Budget Links Long Distance \$(Thousands)

Long-Term Outcome Goals										
<i>Award, implement, and efficiently manage FTS Nationwide Service contracts to provide Federal customers with best value telecommunications products and services</i>										
	Performance Goals	Performance Measures	FY 2003		FY 2004		FY 2005		Change FY04 to FY05	
			Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
	<i>Effectively plan and manage the post award implementation of the Networx contract</i>	<i>Manage post award milestones Planned vs. Actual</i>	Not Measured	\$20,020	Dev'l Reqmnt	\$21,734	Begin Transition	\$22,512	-	\$778
	<i>Provide Federal customers with substantial savings as a result of purchasing FTS telecommunications products and services</i>	<i>FTS telecommunications services pricing (i.e., voice, video, data, and dedicated transmission) as compared to best commercial prices</i>	\$574,100	\$15,571	\$514,000	\$16,904	\$520,000	\$17,510	\$6,000	\$606
<i>Ensure full cost recovery of operations in the Information Technology (IT) Fund</i>										
	<i>Improve the financial condition of the IT Fund</i>	<i>Direct operating expense as a percent of gross margin</i>	95%*	\$8,898	52%	\$9,660	49%	\$10,005	-3%	\$345
Total			-	\$44,489	-	\$48,298	-	\$50,027	-	\$1,729

* The ratio is distorted as a result of a prior year adjustment of \$18.6M.

Explanation of Changes

The net change in operating expense from FY 2004 to FY 2005 reflects pay and inflation.

**General Services Administration
INFORMATION TECHNOLOGY FUND**

**INCOME STATEMENT
\$(Thousands)**

	FY 2003 Actual	FY 2004 Current	FY 2005 Request	FY 2004/2005 Change
Revenue				
Long Distance	\$547,360	\$586,000	\$646,000	\$60,000
Regional Telecom	\$552,491	\$576,080	\$577,462	\$1,382
Regional IT Solutions	\$5,833,843	\$6,099,476	\$6,310,025	\$210,549
National IT Solutions	\$1,797,323	\$1,715,066	\$1,950,000	\$234,933
Subtotal Revenue	\$8,731,017	\$8,976,622	\$9,483,487	\$506,865
Expense				
Long Distance	\$563,498	\$585,627	\$642,472	\$56,845
Regional Telecom	\$529,274	\$569,461	\$576,204	\$6,743
Regional IT Solutions	\$5,809,972	\$6,080,235	\$6,282,078	\$201,843
National IT Solutions	\$1,808,425	\$1,721,626	\$1,950,222	\$228,596
Subtotal Expense	\$8,711,169	\$8,956,949	\$9,450,976	\$494,027
Net Income from Operations	\$19,848	\$19,674	\$32,511	\$12,837
Less Reserves	\$20,764	\$6,645	\$6,809	\$164
Net Operating Results	(\$916)	\$13,029	\$25,702	\$12,673
Net Outlays	(\$98,774)	(\$31,000)	(\$1,000)	\$30,000
FTE	1477	1554	1554	0

**General Services Administration
INFORMATION TECHNOLOGY FUND**

**INFORMATION TECHNOLOGY FUND
Explanation of Budget Changes
Obligations
\$(Thousands)**

FY 2004 Current Level	9,970,687
Pay Raise, January, 2004	1,551
Inflation	3,855
Rent	22
Increase in Working Capital Fund payment for centralized administrative support services	6,395
Increase in business volume	88,639
Change in Reserve use	164
FY 2005 Total Budget Request	10,071,313

**General Services Administration
INFORMATION TECHNOLOGY FUND**

INFORMATION TECHNOLOGY FUND Obligations by Object Class \$(Thousands)			
	FY 2003 Actual	FY 2004 Current	FY 2005 Request
Personnel Compensation:			
11.1 Full-time permanent	99,111	118,676	123,228
11.3 Other than full-time permanent	1,176	1,212	1,228
11.5 Other personnel compensation	17,089	7,121	7,394
11.9 Total personnel compensation	117,376	127,009	131,850
12.1 Civilian personnel benefits	25,512	27,666	28,727
13.0 Benefits for former personnel	55	55	59
21.0 Travel and transportation of persons	4,661	4,731	4,802
21.0 Motor pool travel	296	312	327
22.0 Transportation of things	230	294	309
23.1 Rental payments to GSA	14,332	15,658	15,680
23.3 Communications, utilities, and misc. charges	2,875	3,306	3,570
24.0 Printing and reproduction	212	355	373
25.2 Other Services	9,693,503	9,602,325	9,691,374
25.3 Purchases of goods and services from Government accounts	117,735	119,501	121,294
26.0 Supplies and materials	1,327	1,960	2,058
31.0 Equipment	56,827	67,515	70,890
99.0 Total Obligations	10,034,941	9,970,687	10,071,313



FORMER PRESIDENTS

General Services Administration

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

BACKGROUND

The appropriation for Allowances and Office Staff for Former Presidents provides for an annual pension and compensation of office staffs and other related operating expenses for each former President pursuant to P.L. 85-745, as amended. The annual pension and cost of franking privileges for the widow of former President Johnson are also funded in this appropriation.

THE BUDGET IN SUMMARY

The fiscal year 2005 budget request allows GSA to carry out the provisions of the Former Presidents Act at a level commensurate with that of the previous fiscal year. The fiscal year 2005 request includes the increased cost of pensions, rent, equipment and service contracts for the former Presidents.

BUDGET AUTHORITY \$(Thousands)

	FY 2003 Actual	FY 2004 Current	FY 2005 Request	FY 04 - FY 05 Change
Former Presidents	\$3,156	\$3,373	\$3,449	+\$76
Net Outlays	\$2,318	\$3,369	\$3,445	+\$76

General Services Administration ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

EXPLANATION OF ESTIMATES

The fiscal year 2005 Budget request reflects a net increase of \$76 thousand above the amount for fiscal year 2004. The net increase of \$56 thousand consists of: (1) an increase of \$7 thousand for Former President Ford, providing \$6 thousand for increased pension costs, and \$1 thousand for increased costs of goods and services; (2) an increase of \$7 thousand for Former President Reagan, consisting of \$6 thousand for increased pension costs, and \$1 thousand for increased cost of goods and services; (3) an increase of \$29 thousand for Former President Bush, providing \$6 thousand for increased pension costs,

\$1 thousand for increase rent cost, \$20 thousand for computer equipment, and \$2 thousand for increased cost of goods and services; (4) a net increase of \$13 thousand for Former President Clinton, providing \$6 thousand for increased pension costs, \$15 thousand for increased rent, \$3 thousand for increased cost of goods and services, and \$6 thousand for a Mail Handling Contract offset by a reduction of \$17 thousand due to the reduction in the annual rate of staff compensation from \$113 thousand to \$96 thousand; and (5) a \$20,000 increase for infrastructure contingency planning.

**General Services Administration
ALLOWANCES AND OFFICE STAFF FOR FORMER
PRESIDENTS**

EXPLANATION OF BUDGET CHANGES IN PRIORITY ORDER APPROPRIATION \$(Thousands)	
FY 2004 Current Level	\$3,393
Less: Rescission (.59%).....	-20
FY 2004 Current Available.....	\$3,373
Decreases:	
Personnel Compensation for Former President Clinton.....	-17
Decrease to offset pension increase for Former President Carter.....	-6
Increases:	
FY 2005 Pension increase	30
Increased cost of goods and services.....	7
Rent increases for Former Presidents	16
Mail Handling Contract for Former President Clinton.....	6
Increased Cost of Equipment for Former President Bush.....	20
Infrastructure Contingency Planning.....	20
FY 2005 Budget Request	\$3,449

General Services Administration
ALLOWANCES AND OFFICE STAFF FOR FORMER
PRESIDENTS

OBLIGATIONS BY OBJECT CLASS \$(Thousands)				
	FY 2003 Actual	FY 2004 Current	FY 2005 Request	
11.8	Special personnel service payments	517	497	480
11.9	Total personnel compensation	517	497	480
12.1	Civilian personnel benefits	157	185	186
13.0	Benefits for former personnel	881	907	937
21.0	Travel and transportation of persons	140	149	146
23.1	Rental payments to GSA	940	973	989
23.3	Communications, utilities, and misc.	126	163	165
24.0	Printing and reproduction	25	38	38
25.2	Other services	266	368	394
26.0	Supplies and materials	57	59	60
31.0	Equipment	47	34	54
99.9	Total	3,156	3,373	3,449

GENERAL SERVICES ADMINISTRATION
ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

FP-5

FY 2005 REQUEST							
FORMER PRESIDENTS							
\$(000)							
	FORD	CARTER	REAGAN	BUSH	CLINTON	WIDOWS	TOTAL
Personnel Compensation.....	96	96	96	96	96	0	480
Personnel Benefits.....	22	2	33	51	78	0	186
Benefits for Former Presidents.....	182	182	182	182	189	20	937
Travel.....	44	2	2	54	44	0	146
Rental Payments to GSA.....	105	102	147	175	460		989
Communications, Utilities and Miscellaneous charges							
Telephone.....	15	10	18	14	54	0	111
Postage.....	9	15	5	13	10	2	54
Printing.....	5	5	6	14	8	0	38
Other Services*	38	79	45	66	146	0	374
Supplies & Materials.....	17	5	9	14	15	0	60
Equipment.....	6	7	2	34	5	0	54
Subtotal Obligations.....	539	505	545	713	1,105	22	3,429
Infrastrature Contingency Planning*.....							20
Total Obligations.....	539	505	545	713	1,105	22	3,449



PRESIDENTIAL TRANSITION

General Services Administration EXPENSES, PRESIDENTIAL TRANSITION

BACKGROUND

The Presidential Transition Act of 1963, Public Law 88-277, (3 U.S.C. 102 note), as amended, was enacted to provide for the orderly transfer of executive power in connection with the expiration of the term of office of a President and the inauguration of a new President.

Transition funds become available to the incoming administration beginning the day following the day of the general election, and ending 30 days following the inauguration. Funds are available for expenses of the outgoing President and Vice President from 30 days before, until 6 months after their terms of office expire.

EXPENSES, PRESIDENTIAL TRANSITION \$(Thousands)

	FY 2003 Actual	FY 2004 Current	FY 2005 Request	FY 00/FY 01 Change
Transition Activities	\$0	\$0	\$6,700	+\$6,700
Agency Briefings	\$0	\$0	\$1,000	+\$1,000
Total Budget Authority	\$0	\$0	\$7,700	+\$7,700
Net Outlays	\$0	\$0	\$7,700	+\$7,700

General Services Administration

EXPENSES, PRESIDENTIAL TRANSITION

EXPLANATION OF ESTIMATES

The Presidential Transition Effectiveness Act, Public Law 100-398, signed August 17, 1988, authorized not more than \$4,300,000, to the incoming administration, and \$1,800,000 to the outgoing administration. These funds may be used to provide suitable office space for transition activities, provide compensation to transition office staffs, acquire communication services, provide allowances for travel and subsistence, and for printing and postage costs associated with the transition. Provisions of Public Law 100-398 also provided the authority to adjust the funding limits for the effects of inflation. The FY 2005 estimate for the incoming and outgoing administrations is the cumulative effect of annual baseline adjustment factors applied to the FY 2001 base transition request of \$7,100,000. In addition, \$1,000,000 is requested to reimburse Federal

agencies for costs related to providing for briefings, workshops, training and orientation for key prospective Presidential appointees. These funds are authorized in the Presidential Transition Act of 2000, Public Law 106-293, signed October 12, 2000, to be appropriated as may be necessary. The FY 2005 Appropriation language proposes to amend the Presidential Transition Act to permit the retention of not to exceed \$1,000,000 for training and briefings for incoming appointees associated with the second term of an incumbent President. Except for the \$1,000,000 provided for briefing personnel associated with the incoming administration, there shall be no expenditure of funds for the provision of services and facilities associated with the second term of an incumbent President under this Act, and any funds appropriated for such purposes shall be returned to the general fund of the Treasury.

General Services Administration
EXPENSES, PRESIDENTIAL TRANSITION

EXPENSES, PRESIDENTIAL TRANSITION	
Explanation of Budget Changes	
\$(Thousands)	
FY 2004 Current Level	\$0
Expenses, Presidential Transition.....	+ 7,700
FY 2005 Budget Request	\$7,700

For expenses necessary to carry out the Presidential Transition Act of 1963, as amended, \$7,700,000 of which not to exceed \$1,000,000 is for activities authorized by sections 3(a) (8) and (9) of the Presidential Transition Act of 2000, and may be used notwithstanding section 3(f) of such Act. (3 U.S.C. 102, note)



INSPECTOR GENERAL

General Services Administration

OFFICE OF INSPECTOR GENERAL

Strategic Assessment

The Office of Inspector General (OIG) was established by the Inspector General Act of 1978 as an independent unit, charged with responsibility for promoting economy, efficiency, and effectiveness and detecting and preventing fraud, waste, and mismanagement in GSA's programs and operations. This is accomplished primarily through a comprehensive, nationwide audit and investigative program covering GSA's internal operations and external contractors.

The OIG's primary operational components consist of the following:

Office of Audits: A multidisciplinary staff of analysts, financial, information systems, and performance auditors who provide audit coverage of GSA's internal operations and external contractors.

Office of Investigations: An investigative unit that provides nationwide investigative services and conducts criminal and other investigations into allegations of fraud, waste, or abuse to prevent and detect illegal and improper activities involving GSA programs, operations, and personnel.

Office of Counsel: An in-house legal staff that provides advice and assistance to all OIG components, represents the OIG in connection with audits and investigations, and in litigation arising out of or affecting OIG operations, and handles legislative matters.

Office of Administration: A multidisciplinary staff that provides budgetary, human resources, information technology (IT), facilities, space and other administrative support services.

Internal Evaluation Staff: A staff that directs an in-house assessment program, including field office appraisals, and is responsible for internal affairs reviews of OIG operations.

Role of the OIG

The OIG's mission provides a unique ability to objectively evaluate GSA's operations, and assists the Agency in incorporating the results of those evaluations into GSA's decision and policy-making processes. We will focus our efforts on assisting GSA to bring about positive change in the performance, accountability, and integrity of Agency programs and operations that will ultimately provide enhanced benefits to the taxpayers as well as an increase in the public trust. We will assist GSA in adopting business-like practices, streamlining its organizations, cutting overhead and reducing costs, and modernizing its work processes to deliver quality goods and services to its customers. The OIG will also assist GSA by identifying and mitigating vulnerabilities, particularly those resulting from changes in its methods of doing business and from changing legal and administrative requirements, in an effort to maximize support provided to GSA as it continues to transform.

Following are our strategic goals:

Strategic Goal No. 1: Enhance the performance of GSA and ensure optimum value for the taxpayer.

Strategic Goal No. 2: Protect the integrity of GSA programs and operations.

Strategic Goal No. 3: Implement an efficient and effective human capital strategy.

Strategic Goal No. 4: Enhance our organizational performance.

General Services Administration

OFFICE OF INSPECTOR GENERAL

Activities

The OIG will accomplish its mission by several methods:

- 1) Conducting independent reviews of GSA's programs, systems, and internal operations to identify opportunities for improvement;
- 2) Conducting independent audits of GSA's contractors to ensure GSA and Federal customers are getting the best value for the taxpayers' dollars;
- 3) Providing research, benchmarking, and other proactive initiatives to help GSA improve its operations;
- 4) Conducting investigations of GSA's programs and operations when circumstances indicate potential fraud, criminal activity, or mismanagement;
- 5) Working with Congress, OMB, and GSA management to identify and implement program improvements by leveraging our knowledge and expertise to evaluate and refine GSA-related legislative, regulatory, and other policy initiatives;
- 6) Working with GSA management and employees to ensure that appropriate internal controls and performance measures are in place to help optimize the fulfillment of GSA's mission; and
- 7) Working with GSA managers and employees to increase their knowledge and awareness of fraud to help reduce and prevent its occurrence in GSA's programs and operations.

Impediments to Mission Accomplishment

1. Staff Development and Training: The changed business and workforce environments confronting the OIG require that we revise how we do business, re-focus and re-tool our operations. The continuing problems with attracting highly qualified staff, plus the increased demand for computer knowledge, financial management and accounting skills, and the need for specialized investigative skills, has created a pressing need for significant staff development and training. As we continue the rapid pace of moving into the e-Government environment, the type of training our professional and technical support staffs need is changing. The increased emphasis on technical training has had a direct impact on our budget resources. For example, since FY 1999 through the current year, the average expenditure to train our professional staff has increased from \$630 per person to over \$2,100 per person. Even at this level many training requirements are going unfilled. The cost is projected to increase even further as the demand for technical training increases, particularly in our financial and information systems audit areas and in the computer investigation techniques that our criminal investigators need to function in the changing world of high-tech, white-collar crime.

Associated with training is an increasing demand for professional certification for our auditors and IT professional staffs. Training and professional certification are important parts of our overall approach to human capital management and developing and maintaining our various management information systems. Such IT activities as PC support, local and nationwide LAN maintenance, maintaining connectivity with the GSA backbone network, Oracle programming support, Microsoft applications support, and Web development and access are all functions that require continued training and professional certification. Other operational costs such as motor pool and facilities improvements are increasing. Telecommunications costs have also been steadily increasing.

General Services Administration

OFFICE OF INSPECTOR GENERAL

- **Office of Audits:** Key staff losses have started to occur and additional losses are likely in FY 2004 and beyond. Approximately 50 percent of our remaining senior graded managers (GS 15) in the Office of Audits are eligible to retire by the end of FY 2004. In addition approximately 35 percent of our second level managers and auditors and analysts are either eligible to retire or will be eligible to retire by the end of FY 2004. Further, the staff losses that have occurred have resulted in promotions for our most highly qualified staff. The result is a significant drain of institutional knowledge and audit experience and a decreasing pool of experienced staff.

We have started to transition the Office as a result of recent key staff losses. We have brought in or promoted new senior managers to fill recent losses, and we will continue to do so as additional losses occur. However, we have few experienced staff members ready to backfill these positions during this transition because of a decade of low recruitment and downsizing. We must rely on less experienced staff to backfill vacant positions who must quickly gain GSA, auditing, and supervisory knowledge and experience. To address this issue we will need to provide guidance and training to new managers and senior level staff to rapidly develop the skills necessary for our managerial positions. We will also need to continue to fill vacant positions with entry level hiring supplemented with hiring at the journeyman and supervisory levels.

- **Office of Investigations.** The Office of Investigations, because of retirements and staff reductions, has a very young and comparatively inexperienced investigative workforce. Therefore, we are faced with having to devote considerable resources to quickly train and develop new special agents. Additionally, guidelines for OIG law enforcement personnel issued by the Attorney General require us to provide each special agent with

periodic law enforcement refresher training in skills needed to function as a criminal investigator.

We have also seen a rise in the need for our agents to assume undercover roles to perform investigations. Undercover operations require highly specialized training, both for the agents involved and for those responsible for managing the investigations and assuring their safety. Additional specialized training is needed for special agents in order to develop and maintain the skills required to conduct investigations involving electronic (computer) crimes. We foresee the need for increased training expenditures due to these investigative training requirements.

2. Travel Costs: The downsizing and reorganization we have undergone during the past few years have required additional travel to ensure proper audit and investigative coverage. We perform national program reviews and other audits, as well as nationwide investigations, using teams staffed with auditors and investigators from various parts of the country. This inter-regional team approach is necessary to sufficiently staff, train, and provide expertise on our more complex and large projects. The team approach and the need to perform our contract review and other work effectively by going to where the work is, has substantially increased our job-related travel. Per diem travel costs have risen more than 30 percent in recent years, accompanied by increases in airfares and a growing number of service fees and user taxes. We expect these costs to continue to increase in FY 2005 and beyond.

3. Increase Demand of Audit and Investigative Services:

Demands for our audit and investigative services keep increasing with Congressional mandates and OMB requirements covering such things as information system security reviews, Government Performance and Results Act reviews of Agency performance measures, reviews of Agency PART reports, and increased oversight of audited financial statements. The OIG is challenged to meet these and other new demands at its current funding level. A prime example of a new

General Services Administration OFFICE OF INSPECTOR GENERAL

demand is the need to expand the OIG's Information Systems Audit Office. Information technology is profoundly impacting all aspects of government and business operations. Our audits are increasingly focusing on evaluating IT systems and the data produced by those systems. The IT Audits Office has been, and needs to be, in the forefront of this expanding role, performing audits of the reliability of GSA's computer systems, the cost-effectiveness of the development processes to create replacement systems, and the security of GSA's technological innovations. The OIG IT Audit Office has been supporting a large workload of key IT audits and has identified numerous system weaknesses and recommended corrective actions. The expansion of this staff was considered crucial if we were to continue to provide audit coverage over GSA's nearly 100 major computer systems, hundreds of local area networks, IT security efforts, and a multitude of system development projects. In addition, without this additional staff, we could not be responsive to the increasing requests from GSA management and from Congress for IT related reviews. This workload is critical to the GSA OIG statutory mission, and it will only continue to expand. Consequently, we have had to shift audit resources from other audit groups and locations and from other programmatic work to meet this increasingly important responsibility.

Another example of the increasing and changing demands placed upon the OIG involves our work to support the integrity of the government's acquisition process. The OIG has always devoted a portion of our resources to assist the Agency in its efforts to suspend and debar unscrupulous government contractors. The recent wave of high profile corporate financial scandals has resulted in an increase in our investigative workload in this area far beyond what was planned for in our performance plans for FY 2003 and FY 2004 and in projections for FY 2005. Also, the OIG's Office of Investigations is seeing its role increasing in investigations related to electronic crimes and seizure of computer evidence. In addition, the costs associated with updating and maintaining our various information systems keep increasing, and will soon require major modifications to replace outmoded technology and

to comply with the increased emphasis for securing and protecting confidential contractor and criminal investigations information.

4. Support for Working Capital Centralized Administrative Charges: GSA has determined the OIG's share of the FY 2005 Working Capital Fund Centralized Administrative Support charges is \$2,364 thousand. This represents an increase over FY 2004 of \$443 thousand or \$414 thousand (7 percent) in excess of inflation.

We must pay this necessary cost from our direct appropriations. Consequently, we have less funds to continue to meet the increasing demands for reviews of GSA's major management information systems, financial systems, and reviews of the accuracy and integrity of the data and systems supporting GSA's performance measures.

5. OIG Suspension and Debarment Team: The Office of Inspector General needs to establish a new OIG Suspension and Debarment Team. The new special agents will be responsible for ensuring the integrity of the Federal acquisition process at GSA by actively conducting investigations involving corporate integrity issues, and for providing adequate investigative coverage in suspension and debarment investigations. A new special agent would be assigned to each of our five OIG Office of Investigations Zonal Offices. A sixth Agent would be located in our National Capital Zone office and serve as the nationwide coordinator with responsibilities to interact with GSA's Office of Acquisition Policy as well as the GSA Counsel's Office and the OIG Counsel to the Inspector General. In July 2002, the President signed into law the Sarbanes-Oxley Act of 2002. The law provides for criminal prosecution of persons who alter or destroy evidence or defraud investors of publicly traded securities. The premise for the legislation was recent events in corporate America that led to major scandals involving many U.S. corporations. Watchdog organizations have issued reports questioning why many of the largest U.S. Government contractors have either repeatedly broken Federal law or engaged in unethical practices but continue to receive

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OFFICE OF INSPECTOR GENERAL

additional Federal contracts.

Budget in Summary

The Office of Inspector General's appropriation request is for \$42,351 thousand which will support 303 FTEs during FY 2005. This request reflects a net increase of \$3,413 thousand over the comparable amount of \$38,938 thousand for fiscal year 2004. This request covers increases of: (1) \$1,488 thousand for increased pay and infrastructure costs; (2) \$775 thousand for a Computer Forensic Investigations Unit; and (3) \$1,150 thousand for an Information Management System. In addition, GSA proposes to transfer \$4,000 thousand, \$2,000 thousand each from the ITF and GSF, to expand pre-award audits and contract performance assessments of FSS and FTS.

In FY 2005, the OIG will continue to provide audit and investigative services across the broad spectrum of GSA's activities. We will continue to commit substantial audit resources to: program evaluations of GSA's major programs, reviews of GSA's major information systems and related security issues, financial statement and accountability reviews, and statutorily required reviews. We will focus our investigative efforts on detecting and preventing fraudulent activity in GSA's procurement, property disposal, and leasing activities, and identifying program vulnerabilities.

The OIG will continue to seek better ways to provide high-level service to GSA by: identifying and implementing internal steps to improve, eliminate, and reduce our administrative processes; using state-of-the-art computer capabilities; addressing our human capital needs; and focusing on customer service and satisfaction.

Long-Term Outcome Goals

The OIG has a two-fold mission—to protect against waste, fraud, and abuse, and to be an agent of positive change in helping GSA to achieve its goals.

Our long-term approach to achieving our mission involves initiatives, such as: improving our methodologies for performing programmatic and other types of reviews and investigations; expanding the types of services we offer our customers; and improving our technical capabilities. We have increased the size of our financial and information system audit staffs, implemented better strategic and audit planning, created network communications within our own organization and with management, and instituted many other initiatives to better our operations.

Our actions have produced positive results. For example, our reports to Congress have documented many positive changes identified by our program reviews and implemented by GSA. In addition, customer surveys show that our products and services meet management's needs and add value; and the requests for audit services from management, the Congress, and OMB are increasing. Our audits and investigative efforts have resulted in identifying and mitigating systemic problems and fraud schemes involving GSA's programs and operations. The benefits from our initiatives continue to grow.

Following are highlights of our office's initiatives and performance measures with related budgetary requirements. We have also delineated some of the impediments that hinder our mission accomplishments and their budget implications.

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OFFICE OF INSPECTOR GENERAL

Operational Strategies for Meeting Long-Term Outcome Goals

Office of Audits

The OIG has become a force for positive change within GSA by repositioning itself to provide more value-added services to our clients. We are striving to develop our own expertise in GSA's business lines to compliment our audit and evaluation skills. This enables us to better understand the complex issues and challenges faced by program officials, to design evaluations in the context of specific programs, and to facilitate resolution.

We have reorganized the Office of Audits by creating centers of expertise for the core functions critical to GSA's success. This restructuring enables us to develop technical or specialized expertise in all key areas of GSA, so we can better identify and address the most significant issues and vulnerabilities facing the Agency.

For several years, we have been assisting GSA in identifying opportunities for improvement through benchmarking and best practice reviews. We are also working with management to improve program data integrity. Our application of team concepts and streamlined operating methods, and our use of advanced technology allow us to expedite the transmission of important information to managers for decision-making. These efforts complement our more traditional responsibilities of safeguarding the integrity and ensuring accountability of Agency resources and operations.

Our office has been successful in fostering clear lines of communication with all of our stakeholders. We maintain an ongoing dialogue with the Congressional oversight committees and OMB. We work closely and exchange information with GSA managers and personnel. To enhance our understanding of GSA's programs and initiatives and to improve our annual planning process, we have maintained contacts with GSA officials in each of the major Services and Staff Offices.

In addition to our traditional services in the areas of management and systems control reviews as well as selected reviews of GSA's multi-billion dollar contract programs, we will continue to focus our resources on large scale program reviews, IT system reviews, and financial reviews.

- 1. Program Reviews.** These reviews produce formal audit reports that provide GSA management with an independent assessment of whether or how well a program is meeting its mission and identify specific areas where program outcomes can be improved. Program reviews have been a staple of our organization for the past several years and we are constantly refining and improving our approaches. We now focus on program goals and results, and how the program officials measure their successes. We provide managers with optional solutions to issues when appropriate. We expect to continue to direct resources to this area.
- 2. Information Technology and Systems Reviews.** Information technology in GSA is expanding exponentially and influences all aspects of business operations. GSA relies on its automated information systems to perform its mission and manage its operations. Many of these systems store sensitive information such as personal employee data and contractors' proprietary information. The Office of Audits faces the challenge of performing the necessary reviews in the areas of IT, systems, and telecommunications. In FY 1998, we established an Information Technology Audit Office with a staff of 6 FTE. The mission of this organization is to identify the IT workload in GSA, establish an OIG presence in this critical and growing area, and to develop the technical expertise to perform these complex reviews. We expanded the IT Audit Office in FY 2002, and now dedicate 15 FTE to perform IT and systems review work. However, our capabilities in IT and systems must continue to grow. GSA has an extensive IT universe with about 100 major automated information systems, many smaller systems, and numerous local area networks. GSA's

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IT universe also dictates that we must apply more audit resources to systems development efforts and to security issues associated with operating GSA systems and networks. In addition, the Federal Information Security Management Act of 2002 requires Inspectors General to conduct independent annual evaluations of their agencies' information security programs. Finally, we must address local, long distance, voice, data, and other issues associated with telecommunications. The fundamental changes IT has brought to the way GSA does business will require a corresponding increase in our technical and other training for existing and new staff associated with this effort. IT applications are fast becoming the mainstay of all Agency business and the entire audit staff needs to develop and enhance technology skills to keep up. Only a few members of the audit staff currently possess sufficient IT knowledge and skills to do this work.

- 3. Financial and Regulatory Requirements.** The passage of the Chief Financial Officers Act in 1990 has had a significant impact on our operations. Even before passage of this Act, the OIG and GSA arranged for the audit of GSA's financial statements by an independent public accounting (IPA) firm. However, the time, effort, and expertise required to administer the audit of the financial statements has grown substantially: new legislation and complex accounting and auditing policies must be analyzed; efforts to assist GSA management in working through associated issues have grown; and time needed to address audit issues related to the audit of the Government-wide consolidated financial statements has increased. Moreover, we see a need for the OIG to evaluate the more detailed workings of GSA's financial activities and perform analyses of its major accounts. While we are very proud that GSA's financial statements have consistently achieved clean opinions, these approvals are at the higher levels of financial reporting.

We believe there are opportunities to enhance the efficiencies of operations and accountability of assets at the other levels of

reporting. To this end, we seek to increase the numbers of evaluations of GSA major individual financial accounts and major financial subsystems. In addition, there are new and increasing requirements imposed on our office due to the Government Performance Results Act (GPRA) and other legislation. These issues require that we have sufficient staff with the financial background and expertise to perform the necessary reviews. We intend to enlarge our financial audit group, by shifting existing resources, over the next several years to keep up with the increasing demands. As in the IT area, we must expand our financial and technical systems training and staffing to accomplish our goals.

We will continue to offer our traditional audit services in the following areas:

- 1. Management Control Reviews.** The Office of Audits will continue to test management controls built into programs and systems to ensure they function as intended and provide reasonable safeguards over assets. We believe control systems are becoming more important in an evolving work environment which calls for fewer supervisors, more decentralization of authority, and more individual empowerment. We will work closely with management to share our expertise in internal controls throughout GSA.
- 2. Contract Auditing.** As the central civilian procuring Agency within the Federal Government, GSA annually awards billions of dollars in contracts for goods and services. The OIG will continue to support the contract program. When appropriate, we will audit vendors' records and develop financial information needed by GSA's contracting officers to negotiate favorable pricing arrangements on contract awards and to help administer existing contracts.

As GSA moves to implement new procurement initiatives, we will continue dedicating resources to support contracting officers. Over the past 2 years, our audits have evaluated over \$3.8 billion in proposed costs and have resulted in over \$311 million in monetary avoidances. We expect this trend to continue. In

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FY 2005, we intend to work with GSA's Federal Supply Service to increase the number of pre-award audits of Multiple Award Schedule (MAS) vendors. The MAS program, which awards commercial item contracts for Federal agencies, is valued in excess of \$28 billion. These audits will help contracting officers negotiate fair and reasonable pricing on selected MAS awards and will assist FSS in accomplishing its best value performance measure.

- 3. Supplemental Financial Support for Contract Auditing.** In order to fully support the rapidly expanding procurement programs of the Federal Supply Service (FSS) and the Federal Technology Service (FTS), we request \$2 million from the General Supply Fund and \$2 million from the Information Technology Fund be made available to provide for an enhanced level of audit support for these contracting programs.

There are now in excess of 10,000 vendors doing over \$30 billion in new business annually under the FSS/FTS contracting programs. Given this tremendous level of business activity and the fact that all agencies of the Federal Government rely on GSA to deliver high quality, fairly priced goods and services, it is imperative GSA employ appropriate measures to ensure the fiscal soundness and operational integrity of these procurement programs.

The majority of these supplemental funds will be used to increase the number of precontract award reviews of contractor submitted pricing and sales practices data. Possessing such information before negotiations, materially increases the contracting officer's ability to make an effective award. Past history has shown that for every dollar invested in pre-award contract reviews, at least \$10 in lower prices or more favorable terms and conditions are attained for benefit of the government and the taxpayer.

The supplemental funds will also be applied to increase the number of contract performance reviews conducted. Because

most contracts are now written to be renewed on a 5-year basis, it is important that contractor performance be spot tested periodically to ensure compliance with pricing, billing and terms provisions of their contracts. This helps ensure that Federal agencies continue to receive goods and services as agreed throughout the contract period. In addition to contract performance reviews, the OIG will also conduct periodic program evaluations to assess the efficiency, economy and effectiveness of contracting activities. These reviews will also test internal controls to ensure they are adequate to provide program integrity.

We anticipate that this level of funding of contract related audit work will enable us to produce between \$180 and \$230 million in cost avoidances and recoveries.

Office of Investigations

The Office of Investigations is responsible for conducting criminal, civil, and administrative investigations nationwide. The office is the OIG's fully accredited Federal law enforcement component and provides expert investigative services to GSA, the Department of Justice, United States Attorneys' offices throughout the country, and other Federal and state agencies. The Office of Investigations is committed to identifying and preventing fraud, waste, and abuse in GSA programs and operations and promoting economy and efficiency within GSA. Our investigative action plan contains the following elements:

- Investigations of criminal violations by contractors, employees, and others, relating to GSA acquisition programs.
- Criminal investigations relating to the integrity of GSA programs, operations, or personnel.

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- The development and implementation of proactive investigations which address systemic investigative issues that cross GSA regional boundaries.
- Investigative support to the Office of Audit, Office of Counsel, and GSA Regional officials.
- Investigations of serious misconduct by high ranking GSA officials which are conducted on a limited and as needed basis.

The major component of the Office of Investigations operations plan during the coming fiscal year is the detection and investigation of major criminal violations associated with GSA acquisition programs.

We anticipate devoting significant investigative resources to criminal fraud violations associated with violations such as: substandard products or material, false claims, criminal false statements, schemes seeking unfair advantage in the procurement, supply, property acquisition and disposal, and construction programs. The Office of Investigations will ensure the integrity of GSA programs and operations by thoroughly investigating allegations of criminal activity by GSA employees and officials. Bribery, extortion, acceptance of gratuities, conflict of interest, and procurement integrity violations will be emphasized and remain investigative priorities. Another major investigative emphasis in this area is associated with ensuring the integrity of GSA's procurement programs by conducting investigations and making recommendations for suspension and debarment of corporations which appear to/or lack corporate integrity.

The Office of Investigations will develop and implement a new, automated, integrated, secure, web-based Investigative Information and Management System (IIS) to replace our current, outdated IIS. The new IIS would provide our special agents and managers with: (1) a secure environment for protecting, transmitting, and storing sensitive criminal investigative information; (2) updated case information in a timely, real time basis; (3) increased efficiency and effectiveness by reducing the administrative time necessary for case management; and

(4) the ability to eliminate paper records as required by the Government Paperwork Elimination Act. We have established a case priority and tracking system which begins with the receipt of the allegation and an assessment of whether it meets established minimum investigative criteria or threshold dollar amounts of fraud or other requirements. The new information system will enhance our abilities in tracking investigative process

In response to a rising trend of fraud utilizing computers, computer networks, and computer access devices, the Office of Investigations will develop a Computer Forensic Team. Both GSA and industry are moving further into the arena of computerized contract awards and conducting business over the Internet. As GSA moves deeper into electronic commerce, more crimes are being perpetrated via this medium. In order to assist GSA in ensuring the integrity of its computerized systems, the OIG Computer Forensic Team will be charged with the investigation of incidents involving electronic crimes. We intend to train a special agent in each of our field offices in the investigation of electronic crimes, the search and seizure of computers and gathering of electronic computer network evidence. We will equip each agent with the necessary tools (both computer hardware and software) to conduct computer related investigations. The team will be charged with the collection of evidence of computer fraud necessary for criminal and/or civil prosecution and provide the OIG with much needed expertise to deal with highly sophisticated criminal activity.

We also focus investigative resources on providing support to the Office of Audits, Office of Counsel, and regional officials on civil fraud or serious administrative matters. This includes serious allegations of official misconduct and investigations of this nature are only conducted on a very selected basis.

As part of our action plan we include the need to partner with GSA and assist in seeking ways to improve Agency programs and operations and prevent fraud from occurring. To this end the Office of Investigations will continue to present fraud integrity awareness

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briefings to Agency employees and develop effective proactive investigative initiatives that will serve to identify wide ranging problems relating to fraud, waste, or abuse in GSA operations. Effective proactive cases have proven to be excellent techniques to prevent and deter program deficiencies from becoming major operational problems. Unfortunately, in a reduced manpower and budgetary environment, it may become necessary to de-emphasize or eliminate these cases when faced with overwhelming and immediate reactive investigative demands.

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THE FY 2005 PERFORMANCE PLAN

The OIG will increasingly focus its efforts in areas intended to enhance the management and overall performance of GSA and will increasingly align its activities so that they more directly support the strategic goals and business objectives of the GSA. We will allocate approximately 70 percent of our audit and investigation resources to addressing the significant management challenges and vulnerabilities facing the Agency.

The OIG revised its strategic plan to more accurately reflect the activities we are performing to help GSA better manage its programs. We revised our strategic goals and performance measures to more effectively reflect the OIG's impact on GSA.

Strategic Goal No. 1

Enhance the performance of GSA and ensure optimum value for the taxpayer.

Discussion

GSA is a 12,000 person Agency that spends \$20.2 billion annually but influences over \$60 billion in Federal spending. It oversees Federal buildings, major supply and procurement programs, a fleet of 150,000 vehicles worldwide, telecommunications systems, and child-care facilities. It also provides policy leadership in areas such as acquisition, travel, real property, and other administrative services for the entire Federal sector.

GSA realizes that changes in today's environment require it to be flexible in its business approaches and innovative in developing integrated solutions to longstanding and new challenges. Current Agency goals and initiatives, continuing Government reform, high-risk areas defined by GAO, and management challenges identified by our office remain areas that must be addressed.

The OIG's audits and investigations assist GSA in its dual roles of policy leadership and provider of space, products, and services to the Federal workforce. At the same time, we intend to ensure that GSA's programs and operations are conducted at an optimal level of efficiency and effectiveness. In this capacity, we will continue to evaluate and bring to GSA's attention serious vulnerabilities and management challenges; further we will make constructive recommendations as to how these concerns can be alleviated. We will devote our resources to areas where focused management attention can bring about greater efficiencies for both GSA and the taxpayers. Through our audits, investigations, advice on legislation, and other services, we will raise to the policy making arena issues that affect the Agency's programs. Lastly, we will work with GSA on key initiatives to promote more effective Government operations.

Anticipated Results

This strategic goal anticipates that changes in focus of OIG operations will accelerate over the next 5 years. This will result in: 1) a greater number of evaluations of GSA programs, management structures, and information systems; 2) increased financial accountability and legislatively mandated reviews; 3) enhanced testing of internal controls and security measures; and 4) a substantial amount of savings.

In addition, we anticipate an increased number of reviews of pre-award and contract performance assessments of government-wide contracts relating to FTS and FSS.

We will perform annual risk assessments of GSA operations to identify the most significant management challenges, high-risk areas, and major opportunities for improvement in programs, operations, and related activities. We will target the most significant issues facing GSA by planning and conducting audits and investigations in those areas. We will continue to work with GSA management on key initiatives. Finally, we will leverage our expertise by providing comments on legislative and policy initiatives before they become program requirements. In this capacity, we will also work with the

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Office of Governmentwide Policy by sharing our knowledge, expertise, and experience in assisting GSA meet its central management policy responsibilities.

During FY 2005, the OIG will devote approximately \$20.4 million of its requested resources to accomplish the planned outcomes related to this strategic goal.

Strategic Goal No. 2

Protect the integrity of GSA programs and operations.

Discussion

One of the OIG's fundamental responsibilities is combating and preventing waste, criminal, and civil wrongdoing in GSA programs and operations. We are committed to using resources to detect and prevent waste, fraud, and other wrongdoing in areas that we have determined to be most susceptible.

The OIG has a special concern that in an era of rapid change and emerging technology, these changes may present unintended increased opportunities for illegal and improper activities. As the evolving technology and the effects of a downsized and aging workforce take hold throughout GSA, the OIG emerges as the primary entity within GSA to assess the impact of this transformation. The OIG is concerned that many of the beneficial attributes of reforms designed to produce economy, efficiency, and increased effectiveness may be offset by new or modified practices that create unintended waste and contribute to increased opportunities for fraud. We believe it is important to assess whether a new initiative increases the potential for fraud, waste, and abuse and if so, mitigate these vulnerabilities early in the process.

As part of a comprehensive initiative, the OIG will direct its efforts to protect the integrity of GSA operations by identifying and assessing vulnerabilities associated with the rapidly changing environment. By

coordinating efforts throughout the organization, the OIG will focus its expertise in audits and investigations on those areas in which increased vulnerability to waste, fraud, or other wrongdoing may be anticipated.

Anticipated Results

During FY 2005, as part of a comprehensive initiative, the OIG will direct its efforts to protect the integrity of GSA operations by identifying and assessing vulnerabilities associated with its rapidly changing environment. The OIG intends to take a risk-based approach and focus its expertise in areas most susceptible to fraud, waste, and wrongdoing. We will perform various types of reviews to ensure programs operate within legal and regulatory limits. We will aim our efforts at detecting systematic vulnerabilities. We will investigate and deter illegal activities to the fullest extent of our abilities and resources. Our investigative resources will concentrate on high-impact cases and we will respond to indications of illegal activities in a direct and timely manner. These areas include procurement integrity, facilities and personnel, management control, asset management, information technology, and financial accountability. We will particularly emphasize the controls over charge cards, security, and emerging technology issues. The efforts of the OIG will be directed towards reducing the overall level of waste and wrongdoing in GSA, increasing the awareness of GSA managers regarding the prevention of fraud and waste, improving the detection of and response to corruption, and increasing the public trust in GSA's programs and operations.

During FY 2005, the OIG plans to devote approximately \$16.1 million of its requested resources to accomplish this strategic goal.

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Strategic Goal No. 3

Implement an efficient and effective human capital strategy.

Discussion

Our people are our most important resource. A skilled, focused, flexible, and diverse workforce is essential if we are to continue to improve and provide the services necessary to carry out our mission. Beginning in the mid-1990s, the OIG realized the need to better align our resources to meet our mission responsibilities. We took numerous actions to redefine our mission, restructure our operations, reduce management layers, redistribute management positions to direct line positions, and to more closely interact with our clients. Our goal was to become more results-oriented, and better serve GSA, the Congress, and the taxpayer. These actions were consistent with the stated goals of OMB Bulletin 01-07 "Workforce Planning and Restructuring."

Despite these actions, events over the past few years have combined to exacerbate our human capital issues. Specifically, we have had a difficult time hiring at mid-level positions and replacing and retaining qualified staff. Salaries, Federal hiring requirements and constraints, and stiff competition from the private sector and other Government agencies have impacted our ability to hire people with the necessary skills. We are losing our younger staff to other agencies, while our older staff is retiring. We are faced with the potential loss of over 67 percent of our senior managers over the next 2 to 3 years. This has increased our need for managerial and leadership training for mid-level staff to prepare them to assume more senior leadership positions in the organization. In addition, the skills we need to do our work have changed. We have had a difficult time in hiring accountants and mid-level IT specialists. Major statutes aimed at increasing the fiscal and managerial accountability of Federal agencies have impacted our work and increased our emphasis on financial issues. In addition, technology has had a tremendous effect on how the Government

conducts business and consequently we need to apply technology in our audits, investigations, and internal management operations.

To meet the challenges ahead, the OIG has developed a human capital plan and continues to refine that plan. The OIG will implement its human capital management strategy to provide the highly competent professionals necessary to complete our mission and meet future demands. We will incorporate these efforts into our overall work planning, budgeting, and evaluation processes. This will include a commitment to recruit, develop, train, retain, and reward a workforce that possesses the skills required to meet the changing and challenging demands for our services. We will address continuity of operations and skills through succession planning. The OIG will increase its commitment to both technical and managerial training to sustain functional expertise and encourage professional development.

Anticipated Results

Among the initiatives we plan to accomplish are: enhancing our college recruiting program; completing a skills inventory and identification analysis; refining programs such as a career intern program, and various programs aimed at recruiting and retaining quality staff; streamlining and improving the efficiency of our hiring process; developing the required technical and managerial training programs needed to provide and maintain needed skills; and revising our performance appraisal system to ensure that employee performance is mission related.

During FY 2005, the OIG will devote approximately \$4.1 million of its resources to accomplish this goal.

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Strategic Goal No. 4

Enhance our organizational performance.

Discussion

This goal focuses on our work environment and business processes. We believe that this goal will serve two purposes—to make us more efficient in serving our clients and to help attract and retain a world-class workforce in our organization.

Our office's performance should be held to the highest standards. To achieve this, we will continue to emphasize improving the delivery of OIG products and services and create a more efficient work environment by investing in the office infrastructure, both technological and physical, that supports our strategic goals.

Timely, cost effective, and quality products and services are critical in today's fast-paced and changing environment. Our work products must be responsive to Agency and customer needs. Continued improvements in timeliness and operating efficiency will require reassessing existing business processes, employing technology to the extent possible, and improving management and coordination efforts. Further, we must better utilize the power of e-Government to make our products and services more accessible to our stakeholders.

We believe that appropriate and modern technological and physical work environments are important elements in successfully achieving our goals. We also believe that our audit and investigative functions must work closely with our administrative support activities to enhance our ability to meet mission requirements. We will ensure that we have the best possible work environment in several ways.

First, we recognize the benefits of technology in the work environment and we have made great strides in incorporating it into our management approach and processes. We want to continue this progress toward providing reliable, integrated technology to our staff.

We will maintain management information systems and networks that enhance our ability to exchange information, both inside and outside the OIG, and to conduct our work and perform analyses in a more secure paperless environment. This will also help us better plan and manage our resources by providing timely and reliable performance information and financial data. Also, providing sufficient, portable technology to the staff will help streamline our processes and better leverage our limited human capital resources.

Next, we need to make an investment in our physical environment in order to support our human capital strategies. Initiatives in this area will affect where we locate our staff and how it is configured. Lastly, administrative activities and processes supporting our line operations need to be better integrated and improved. Real-time fiscal information, comprehensive information systems support, and full-range human resource support are essential to improve our operations. It is imperative that we enhance and integrate this infrastructure to support our strategic planning, human capital initiatives, and business goals.

Anticipated Results:

1. Provide our customers with timely, quality OIG products in accordance with the standards established for the different types of audit and investigative reports we produce.
2. Provide comprehensive IT support and information systems availability necessary for our professional and support staffs to meet their mission requirements.
3. Provide timely and relevant budgetary, administrative, and human resource support to help our managers properly manage their resources and help them meet their mission needs.

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4. Begin implementation of a nationwide office modernization process, which will enhance the working environment of selected regional and Central Office locations.

During FY 2005, the OIG will devote approximately \$5.7 million of its resources to accomplish this goal.

Following is the OIG's Performance Plan that details the performance measures for each strategic goal.

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OIG Strategic Goal #1 Enhance the performance of GSA and ensure optimum value for the taxpayer.

Performance Goal: The OIG will direct its resources to help GSA achieve its strategic goals and address its management challenges. We consider our past work in GSA, the Presidential Initiatives, GSA's Strategic Plan, and areas of vulnerability identified by our office, GSA management, or GAO in identifying key program issues. The following issues represent the key management challenges and vulnerabilities that the OIG believes merit attention: protection of Federal facilities and personnel, information technology, management controls, asset management (including aging Federal buildings), human capital, procurement activities, financial accountability, contract management, and policy and administration.

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:

- Providing best value for customer agencies and taxpayers;
- Achieving responsible asset management;
- Operating efficiently and effectively; and
- Ensuring financial accountability.

The following table reflects the proportion of OIG products and services (audit reports and comments on proposals and other efforts) that had an identifiable positive impact on improving Agency performance of the following GSA goals: (1) providing optimum value for the customer agencies and the taxpayers, (2) responsible asset management, and (3) operational efficiency.

Performance Measure	Performance Indicators		
	FY 2003 Actual	FY 2004 Current	FY 2005 Target
Performance audits	83%	74%	72%
Reviews of legislative/regulatory or policy initiatives	55%	60%	60%

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OIG Strategic Goal #1. Enhance the performance of GSA and ensure optimum value for the taxpayer.

Performance Goal: This measure reflects OIG management's decision to allocate greater audit resources to major programmatic, control, systems, and other efforts which are aimed at helping GSA management achieve more positive outcomes in their operations. While these types of reviews require significantly more resources, and their immediate impact is not always quantifiable, their long-term benefits offer the potential for significant improvements in GSA performance and benefits to customers and taxpayers. Results from these audit efforts are based on actual reports issued and the resulting recommended avoidances, recoveries, and resolved management decisions.

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:

- Providing best value for customer agencies and taxpayers;
- Achieving responsible asset management;
- Operating efficiently and effectively; and
- Ensuring financial accountability.

Performance Measure	Performance Indicators		
	FY 2003 Actual	FY 2004 Current	FY 2005 Target*
Total reports	170	200	248
Internal audit reports	65	69	74
Contract audit reports	105	131	174
Value of results			
Avoidances & recoveries	\$100M	\$154M	\$222M
Management decisions	\$131M	\$116M	\$151M

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OIG Strategic Goal #2. Protect the integrity of GSA programs and operation.

Performance Goal: The OIG intends to focus its resources and expertise on areas that are susceptible to waste, fraud, and wrongdoing. Our intent is to: increase awareness of the potential for wrongdoing, identify and mitigate program and operational vulnerabilities and control deficiencies, pursue potential wrongdoing to the fullest extent of our ability, and produce a decrease in the overall level of waste and wrongdoing experienced by GSA beyond that which would be expected if this initiative were not undertaken. Our efforts will be directed to areas that our risk-based assessments determined are most susceptible to waste and wrongdoing. These areas include the protection of Federal facilities and personnel, information technology, management controls, asset management, procurement activities, and financial accountability. The combined efforts of the Office of Audits and the Office of Investigations will be directed towards the achievement of our outcomes.

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:

- Providing best value for customer agencies and taxpayers;
- Achieving responsible asset management;
- Operating efficiently and effectively; and
- Ensuring financial accountability.

The percentages shown for each outcome reflect the proportion of OIG products (audit reports, investigations, awareness initiatives, and other initiatives or evaluations) that have an identifiable positive impact on protecting the integrity of the Agency's programs and operations. We measure positive impact of internal audits based on input we receive from GSA managers on our customer surveys. On contract audits, we measure positive impact based on the actual savings resulting from the audit as evidenced by our assessment of the price negotiation memorandum prepared by the GSA contracting officer.

Performance Measure	Performance Indicators		
	FY 2003 Actual	FY 2004 Current	FY 2005 Target
Impacted program integrity in the following areas: <ul style="list-style-type: none"> • Control, compliance, and accountability issues • Integrity issues 	96%	65%	68%
	60%	60%	60%

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OIG Strategic Goal #2. Protect the integrity of GSA programs and operation.

Performance Measure	Performance Indicators		
	FY 2003 Actual	FY 2004 Current*	FY 2005 Target*
Number of Criminal Referrals	148	102	110
Number of Civil Referrals	44	21	28
Number of Admin. Referrals	337	258	267
Civil Settlements	5	6	6
Indictments/Information	51	36	40
Successful Criminal Prosecutions	43	34	38
Contractors Suspended/Debarred	125	93	110
Investigative Recoveries	\$16.9M	\$4.5M	\$5.2M
Fraud Awareness Briefings	12	8	14
High Priority Investigations	74%	70%	70%

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The following table reflects the planned reallocation of Office of Audit resources from contract audit issues to more internal GSA program and operational issues. *(OIG Strategic Goals #1 and #2)*

Type of Audit	FY 2003 Actual		FY 2004 Current		FY 2005* Request		Change FY 04 to FY 05	
	Target	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Contract Audits	34%	\$6.2M	25%	\$5.4M	31%	\$8.1M	6%	\$2.7M
Internal Audits	66%	\$12.1M	75%	\$16.1M	69%	\$17.9M	-6%	\$1.8M

* FY 2005 targets include \$4 million for FTS and FSS reimbursable.

Shift internal audit resources from reviews that focus on compliance with regulations to reviews that focus on assisting GSA achieve its program goals. *(OIG Strategic Goals #1 and #2)*

Internal Audit Types	FY 2003 Actual		FY 2004 Current		FY 2005 Request		Change FY 04 to FY 05	
	Target	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Non-Compliance:								
Program	45%	\$5.4M	45%	\$7.2M	44%	\$7.9M	-1%	\$0.7M
Administration	6%	\$0.7M	2%	\$0.3M	1%	\$0.2M	-1%	-\$0.1M
IT Systems	12%	\$1.5M	13%	\$2.1M	14%	\$2.5M	1%	\$0.4M
Financial	11%	\$1.4M	12%	\$1.9M	10%	\$1.8M	-2%	-\$0.1M
Non-Compliance	74%	\$9.0M	72%	\$11.5M	69%	\$12.4M	-3%	\$0.9M
Compliance	26%	\$3.1M	28%	\$4.5M	31%	\$5.5M	3%	\$1.0M
Total	100%	\$12.1M	100%	\$16.1M	100%	\$17.9M		\$1.9M

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OIG Strategic Goal #3. Implement an efficient and effective human capital strategy.

Performance Goal: The OIG will implement a human capital management strategy to better support our mission. The purpose of the strategy is to ensure that we have a highly qualified workforce focused on our mission, and that we have identified key Agency problem areas. As part of our approach, we will identify and use available tools, such as the Career Intern Program, to more effectively recruit and retain staff. For staff development, we will address the critical technical, managerial, and leadership skills needed for continuity and improvement in operations. Additionally, we will ensure that our performance evaluation system provides meaningful feedback and fully recognizes individual and team accomplishments.

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:

- Maintaining a world-class workforce and a world-class workplace; and
- Carrying out social, environmental, and other responsibilities as a Federal Agency.

Performance Measure	Performance Indicators			
	Standard*	FY 2003 Actual	FY 2004 Current	FY 2005 Target
Reassess our human capital strategy and identify specific initiatives that will foster improvement in: <ul style="list-style-type: none"> • Recruitment and retention • Staff development • Employee appraisal and recognition • Quality of life • Cost savings to OIG 	Formalize a human capital management plan by the end of FY 2001 and implement plan initiatives over the following 4 years.	Seventy percent of the plan has been implemented.	Eighty percent of the plan will be implemented.	The plan will be fully implemented.

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OIG Strategic Goal #4. Enhance our organizational performance.

Performance Goal: This performance measure reflects how our customers perceive our products and services. Our three main components each use customer surveys to gauge the level of customer satisfaction. The areas that are covered by the surveys are: meeting customer needs, clarity of information provided, relevancy, timeliness, and value added. Activities are evaluated against a “standard” that reflects “expected average performance.”

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:

- Providing best value for customer agencies and taxpayers;
- Achieving responsible asset management;
- Operating efficiently and effectively;
- Ensuring financial accountability;
- Maintaining a world-class workforce and a world-class workplace; and
- Carrying out social, environmental, and other responsibilities as a Federal Agency.

Performance Measure	Performance Indicators			
	Standard	FY 2003 Actual	FY 2004 Current	FY 2005 Target
Effectiveness- Customer Surveys	Scale: 1-5 (5 high)			
• Audit products	4.0	92%	90%	90%
• Administrative products and services (internal to the OIG)	4.0*	90%	90%	90%

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OIG Strategic Goal #4. Enhance our organizational performance.

Performance Goal: This performance measure demonstrates the timeliness and effectiveness of our products and services. OIG products and services are evaluated against a standard that reflects “expected average performance.” For example, if a performance standard for completion of a particular type of audit or investigation is 30 days, it means that the average time it will take to complete the review will be 30 days or less. If the target is 65 percent that means that 65 percent of the OIG reports will be completed within 30 days. Of the activities listed, the following are noteworthy:

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:

- Providing best value for customer agencies and taxpayers;
- Achieving responsible asset management;
- Operating efficiently and effectively;
- Ensuring financial accountability;
- Maintaining a world-class workforce and a world-class workplace; and
- Carrying out social, environmental, and other responsibilities as a Federal Agency.

The Office of Audits establishes two unique performance targets for each type of audit—one measures the days (timeliness) and the other measures the direct work hours (cost effectiveness) it takes to complete an audit project. The performance standards listed below reflect the percentage of time that the office performs audits from beginning to end within the established standards.

Performance Measure	Performance Indicators			
	Standard	FY 2003 Actual	FY 2004 Current	FY 2005 Target
<u>Audits and Reviews:</u>				
Cost effectiveness • Contract • Internal	Direct hours to perform audits based on a unique performance standard for each type.	51% 75%	55% 67%	57% 67%
Timeliness • Contract • Internal	Days to perform audits based on a unique standard for each type of audit.	48% 67%	55% 62%	57% 65%

These goals represent the Office of Audits for different types of contract and internal audits. We perform pre-award MAS, pre-award cost or pricing, and claims audits among others. Similarly, we perform internal audits, program compliance, management control reviews, and many others. We have identified different performance standards in terms of days and hours for each type of audit.

General Services Administration OFFICE OF INSPECTOR GENERAL

OIG Strategic Goal #4. Enhance our organizational performance.

The Office of Investigations has established a standard that reflects a dramatic improvement in the time frame within which they will conduct nearly all of their activities.				
Performance Measure	Performance Indicators			
	Standard	FY 2003 Actual	FY 2004 Current	FY 2005 Target
Investigations: Timeliness <ul style="list-style-type: none"> • Fraud/Other Crime • Suspensions/Debarments • Administrative 	Days to perform different types of investigations based on a unique standard for each type of investigation.	Percentage of investigations that meet unique performance standards.		
		82%	75%	75%
		95%	80%	80%
		80%	80%	80%

General Services Administration OFFICE OF INSPECTOR GENERAL

OIG Strategic Goal #4. Enhance our organizational performance.

The Office of Administration, Internal Evaluation Staff, and Office of Counsel to the IG applied standards to reflect the need to improve performance in specific targeted areas.

Performance Measure	Performance Indicators			
	Standard	FY 2003 Actual	FY 2004 Current	FY 2005 Target
<ul style="list-style-type: none"> • FOIA/PA Requests • Field Office Appraisals • System Availability • Provide Information Resources • Budget and Management Reports • Procurement Actions • Personnel Actions/Requests • Formalize plans for modernizing work environment (physical and technological) and implement initiatives. 	Days to perform different types of legal, field office reviews, and administrative type activities. *	Percentage of administrative activities that meet unique performance standards.		
		91.5%	90%	90%
		65%	70%	70%
		97%	97%	97%
		94%	94%	94%
		95%	97%	97%
		95%	95%	95%
		95%	95%	95%
	100% of planned initiatives.	95%	N/A**	

**General Services Administration
OFFICE OF INSPECTOR GENERAL**

<i>Performance Plan: Allocation of OIG Resources</i>												
Organization	Performance Indicators (in thousands)											
	FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		FY 2008	
Total OIG	\$37,282	100%	\$38,938	100%	\$42,351	100%	\$41,251	100%	\$41,251	100%	\$41,251	100%
Audits	\$21,174	57%	\$24,214	62%	\$25,100	59%	\$25,100	61%	\$25,100	61%	\$25,100	61%
Investigations	\$9,900	27%	\$9,300	24%	\$11,651	28%	\$10,551	26%	\$10,551	26%	\$10,551	26%
Administration	\$3,620	10%	\$3,088	8%	\$3,200	8%	\$3,200	8%	\$3,200	8%	\$3,200	8%
Counsel	\$1,148	3%	\$1,168	3%	\$1,300	3%	\$1,300	3%	\$1,300	3%	\$1,300	3%
IG Office/Evaluations	\$1,440	3%	\$1,168	3%	\$1,100	2%	\$1,100	2%	\$1,100	2%	\$1,100	2%

**General Services Administration
OFFICE OF INSPECTOR GENERAL**

**Budget Authority
\$(Thousands)**

	FY 2003 Actual	FY 2004 Current	FY 2005 Request	FY 04/05 Change
Direct Program:	\$37,081	\$38,938	\$42,351	\$3,413
Reimbursable Program:				
FSS & FTS Programs			4,000	4,000
Other Reimbursable	201	450	450	0
Net Outlays	\$35,762	\$38,852	\$42,160	
Employment (FTE)				
Direct	278	298	303	5
Reimbursable	0	0	0	0

General Services Administration OFFICE OF INSPECTOR GENERAL

EXPLANATION OF ESTIMATES

The Office of Inspector General's appropriation request is for \$46,351 thousand which will support 303 FTEs during FY 2005. This request reflects a net increase of \$7,413 thousand over the comparable amount of \$38,938 thousand for fiscal year 2004. This request covers increases of: (1) \$1,488 thousand for increased pay and infrastructure costs; (2) \$775 thousand for a Computer Forensic Investigations Unit; (3) \$1,150 thousand for an Information Management System; and (4) \$4,000 thousand in reimbursables to expand pre-award audits and contract performance assessments of government-wide contracts for FSS and FTS.

Explanation of Budget Authority Changes in Priority Order		
Appropriation		
\$(Thousands)		
FY 2004 Appropriation Request	298	\$39,169
Less: .59% Rescission		-231
FY 2005 Base	298	\$38,938
Increased Pay		608
Increased Infrastructure Cost		880
Establish Computer Forensic Investigations Unit	5	775
Replacement of Information Management System		1,150
Subtotal of Direct Obligations		\$42,351
Reimbursables:		
FSS and FTS		4,000
Other		450
FY 2005 Appropriation Request		\$46,801

**General Services Administration
OFFICE OF INSPECTOR GENERAL**

OFFICE OF INSPECTOR GENERAL Obligations by Object Class \$(Thousands)				
		FY 2003 Actual (\$000)	FY 2004 Current (\$000)	FY 2005 Request (\$000)
	Personnel Compensation:			
11.1	Full-time permanent	18,660	19,730	20,691
11.5	Other personnel compensation	3,930	3,688	3,832
11.9	Total personnel compensation	22,590	23,418	24,523
12.1	Civilian personnel benefits	5,302	5,372	5,626
21.0	Travel and transportation of persons	1,165	1,491	1,524
21.0	Motor Pool	128	135	139
22.0	Transportation of things	42	60	61
23.1	Rental payments to GSA	3,250	3,319	3,446
23.3	Communications, utilities and miscellaneous charges	147	201	252
24.0	Printing and reproduction	162	164	166
25.2	Other services	502	848	1,406
25.3	Purchases of goods and services from Government Accounts	3,359	3,388	4,190
26.0	Supplies and materials	213	204	573
31.0	Equipment	221	338	445
99.0	Total	37,081	38,938	42,351
99.0	Reimbursable obligations	201	450	4,450
99.9	Total Direct & Reimbursable	37,282	39,388	46,801



WORKING CAPITAL FUND

General Services Administration

WORKING CAPITAL FUND

INTRODUCTION

The Working Capital Fund (WCF) is a fully reimbursable revolving fund that finances the full range of administrative support services to GSA and select services to other Federal organizations. The agency-level management activities funded through the WCF include the Chief Financial Office (CFO), Chief People Office (CPO), Chief Information Office (CIO), the Office of General Counsel, the Office of Small Business Utilization, the Office of Civil Rights, the Office of Performance Improvement, the Office of Emergency Management, as well as agency acquisition policy support and regional functions including acquisition management and small business contracting assistance. The total WCF program level for FY 2005 is estimated to be \$358 million with 1,365 full-time equivalent (FTE) positions. The following describes some of the specific services provided through the WCF. Centralized Administrative Support (CAS) represents the largest portion of the WCF, at approximately 54% of total obligations. The CAS functions are provided to internal GSA customers and include agency-wide functions such as finance, budget and accounting support, information technology, human resource management, facilities management, acquisition policy, and legal services. Centralizing administrative support functions have enabled GSA to achieve economies of scale, reducing costs and increasing operational efficiencies, and allowed GSA's business lines and program areas to focus on and accomplish their goals.

The strategic directions presented focus on future initiatives for improving services to meet the needs of both internal and external customers and achieving the criteria for success under the President's Management Agenda.

Technological innovations are key to improving financial management and human resource management. Over the next few years, GSA will face challenges in managing productivity and costs to provide affordable services, and the Staff Offices must continue to improve customer satisfaction, enhance associate and organizational effectiveness, and improve financial performance.

STRATEGIC ASSESSMENT

Chief Financial Officer (CFO)

The GSA Office of the Chief Financial Officer (OCFO) provides full-service corporate financial management for all of GSA and more than 40 external customers. OCFO directly supports GSA's overall mission of helping Federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services, and management policies by providing transparent financial management services so the three major business lines can focus on delivering their core goods and services.

The overarching strategy of the Office of the CFO is to improve the quality of cost and performance data, increase the use of electronic methods of transaction processing to improve efficiency and reduce errors, and improve collaboration both internally and externally to deliver value-added financial services. The CFO will standardize financial reporting to meet customer needs and to provide improved financial accountability.

GSA is one of four agencies selected as an e-Payroll provider and will provide e-Payroll services for other Federal agencies, on a reimbursable basis.

General Services Administration WORKING CAPITAL FUND

To provide best value for customer agencies and taxpayers, the Office of the CFO (OCFO) is developing a customer focused, streamlined, e-Business enabled model for delivery of financial-management services. OCFO will partner with FTS, FSS, and PBS to ensure best business processes for our internal and external customers. To link budget and performance, the OCFO has begun to implement the Performance Management Process (PMP). This is an iterative process intended to facilitate face-to-face discussion among Senior Managers throughout the year regarding planning, budget priorities and performance results. It will also address GSA-wide and GSA business line concerns such as what strategies work best, where are our resources allocated, what results have been achieved, and what goals and objectives are in the best interest of our customers and the taxpayer.

The OCFO has implemented the GSA PMP for activities that directly support the President's Management Agenda and the Administrator's emphasis on full accountability of planning, budgeting, and performance. Implementation of the PMP throughout GSA will provide the foundation for a comprehensive annual review of all of our activities. It will also inform our strategy and action planning and will ultimately result in more meaningful financial, budgetary, and performance data upon which we can base our day-to-day management decisions. This approach will help lead to better budget and performance integration, with the consequent de-emphasis on programs that are outdated or ineffective, and place more emphasis on programs that deliver the desired outcome of superior service to Federal agencies.

For the 16th consecutive year, GSA's financial statements received a clean audit opinion from independent auditors. GSA is committed to maintaining the unqualified audit opin-

ions by continuing to improve its financial system, Pegasys. GSA is also strengthening management controls in credit card implementation by eliminating material internal control weaknesses, and by requiring approving officials to conduct monthly statement reviews. We have also begun an Activity Based Costing initiative to determine our baseline costs.

Chief People Officer (CPO)

The Office of the CPO will continue to drive the national and local implementation of GSA's Human Capital Strategic Plan (HCSP), in support of the President's Management Agenda initiative "Strategic Management of Human Capital" and in response to the requirements of the Chief Human Capital Officers Act of 2002.

Through the deployment of HR Advisors, the Office of the CPO will continue to provide national and local HR support to GSA organizations as they continue competitive sourcing activities in accordance with the PMA and revised OMB Circular A-76 guidance. Specific CPO activities are linked to GSA corporate and business line plans and schedules.

The Office of the CPO will continue efforts initiated in FY 2003 to examine and adjust its models and methods for providing Human Resources (HR) advice and services to all GSA organizations nationwide, in order to increase both effectiveness and efficiency. It will utilize business process reengineering techniques to identify and implement HR process improvements, and will consider opportunities for consolidation, out-sourcing, standardization, and increased use of technology.

The Office of the CPO will continue to partner in and support Federal HR e-Government initiatives. It will evaluate and, as

General Services Administration

WORKING CAPITAL FUND

appropriate, revise its methods of providing internal and external HR Information Technology (IT) support in full consideration of these initiatives.

Through its programs, policies, and systems, the Office of the CPO will continue to promote agencywide responsibility and accountability for management of human capital in accordance with applicable laws, regulations and merit systems principles.

Chief Information Officer (CIO)

The Office of the CIO is responsible for leveraging information technology to improve business performance and results. This is accomplished through the following business lines: Executive Direction, Management Support, IT Security, Enterprise Architecture (EA), Data Warehouse, IT Strategic and Capital Planning, IT Policy and External Relations, IT Audits, and e-Government.

The Office of the Chief Information Officer (CIO) developed in FY 2002 a GSA IT Strategic Plan to guide the agency's IT effort over the next five years.

Since FY 2002, the CIO has actively worked on implementing the President's Management Agenda (PMA). The CIO leads GSA's internal activities with respect to the PMA's government-wide initiative "Expanding Electronic Government." Additionally, the CIO manages the five GSA-led governmentwide e-Gov initiatives. Our role will continue for both of these efforts in FY 2004 and 2005.

Other Centralized Administrative Support Offices

The **Office of General Counsel (OGC)** provides sound and timely legal support to GSA's programs in areas such as contracting, information technology, travel and transportation, real estate, construction, leasing, environmental issues, litigation, personnel and labor relations, equal employment opportunity (EEO), appropriations, finance, the Freedom of Information Act, the Privacy Act, and the Federal Advisory Committee Act. The Office of General Counsel also supports GSA's responses to Congressional inquiries, develops and manages GSA's ethics program, and supports the agency's alternative dispute resolution efforts.

The **Office of Small Business Utilization (OSBU)** has nationwide responsibility for GSA's small business programs. OSBU focuses on programs, policy and outreach to the small business community and is GSA's advocate for small business. The mission of the OSBU is to promote and facilitate programs and activities that provide "Access to Opportunity" to small, small disadvantaged, women-owned, HUBZone certified, and service-disabled veteran-owned businesses in GSA contracting nationwide. OSBU is the lead office for a nationwide network of regional Business Service Centers (BSC). The BSC's provide information, assistance, and counseling to private sector concerns seeking to do business with the Government.

In FY 2002, GSA's contracts with small businesses totaled more than \$4 billion. This amount included \$382 million for women-owned small businesses, \$978 million for minority-owned small businesses, \$97.7 million for HUBZone small businesses, and \$10.7 million for Services Disabled Veteran-owned small businesses.

General Services Administration

WORKING CAPITAL FUND

The **Office of Civil Rights (OCR)** and regional counterparts are responsible for implementing both the internal and external Civil Rights Programs at GSA. The internal civil rights program ensures equal employment opportunity for all GSA associates and applicants for employment on the basis of sex, race, color, national origin, religion, disability, age (40 and over), and retaliation for protected EEO activity. The internal civil rights program processes EEO complaints of discrimination pursuant to 29 C.F.R. Part 1614. The external civil rights program ensures nondiscrimination on the basis of race, color, sex, age (40 and over), national origin, and disability by recipients of GSA's Federal Financial Assistance and Federally Conducted Programs. Both the internal and external civil rights programs have enforcement and prevention as the cornerstones of their programs.

The **Office of Performance Improvement (OPI)** directs GSA's performance planning initiatives by ensuring that there is a robust and rigorous process in place to identify, develop, and execute changes necessary to achieve performance improvements. OPI directs and oversees the competitive sourcing process. Also, OPI incorporates other PMA items, including linking budget with performance, performance measurement, and Government Performance and Results Act (GPRA) principles into GSA processes.

The **Office of Emergency Management (OEM)** is responsible for the GSA Nationwide Continuity of Operations (COOP) Plan and the Central Office COOP Plan. OEM sets policies, procedures, and guidance in case an emergency occurs.

In addition to its governmentwide policy role, the Office of Governmentwide Policy's Office of Acquisition Policy has agency-wide responsibility for planning, directing, and control-

ling functions that affect GSA contracting activities. It is responsible for establishing and maintaining GSA acquisition policies, regulations, and procedures through issuance of the General Services Acquisition Manual and other policy documents. It establishes and monitors performance measures for GSA's acquisition system; establishes and administers acquisition quality workforce programs, such as the Contracting Officer Warrant Program and 1102 Occupational Certification Program; and determines non-federal entities' eligibility to use GSA sources of supply. It performs the debarment and suspension functions, the agency protest function, the agency ombudsmen function and serves as the Head of Contracting Activity for GSA.

GSA's **Regional Acquisition Management Staffs (RAM)** are located in the GSA Regional Offices and are responsible for monitoring and reviewing GSA Regional Office contractual and other procurement activities to ensure compliance with applicable procurement statutes, regulations and directives.

Other Reimbursable

Other Reimbursable activities provide services to both GSA and non-GSA clients. Included in Other Reimbursable are Centralized Charges, Enterprise Infrastructure Operations, and External Reimbursable.

Centralized Charges, a clearing account for agency-wide costs paid by GSA, includes programs such as Unemployment Compensation, Workman's Compensation, Postage, FTS 2001 Long Distance Services, Wireless Cell Phone, etc.

Enterprise Infrastructure Operations (EIO) provides network support to GSA and several external clients through remote

General Services Administration WORKING CAPITAL FUND

access servers, wide area backbone networks, local area backbone networks, agencywide licenses and web portal projects.

Support for **External Reimbursable** activities includes providing administrative services similar to those described under “Centralized Administrative Support,” including accounting, payroll, budget, personnel and procurement. Customers include small agencies and Presidential committees and commissions.

GSA will also provide **e-Payroll services** for other Federal agencies, on a reimbursable basis. OPM is leading the e-Payroll effort to transform the current Federal payroll service delivery environment. GSA was one of four agencies selected as an e-Payroll provider. OPM led a working group that determined that consolidation of payroll service delivery and standardization of payroll processes were the first steps in achieving the desired end state of integrated HR and Payroll services. To achieve consolidation, OPM conducted an internal government sourcing process that allowed existing executive branch payroll providers an opportunity to submit responses if they were interested in continuing to provide payroll services. The four agencies selected as best qualified were Department of Agriculture’s National Finance Center (NFC), Department of Defense’s Defense Finance and Accounting Service (DFAS), Department of Interior’s National Business Center (NBC), and GSA. GSA and DFAS will jointly serve as one of two e-Payroll partnerships that are charged with providing an end-state payroll solution for the Federal government.

GSA has been a payroll cross-services provider for over 30 years. GSA's clientele include over 30 independent agencies

and presidential commissions. GSA’s payroll system will provide payroll services for existing customers as well as those agencies and commissions chosen to migrate their payroll services to GSA through September 2004 (the consolidation phase of e-Payroll). As part of its e-Payroll responsibilities, GSA has migrated the American Battle Monuments Commission onto its payroll system. GSA will also provide both payroll and HR services to the Railroad Retirement Board.

**General Services Administration
WORKING CAPITAL FUND**

	FY 2003 Actual	FY 2004 Budget	FY 2005 Request	FY 04 – FY 05 Change
Revenue				
Operating Programs:				
Centralized Administrative Support	171,466	186,010	194,828	+8,818
Other Reimbursable	143,512	148,347	149,350	+1,003
Subtotal	\$314,978	\$334,357	\$344,178	+\$9,821
Obligations				
Operating Programs:				
Centralized Administrative Support	171,466	186,010	194,828	+8,818
Other Reimbursable	143,512	148,347	149,350	+1,003
Subtotal	\$314,978	\$334,357	\$344,178	+\$9,821
Major Equipment Acquisition and Development	<u>1,936</u>	<u>13,520</u>	<u>13,520</u>	<u>0</u>
Total	\$316,914	\$347,877	\$357,698	+\$9,821
Net Outlays	-418	0	0	-----
Total Employment	1,363	1,355	1,365	+10

General Services Administration WORKING CAPITAL FUND

Explanation of Estimates:

The fiscal year 2005 operating program level of \$357,698 thousand reflects a net increase of \$9,821 thousand above the fiscal year 2004 program level of \$347,877 thousand. The net change of \$9,821 thousand provides \$18,476 thousand for increases of: (1) \$5,947 thousand for increased salary costs; (2) \$4,275 thousand for the increased cost of goods and services due to inflation; (3) \$609 thousand for increased Corporate Charges payable from the Centralized Administrative Support Program (CAS); (4) \$33 thousand for GSAjobs; (5) \$376 thousand for Human Capital Strategy; (6) \$2,000 thousand for Tech Refresh (IT equipment replacement); (7) \$1,800 thousand for equipment upgrades and increase to contract

costs for Enterprise Infrastructure Operations; (8) \$376 thousand for Contract Bundling in the Office of Small Business Utilization; (9) \$378 thousand for Regional Funding for Civil Rights and General Counsel FTE; (10) \$1,025 thousand for GSA.gov Refresh for the Office of Citizen Services and Communications; (11) \$1,457 thousand for increases to the Centralized Charges programs; and (12) \$200 thousand for increased funding for Federal Premier Lodging Program. These increases are offset by decreases of \$8,655 thousand related to: (1) \$235 thousand for Personnel Security; (2) \$1,724 thousand for Enterprise Architecture; (3) \$6,696 thousand for transfer of funding to the Department of Homeland Security.

General Services Administration WORKING CAPITAL FUND

	Centralized Administrative Support		Other Reimbursable		Major Equipment Acquisition & Development	Total	
	FTE	\$	FTE	\$	\$	FTE	\$
FY 2004 Operating Program	1,204	\$ 176,631	140	\$ 142,614	\$ 4,300	1,344	\$ 323,545
Increases:							
Performance Management Tool		206					206
Pegasys Operation & Maintenance		3,505					3,505
Human Capital Strategy	2	325				2	325
Personnel Security Clearances		510					510
Competitive Sourcing - CPO	4	1,010				4	1,010
GSAjobs		200					200
Staff Upgrade - CPO		44					44
Enterprise Architecture		2,524					2,524
IT Security		350					350
Staffing Increase (RAM, EEO, Legal, OEM)	5	705				5	705
GSA.gov Refresh				500			500
CRM IT Program Management Support				1,554			1,554
Centralized Charges programs				4,622			4,622
Financial Systems Development					\$ 9,220		9,220
Decreases:							
Enterprise Infrastructure				-943			(943)
Adjusted FY 2004 Operating Program	1,215	\$ 186,010	140	\$ 148,347	\$ 13,520	1,355	\$ 347,877
Pay Raise/Annualized		5,347		600			5,947
All Other Inflation		1,995		993			2,988
Rent Increases		1,159		128			1,287
FY 2005 Base	1,215	194,511	140	150,068	13,520	1,355	\$ 358,099
FY 2005 Initiatives							
Increases:							
Corporate Charges increase to staff offices		609					609
GSAjobs		33					33
Human Capital Strategy	3	376				3	376
Tech Refresh		2,000					2,000
Enterprise Infrastructure Operations				1,800			1,800
Small Business Utilization	3	376				3	376
Staffing Increase for Civil Rights & General Coun	4	378				4	378
GSA.gov Refresh				1,025			1,025
Centralized Charges programs				1,457			1,457
Federal Premier Lodging Program				200			200
Decreases:							
Personnel Security		-235					-235
Enterprise Architecture		-1,724					-1,724
Transfer FPS support to DHS		-1,496		-5,200			-6,696
Fiscal Year 2005 Total Request	1,225	\$ 194,828	140	149,350	13,520	1,365	\$ 357,698

**General Services Administration
WORKING CAPITAL FUND**

OBLIGATIONS BY OBJECT CLASS				
\$(Thousands)				
		FY 2003 Actual	FY 2004 Estimate	FY 2005 Request
	Personnel Compensation:			
11.1	Full-time permanent	\$82,681	93,517	96,762
11.3	Other than full-time permanent	1,000	3,070	3,575
11.5	Other personnel compensation	13,473	13,893	14,463
11.8	Special personal services payment	71	40	41
12.1	Civilian personnel benefits	36,940	39,448	40,990
13.0	Benefits for former personnel	722	603	687
21.0	Travel and transportation of persons	2,827	2,500	2,518
22.0	Transportation of things	748	879	905
23.1	Rental payments to GSA	12,753	13,970	15,257
23.2	Rental payments to other	15	0	1
23.3	Communications, utilities and miscellaneous charges	26,944	23,123	23,133
24.0	Printing and reproduction	1,728	2,077	1,900
25.1	Advisory and assistance services	75,263	78,761	80,067
25.2	Other services	676	17,217	17,773
25.3	Purchases of goods and services from Government Accounts	48,910	47,766	49,537
25.4	Operation & maintenance of facilities	0	8	8
25.7	Operation & maintenance of equipment	25	282	287
26.0	Supplies and materials	1,290	873	887
31.0	Equipment	10,848	9,850	8,907
99.0	Total Working Capital Fund	316,914	347,877	357,698



ELECTRONIC GOVERNMENT FUND

General Services Administration ELECTRONIC GOVERNMENT FUND

MISSION

This program will support interagency “electronic government” or “e-gov” initiatives, i.e., projects that will use the Internet or other electronic methods to provide individuals, businesses, and other Government agencies with simpler and more timely access to Federal information, benefits, services, and business opportunities. The program will also further the Administration’s implementation of the Government Paperwork Elimination Act (GPEA) of 1998, which calls upon agencies to provide the public with optional use and acceptance of electronic information, services, and signatures, when practicable. E-Gov initiatives will eliminate duplicative systems and accelerate the ability to unify agency information around customers.

These initiatives will lead to savings compared to old system investments and provide a base to build a citizen centric Government. E-gov will simplify and unify Government systems, and allow the public to have 24-hour access to Government information and services. Proposals for funding will be required to meet capital planning guidelines and include adequate documentation to demonstrate a sound business case, attention to security and privacy, and a way to measure performance against planned results. A detailed spending plan including a list of proposed projects will be provided to the Committees on Appropriations.

General Services Administration ELECTRONIC GOVERNMENT FUND

BUDGET AUTHORITY \$(Thousands)

	FY 2003 Actual	FY 2004 Current	FY 2005 Request	FY 2004/FY 2005 Change
New Direct Budget Authority	\$4,968	\$2,982	\$5,000	+2,018
Reimbursable Budget Authority	0	0	40,000	+40,000
Prior Year Carryover	1,445	4,700	1,000	-3,700
Total Budget Authority	\$6,413	\$7,682	\$46,000	+38,318
Total Obligations	\$1,812	\$6,682	\$46,000	+39,318
Net Outlays	\$3,681	\$7,400	\$3,463	-3,937

EXPLANATION OF ESTIMATES

The fiscal year 2005 budget request provides for an increase of \$2,018 above the fiscal year 2004 level for total direct budget authority of \$5 million. The FY 2005 budget also anticipates \$40 million in reimbursable funding from the GSA General Supply Fund. Authority to collect reimbursable funding from the GSA General Supply Fund is provided by a proposed GSA general provision in the FY 2005 Budget. The general provision reads as follows:

SEC 409. 40 U.S.C. 321 is amended by adding the following new paragraph at the end of subsection (f):

“(3) From any surplus generated by operation of the Fund, less amounts retained under subsection (2) above and under section 605(b)(2) of this title, the Administrator may, after consulting with the Office of Management and Budget, retain and transfer not to exceed \$40,000,000 in a fiscal year to the Electronic Government Fund to provide for governmentwide electronic government (E-Gov) projects, authorized under 44 U.S.C. 3604.”
(Division F, H.R. 2673 Consolidated Appropriations Bill, FY 2004.)

**General Services Administration
ELECTRONIC GOVERNMENT FUND**

EXPLANATION OF BUDGET CHANGES APPROPRIATION \$(Thousands)	
FY 2004 Enacted Budget	\$3,000
Reduction for .59% Rescission.....	-18
FY 2004 New Obligational Authority	\$2,982
Increase to Electronic Government Fund.....	+2,018
FY 2005 New Direct Budget Authority.....	\$5,000

**General Services Administration
ELECTRONIC GOVERNMENT FUND**

OBLIGATIONS BY OBJECT CLASS \$(Thousands)				
		FY 2003 Estimate	FY 2004 Current	FY 2005 Request
	Personnel Compensation:			
11.1	Full-time permanent	15	0	0
11.3	Other than full-time permanent	4	0	0
11.5	Other personnel compensation	3	0	0
11.9	Total personnel compensation	0	0	0
12.1	Civilian personnel benefits	2	0	0
21.0	Travel and transportation of persons	41	0	0
23.1	Rental payments to GSA	0	0	0
23.3	Communications, utilities and miscellaneous charges	0	0	0
24.0	Printing and reproduction	0	0	0
25.1	Commercial Service Contracts	1,533	6,682	6,000
25.2	Other Services	0	0	0
25.3	Purchases of goods and services from Government Accounts	214	0	0
26.0	Supplies and materials	0	0	0
31.0	Equipment	0	0	0
99.0	Subtotal direct obligations	1,812	6,682	6,000
99.0	Reimbursable obligations	0	0	40,000
99.9	Total obligations	1,812	6,682	46,000



MISCELLANEOUS ACCOUNTS

General Services Administration

EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

Strategic Assessment

The Federal Supply Service (FSS) Transportation Audits program is a mandatory transportation audit function to recover overpayments to carriers for Government moves resulting from rate and service agreements that are established by FSS or by other Federal agency traffic managers. The transportation audit function business strategies include the development of a web-based, fully automated, end-to-end system to handle all of our customers' transportation management needs, from rating and routing through pre-pay audit payment, post-pay audit and dispute resolution. The account is a permanent, indefinite appropriation that does not require annual Congressional action.

In recent years, post pay audit collections have become more difficult due to an increasing proportion of transportation payments being made by the government charge card. FSS will establish agreements with the banks and card companies and will collaborate with finance offices to facilitate post pay audit collection in cases where government charge cards are used to purchase transportation services from vendors.

Program Assessment Rating Tool (PART) Review

This program has not been reviewed.

Strategy and Action Plans

The Transportation Audits program is employing the following strategies in its operations:

- Incorporation of automated systems to improve business process and create efficiencies in operations
- Collaboration with third parties to collect overpayments made with government charge cards

Incorporation of these strategies will streamline operations, creating operating efficiencies that will allow the program to collect and prevent overpayments to vendors generating a significant saving for taxpayers. The savings to taxpayers in FY 2005 are estimated to be \$11.5 million resulting from the recovery of overpayments to vendors as a result of these strategies. Operating efficiencies are generated from an increase in the scope and percentage of electronic audits conducted and personnel savings resulting from automation.

The following key actions will help incorporate these strategies:

Utilization of Transportation Management Services Solutions (TMSS), a transportation management system that seamlessly integrates all transportation functions, will increase the efficiency and effectiveness of the program. TMSS is a web-based application that allows customers to handle all of their transportation needs, from rate and routing through carrier booking, bill of lading generation, prepay audit, payment and dispute resolution. The automation of the Transportation Audits program that is realized through the use of TMSS will not only increase the number of audits that can be handled by the program but will also reduce operating costs as more audits can be handled with less resources.

The use of government charge cards to purchase transportation services has created a hurdle for the Transportation Audits program. In the past when a vendor

General Services Administration

EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

was overpaid future payments could be reduced to offset the overpayment to the vendor. This could be handled through agreements with the program and the Federal agency finance center. When purchases are made with a government purchase card the Transportation Audit program may be unaware of the transaction prior to the vendor receiving payment and may not have the authority or ability to offset overpayments. The Transportation Audits program is working with DOD and US Bank on procedures to offset overpayments in the purchase card environment. This breakthrough would help increase the recovery of overpaid funds that would not have been recoverable in the past.

These strategies and key actions will help the Transportation Audits program to improve its operating efficiency and save agencies money through prepayment audits and recovery of funds from overpayment in post payment audits. The prevention of overpayment through prepayment audits in turn reduces the cost of operations for customer agencies and increases their efficiency and allows more funding to be focused on the key mission of the customer agency. Funds recovered through post payment audits in excess of expenses are returned to the US Treasury, benefiting the taxpayer.

Long-Term Outcome Goal: Provide an end-to-end transportation/freight management system/solution to increase value for agency customers and improve internal and external business processes.

The Transportation Audits program shares the same long-term outcome goal as the transportation area of the FSS Travel and Transportation business line discussed in the General Supply Fund Budget. This goal is intended to focus on improving

operations and efficiency that will in turn generate savings for the taxpayers in FY 2005 and in the out years.

Performance Goal: Increase the number of audits that are conducted electronically through streamlining and automating the Transportation Audits process.

This goal focuses on increasing the number of audits that are conducted electronically. The achievement of this goal requires the incorporation of automated process improvements and the adoption of technology.

The performance measure that will be used to monitor the success of this goal is discussed below.

Performance Measure: Percent of audits performed electronically.

This measure will track the number of audits that are performed electronically relative to the entire population of audits that are conducted through manual processes. Increases in the percent of audits performed electronically of all audits performed by the Transportation Audits program will indicate the success of this goal.

FY 02 Actual	FY 03 Actual	FY 04 Target	FY 05 Target
New	93.2%	95%	95%
FY 06 Target	FY 07 Target	FY 08 Target	FY 09 Target
95%	95%	95%	95%

The FY 2005 budget for this program supports the fulfillment of this long-term outcome goal and the annual performance goal and performance measure that accompany it.

General Services Administration
EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

FY 2005 Budget Request / Performance Goal
Budget Links
Expenses of Transportation Audit Contracts and Contract Administration
\$ (Thousands)

Long-term Outcome Goal(s)

Provide an end-to-end transportation/freight management system/solution to increase value for agency customers and improve internal and external business processes.

Performance Goal	Performance Measure	FY 2003		FY 2004		FY 2005		Change FY 04 to FY05	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Increase the number of audits that are conducted electronically through streamlining and automating the Transportation Audits process.	Percent of audits performed electronically	93.2%	\$11,445	95%	\$14,361	95%	\$14,967	0	\$606
Total			\$11,445		\$14,361		\$14,967		\$606
Outlays			\$11,220		\$14,361		\$14,967		\$606
Employment (FTE)			71		71		71		0

Explanation of Dollar Changes:

The FY 2005 increase of \$606 thousand over FY 2004 includes increases for pay, inflation and rent.

General Services Administration
EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

Explanation of Budget Changes Obligations \$(Thousands)	
FY 2004 Current Level	14,361
Pay Raise, January, 2004.....	+221
Inflation.....	+128
RENT Increase.....	+185
Increased Costs Associated with the Tariff Library.....	+72
FY 2005 Total	14,967

General Services Administration
EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

Obligations by Object Class			
\$(Thousands)			
	FY 2003 Estimate	FY 2004 Current	FY 2005 Request
11.1 Full-time permanent	\$4,528	\$4,754	\$4,939
11.3 Other than full-time permanent	0	0	0
11.5 Other personnel compensation	198	208	218
11.9 Total personnel compensation	4,726	4,962	5,157
12.1 Civilian personnel benefits	835	852	878
21.0 Travel and transportation of persons	60	63	66
22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	599	627	812
23.3 Communications, utilities, and misc. charges	37	39	41
24.0 Printing and reproduction	38	40	42
25.2 Other services	2,426	5,107	5,317
25.3 Purchases of goods/services from Gov't accts	2,429	2,362	2,330
26.0 Supplies and materials	103	108	113
31.0 Equipment	191	200	210
99.9 Total Obligations	\$11,445	\$14,361	\$14,967

**General Services Administration
PUBLIC BUILDINGS SERVICE
EXPENSES, DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY**

Program Description

Expenses, Disposal of Surplus and Real and Related Personal Property is a permanent, indefinite appropriation authorized by section 204 (b) of the Federal Property and Administrative Services Act of 1949, as amended. This section was added by P.L. 83-760 (40 U.S.C. 485(b)) of August 31, 1954, and later recodified as 40 U.S. Code 572. The account finances contractual services of appraisers, auctioneers, and brokers familiar with local Real estate markets to accelerate the utilization or sale of surplus real property. It also covers the costs of surveying, advertising, and providing environmental and historic preservation services. Financing is provided from receipts from sales of surplus property and outleasing of Government-owned space. In addition, these services are provided on a reimbursable basis for the Department of Defense non-base closure properties.

Many Federal agencies that currently have their own disposal authority through legislation (for example the Florida Everglades Act and the Government Owned Real Estate Program) have expiring sunset clauses. The Office of

Property Disposal anticipates the expiration of this legislation will increase its current workload. Also, Property Disposal anticipates that the passage of the Property Reform Act will further increase its current workload.

GSA's general provisions include a proposed provision that would encompass additional contractual functions currently performed in-house. They are in the areas of highest and best use of property studies, utilization of property studies and deed compliance inspections. Also included is expenses incurred in a relocation to clarify GSA's authority to recover its initial costs from the sales proceeds.

The Operating Expenses appropriation account reflects performance goals and measures for the Real Property Disposal Program. These goals include completing 80% of all 1949 Act real property disposals within 320 days, for which an increasing share of the funding comes from the Expenses, Disposal account.

**General Services Administration
PUBLIC BUILDINGS SERVICE
EXPENSES, DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY**

FY 2003 - FY 2005 Obligations (Direct)			
\$(Thousands)			
	FY 2003 Actual	FY 2004 Program	FY 2005 Request
Obligations Categories:			
Salaries and Benefits	\$ -	\$ -	\$ -
Contractual Services	4,410	10,782	13,609
All Other	73	350	350
Total Obligations	\$4,483	\$11,132	\$13,959
Outlays	\$4,217	\$10,909	\$13,680

FY 2003 - FY 2005 Obligations (Reimbursable)			
\$(Thousands)			
	FY 2003 Actual	FY 2004 Program	FY 2005 Request
Obligations Categories:			
Salaries and Benefits	0	0	0
Contractual Services	254	520	520
All Other	0	80	80
Total Obligations	\$254	\$600	\$600
Outlays	\$0	\$0	\$0

**General Services Administration
PUBLIC BUILDINGS SERVICE
EXPENSES, DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY**

Explanation of Budget Changes (Direct) \$(Thousands)		
	<u>FTE</u>	<u>\$</u>
FY 2004 Budget	0	11,132
Expenses for Increased Level of Disposal Activity		2,827
FY 2005 Budget	0	13,959

Explanation of Budget Changes (Reimbursable) \$(Thousands)		
	<u>FTE</u>	<u>\$</u>
FY 2004 Budget	0	600
No Change		0
FY 2005 Budget	0	600

**General Services Administration
PUBLIC BUILDINGS SERVICE
EXPENSES, DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY**

Obligations by Object Class (Direct) \$ (Thousands)			
	FY 2003 Actual	FY 2004 Program	FY 2005 Request
24.0 Printing and reproduction	73	350	350
25.2 Other Services	4,410	10,782	13,609
Total Obligations	4,483	11,132	13,959

Obligations by Program Activity (Direct) \$ (Thousands)			
	FY 2003 Actual	FY 2004 Program	FY 2005 Request
Disposal - Real Property:			
a. Appraisers, auctioneers, brokers fees, surveying	3,802	3,017	6,000
b. Advertising	481	2,000	2,000
c. Environmental Services	0	5,500	5,000
d. Historical Preservation Services	0	100	444
Outleasing - Government-owned Space:			
a. Appraisers, auctioneers, brokers fees, surveying, advertising	200	515	500
b. Advertising	0	0	15
Total Obligations	4,483	11,132	13,959

**General Services Administration
PUBLIC BUILDINGS SERVICE
EXPENSES, DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY**

Obligations by Object Class (Reimbursable)			
\$ (Thousands)			
	FY 2003 Actual	FY 2004 Program	FY 2005 Request
24.0 Printing and reproduction	0	80	80
25.2 Other Services	254	520	520
Total Obligations	254	600	600

Obligations by Program Activity (Reimbursable)			
\$ (Thousands)			
	FY 2003 Actual	FY 2004 Program	FY 2005 Request
Disposal - Real Property:			
a. Appraisers, auctioneers, brokers fees, surveying	215	240	240
b. Advertising	9	50	50
c. Environmental Services	29	300	300
d. Historical Preservation Services	1	10	10
Total Obligations	254	600	600

General Provisions - - General Services Administration

Proposed Amendment to Section 572, Public Law 107-217 (previous section 204(b) of the Federal Real Property Act)

SEC. 408. 40 U.S.C. 572 is amended in subsection (a) (2) (A) (ii) by inserting the following before the period: “, highest and best use of property studies, utilization of property studies, deed compliance inspection, and the expenses incurred in a relocation”.

Explanation of Change

Currently, section 572 (a) (2) (A) authorizes the Administrator to pay direct (contractual) expenses incurred for the use of excess property and the disposal of surplus property for fees of appraisers, auctioneers, and realty brokers in accordance with the scale customarily paid in similar commercial transactions, costs of environmental and historic preservation services, and advertising and surveying. These expenses are paid from the proceeds of the dispositions of surplus real and related personal property which are set aside in a separate fund of the Treasury entitled “Expenses, Disposal of Surplus Real and Related Personal Property”, a permanent indefinite account.

This statutory contractual authority for the expenses specified above has proven to be cost effective over the years.

An analysis of other areas currently performed in-house incident to the use of excess property and the disposal of surplus property indicate that they could be more effectively performed by contract. They are in the areas of (1) highest and best use of property studies, (2) utilization of property studies, (3) deed compliance inspection and (4) expenses incurred in a relocation. The proposed language change includes these four areas:

(1) Highest and Best Use of Property Studies. These studies are performed for unusually complex properties involving land use plans, zoning, parcelization, marketing and related areas, all unique to the locality of the property.

(2) Utilization of Property Studies. These studies validate current holding agency use of Federal real property. In the event property is identified which is not optimally utilized, GSA works with the holding agency to develop asset management recommendations.

(3) Deed Compliance Inspections. These inspections are conducted to ensure adherence to deed restrictions placed on surplus property discount conveyances. Discount conveyances of surplus real property for public benefit uses requires the grantee to use the property in accordance with the program of utilization approved by the Federal sponsoring agency. This ensures that the Government derives maximum benefit from the approved public benefit use.

(4) Finally, GSA is recommending the addition of the language “and the expenses incurred in a relocation” to clarify that GSA is authorized to recover from the proceeds of sales the costs it has initially fronted from GSA's Relocation Assistance account in accomplishing a relocation. This authority has come into question recently with regard to the return of proceeds to the military services under Section 572 (b) (5) (A).

The sales proceeds to be expended for the first three areas are estimated to be \$930,000 annually. The fourth item for relocation assistance could be in the range of \$2 million to \$3 million annually.

General Services Administration ACQUISITION WORKFORCE TRAINING FUND

PROGRAM DIRECTION

The Acquisition Workforce Training Fund was authorized by the Services Acquisition Reform Act of 2003 (SARA), Title XIV of the National Defense Authorization Act for fiscal year 2004 (P.L. 108-136) signed into law on November 24, 2003. Section 1412 of SARA amended section 37 of the Office of Federal Procurement Policy Act to establish the Acquisition Workforce Training Fund within GSA. The fund was created to ensure that the Government's non-defense acquisition workforce has sufficient training resources to adapt to the changing nature of Federal Government acquisition.

GSA will manage the fund through the Federal Acquisition Institute to develop training resources for the acquisition workforce of all executive agencies, except the Department of Defense. SARA authorized the fund to be credited with five percent of the fees

collected by executive agencies (other than the Department of Defense) under the following contracts:

- Government-wide task and delivery-order contracts entered into under sections 303H and 303I of the Federal Property and Administrative Services Act of 1949.
- Government-wide contracts for the acquisition of information technology as defined in section 11101 of Title 40, U.S.C., and multi-agency acquisition contracts for such technology authorized by section 11314.
- Multiple-award schedule contracts entered into by the Administrator of General Services.

**General Services Administration
ACQUISITION WORKFORCE TRAINING FUND**

**BUDGET AUTHORITY
\$(Thousands)**

	FY 2003 Current	FY 2004 Budget	FY 2005 Request	FY 2004/2005 Change
DIRECT PROGRAM:				
New Budget Authority (BA)	0	4,000	6,000	+2,000
PRIOR YEAR CARRYOVER	0	0	0	0
TOTAL BUDGET AUTHORITY	0	4,000	6,000	+2,000
NET OUTLAYS	0	4,000	6,000	+2,000

EXPLANATION OF ESTIMATES:

Operation of the Acquisition Workforce Training Fund commenced during fiscal year 2004 with an estimated fiscal year 2004 revenue of \$4.0 million. The FY 2005 Budget request provides for full year operation of the Fund and an associated increase in revenue of \$2.0 million above the FY 2004 level for a total of \$6.0 million.

**General Services Administration
ACQUISITION WORKFORCE TRAINING FUND**

EXPLANATION OF BUDGET CHANGES IN PRIORITY ORDER \$(Thousands)	
FY 2004 Current Level.....	\$4,000
Increase for Full Year Operation.....	+2,000
FY 2005 Total Budget Request.....	\$6,000

General Services Administration
ACQUISITION WORKFORCE TRAINING FUND

Obligations by Object Class \$(Thousands)			
	FY 2003 Actual	FY 2004 Current	FY 2005 Request
Personnel Compensation:			
11.1 Full-time permanent	0	0	0
11.5 Other personnel compensation	0	0	0
11.9 Total personnel compensation	0	0	0
12.1 Civilian personnel benefits	0	0	0
21.0 Travel and transportation of persons	0	0	0
21.0 Motor pool travel	0	0	0
22.0 Transportation of things	0	0	0
23.1 Rental payments to GSA	0	0	0
23.3 Communications, utilities, and misc. charges	0	0	0
24.0 Printing and reproduction	0	0	0
25.2 Other services	0	4,000	6,000
25.3 Purchases of goods and services from Government accounts	0	0	0
26.0 Supplies and materials	0	0	0
31.0 Equipment	0	0	0
99.0 Subtotal direct obligations	0	4,000	6,000
99.0 Reimbursable obligations	0	0	0
99.9 Total Obligations	0	4,000	6,000



FEDERAL BUILDINGS FUND

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Strategic Assessment

- *Overview*

The Public Buildings Service (PBS) is the largest public real estate organization in the nation and a provider of workspace and workplace solutions to more than 100 federal agencies. The PBS mission is to provide a superior workplace for the federal worker and superior value for the American taxpayer.

All PBS resources are deployed in two fundamental activities. The first is space acquisition, either by lease, construction or purchase. The second fundamental activity is asset management. For external reporting purposes these activities are funded through five budget activities:

- Construction and Acquisition of Facilities
- Repairs and Alterations
- Installment Acquisition Payments
- Rental of Space
- Building Operations

- *Strategic Assessment Summary*

The changing nature of PBS's business means more complex work processes, increased competition for highly skilled talent, and implementation of new technologies. As part of the President's Management Agenda, PBS is developing a Human Capital Strategy. The Human Capital Strategy will provide PBS with a strategic framework and analytical techniques for understanding and evaluating our human capital, consistent with the GSA mission. The current organizational structure will evolve-consistent with a reengineering of our business processes in support of improved customer service over the next year. The PBS regions will also be participating in the review of our business processes and in examining their organizational

structures. By engaging as part of the President's Management Agenda in the reshaping of our workforce, we will ensure that PBS continues to grow as a high-performing government organization.

Summary of Program Assessment and Rating Tool (PART) Reviews

PBS has participated in three PART reviews to date, two of which pertained to the Federal Buildings Fund – Asset Management and Leasing. A PART review for New Construction will be conducted within the next fiscal year.

The PART evaluation for Asset Management addressed PBS's need to develop long-term goals as well as annual stretch goals. This program includes new long-term, outcome goals and related performance measures and targets to assist in mitigating the noted concerns.

The Leasing PART suggested that PBS develop long-term, outcome oriented goals and efficiency measures. It also suggested that PBS implement brokerage service contracts with provisions designed to hold contractors accountable for achieving these goals.

PBS Performance Plan Goals and Measures

<i>2005 Budget Program</i>	<i>Long-term Outcome Goal</i>	<i>2005 Performance Goal</i>	<i>Performance Measure</i>	<i>2003 Actual (\$ in Millions)</i>	<i>2004 Target (\$ in Millions)</i>	<i>2005 Target (\$ in Millions)</i>
New Construction	GSA will execute the new construction program on the schedule committed to our customers 90% of the time by FY 2010, and maintain the percentage of escalations on the program at 1%.	New construction projects on schedule 85% of the time by FY 2005	Construction projects on schedule	68%	84%	85%
		Maintain the percentage of escalations on construction projects at 1%.	Percent of escalations on construction projects	0.6%	1.5%	1%
Leasing Program	By FY 2010, GSA will effectively manage our lease program by delivering new lease requirements at not less than 9.5% below industry averages for office space while maintaining highly satisfied tenants 80% of the time.	Deliver new space to our clients at not less than 8.25% below industry for office space in FY 2005.	Cost of leased space relative to market	7.41%	8.00%	8.25%
		Achieve an overall customer satisfaction rating of 70% by FY 2005	Customer Satisfaction - tenants in leased space	66%	68%	70%
		Maintain vacant space in leased buildings below 1.5% in FY 2005.	Percent of vacant space in leased inventory	1.4%	1.5%	1.5%
		FFO from leased inventory should be no less than \$0 in FY 2005	Funds From Operations from leased inventory	\$45	\$0	\$0

PBS Performance Plan Goals and Measures

<i>2005 Budget Program</i>	<i>Long-term Outcome Goal</i>	<i>2005 Performance Goal</i>	<i>Performance Measure</i>	<i>2003 Actual (\$ in Millions)</i>	<i>2004 Target (\$ in Millions)</i>	<i>2005 Target (\$ in Millions)</i>
Asset Management	Achieve a viable, self-sustaining inventory with an average Return on Equity of at least 6% by FY 2010 for 80% of our government owned assets.	Increase to 68% the percentage of government-owned assets with a Return on Equity of at least 6% by FY 2005.	Percentage of government-owned assets with an ROE of at least 6 percent	64%	65%	68%
		Increase the percentage of government-owned assets with a positive FFO to 80% by FY 2005.	Percentage of government-owned assets achieving a positive FFO	73%	75%	80%
		86% of R&A projects on schedule by FY 2005	R&A projects on schedule	78%	86%	86%
		Obligate 75%* of minor repairs and alterations budget on planned projects by the end of FY 2005	Percent of minor R&A budget obligated on planned projects by the end of the fiscal year	N/A	Baseline	75%
		Decrease the vacant (available and committed) space to 7% of the owned inventory.	Percentage of vacant and committed space in government-owned inventory	8.3%	7.6%	7%
		Maintain the percent of escalations on R&A projects at or below 1% by FY 2005.	Percent of escalations on R&A projects	0.5%	1.5%	1%
		Achieve an overall "highly satisfied" customer rating of 73% on the ordering official survey by FY 2005	Percent of highly satisfied customers on the ordering official survey	72%	73%	73%
	Reduce energy consumption by 35% by FY 2010 over the FY 1985 baseline while maintaining overall operating costs 12% below the private sector and customer satisfaction levels at or above 80%	Reduce energy consumption in GSA federal buildings by 30% over the FY 1985 baseline	Percent reduction in energy consumption over the FY 1985 baseline	18.6%	22.6%	30%
		Execute energy conservation goals while increasing GSA's Customer Satisfaction scores to 71% by FY 2005	Customer Satisfaction – tenants in owned space	67.6%	69%	71%
		Maintain operating service costs in office and similarly serviced space at 12% or more below private sector benchmarks by FY 2005	Cleaning, maintenance and utility costs in office and similarly serviced space- percent below private sector benchmarks	14.8%	13.4%	12%

* Estimated-Subject to change

**General Services Administration
FEDERAL BUILDINGS FUND**

**FY 2005 Budget Request / Performance Plan
Budget Link Summary**

(Dollars in Thousands)

	FY 2003 Actual	FY 2004 Current	FY 2005 Request	Change FY04 to FY05
Linked Budget Summary				
New Construction	<u>\$768,577</u>	<u>\$776,071</u>	<u>\$682,657</u>	<u>(\$93,414)</u>
New Construction	\$734,868	\$745,314	\$650,223	(\$95,091)
Building Operations	\$33,709	\$30,757	\$32,434	\$1,677
Leasing	<u>\$380,303</u>	<u>\$396,322</u>	<u>\$388,110</u>	<u>(\$8,212)</u>
Rental of Space	\$294,214	\$306,426	\$296,235 ^{1/}	(\$10,191)
Building Operations	\$86,089	\$89,896	\$91,875	\$1,979
Asset Management	<u>\$1,754,040</u>	<u>\$1,805,436</u>	<u>\$1,824,282</u>	<u>\$18,846</u>
Repairs and Alterations:	<u>\$965,005</u>	<u>\$977,997</u>	<u>\$947,222</u>	<u>(\$30,775)</u>
Basic	\$351,350	\$311,639	\$394,500	\$82,861
Line-Item	\$599,817	\$666,358	\$552,722	(\$113,636)
Indefinite Authority	\$13,838	\$0	\$0	\$0
Building Operations	\$789,035	\$827,439	\$877,060	\$49,621
Subtotal	\$2,902,920	\$2,977,829	\$2,895,049	(\$82,780)
Non-Discretionary Summary				
Rental of Space (Base Leasing Program)	\$3,087,051	\$3,244,606	\$3,630,254	\$385,648
Installment Acquisition	\$178,897	\$169,677	\$161,442	(\$8,235)
Centralized Administrative Support	\$113,906	\$105,865	\$113,283	\$7,418
Building Operations	\$523,775 ^{2/}	\$554,107	\$594,870	\$40,763
Repairs and Alterations	\$20,004 ^{3/}	\$25,000 ^{3/}	\$33,000 ^{3/}	\$8,000
Subtotal	\$3,923,633	\$4,099,255	\$4,532,849	\$433,594
Total New Obligational Authority:	\$6,826,553	\$7,077,084	\$7,427,898	\$350,814

^{1/} Includes \$254,174 thousand of Indefinite Authority not included in the New Obligational Authority budget request of \$7,173,724 thousand.

^{2/} Includes \$20,599 thousand Indefinite Authority (BA61).

^{3/} Includes Nationwide Safety Programs (BA55).

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**SCHEDULE OF RESOURCES, NEW OBLIGATIONAL AUTHORITY, AND FUND BALANCE
FY 2003 - FY 2005
(Dollars in Thousands)**

	FY 2003 Actual	FY 2004 Current	FY 2005 Request
Resources:			
Available from prior year for reauthorization	577,109	487,170	689,933
Redemption of Debt	(79,126)	(54,256)	(40,573)
Reprogramming Authority	58,412	35,760	0
Appropriation	375,711	459,669	0
Rescission	(2,303)	(2,712)	0
Revenue from operations:			
Rent	6,038,933 ³	6,532,923 ³	7,163,628
Indefinite Authority for Rental of Space	269,158	272,159	[254,174]
Other Indefinite Authorities	34,170	[30,988]	[32,288]
Miscellaneous	(2,581)	10,291	10,498
Outleasing	8,053	9,998	10,223
SSA/CDC/CMS Payments	36,026	16,015	14,501
Subtotal, Revenue	<u>6,383,759</u>	<u>6,841,386</u>	<u>7,198,850</u>
Total Resources Available	7,313,562	7,767,017	7,848,210
New Obligational Authority:			
Construction and Acquisition	734,868	745,314	650,223
Repairs and Alterations	985,009 ¹	1,002,997 ²	980,222 ²
Installment Acquisition Payments	178,897	169,677	161,442
Rental of Space	3,381,265 ¹	3,551,032 ¹	3,672,315 ²
Building Operations	1,546,514 ¹	1,608,064 ²	1,709,522 ²
Total New Obligational Authority	<u>6,826,553</u>	<u>7,077,084</u>	<u>7,173,724</u>
Fund Balance			
Total Resources Available	7,313,562	7,767,017	7,848,210
Total New Obligational Authority	(6,826,553)	(7,077,084)	(7,173,724)
Prior Year Recoveries	161		
Fund Balance (Available for Reauthorization)	<u>487,170</u>	<u>689,933</u>	<u>674,486</u>
Net Budget Authority	463,347	254,194	15,447

Notes:

¹ Includes indefinite authority.

² Excludes indefinite authority.

³ Funds transferred to the Department of Homeland Security of \$438,701 thousand in FY 03 and \$424,479 thousand in FY 04 have been excluded.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**FY 2005 BUDGET
INDEFINITE AUTHORITIES
(Dollars in Thousands)**

	FY 2003 ACTUAL	FY 2004 CURRENT	FY 2005 REQUEST
<u>RESOURCES</u>			
Repairs and Alterations (Line-Item)			
Recycling	\$117	[\$252]	[\$252]
Historical Outleasing	\$13,445	[\$11,000]	[\$11,000]
Energy Rebates	\$9	[\$0]	[\$0]
Building Operations			
International Trade Center	\$19,107	[\$18,836]	[\$20,136]
Teleworking	<u>\$1,492</u>	<u>[\$900]</u>	<u>[\$900]</u>
TOTAL (Excludes Leased Expansion Space)	\$34,170	[\$30,988]	[\$32,288]
Rental of Space			
Leased Expansion Space	\$269,158	\$272,159	[\$254,174]

Bracketed numbers are projections not included in budget totals.

**General Services Administration
PUBLIC BUILDINGS SERVICE
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**REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE**

New Construction:

√ [Alabama:

Anniston, United States Courthouse
\$4,400,000
Tuscaloosa, Federal Building, \$7,500,000

California:

Los Angeles, United States Courthouse,
\$50,000,000
San Diego, Border Station, \$34,211,000

Colorado:

Denver Federal Center, site remediation,
\$6,000,000

District of Columbia:

Department of Transportation Headquarters,
\$42,000,000

Florida:

Orlando, United States Courthouse
\$7,200,000

Georgia:

Atlanta, Tuttle Building Annex, \$10,600,000

Maine:

Jackman, Border Station, \$7,712,000

Maryland:

Montgomery County, Food and Drug
Administration Consolidation, \$42,000,000
Suitland, United States Census Bureau,
\$146,451,000

Michigan:

Detroit, Ambassador Bridge Border Station,
\$25,387,000

New York:

Champlain, Border Station, \$31,031,000

North Carolina:

Charlotte, United States Courthouse,
\$8,500,000

Ohio:

Toledo, United States Courthouse,
\$6,500,000

Pennsylvania:

Harrisburg, United States Courthouse,
\$26,000,000

California:

Los Angeles, Federal Bureau of Investigation
Facility, \$14,054,000

Los Angeles, United States Courthouse,
\$314,385,000

San Diego, United States Courthouse,
\$3,068,000

District of Columbia:

Southeast Federal Center Site Remediation,
\$2,650,000

Illinois:

Chicago, 10 West Jackson Place
(Purchase), \$53,170,000

Maine:

Calais, Border Station, \$3,269,000
Madawaska, Border Station, \$1,760,000

Maryland:

Montgomery County, FDA Consolidation,
\$88,710,000

Minnesota:

Warroad, Border Station, \$1,837,000

New York:

Alexandria Bay, Border Station, \$8,884,000
Massena, Border Station, \$15,000,000

North Dakota:

Dunseith, Border Station, \$2,301,000
Portal, Border Station, \$22,351,000

Texas:

El Paso, Paso Del Norte Border Station,
\$26,191,000

El Paso, United States Courthouse,
\$63,462,000

El Paso, Ysleta Border Station, \$2,491,000

Vermont:

Derby Line, Border Station, \$3,348,000
Norton, Border Station, \$1,747,000

Richford, Border Station, \$1,545,000

Nonprospectus Construction, \$10,000,000

Judgment Fund Repayment, \$10,000,000

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE**

South Carolina:

Greenville, United States Courthouse,
\$11,000,000

Texas:

Del Rio, Border Station, \$23,966,000
Eagle Pass, Border Station, \$31,980,000
Houston, Federal Bureau of Investigation,
\$58,080,000
McAllen, Border Station, \$17,938,000
San Antonio, United States Courthouse
\$8,000,000

Virginia:

Richmond, United States Courthouse,
\$83,000,000

Washington:

Blaine, Border Station, \$9,812,000
Nonprospectus Construction, \$9,000,000:]

Provided, That each of the foregoing limits of costs on new construction projects may be exceeded to the extent that savings are effected in other such projects, but not to exceed 10 percent [of the amounts included in an approved prospectus, if required], unless advance [approval is obtained from] the Committees on Appropriations of a greater amount: *Provided further*, That all funds for direct construction projects shall expire on September 30,[2005] and remain in the Federal Buildings Fund except for funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date; (2) [\$991,300,000] shall remain available until expended for repairs and alterations, which includes associated design and construction services:

notice is transmitted to

2006

\$980,222,000

Repairs and Alterations:

[Colorado:
Denver, Byron G. Rogers Federal Building

District of Columbia:

Eisenhower Executive Office Building,
\$5,000,000

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**REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE**

Courthouse, \$39,436,000	<u>Federal Office Building 6, \$8,267,000</u>
District of Columbia:	<u>Hoover FBI Building, \$10,242,000</u>
320 First Street, \$7,485,000	<u>Mary E. Switzer Building, \$80,335,000</u>
Eisenhower Executive Office Building,	<u>New Executive Office Building, \$6,262,000</u>
\$65,757,000	<u>Theodore Roosevelt Building, \$9,730,000</u>
Federal Office Building 8, \$134,872,000	<u>Georgia:</u>
Main Interior Building, \$15,603,000	<u>Atlanta, Martin Luther King, Jr. Federal</u>
Fire & Safety, \$68,188,000	<u>Building, \$14,800,000</u>
Georgia:	<u>Atlanta, United States Court of Appeals,</u>
Atlanta, Richard B. Russell Federal Building,	<u>\$32,004,000</u>
\$32,173,000	<u>Hawaii:</u>
Illinois:	<u>Hilo, Federal Building – PO, \$5,133,000</u>
Chicago, Dirksen Courthouse & Kluczynski	<u>Louisiana:</u>
Federal Building, \$24,056,000	<u>New Orleans, Boggs Federal Building,</u>
Springfield, Paul H. Findley Federal Building –	<u>\$22,581,000</u>
Courthouse, \$6,183,000	<u>New Orleans, Wisdom Courthouse of</u>
Indiana:	<u>Appeals, \$8,005,000</u>
Terre Haute Federal Building – Post Office,	<u>Maryland:</u>
\$4,600,000	<u>Baltimore, George H. Fallon Federal Building,</u>
Massachusetts:	<u>\$46,163,000</u>
Boston, John W. McCormack Post Office and	<u>Suitland, National Record Center, \$7,989,000</u>
Courthouse, \$73,037,000	<u>Woodlawn, SSA Altmeyer Building,</u>
New York:	<u>\$6,300,000</u>
Brooklyn, Emanuel Celler Courthouse,	<u>Minnesota:</u>
\$65,511,000	<u>St. Paul, Warren E. Burger Federal Building-</u>
North Dakota:	<u>Courthouse, \$36,644,000</u>
Fargo, Federal Building – Post Office,	<u>Missouri:</u>
\$5,801,000	<u>Kansas City, Richard Bolling Federal</u>
Ohio:	<u>Building, \$40,048,000</u>
Columbus, John W. Bricker Federal Building	<u>New York:</u>
\$10,707,000	<u>New York, Foley Square Courthouse,</u>
Washington:	<u>\$2,505,000</u>
Auburn, Building 7, Auburn Federal Building,	<u>Queens, Joseph P. Addabbo Federal</u>
\$18,315,000	<u>Building, \$5,455,000</u>
Bellingham, Federal Building, \$2,610,000	<u>Ohio:</u>
Seattle, Henry M. Jackson Federal Building,	<u>Cincinnati, Potter Stewart Courthouse,</u>
\$6,868,000	<u>\$37,975,000</u>
Special Emphasis Programs:	<u>Cleveland, Celebrezze Federal Building,</u>
Chlorofluorocarbons Program, \$5,000,000	<u>\$37,375,000</u>
Energy Program, \$5,000,000	<u>Washington:</u>
Glass Fragmentation Program, \$20,000,000	<u>Seattle, William Nakamura Courthouse,</u>
Design Program, \$41,462,000:]	<u>\$50,210,000</u>

**General Services Administration
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**REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE**

Special Emphasis Programs:

Chlorofluorocarbons Program, \$13,000,000

Energy Program, \$30,000,000

Glass Fragment Retention, \$20,000,000

Design Program, \$49,699,000

Basic Repairs and Alterations, \$394,500,000

Provided further, That funds made available in this or
any previous Act in the Federal Buildings Fund
for Repairs and Alterations shall, for prospectus
projects, be limited to the amount identified for
each project, except each project in this or
previous Act may be increased by an amount
not to exceed 10 percent [unless] after
[approval is obtained from] notice is transmitted to
the Committees
on Appropriations of a greater amount:
Provided further, That additional projects for
which prospectuses have been fully approved
may be funded under this category only if
advance [approval is obtained from]
 notice is transmitted to
the Committees on Appropriations: *Provided*
further, That the amounts provided in this or
any prior Act for "Repairs and Alterations" may
be used to fund costs associated with
implementing security improvements to
buildings necessary to meet the minimum
standards for security in accordance with
current law and in compliance with the
reprogramming guidelines of the appropriate
Committees of the House and Senate:
Provided further, That the difference between
the funds appropriated and expended on any
projects in this or any prior Act, under the
heading "Repairs and Alterations", may be
transferred to Basic Repairs and Alterations or
used to fund authorized increases in prospectus
projects: *Provided further,* That all
funds for repairs and alterations prospectus
projects shall expire on September 30, [2005] 2006
and remain in the Federal Buildings Fund

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except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: *Provided further*, That the amount provided in this or any prior Act for Basic Repairs and Alterations may be used to pay claims against the Government arising from any projects under the heading "Repairs and Alterations" or used to fund authorized increases in prospectus projects [*Provided further*, That the funds available herein for repairs to the Bellingham, Washington, Federal Building, shall be available for transfer to the city of Bellingham, Washington, subject to disposal of the building to the city]; (3) [\$169,745,000]√ for installment acquisition payments including payments on purchase contracts which shall remain available until expended; (4)[\$3,280,187,000]√ for rental of space which shall remain available until expended; and (5) [\$1,608,708,000]√ for building operations which shall remain available until expended: *Provided further*, That funds available to the General Services Administration shall not be available for expenses of any construction, repair, alteration and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses for the development of a proposed prospectus: *Provided further*, That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance [approval is obtained from] √ the Committees on Appropriations: *Provided further*, That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 592(b)(2)) and amounts to

	<u>\$161,442,000</u>
	<u>\$3,672,315,000</u>
	<u>\$1,709,522,000</u>
	<u>notice is transmitted to</u>

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**REAL PROPERTY ACTIVITIES
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provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C.

3056, shall be available from such revenues

and collections: *Provided further*, That

revenues and collections and any other sums _____ 2005

accruing to this Fund during fiscal year [2004]√,

excluding reimbursements under section

210(f)(6) of the Federal Property and

Administrative Services Act of 1949 (40 U.S.C.

592(b)(2)) in excess of [\$6,717,208,000] √

shall remain in the Fund and shall not be

available for expenditure except as authorized

in appropriations Acts. (*Division F, H.R. 2673,*

Consolidated Appropriations Bill, FY 2004.)

the aggregate new obligational authority
authorized for Real Property Activities of the
Federal Buildings Fund in this Act

**General Services Administration
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FEDERAL BUILDINGS FUND**

**REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE**

Explanation of Changes in Appropriation Language
for Fiscal Year 2005

For fiscal year 2005, the proposed language for the Federal Buildings Fund includes changes from previously enacted legislation as follows:

1. PBS is not requesting a direct appropriation.
2. There are four instances in the appropriation language where the phrase "advance notice is transmitted to" the Committees has been substituted for the phrase "advance approval is obtained from" the Committees. The four instances include language providing authority to escalate Construction and Repairs and Alterations projects by an amount greater than 10 percent, authority to create additional repairs and alterations line-items within funds available, and authority to proceed with emergency repairs. With this change, the Committees will still retain control over projects while permitting GSA to conduct its capital program in a more timely and responsive manner.
3. There are two instances in the appropriation language where the phrase "That funds made available in any previous Act" has been substituted for the phrase "That funds made available in this or any previous Act". This language allows for Repair and Alteration funds in this act or any

previous act to be escalated by not to exceed 10 percent.

4. The appropriation language changes the final statement to "in excess of the aggregate new obligational authority authorized for Real Property Activities of the Federal Buildings Fund in this Act shall remain in the Fund" rather than repeating the actual dollar amount, as it is stated earlier in the language.

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**SCHEDULE OF FTE, OBLIGATIONS, AND NET OUTLAYS
(Dollars in Thousands)**

							Increase/(Decrease) For FY 2005	
	FY 2003 Actual		FY 2004 Current		FY 2005 Request		Change	
	FTE	Obligations	FTE	Obligations	FTE	Obligations	FTE	Obligations
FTE and Obligations:								
1. Construction and Acquisition	-	409,444	-	849,651	-	779,414	-	(70,237)
2. Repairs and Alterations	-	812,827	-	772,199	-	986,952	-	214,753
3. Design and Construction Services	-	1,660	-	349	-	0	-	(349)
4. Installment Acquisition Payments	-	175,414	-	169,677	-	161,442	-	(8,235)
5. Construction of Lease Purchase Facilities ^{1/}	-	141,549	-	21,072	-	3,100	-	(17,972)
6. Pennsylvania Avenue Activities								
a) Repairs and Alterations	-	1,055	-	0	-	0	-	0
b) Building Operations	-	141	-	175	-	450	-	275
7. Rental of Space	-	3,413,762	-	3,626,171	-	3,672,315	-	46,144
8. Building Operations								
a) Cleaning	257	227,808	104	235,619	104	249,605	-	13,986
b) Utilities/Fuel	-	257,192	-	275,645	-	289,988	-	14,343
c) Maintenance	759	225,111	405	243,133	405	255,544	-	12,411
d) Other Building Services	916	160,635	758	179,592	758	182,276	-	2,684
e) Space Acquisition	1,184	156,551	1,141	157,083	1,141	156,499	-	(584)
f) Staff Support	2,665	304,682	2,877	322,003	2,877	327,507	-	5,504
g) CIO	167	126,875	172	129,811	172	134,820	-	5,009
h) Centralized Services	-	113,906	-	113,865	-	113,283	-	(582)
i) International Trade Center	-	17,994	-	4,449	-	-	-	(4,449)
Subtotal, Building Operations	5,948	1,590,754	5,457	1,661,200	5,457	1,709,522	-	48,322
9. Reimbursable	209	1,217,927	117	976,748	117	1,074,144	-	97,396
Total FTE/Obligations	6,157	7,764,533	5,574	8,077,242	5,574	8,387,339	-	310,097
Net Outlays:		(115,169)		614,250		365,296		(248,954)

^{1/} FY 2003 obligations include \$138 million for the February 2003 award of construction contract for the Federal Building, San Francisco, California.

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OBLIGATIONS BY OBJECT CLASS
(Dollars in Thousands)

	FY 2003 Actual	FY 2004 Current	FY 2005 Request
Personnel Compensation:			
11.1 Full-time permanent	\$406,869	\$413,421	\$421,058
11.3 Other than full-time permanent	\$4,048	\$4,179	\$4,254
11.5 Other personnel compensation	\$8,098	\$10,201	\$10,351
11.9 Total personnel compensation	\$419,015	\$427,801	\$435,663
12.1 Civilian personnel benefits	\$97,154	\$99,744	\$102,205
13.0 Benefits for former personnel	\$8,686	\$5,017	\$5,019
21.0 Travel and transportation of persons	\$14,554	\$15,075	\$15,350
21.0 Motor pool travel	\$2,482	\$2,277	\$2,311
22.0 Transportation of things	\$1,853	\$1,851	\$1,882
23.2 Rental payments to others	\$3,403,990	\$3,626,171	\$3,672,315
23.3 Communications, utilities, and misc. charges	\$335,810	\$389,867	\$408,600
24.0 Printing and reproduction	\$2,256	\$2,594	\$2,601
25.1 Advisory and assistance services	\$832	\$841	\$853
25.2 Other services	\$2,496,049	\$2,488,609	\$2,637,045
25.4 Operation and maintenance of facilities	\$666,444	\$667,909	\$751,426
25.7 Operation and maintenance of equipment	\$41,307	\$41,741	\$42,367
26.0 Supplies and materials	\$48,341	\$55,874	\$62,347
31.0 Equipment	\$31,438	\$44,705	\$50,227
32.0 Land and structures	\$19,944	\$50,267	\$44,720
41.0 Grants, subsidies, and contributions	\$15,133	\$41	\$42
42.0 Insurance claims and indemnities	\$78	\$79	\$80
43.0 Interest and dividends	\$159,167	\$156,779	\$152,286
99.9 Total Obligations	\$7,764,533	\$8,077,242	\$8,387,339

**General Services Administration
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**SUMMARY OF TOTAL INVENTORY, GOVERNMENT-OWNED AND LEASED SPACE
FY 2003 - FY 2005
(Rentable Square Feet in Thousands)**

TYPE OF SPACE	FY 2003 ACTUAL	CHANGE FROM FY 2002	FY 2004 CURRENT	CHANGE FROM FY 2003	FY 2005 REQUEST	CHANGE FROM FY 2004
Government Owned Space						
Assigned	166,319	(775)	170,743	4,424	171,843	1,100
Vacant	14,985	(1,111)	14,653	(332)	14,164	(489)
Total	181,304	(1,886)	185,396	4,092	186,007	611
GSA Leased Space						
Assigned	158,179	5,569	163,202	5,023	165,757	2,555
Vacant	2,246	16	2,486	240	2,525	39
Total	160,425	5,585	165,688	5,263	168,282	2,594
Government Owned and Leased						
Assigned	324,498	4,794	333,945	9,447	337,600	3,655
Vacant	17,231	(1,095)	17,139	(92)	16,689	(450)
Total Space in Inventory	341,729	3,699	351,084	9,355	354,289	3,205
% of Total Space Vacant	5.0%		4.9%		4.7%	
% of Govt-Owned Space Vacant	8.3%		7.9%		7.6%	
% of Leased Space Vacant	1.4%		1.5%		1.5%	

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Construction

Strategic Direction

- *Overview*

The Public Buildings Service (PBS) surveys the housing needs of its client agencies and the availability of federal housing in communities nationwide. Construction projects are recommended to meet new housing needs, replace antiquated facilities of an agency or to consolidate agencies with long-term housing requirements where ownership is the lowest cost solution. GSA procures private sector architectural firms to design projects, and general contractors and subcontractors to construct federal buildings. GSA benchmarks construction project budgets against other similar projects and external data sources. PBS has demonstrated that construction durations are within industry norms for other similar project types.

- *Strategic Assessment*

The Office of the Chief Architect is improving PBS's ability to deliver the Construction Program "on-time and on-budget." In an increasingly demanding market, we are equally focused on fiscal responsibility and client satisfaction. Through our increased focus on world-class project management, training/mentoring, construction peer reviews and quality reviews of construction documents, improvement in the delivery of projects on time and on budget is anticipated.

- *Trends, Issues, and Concerns*

The primary concern in the Construction Program is On Time, On Budget Capital Project Delivery. PBS is undertaking many initiatives to keep projects on schedule and within budget. Project status is being closely monitored throughout design and construction to alert us to any emerging issues in a timely manner. For projects over \$25 million, evaluations are scheduled at 15%, 60% and 100% of construction completion. In addition, a new performance measurement tool has been developed and implemented. This tool allows comparison of a project's construction schedule and outlays to standards and reports variances for both measures.

PART Status for Construction

There was not a PART review of the construction program for this budget cycle. A review will be conducted before the end of fiscal year 2004.

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Strategy and Action Plan – Construction

Long-Term Outcome Goal

GSA will execute the new construction program on the schedule committed to our customers 90% of the time by FY 2010, and maintain the percentage of escalations on the program at 1%.

Strategies

- Focus on world-class project management.
- Focus on training/mentoring.
- Implement construction peer reviews.
- Perform quality reviews of construction documents.

Action Plan and Performance

We have identified six key areas which we can and must improve upon in order to achieve our overall goal of high quality, full scope construction delivered on time and on budget:

1. To reduce project cost escalations, we are currently:
 - Utilizing independent government estimates at 30%, 60% and 90% of design. This system of status reports greatly reduces the occurrence of budgetary surprises and alerts management of potential problems while there is still time for corrective action.
 - Implementing the Construction Industry Institute's Project Definition Rating Index (PDRI). The PDRI is a pre-project planning tool used to evaluate a project's potential for successful completion. The project team agrees upon

business and project goals prior to design prospectus, construction prospectus and construction. Project teams consist of portfolio, property management, property development and major building tenant representatives.

- Re-evaluating our cost models to determine overall project budgets for both new construction and repairs and alterations projects.
2. To reduce schedule slippage on projects to less than 10%, we are currently:
 - Applying performance measures that track a project's monthly payments over the agreed-upon project schedule and comparing it to the projected standard or project specific cash flow curve (a plot of the estimated value of work in place on a project based on the award amounts over the original project budget). The curve can be used to determine the expected percentage of work completed at any given point during construction. The results of these measures are then reported quarterly to the Commissioner and the Administrator. The final measure is calculated upon completion and a determination is made as to whether or not the project was delivered within 10% of original schedule.
 - Utilizing industry specialists such as the Commissioner's Construction peers (a project review team including independent industry professionals) to evaluate projects at 15%, 60% and 100% of construction for all projects over \$25 million.

In fiscal years 2004 and 2005, we will be:

- Developing new scheduling specifications to assist in the successful management of project schedules.
- Enhancing the Project Information Portal (PIP). The PIP is an internal GSA information system containing data on prospectus

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level projects nationwide. The PIP produces real time variance reports reflecting project performance.

- Providing better training for GSA project managers in the administration of the new scheduling specifications.
- Revising construction management contract requirements to incorporate new scheduling requirements.

3. To improve the quality of design documents and improve project efficiency we are:

- Requiring (during pre-solicitation) that Architect Engineers (A/Es) submit quality review programs as part of their proposals.
- Leading a Construction User Roundtable effort to improve the quality of design through a high-level task force of designers, owners and others.

In fiscal years 2004 and 2005, we will be:

- Assisting the Project Managers (PMs) by providing design quality reviews at concept, design development and construction drawing stages of design.
- Developing and implementing a performance evaluation system for A/Es.

4. In order to provide GSA's PMs with more consistent training and experience with regard to industry standards, we are offering a Certified Construction Manager (CCM) program through the Construction Management Association of America (CMAA).

In fiscal years 2004 and 2005, we will be:

- Developing a PM certification program to compare our PM's development against a set of standards.

- Creating a project management Web-based desk guide for GSA PM's. The desk guide will provide detailed information about what needs to be done at each stage of a project.

5. To improve the collaborative leadership skills of Contract Managers (CMs), we are contracting for CM services with firms using CMAA standards of practice, and recommending CCM certification for all CMs.

In fiscal years 2004 and 2005, we will be:

- Implementing a new performance evaluation system for CMs.

6. To minimize the number and impact of government-initiated changes during construction we are:

- Using the project team and the Construction Industry Institute Project Definition Rating Index, a score sheet used during pre-project planning to evaluate a project's potential for successful completion.
- Adhering to strict scope control during construction.

In fiscal years 2004 and 2005, we will be:

- Requiring more formal training for GSA PMs so that they are aware of the impact of changes during construction.
- Providing CMs with the tools they need to reduce or eliminate unnecessary changes to projects during construction.

Impact on Performance:

The desired outcome of these strategies is to ensure the delivery of all new construction projects on time and on budget. A major impediment to achieving these goals has been the poor quality of architectural/engineering documents. To improve our construction documentation, we are implementing a quality review program for the architectural/

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

engineering documents. This quality review program will eliminate coordination issues and the subsequent contractor guesswork that affects construction schedules.

Likewise, PBS is addressing construction on budget. PBS will continue to examine and promote the use of independent government estimates throughout the project, making sure that PBS estimates are solid and consistent with the construction industry benchmarks. Where there are gaps, PBS will work to reduce costs and examine the best ways to accomplish a project within the original budget and scope. Additionally, PBS will work more closely with clients to eliminate last-minute changes that frequently cause cost overruns and contractor claims.

As PBS implements the action plan above, we expect to see improvement on our delivery performance. These procedures will become part of a continuous improvement process. PBS can expect that our new construction program, as well as our repair and alteration projects, will be delivered on time and on budget with full scopes of work completed. Construction on time and on budget will also allow GSA to realize full potential revenue.

Long-term Outcome Goal:

GSA will execute the new construction program on the schedule committed to our customers 90% of the time by FY 2010, and maintain the percentage of escalations on the program at 1%.

Performance Goal: New Construction projects on schedule 85% of the time by FY 2005.

Performance Measure

- Construction projects on schedule

GSA anticipates it will deliver and complete construction of new projects on the schedule committed to its customers 90% of the time by 2010. The earned value technique is used to assess construction project performance on all projects over \$10,000 thousand. Results are measured as the percent of the project dollars outlaid on or ahead of schedule. This measurement method is designed to provide greater weight to larger construction projects.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
78%	68%*	84%	85%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
86%	87%	88%	89%

*Note: Drop of 10% in FY03 is primarily due to the Brooklyn Courthouse project. Until this project and other older projects are completed and dropped from the universe of projects used to calculate this measure, achievement of targets will be problematic.

Performance Goal: Maintain the percentage of escalations on construction projects at 1%.

Performance Measure:

- Percent of escalations on construction projects

PBS manages the capital program within budgets provided by Congress. Projects are considered within budget until PBS escalates or requests a reprogramming or an additional appropriation for the project that raises total project cost above the original appropriation amount. By concentrating on the financial aspects of construction projects, PBS helps to ensure that taxpayers are getting the best value.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
7%	0.6% ¹¹	1.5% ¹²	1%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
1%	1%	1%	1%

stations and two critical executive agency projects. The level of funding requested will also permit us to implement the strategies (e.g., more consistent training of project managers) that will permit us to meet on-time and on-budget performance targets.

The following Exhibits reflect the links between our budget request and performance plan for the New Construction program area.

¹¹ In FY02 only completed projects were included in this measure. In FY03, all new construction projects were included. All projects will continue to be measured in future years.

¹² Increase of 0.9% is due to the Brooklyn Courthouse project and other older projects currently used in the calculation of this measure.

Linking Budget to Performance

In support of the performance goals/measures/targets for the acquisition of space by the New Construction program area, PBS requests funding of \$650,223 thousand for site, design, management and construction of new projects and \$32,434 thousand in the Building Operations activity. PBS plans to dedicate \$668,369 thousand (\$635,935 thousand of New Construction project funding and \$32,434 thousand of Building Operations funding) to completing projects on schedule. This will include project funding and Building Operations funds to enhance the GSA information systems that contain data on prospectus level projects (greater than \$2,360 thousand), to train GSA project managers in administration of new scheduling specifications and techniques, and to revise construction management contracts to include new responsibilities for maintaining project schedules. \$14,288 thousand of new construction project funding is dedicated to maintaining the percentage of escalations at 1 percent or less by reevaluating our cost models to improve overall project budgets, implementing the Construction Industry Institute's Project Definition Rating Index (PDR), and utilizing independent government estimates at 30%, 60%, and 90% of design completion.

For FY 2005, the new construction budget request funds for the design and construction of three Courthouses, twelve border

**General Services Administration
FEDERAL BUILDINGS FUND**

FY 2005 Budget Request / Performance Plan

Budget Links

New Construction

(dollars in thousands)

Long-term Outcome Goal(s)

GSA will execute the new construction program on the schedule committed to our customers 90% of the time by 2010, and maintain the percentage of escalations on the program to 1%.

Performance Goal	Performance Measure	FY 2003 Actual		FY 2004 Current		FY 2005 Request		Change FY04 to FY05	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
New construction projects on schedule 85% of the time by FY 2005	Construction projects on schedule	68%	\$ 755,996	84%	\$ 734,567	85%	\$ 668,369	1%	\$ (66,198)
Budget Links:	New Construction		\$ 722,287		\$ 703,810		\$ 635,935		\$ (67,875)
	Building Operations		\$ 33,709		\$ 30,757		\$ 32,434		\$ 1,677
Maintain the percentage of escalations on construction projects at 1% by FY 2005	Percent of escalations on construction projects	0.6%	\$ 12,581	1.5%	\$ 41,504	1%	\$ 14,288	-1%	\$ (27,216)
Budget Links:	New Construction		\$ 12,581		\$ 41,504		\$ 14,288		\$ (27,216)
Budget Activities:									
	New Construction		\$ 734,868		\$ 745,314		\$ 650,223		\$ (95,091)
	Building Operations		\$ 33,709		\$ 30,757		\$ 32,434		\$ 1,677
Total New Obligational Authority:			\$ 768,577		\$ 776,071		\$ 682,657		\$ (93,414)

**GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**CONSTRUCTION AND ACQUISITION OF FACILITIES
SUMMARY OF FY 2005 PROGRAM
(Dollars in Thousands)
IN PRIORITY ORDER**

	<u>ESTIMATED TOTAL PROJECT COST</u>					<u>FY 2005 REQUEST</u>				
	<u>SITE</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&I</u>	<u>TOTAL</u>	<u>SITE</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&I</u>	<u>TOTAL</u>
New Construction:										
Montgomery County, MD, FDA Consolidation.....	1,200	54,100	750,200	29,910	835,410	1,200	5,500	80,300	1,710	88,710
Los Angeles, CA, Federal Bureau of Investigation Facility.....	-	14,054	253,229	12,054	279,337	-	14,054	-	-	14,054
Washington, DC, Southeast Federal Center Site Remediation....	-	-	45,857	-	45,857	-	-	2,650	-	2,650
Chicago, IL, 10 West Jackson Boulevard (Purchase).....	53,170	-	-	-	53,170	53,170	-	-	-	53,170
Portal, ND, Border Station.....	1,000	1,953	20,024	1,575	24,552	200	552	20,024	1,575	22,351
El Paso, TX, Ysleta Border Station.....	-	2,491	17,345	2,216	22,052	-	2,491	-	-	2,491
Alexandria Bay, NY, Border Station.....	200	8,684	67,316	8,414	84,614	200	8,684	-	-	8,884
Dunseith, ND, Border Station.....	300	2,001	19,508	1,621	23,430	300	2,001	-	-	2,301
El Paso, TX, Paso Del Norte Border Station.....	-	2,860	22,512	3,019	28,391	-	660	22,512	3,019	26,191
Calais, ME, Border Station.....	332	2,937	29,374	2,937	35,580	332	2,937	-	-	3,269
Madawaska, ME, Border Station.....	500	1,260	12,599	848	15,207	500	1,260	-	-	1,760
Massena, NY, Border Station.....	532	4,378	48,938	5,040	58,888	432	2,832	8,236	3,500	15,000
Warroad, MN, Border Station.....	300	1,537	12,346	1,503	15,686	300	1,537	-	-	1,837
Richford, VT, Border Station.....	589	956	9,116	830	11,491	589	956	-	-	1,545
Norton, VT, Border Station.....	580	1,167	11,125	1,012	13,884	580	1,167	-	-	1,747
Derby Line, VT, Border Station.....	1,253	2,095	19,973	1,818	25,139	1,253	2,095	-	-	3,348
Nonprospectus Construction.....	-	-	10,000	-	10,000	-	-	10,000	-	10,000
Judgment Fund Repayment.....	-	-	10,000	-	10,000	-	-	10,000	-	10,000
Subtotal, Executive Agencies	59,956	100,473	1,359,462	72,797	1,592,688	59,056	46,726	153,722	9,804	269,308
Subtotal, Federal Judiciary (see attached listing)	60,716	36,690	609,350	23,839	730,595	4,016	1,766	370,649	4,484	380,915
Total Construction and Acquisition of Facilities Program	120,672	137,163	1,968,812	96,636	2,323,283	63,072	48,492	524,371	14,288	650,223

**GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**CONSTRUCTION AND ACQUISITION OF FACILITIES
SUMMARY OF FY 2005 PROGRAM
(Dollars in Thousands)
IN PRIORITY ORDER**

	<u>ESTIMATED TOTAL PROJECT COST</u>					<u>FY 2005 REQUEST</u>				
	<u>SITE</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&I</u>	<u>TOTAL</u>	<u>SITE</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&I</u>	<u>TOTAL</u>
Federal Judiciary:										
Los Angeles, CA, United States Courthouse...	20,600	18,990	348,109	11,936	399,635	-	-	314,385	-	314,385
El Paso, TX, United States Courthouse.....	8,200	5,707	56,264	4,484	74,655	1,500	1,214	56,264	4,484	63,462
San Diego, CA, United States Courthouse.....	31,916	11,993	204,977	7,419	256,305	2,516	552	-	-	3,068
Subtotal, Federal Judiciary	60,716	36,690	609,350	23,839	730,595	4,016	1,766	370,649	4,484	380,915

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Construction and Acquisition of Facilities Project Descriptions

CALIFORNIA

Los Angeles – United States Courthouse.....\$314,385,000

The General Services Administration proposes the construction of a 1,016,300 gross square foot U. S. Courthouse (CT), including 150 inside parking spaces, in Los Angeles, CA. The new CT will meet the 10-year needs of the court and the site will accommodate the 30-year requirements. The CT will provide 26 district and 15 magistrate courtrooms, plus 40 district and 21 magistrate chambers. This project is the number one priority on the Judiciary's Five-Year Plan, which reflects priorities approved by the Judicial Conference.

The District Court is currently housed at 312 North Spring Street and the Roybal Federal Building. The majority of the courtrooms in 312 North Spring Street do not meet the security requirements for judges, prisoners, and the public. All Magistrate courtrooms and seven of the District courtrooms lack prisoner circulation. All courtrooms lack courtroom-holding cells. There is no separate circulation for judges. None of the courtrooms are Americans with Disabilities Act compliant.

Also, the courts and court-related agencies have expansion requirements that cannot be met in the current Federal facilities located in downtown Los Angeles. The existing building at 312 North Spring Street cannot accommodate additional courtrooms and several of the existing courtrooms do not meet the minimum United States Court Design Guide standards. The courtrooms in the Roybal Federal Building will continue to be used.

Site (\$20,600 thousand) and design (\$14,650 thousand) were appropriated in fiscal year 2001. Additional design (\$4,340 thousand), construction (\$33,724 thousand), and management and inspection (\$11,936 thousand) are pending fiscal year 2004 appropriation action. This request is for construction (\$314,385 thousand). The estimated total project cost is \$399,635 thousand.

Los Angeles – Federal Bureau of Investigation Facility.....\$14,054,000

The General Services Administration proposes the design of a new Federal Bureau of Investigation (FBI) Field Office at the Wilshire Federal Center located

at 11000 Wilshire Boulevard, Los Angeles, CA. The project will result in new office and storage structures, an automotive/radio maintenance facility, and a secure parking structure for the FBI.

The project scope is a total of 937,000 square feet plus secure parking for 1,200 vehicles. The project will be delivered in two stand-alone, fully functional segments.

Currently, the FBI is housed in the Wilshire Federal Building, a structure built in 1969 and never renovated. The building does not meet the FBI's requirements for total square footage, floor plate size, column spacing, ceiling height, and security.

The Los Angeles Field Office territory is the largest metropolitan center for the FBI and the County's population growth has dramatically impacted the FBI's caseload. In order to operate more efficiently, the FBI wishes to consolidate its resources and personnel to a single location. A new facility at 11000 Wilshire Boulevard would meet the FBI's current program requirements and growth by providing the most up-to-date infrastructure for technology, layout, security, and seismic design.

This request is for design (\$14,054 thousand). Funding for construction (\$253,229 thousand) and management and inspection (\$12,054 thousand) will be requested in two segments in future fiscal years. The estimated total project cost is \$279,337 thousand.

San Diego – United States Courthouse.....\$3,068,000

The General Services Administration proposes the construction of a 614,394 gross square foot U.S. Courthouse Annex (CT Annex), including 105 inside parking spaces, in San Diego, California. The CT Annex will meet the 30-year space needs of the courts and court-related agencies in conjunction with the existing Edward J. Schwartz Federal Building and U.S. Courthouse (FB-CT). The Judiciary's Five-Year Plan, which reflects priorities approved by the Judicial Conference, includes a new courthouse in San Diego, CA. This project meets the current U.S. Courts Design Guide standards.

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Construction and Acquisition of Facilities Project Descriptions

CALIFORNIA - continued

San Diego – United States Courthouse - continued

The CT Annex will provide 18 district courtrooms/chambers, three appellate judges' chambers, circuit satellite library, district clerk's office, pre-trial services, and space to meet the expansion requirements of the courts and court-related agencies. The building will accommodate five additional district courtrooms/chambers and an appellate judge's chamber for the courts' 30-year requirement. Suitable federal executive agencies will backfill space until needed for incremental conversion to accommodate the courts' long-term growth.

Site (\$29,400 thousand) was funded in fiscal years 1999, 2002, and 2003. Design (\$11,441 thousand) was funded in fiscal year 2003. This request is for the balance of site acquisition (\$2,516 thousand) and design (\$552 thousand). Construction (\$204,977 thousand) and management and inspection (\$7,419 thousand) will be requested in a future fiscal year. The estimated total project cost is \$256,305 thousand.

DISTRICT OF COLUMBIA

Southeast Federal Center Site Remediation.....\$2,650,000

Funding is requested for environmental remediation at the Southeast Federal Center (SEFC) in order to comply with a consent order issued by the Environmental Protection Agency (EPA). The consent order directs GSA to provide a characterization of current conditions and to remedy those conditions. The consent order was issued by the EPA Administrator pursuant to Section 3013 of the Solid Waste Disposal Act, as amended by the Hazardous and Solid Waste Amendments to 1984, Resource Conservation Recovery Act (RCRA), 42 USC 6934. Signed in July of 1999, the consent order was issued because the location of the SEFC and its proximity to a substantial minority population makes it part of EPA's Anacostia Initiative and the Environmental Justice Initiative. The purpose of the consent order is the protection of the human health and the environment. It requires GSA to implement sampling, analysis, monitoring, and reporting on the site and to take interim measures to prevent or mitigate threats

to human health and/or the environment. The consent order also requires a RCRA facility investigation to fully ascertain the nature and extent of any release of hazardous wastes and/or hazardous constituents at or from the site.

Funding was provided in fiscal year 1997 (\$20,000 thousand) and fiscal year 1999 (\$10,000 thousand). An internal budget escalation (\$1,735 thousand) was reprogrammed to the project in fiscal year 2000. Additional construction funding (\$5,000 thousand) was appropriated in fiscal year 2002 and (\$6,472 thousand) in fiscal year 2003. This request (\$2,650 thousand) is for the balance of the funds necessary to complete the remediation efforts currently underway at SEFC. The estimated total project cost is \$45,857 thousand.

ILLINOIS

Chicago – 10 West Jackson Boulevard (Purchase).....\$53,170,000

The General Services Administration (GSA) proposes the purchase of the 10 West Jackson Boulevard building and the acquisition of an adjacent site in the central business district of Chicago, IL. The building is adjacent to the Everett M. Dirksen Courthouse, headquarters for the Northern District of Illinois and the U.S. Court of Appeals for the Seventh Circuit in Chicago's Central Business District.

GSA currently leases 10 West Jackson Boulevard to house the Department of Homeland Security (DHS). The lease at 10 West Jackson Boulevard includes a purchase option that the Government intends to exercise to secure the site to meet future housing requirements. DHS is relocating to 536 South Clark Street, a Government-owned facility, upon completion of its full modernization to better meet DHS's clientele and security needs.

GSA plans to request funds in a future fiscal year to renovate the six-story 127,291 gross square foot 10 West Jackson Boulevard building for the future occupancy of U.S. Probation, U.S. Trustees, and the U.S. Marshals. The modernization will include exterior modifications, interior space alteration, electrical upgrades, plumbing upgrades, heating, venting, air conditioning and mechanical upgrades, fire alarm replacement, and Americans with Disabilities Act accessibility standards upgrades.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Construction and Acquisition of Facilities
Project Descriptions**

ILLINOIS - continued

Chicago – 10 West Jackson Boulevard (Purchase) - continued

U.S. Probation and U.S. Trustees plan to relocate from leased space, 550 West Monroe and 227 West Monroe, respectively, to 10 West Jackson Boulevard, subsequent to its purchase and renovation. The U.S. Marshals, who are rapidly outgrowing the Dirksen Courthouse, will need to expand into the modernized 10 West Jackson building. The courts located at the Dirksen Courthouse have been steadily growing, and anticipate additional growth that cannot be accommodated in the courthouse. The U.S. Marshals expansion needs cannot be met at the Dirksen Courthouse, and relocating to the proposed building will eliminate the inefficiencies of their present operations and allow the U.S. Attorneys to expand in the Dirksen Courthouse to meet their housing requirements.

The additional site will allow GSA to meet security setback requirements for the Courts and court-related agencies and create a secured buffer zone. Currently, in the event of a building evacuation at the Dirksen Courthouse, the U.S. Marshals must transport prisoners in the same public stairways used by judges, staff and the public. The purchase of the proposed building will improve security in the Courthouse by allowing the U.S. Marshals, in the future, to relocate their lock-up facility from the upper floors of the Dirksen Courthouse to the basement of 10 West Jackson Boulevard.

10 West Jackson Boulevard shares the block with the Dirksen Courthouse. Therefore, the acquisition of the building and additional land will allow GSA to improve security by enhancing its ability to control access to the parking ramp leading into the Dirksen Courthouse. The acquisition will also provide greater control of Quincy Court, and allow GSA to create a security buffer zone integral to the security of the southern portion of the courthouse.

This request (\$53,170 thousand) is for acquisition. There will be funding requests for the 10 West Jackson Boulevard building in future fiscal years.

MAINE

Calais – Border Station.....\$3,269,000

The General Services Administration (GSA) proposes the construction of a new U.S. Border Station to be located in Calais, ME. The new facility will replace the commercial function of the existing facility located at Ferry Point in Calais and provide agency expansion space that cannot be accommodated at the Ferry Point facility.

The existing Calais Ferry Point border station is the eighth busiest port of entry on the US-Canadian border. Relocation of all commercial traffic from Ferry Point to the new crossing will alleviate this congestion. The existing two-story main port building at Ferry Point is situated on a site of less than one acre. Currently, the agencies are housed in space that lacks sufficient office space, search and inspection rooms, detention cells, storage, locker, lunch, and conference/training space to house the projected staff level of 89 employees.

The site itself lacks sufficient size to accommodate a modern commercial inspection facility. The site does not provide ample room for sufficient parking, maneuvering areas and a clear and well-defined traffic pattern for commercial trucks, visitors, and employee parking. There is no secure parking for impounded vehicles.

This project will provide for a new port of entry on approximately 28 acres of land. GSA currently does not own any land at this new location and will purchase 28 acres. The original border station at Ferry Point was constructed in 1936 with approximately 12,910 gross square feet (gsf). The planned new facility includes: a 27,831 gross square feet main administration building; five primary inspection lanes including three booths and one bi-level booth for non-commercial traffic; three inspection lanes including three bi-level booths for commercial traffic; an 11,796 gross square feet secondary inspection building with three enclosed inspection garages and one enclosed bus bay; commercial secondary inspection area consisting of an eight bay warehouse and administration area of 18,249 gross square feet.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Construction and Acquisition of Facilities
Project Descriptions**

MAINE - continued

Calais – Border Station - continued

This request is for site (\$332 thousand) and design (\$2,937 thousand). Construction (\$29,374 thousand) and management and inspection (\$2,937 thousand) will be requested in a future fiscal year. The estimated total project cost is \$35,580 thousand.

Madawaska – Border Station.....\$1,760,000

The General Services Administration proposes to expand the current border station inspection lanes and provide other expanded border functions. The proposed project will replace the undersized main administration building, while addressing current safety, security, circulation, and efficiency deficiencies.

The existing site at Madawaska is very small, situated on less than one acre of land and is geographically constrained by the St. Johns River, Nexfor Fraser Papers and the Montreal Maine and Atlantic Railroad. The planned addition of Radiation Portal Monitors and other on-site inspection equipment will only exacerbate the situation as the existing site lacks sufficient staging and queuing areas. Also, the border station site as is, lacks adequate parking, maneuvering areas and a clear and well-defined traffic pattern for commercial trucks, visitors, and employee parking.

Madawaska is New England's third busiest port in terms of automobile traffic and sixth busiest in truck traffic. On-site staffing has increased substantially since the terrorist attacks of September 11, 2001, rendering the existing inspection facility obsolete. The existing facility lacks sufficient amounts of office and storage space, as well as a secure area to perform standard interview and search procedures. There is no commercial secondary inspection area to perform a proper secondary inspection, which at times involves unloading a typical tractor-trailer. As a result, secondary truck inspections are done at roadside; often causing traffic congestion that at times backs up onto the bridge.

This project will provide for the improvement and expansion to this Port of Entry on approximately one and one half acres of land. The planned expansion

includes: a 7,250 gross square feet (gsf) main administration building; two primary inspection lanes and bi-level booths for non-commercial traffic; one inspection lane and booth for commercial traffic; one non-commercial secondary inspection bay with lift; a commercial secondary inspection area consisting of a 2,109 gross square feet administration and inspection area; a one lane outbound inspection area with bi-level booth; and other small buildings such as garage space and secured storage space.

This request is for site (\$500 thousand) and design (\$1,260 thousand). Construction (\$12,599 thousand) and management and inspection (\$848 thousand) will be requested in a future fiscal year. The estimated total project cost is \$15,207 thousand.

MARYLAND

Montgomery County – FDA Consolidation.....\$88,710,000

The General Services Administration (GSA) requests funding to construct a new headquarters and laboratory facilities for the Food and Drug Administration (FDA) at the White Oak Federal Center in White Oak, MD.

FDA is currently being consolidated in Maryland's Montgomery (White Oak) and Prince George's Counties. FDA has consolidated two centers in Prince George's County, occupying approximately 584,000 gross square feet. The proposed White Oak facility will provide approximately 4.1 million gross square feet of consolidated office, laboratory, and parking space for FDA headquarters. The increase in office space and parking is a result of programmatic growth over the years and recent congressional legislation that added additional functions to FDA.

Since the September 11, 2001 terrorist incident, Congress required that the proposed FDA consolidation include counter terrorism support functions for Bio Terrorism. Additionally, FDA required office locations for the Centers for Veterinary Medicine (CVM) to be located at the White Oak facility. The Center for Drug Evaluation and Research (CDER) and the Center for Devices and

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Construction and Acquisition of Facilities Project Descriptions

MARYLAND - continued

Montgomery County – FDA Consolidation – continued

Radiological Health (CDRH) were each tasked with a new program function. Through Public Law 107-188, CDER was tasked with implementing the Prescription Drug User Fee Act (PDUFA). Through Public Law 107-250, CDRH was tasked with implementing the Medical Device User Fee & Modernization Act (MDUFMA). In addition to FDA's programmatic growth, these new programs require staffing and space for operations. Since the support functions are analogous to the centers for biological sciences that are currently being consolidated at White Oak, they were incorporated into the development of the 130 acre - White Oak Federal Center. This and future funding requests will help GSA and the FDA meet these facility requirements at White Oak on an incremental basis.

Prior Authority and Funding

Fiscal Year 1992	\$200,000,000
Fiscal Year 1994	73,921,000
Reprogramming from other construction project (1994)	6,000,000
Fiscal Year 1995	45,000,000
Rescission (P.L. 104-19)	(228,000,000)
Transfer (Seafood Research Facility, 1995)	(5,000,000)
Fiscal Year 1996	55,000,000
Fiscal Year 2000	35,000,000
Fiscal Year 2001	92,179,000
Fiscal Year 2002	19,060,000
Fiscal Year 2003	37,600,000
Fiscal Year 2004 (pending)	<u>42,000,000</u>
Total	<u>\$372,760,000</u>

Prince George's County, MD

The Center for Veterinary Medicine (CVM) in Laurel (\$43,842 thousand) and the Center for Food Safety and Applied Nutrition (CFSAN) in College Park (\$86,121 thousand) were funded in fiscal year 1992. The CVM and CFSAN projects have

been completed. The CVM project provides 174,000 gross square feet. The CFSAN project provides 410,000 gross square feet.

White Oak – Montgomery County, MD

Funding received prior to fiscal year 2001 for FDA White Oak included \$12,366 thousand for planning and technical support, \$4,590 thousand for infrastructure costs, \$2,120 thousand for design and \$2,082 thousand for management and inspection (M&I) for the CDER Life Sciences Laboratory. Funding of \$30,800,000 for the construction of the 139,000 gross square feet CDER Life Sciences Laboratory was received in 2000.

Funding for fiscal year 2001 included \$8,800 thousand to complete construction of the CDER Life Sciences Laboratory, and \$83,379 thousand for CDER Office construction.

Funding for fiscal year 2002 included \$2,960 thousand for CDER Office Building M&I, \$3,800 thousand for the Center for Devices and Radiological Health (CDRH) Laboratory design, \$3,600 thousand for the Central Shared Use Phase I design, \$5,600 thousand for CDER Office design, \$1,500 thousand for Building One demolition and abatement, and \$1,600 thousand to complete CDER Office construction.

Fiscal year 2003 funding included \$26,000 thousand for construction of the Central Shared Use Phase I, \$6,000 thousand for converting the 3rd and 4th floors of the CDER Life Sciences Laboratory from office to laboratory space, \$2,800 thousand for construction of the CDRH Laboratory foundation, and \$2,800 thousand for the CDER Office Expansion design.

Fiscal year 2004 funding of \$42,000 thousand is being appropriated for construction of the CDRH Laboratory.

This fiscal year 2005 request is for the site acquisition (\$1,200 thousand) for road and bridge, design (\$5,500 thousand) for the road and bridge, CDRH office building, and Central Shared Use facilities, M&I costs (\$1,710 thousand) for Central Shared Use facilities and CDER Office, and construction (\$80,300

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Construction and Acquisition of Facilities Project Descriptions

MARYLAND - continued

Montgomery County – FDA Consolidation – continued

thousand) for partial costs of CDRH laboratory, CDER Office expansion, Central Shared Use facilities, road and bridge, and parking garage.

Funding for the remaining phases will be requested in future fiscal years.

MINNESOTA

Warroad – Border Station.....\$1,837,000

This project proposes the acquisition of 6.2 acres of land plus acquiring a .44-acre of land from the Bureau of Customs and Border Protection and the design of a new Border Station in Warroad, MN. The new station will replace the existing Immigration and Naturalization Service (INS) owned and managed facility. Construction of a new facility of approximately 22,806 usable square feet is required in order to provide a modern and efficient port-of-entry facility, and to provide necessary expansion space for the Bureau of Customs and Border Protection (formerly U.S. Customs Service and INS).

This project will provide for the following ancillary inspection facilities: an operational/center inspection facility, two canopies, two primary inspection lanes and booths for non-commercial traffic, two secondary inspection lanes and booths for commercial traffic; and a maintenance garage. The proposed new facility will be a functional 24-hour commercial port and will require a new on-site sanitary sewer system.

The existing border station is a 24-hour per day port-of-entry for commercial traffic over Warroad, MN. Constructed in 1962 and originally designed to accommodate a staff of two, the existing border station contains approximately 1,990 gross square feet and houses 14 U.S. Customs Service Officers, one Agriculture employee and four INS employees. The current facility does not meet the Federal Inspection Services current or future requirements for size,

efficiency, safety, and security. The building has severe drainage problems, creating an uncomfortable and unsanitary environment.

The existing facility is grossly undersized to meet the needs of today. The lack of space results in numerous functional deficiencies that compromise the mission of the port. The construction of the proposed commercial inspection docks will provide adequate inspection facilities that are currently non-existent.

This request is for site (\$300 thousand) and design (\$1,537 thousand). Construction (\$12,346 thousand) and management and inspection (\$1,503 thousand) will be requested in a future fiscal year. The estimated total project cost is \$15,686 thousand.

NEW YORK

Alexandria Bay – Border Station.....\$8,884,000

The General Services Administration (GSA) proposes the acquisition of an additional site and the design of an expanded U.S. Border Station in Alexandria Bay, NY. The new facility will provide 131,250 gross square feet (gsf) of internal and canopied space, plus 203 outside parking spaces, on 55 acres of land to replace the existing border station, which does not meet the tenant agencies current or future requirements for a Border Station Point of Entry (POE) in terms of size, efficiency, and security.

GSA owns approximately five acres of land and will purchase an additional 50 acres from the Thousand Island Bridge Authority. The original border station was constructed in 1970 and is approximately 51,613 gross square feet. The planned expansion includes: construction of a new administration building, a new commercial building, a new Vehicle and Cargo Inspection System building, new maintenance and warehouse buildings, a secondary inspection building, two additional primary commercial inspection lanes, a six bay secondary commercial dock, a veterinary services building including the construction and expansion of commercial queuing areas, an additional commercial primary inspection booth, and a new bus passenger and passenger vehicle inspection lane. The project also includes expansion of the commercial parking area and a new circulation

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Construction and Acquisition of Facilities Project Descriptions

NEW YORK - continued

Alexandria Bay – Border Station – continued

pattern through the facility in order to reduce backup of commercial vehicles from Canada awaiting inspection.

As the sixth busiest crossing for U.S. bound commercial vehicles at the Canadian border, the existing port facility is functionally and operationally obsolete. The port is over 30 years old and has had no significant renovation or expansion since its original construction. The current facility is too small and does not meet the Federal Inspection Services current or future requirements in terms of size, efficiency, safety, or security. Increased commercial and passenger traffic since the passage of the North American Free Trade Agreement has resulted in long waits and unsafe conditions at this POE. The existing facility has an inadequate number of commercial vehicles inspection lanes and an insufficient amount of queuing space for commercial traffic that passes through the POE. This project will include the relocation of the primary and secondary inspection facilities in order to remedy these two deficiencies.

This request is for site (\$200 thousand) and design (\$8,684 thousand). Construction (\$67,316 thousand) and management and inspection (\$8,414 thousand) will be requested in a future fiscal year. The estimated total project cost is \$84,614 thousand.

Massena – Border Station.....\$15,000,000

The General Services Administration (GSA) proposes the construction of a new U.S. Border Station in Massena, NY. The new facility will replace the existing border station, which does not meet the existing or future requirements of the tenant agencies in terms of size, efficiency, and security. The project consists of the construction of a new administration building with primary inspection lanes and canopies for autos, trucks and buses; a new secondary inspection garage for autos; a new secondary cargo inspection warehouse; a cargo x-ray building; a new vehicle maintenance and storage garage; demolition of existing structures; and site work.

The existing Border Station facility is both functionally and operationally obsolete. The Port of Entry (POE) is nearly 50 years old and has had no significant renovation or expansion since its original construction. Since the passage of the North American Free Trade Act (NAFTA), increased commercial and passenger traffic have resulted in long traffic lines and unsafe conditions at this POE. With new border security requirements, the existing facility no longer meets the operational needs of the newly formed Department of Homeland Security (DHS) divisional components and the GSA. Due to the newly expanded housing requirements of the DHS, construction of a completely new facility is required.

The project's scope has grown since the FY2003 design submission. Included in the revised scope is an additional building for the U.S. Border Patrol and the New York State Department of Transportation; a vehicle impound lot; a headhouse; realignment of State Highway 37 with a new interchange; and the newly mandated Border Security Enhancement Program, also known as Entry/Exit (inbound and outbound inspection), that requires additional site to accommodate the longer vehicle queuing lengths in both directions. Additional acreage will also permit the repositioning of the station to allow for proper sightlines of approaching traffic.

The lack of an adequate commercial cargo inspection facility is hampering the safe and secure execution of a major mission component of the Bureau of Customs and Border Protection. There is also a complete lack of space for truck queuing and parking. This leads to vehicles backing up onto the approach road, causing lengthy delays for all vehicles entering from Canada. Of nearly 200 border stations nationwide, Massena ranks 6th in the volume of inbound automobiles inspected.

Site acquisition (\$100 thousand) and design (\$1,546 thousand) were funded in fiscal year 2003 for the originally contemplated project. This request is for the balance of site (\$432 thousand), the balance of design (\$2,832 thousand), partial construction (\$8,236 thousand) and partial management and inspection (\$3,500 thousand). The balance of project funding, construction (\$40,702 thousand) and management and inspection (\$1,540 thousand) will be requested in a future fiscal year. The estimated total project cost is \$58,888 thousand.

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Construction and Acquisition of Facilities Project Descriptions

NORTH DAKOTA

Dunseith – Border Station.....\$2,301,000

The General Services Administration proposes the acquisition of approximately 5 acres of land, and the construction of a replacement border station facility at Dunseith, ND, including 58,672 gross square feet (gsf) of building facilities. The facility will be comprised of a main administration building, four new residences, a non-commercial secondary inspection building, a cargo building for commercial inspection, a veterinary services building, an agency vehicle garage, a firing range, a storage facility for mobile Vehicle and Cargo Inspection System (VACIS) equipment; and site improvements including inspection lanes, and a 33-space employee and visitor parking lot.

The Dunseith, ND inspection agencies have experienced significant growth in their operations and staff due to increased inspection demands, and require additional space and expanded facility inspection capabilities. The existing facility has become too small, functionally deficient, and deteriorated to adequately accommodate the tenant’s space and operational needs. The station was constructed in 1962, has never been renovated, and consequently, its mechanical and electrical systems are operationally deficient, outmoded, and technically obsolete and can no longer adequately meet service requirements.

This request is for site (\$300 thousand) and design (\$2,001 thousand). Construction (\$19,508 thousand) and management and inspection (\$1,621 thousand) will be requested in a future fiscal year. The estimated total project cost is \$23,430 thousand.

Portal – Border Station.....\$22,351,000

The General Services Administration proposes the construction of a replacement border station facility at Portal, ND, consisting of the construction of 72,125 gross square feet of building facilities, including a main administration building, a border control building, a warehouse, an official parking garage, an animal clinic, a firing range, a Vehicle and Cargo Inspection System equipment building, and a hazardous waste building; and site improvements including six inspection lanes, a 90-space parking lot, and six canopied open-air inspection areas.

The Portal, ND inspection agencies have experienced significant growth in their operations and staff due to increased inspection demands, and require additional space and expanded facility inspection capabilities. The existing facility has become too small, functionally deficient, and deteriorated to adequately accommodate the tenants’ space and operational needs. The station was constructed in 1932, has never been renovated, and consequently, its mechanical and electrical systems are operationally deficient, outmoded, and technically obsolete and can no longer adequately meet service requirements.

Site (\$800 thousand) and design (\$1,401 thousand) was appropriated in fiscal year 2003. This request is for additional site (\$200 thousand), additional design (\$552 thousand), construction (\$20,024 thousand), and management and inspection (\$1,575 thousand). The estimated total project cost is \$24,552 thousand.

TEXAS

El Paso – Paso Del Norte Border Station.....\$26,191,000

The General Services Administration (GSA) proposes the modernization and expansion of the existing Paso del Norte Border Station in El Paso, TX. Planned work items include the expansion and renovation of the existing administration building, expansion of the primary inspection lanes and booths, and relocation of the headhouse. An international bus lane and a facility to inspect buses and passengers will be constructed. In addition, a new kennel will be built, while the former space will be converted for administrative use. The border station will provide 148,800 gross square feet and 372 parking spaces. This facility will support the projected increases in pedestrian and vehicular traffic over the next ten years.

Constructed in 1967, the Port of Entry (POE) had mechanical and electrical upgrades in the early 1990s, in addition to border patrol and kennel construction in the same year. Otherwise, the POE remains largely unchanged. The North American Free Trade Agreement (NAFTA) and new immigration and drug

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Construction and Acquisition of Facilities Project Descriptions

TEXAS -continued

El Paso – Paso Del Norte Border Station - continued

enforcement policies have contributed to an increase in congestion at the border station. If operations continue in their current condition, the facility will be unable to manage the anticipated traffic. This would increase congestion, which, in turn, would cause the agencies' mission to suffer. Upgrades and expansions are necessary to resolve deficiencies, consolidate kennel operations, and provide adequate space for pedestrian and vehicular passage.

This project proposes the renovation of the administration building (including mechanical, electrical, and fire and life safety systems); an addition to the administration building; construction of a new kennel; renovation of the existing kennel into administrative space; relocation of the headhouse; expansion of primary lanes and addition of two new primary booths; reconfiguration of the secondary inspection area and addition of super booths; demolition of the Texas Alcoholic Beverage Commission (TABC) building; construction of an international bus lane and facility to inspect buses and passengers; and additional surface parking.

In fiscal year 2001, Public Law 106-346 (TEA-21) included design funding (\$2,200 thousand) for this facility. This request is for additional design (\$660 thousand), construction (\$22,512 thousand) and management and inspection cost (\$3,019 thousand). The estimated total project cost is \$28,391 thousand.

El Paso – United States Courthouse.....\$63,462,000

The General Services Administration proposes the construction of a 239,600 gross square feet Courthouse (CT), including 60 inside parking spaces, in El Paso, TX. The building will meet the 10-year requirements of the District Court and court-related agencies with a site large enough to accommodate their projected 30-year expansion requirements. The Judiciary's Five-Year Plan, which reflects priorities approved by the Judicial Conference, includes a new CT in El Paso, TX, for construction funding.

Due to significant increases in international economic activities and the strategic location of El Paso along the Mexican border, court activities in the Western District of Texas have been expanding steadily. The existing courthouse cannot house the current or projected space requirements of the courts and court-related agencies. Currently, the courts and court-related agencies are housed in two Government-owned and two leased locations. The primary location of the court is the existing courthouse, constructed in 1935 at 511 East San Antonio Street. Other court-related tenants are housed in the Richard C. White Federal Building (FB) at 700 East San Antonio Street, a facility constructed in 1986. The Bankruptcy Court and U.S. Trustee are housed in two leased facilities outside the Central Business District of El Paso. There are a total of six courtrooms in the old courthouse, three for use by district judges and four for magistrate judges. Only one of these courtrooms meets the U.S. Courts Design Guide size standards for district courtrooms. Two meet magistrate or bankruptcy size standards. The others are small, inefficient, and not expandable.

The new CT will provide 11 courtrooms plus ancillary space for five active district judges, one senior district judge, five magistrate judges, and the U.S. Marshals Service. The building will also provide chambers for a visiting senior district judge and a circuit judge and trial preparation space for the U.S. Attorney and Federal Public Defender. Secured parking will be provided for official vehicles and handicapped persons. The new CT will provide proper security and separate circulation for judges, prisoners, and the public. The 30-year requirements will be met by expansion of the building.

Site (\$6,700 thousand) and design (\$4,493 thousand) were funded in fiscal year 2002. This request is for additional site (\$1,500 thousand), design (\$1,214 thousand), construction (\$56,264 thousand), and management and inspection (\$4,484 thousand). The estimated total project cost is \$74,655 thousand.

El Paso – Ysleta Border Station.....\$2,491,000

The General Services Administration proposes the upgrade and expansion of the existing Ysleta Border Station in El Paso, TX. Increases in the pedestrian and vehicle primary areas, import lot area, and parking are proposed, in addition to augmented site security. These additions will accommodate the projected

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TEXAS -continued

El Paso – Ysleta Border Station – continued

increases in pedestrian and vehicular traffic over the next ten years. As a result of this project, the Port of Entry (POE) will expand from 167,441 gross square feet (gsf) to 201,093 gross square feet, and will provide 412 outside parking spaces.

The POE was built in 1991, with additions to the commercial vehicle inspection area in 1996. Increased traffic at the border station is due to the heavy industrial and maquiladora industry and North American Free Trade Agreement, in addition to the expanded width and load capacity of the Zaragoza Bridge at Ciudad Juarez, Mexico. The site has major functional constraints related to commercial vehicle inspection circulation patterns, increases in traffic, limited kennel operations, functional deficiencies of the structures on site, and minimal parking. The import lot can accommodate approximately 1,500 commercial vehicles per day. If improvements are not made to the POE, the Ysleta facility will be operating at a substandard level, contributing to increased congestion, and therefore, endangering the missions of the tenant agencies.

This project proposes a new ten-lane commercial primary and pre-primary inspection area; new rapid enforcement lane; expansion of existing kennel, headhouse and import dock cargo building; paving around the dock to facilitate new traffic circulation patterns; addition of a temporary vault and exercise room in the administration building; reconfiguration of administrative offices; new U.S. Department of Transportation safety inspection canopy; security fences for the narcotics vault; addition of a crossover road for the export truck traffic; lighting upgrades and addition of highmast lighting; extension of existing gas, electric, communication, fire protection, domestic water and accompanying sanitary sewer to serve the proposed expansion; reconfiguration of existing drainage and site grading; and additional surface parking and site access.

This request is for design (\$2,491 thousand). Construction (\$17,345 thousand) and management and inspection (\$2,216 thousand) will be requested in a future fiscal year. The estimated total project cost is \$22,052 thousand.

VERMONT

Derby Line – Border Station.....\$3,348,000

The General Services Administration proposes to expand the current border station inspection lanes and provide other expanded border functions. The proposed project will replace the undersized main administration building, while addressing current safety, security, circulation, and efficiency deficiencies.

Of more than 30 land port of entries in New England, Derby Line is the second busiest crossing for automobiles and busiest for commercial traffic. In addition to the increase in high tech inspection equipment, on-site staffing has increased substantially since the terrorist attacks of September 11, 2001, rendering the existing inspection facilities obsolete. The existing main port facility lacks sufficient amounts of office and storage space and has limited secure areas to perform standard interview and search procedures.

With the planned addition of Radiation Portal Monitors and other on-site inspection equipment, the existing site lacks sufficient staging and queuing areas. The border station site as is, lacks adequate parking, maneuvering areas and a clear and well-defined traffic pattern for commercial trucks, visitors, and employee parking.

The commercial secondary inspection areas as they exist are inadequate to perform a proper secondary inspection, which at times involves unloading a typical tractor-trailer. The non-commercial secondary inspection garages are too small to inspect even a full size pickup and the vehicle lift is unusable due to the lack of height to allow the unit to function safely. The facility has no interior spaces for the inspection and interview of buses, passengers, and their luggage.

This project will provide for the improvement and expansion to this Port of Entry on approximately ten acres of land. The planned expansion includes: a 21,803 gross square feet Main Administration Building, five primary inspection lanes and Bi-level booths for non-commercial traffic; two inspection lanes and booths for commercial traffic; a 2,735 gross square feet Non-commercial secondary inspection building consisting of two vehicle/bus drive through areas

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Construction and Acquisition of Facilities Project Descriptions

VERMONT – continued

Derby Line – Border Station – continued

and one inspection bay with lift; Commercial secondary inspection area consisting of a four bay warehouse and a 2,425 gross square feet administration area; one additional work area bay, and a pallet X-ray.

This request is for site (\$1,253 thousand) and design (\$2,095 thousand). Construction (\$19,973 thousand) and management and inspection (\$1,818 thousand) will be requested in a future fiscal year. The estimated total project cost is \$25,139 thousand.

Norton – Border Station.....\$1,747,000

The General Services Administration proposes to expand the current border station inspection lanes and provide other expanded border functions. The proposed project will replace the undersized main administration building, while addressing current safety, security, circulation, and efficiency deficiencies.

With the planned addition of Radiation Portal Monitors and other on-site inspection equipment, the existing site lacks sufficient staging and queuing areas. The border station site as is, lacks adequate parking, maneuvering areas and a clear and well-defined traffic pattern for commercial trucks, visitors, and employee parking.

Moreover, on-site staffing has increased substantially since the terrorist attacks of September 11, 2001, rendering the existing inspection facilities obsolete. The existing facility lacks sufficient amounts of office and storage space, as well as a secure area to perform standard interview and search procedures. The commercial secondary inspection areas as they exist are inadequate to perform a proper secondary inspection, which at times involves unloading a typical tractor-trailer.

This project will provide for the improvement and expansion to this Port of Entry on approximately seven and one quarter acres of land. The planned expansion

includes: a 14,878 gross square feet (gsf) main administration building; two primary inspection lanes and Bi-level booths for non-commercial traffic; a 2,103 gross square feet secondary inspection building consisting of one vehicle/bus drive through area and one inspection bay with lift; commercial secondary inspection area consisting of a 1,559 gross square feet administration area; a two lane outbound inspection area with one Bi-level booth; mobile truck X-ray building; exterior inspection areas consisting of a primary and outbound canopy; and referral inspection canopies at both main and non-commercial buildings, and other small buildings such as garage space and secured storage space.

This request is for site (\$580 thousand) and design (\$1,167 thousand). Construction (\$11,125 thousand) and management and inspection (\$1,012 thousand) will be requested in a future fiscal year. The estimated total project cost is \$13,884 thousand.

Richford – Border Station.....\$1,545,000

The General Services Administration proposes to expand the current border station and inspection lanes to provide increased border functions. The proposed project will replace the undersized main administration building, while addressing current safety, security, circulation, and efficiency deficiencies.

With the planned addition of Radiation Portal Monitors and other on-site inspection equipment, the existing site lacks sufficient staging and queuing areas. The border station site as is, lacks adequate parking, maneuvering areas and a clear and well-defined traffic pattern for buses, visitors, and employee parking.

Moreover, on-site staffing has increased substantially since the terrorist attacks of September 11, 2001, rendering the existing inspection facilities obsolete. The existing facility lacks sufficient amounts of office and storage space, as well as a secure area to perform standard interview and search procedures. Although currently a permit port, the plan is for Richford to become a full commercial port. Presently, the existing site does not have an area to perform secondary inspections on commercial vehicles.

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Construction and Acquisition of Facilities Project Descriptions

VERMONT – continued

Richford – Border Station – continued

This project will provide for the improvement and expansion to this Port of Entry on approximately seven acres of land. The planned expansion includes: a 10,359 gross square feet (gsf) main administration building; four primary inspection lanes and bi-level booths for non-commercial traffic; four inspection lanes and primary inspection lane booths for commercial traffic; an 1,936 gross square feet non-commercial secondary inspection building consisting of one vehicle/bus drive through area, one inspection bay with lift and an inspectors work area; commercial secondary inspection area consisting of a one bay warehouse and an 1,760 gross square feet administration area; one additional work area bay and a dock scale; a two lane outbound inspection area with one bi-level booth; exterior inspection areas consisting of a primary and outbound canopy; and a referral inspection canopy and other small buildings such as garage space and secured storage space.

This request is for site (\$589 thousand) and design (\$956 thousand). Construction (\$9,116 thousand) and management and inspection (\$830 thousand) will be requested in a future fiscal year. The estimated total project cost is \$11,491 thousand.

NATIONWIDE

Nonprospectus Construction.\$10,000,000

Funds in the amount of \$10,000 thousand are requested for the development of projects below the \$2,360 thousand prospectus threshold. Nonprospectus funds have been used to erect special purpose storage buildings, border station facilities, depot service and warehouse buildings, and a small courthouse. The funds have also been used to acquire a motor pool, security buffer sites, build parking lots, purchase sites, build childcare facilities, and purchase property in conjunction with Presidential National Historic Sites.

Judgment Fund Repayment.....\$10,000,000

Funds are requested to reimburse the Department of Treasury for payment of claims against projects.

The settlement agreements include a release of all claims and demands for relief, which arise under the contracts. The U.S. Treasury under the terms of the Contract Disputes Act paid the claims. Sufficient project funds to reimburse the Treasury are no longer available.

The \$10,000 thousand will be used to pay claims on the following buildings:

Boston, MA, John Joseph Moakley U.S. CT.....	\$4,250
Boulder, CO, David Skaggs Research Center.....	687
Kansas City, MO, Charles E. Whittaker CT.....	209
Newark, NJ, Martin Luther King, Jr. FB.....	500
Oakland, CA, Federal Office Building.....	3,100
Tampa, FL, Sam M. Gibbons U.S. CT.....	1,254

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Leasing

Strategic Direction

- *Overview*

GSA is responsible for acquiring and administering leasehold interests and providing other real estate services in support of other government agencies. GSA has a total leased inventory of over 160 million square feet located in 6,200 buildings across the United States and its territories. GSA's leasing program is an important tool for managing our portfolio because when clients' space requirements cannot be met with available federal space, we lease the needed space at competitive rates from the private sector. We strive to position our portfolio to satisfy customer needs with maximum flexibility and safety, and to provide the best workplace solutions for our federal clients. Leasing is the vehicle through which we balance the dynamic housing requirements of our customers.

- *Strategic Assessment*

GSA leases space for client agencies when it has been determined that available government owned space cannot meet client agency needs and there is appropriate justification for the request. The decision to lease space is part of a coherent overall Local Portfolio Strategy. Strategies to keep leasing costs at or below market levels include comparing lease offers to industry benchmarks, using market surveys to comparison shop for best prices, using published market sources to gain a better understanding of area markets and partnering with the private sector for brokerage services.

- *Leasing Trends, Issues, and Concerns*

The top priority for the Leasing Program is implementing the National Broker Contract. Analysis indicates that "no cost" contracts and limited fee-based broker contracts will help meet future capacity needs, lower leasing costs and provide a higher level of customer service and satisfaction. GSA has formulated plans to foster national and regional support for this initiative.

PART Status for Leasing

The leasing program has a clear purpose and mission: *Help Federal agencies better serve the public by offering superior workplaces at best value.* GSA has displayed solid program and financial management, with regular reviews to hold senior managers and associates accountable for performance.

In the PART analysis of the Leasing Program, OMB recommended that GSA develop long-term, outcome goals and efficiency measures. Toward that end, new efficiency measures are being developed.

OMB also recommended that GSA ensure that the new brokerage service contracts will hold contractors accountable for achieving the Leasing Program's goals. The new contracts will be performance-based.

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Long-term Outcome Goal:

By FY 2010, GSA will effectively manage our leasing program by delivering new leasing requirements at not less than 9.5% below industry averages for office space, while achieving highly satisfied tenant ratings 80% of the time.

Strategies

To address the increased capacity needs of the Leasing Program, we are issuing a **National Broker Services Contract (NBC)** to leverage the size and the value of our leasing program, to achieve cost savings and to improve customer service. An added benefit will be a coherent national business process. During FY 2003, we determined that issuing a “no cost” contract would provide GSA the best value for broker services. The General Accounting Office has issued an opinion allowing us to use this method of contracting. PBS will post the NBC solicitation and award a contract in FY 2004.

In FY 2003, the focus of the **Transportation Security Administration (TSA)** leasing program was to acquire space for the Department of Homeland Security (DHS) at approximately 450 airports with scheduled commercial airline service. In FY 2004, PBS will be converting the current emergency relationship with DHS to a more routine customer relationship. PBS is planning for the replacement of expiring airport leases.

The **E-leasing Initiative** moved into its 3rd phase of 5, concentrating on the integration of business line information with the technical structure to support the processes. In FY 2004, a pilot will be implemented in two regions. In FY 2005, funding will be required to complete development, including adjustments to the prototype and implementation within all regions. The technical integration services and equipment support will transition our current business of supporting primarily legacy applications to enabling support for customer centric applications. This initiative requires additional funding of \$1,125 thousand in Building Operations.

Action Plan and Performance

PBS has identified four key areas which we must improve upon in order to maintain the effectiveness of the leasing program.

1. National Broker Services Contract (NBC)

GSA plans to award and implement the NBC contract. PBS currently contracts out 20% of its lease acquisition and administration workload. Faced with expiration and replacement of over 7,000 leases between FY 2003 and FY 2008, we anticipate contracting out 50% of our workload in FY 2004, potentially as much as 70% in FY 2005, and an even higher percentage in future years, depending on contractor performance.

2. DHS Leasing

We continue to work with DHS to provide consistent service and space in an efficient and timely manner. PBS maintains oversight through national and regional program managers and coordinators. DHS has indicated that space requirements for new maritime ports of entry must be met in FY 2005. DHS consolidation of Immigration and Customs at port locations could significantly impact smaller DHS port requirements. GSA will maintain a close customer relationship with DHS to ensure awareness of needs as they develop.

3. E-Leasing

E-leasing will continue to bring coherent, streamlined processes to the leasing program, support the electronic management of lease documents, and allow us to execute the leasing process electronically. At the same time, the program facilitates GSA's ability to respond in the

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event of a catastrophe involving Federally owned or leased buildings. The E-leasing program is estimated at \$1,125 thousand for FY 2005.

4. Security Recommendations in Leased Buildings

Proposed security recommendations for leased buildings have been forwarded to the Interagency Security Committee for approval. If approved as written, the recommendations will be incorporated into the SFO and become part of PBS's leasing policy.

Impact on performance:

The long-term outcome goal of the leasing program is: GSA will effectively manage our leasing program by delivering new lease requirements at not less than 9.5% below industry averages for office space, while maintaining highly satisfied tenants 80% of the time. To help us gauge whether we are achieving our long-term goal, we plan to use the following performance measures:

- Percent of highly satisfied tenants in leased space
- Cost of leased space relative to market
- Percent of vacant space in the leased inventory
- FFO from leased inventory

Implementing the National Broker Services Contract will help us achieve our budgetary and customer service performance goals. Implementing this contract will also increase our leasing capacity and streamline the leasing process. In addition, measuring the cost of leased space relative to market will be used as a way to evaluate contractor performance for space acquisition, and will hold contractors accountable for reaching program goals.

Fully implementing the Spatial Data Management program will allow us to continue improving our data integrity – an essential element

for good customer relations – and will allow us to expand eGovernment, a President's Management Agenda initiative. Granting customer access to space and assignment data and drawings will also greatly assist us with our customer satisfaction goals. The E-leasing initiative also supports our customer satisfaction goals through the use of a new, streamlined leasing process. Likewise, the STAR Master Plan allows us to continue with our expansion of eGovernment, improve financial data integrity related to customer rent bills and space assignments, and achieve our customer satisfaction goals.

Long-term Outcome Goal:

By FY 2010, GSA will effectively manage our lease program by delivering new lease requirements at not less than 9.5% below industry averages for office space while maintaining highly satisfied tenants 80% of the time.

Performance Goal: Achieve an overall customer satisfaction rating of 70% by FY 2005.

Performance Measure:

- Percent of highly satisfied tenants in leased space

GSA conducts a post transaction survey of customers to determine their level of satisfaction with GSA leasing services. The survey asks whether GSA provided quality space that assists them in performing their mission and if the space was provided by the date requested.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
N/A	66%	68%	70%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
71.9%	73.9%	75.9%	78.0%

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Performance Goal: Deliver new space to our clients at not less than 8.25% below industry averages for office space by FY 2005.

Performance Measure:

- Cost of leased space relative to market

PBS benchmarks its leasing costs in office space to the private sector. By consistently paying lease rates at or below comparable market rates, PBS ensures that it is achieving the best value for the taxpayer. When calculated by lease, this measure also provides information as to the effectiveness of our brokers in negotiating favorable lease rates.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
N/A	7.41%	8.0%	8.25%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
8.5%	8.75%	9.0%	9.25%

Performance Goal: Maintain vacant space in leased buildings at 1.5% in FY 2005.

Performance Measure:

- Percent of vacant space in leased inventory

This measure evaluates our effectiveness at maximizing the use of leased space in the inventory. Vacant space includes any space for which we currently have no tenant, including space that we have committed to a customer, but is not yet occupied.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
2.0%	1.4%	1.5%	1.5%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
1.5%	1.5%	1.5%	1.5%

Performance Goal: Funds from Operations (FFO) from leased inventory should be no less than \$0 in FY 2005.

Performance Measure:

FFO from leased inventory

FFO is the amount of income left over after we pay all of the day-to-day expenses associated with GSA-controlled leased space (including rental payments to lessors). This measure ensures that all costs associated with the leasing program are covered through the rent we charge customers. By achieving a leasing FFO of \$0, PBS ensures recovery of all costs associated with the leasing program.

(\$ in Millions)

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
\$78	\$45	\$0	\$0
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
\$0	\$0	\$0	\$0

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Linking Budget to Performance

In support of the performance goals/measures/targets for the acquisition of space by the leasing program area, PBS requests \$296,235 thousand in the Rental of Space activity (\$42,061 thousand in New Obligational Authority, and \$254,274 thousand in indefinite authority) and \$91,975 thousand in the Building Operations activity. The Rental of Space funds will be dedicated to delivering new space to our clients at not less than 8.25% below industry averages for office space by FY 2005. The Building Operations funds will be devoted to those activities that contribute to achieving a highly satisfied customer satisfaction rating of 70% in leased space by 2005.

The following Exhibits reflect the links between our budget request and performance plan and also details our New Obligational Authority request for Rental of Space.

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**FY 2005 Budget Request / Performance Plan
Budget Links
Leasing Program
(dollars in thousands)**

Long-term Outcome Goal(s)

By 2010, GSA will effectively manage our lease program by delivering new lease requirements at not less than 9.5% below Industry averages for office space while maintaining highly satisfied tenants 80% of the time.

Performance Goal	Performance Measure	FY 2003 Actual		FY 2004 Current		FY 2005 Request		Change FY04 to FY05	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Deliver new space to our clients at not less than 8.25% below industry averages for office space in FY 2005	Cost of leased space relative to market	7.41%	\$ 294,214	8.0%	\$ 306,426	8.25%	\$ 296,235 ^{1/}	0.3%	\$ (10,191)
Budget Links:	Rental Of Space		\$ 294,214		\$ 306,426		\$ 296,235		\$ (10,191)
Achieve a highly satisfied overall customer satisfaction rating of 70% by FY 2005	Customer Satisfaction - tenants in leased space	66%	\$ 86,089	68.0%	\$ 89,896	70.0%	\$ 91,875	2.0%	\$ 1,979
Budget Links:	Building Operations		\$ 86,089		\$ 89,896		\$ 91,875		\$ 1,979
Maintain vacant space in leases at 1.5% in FY 2005	Percent of vacant space in leased inventory	1.4%	\$ -	1.5%	\$ -	1.5%	\$ -	0.0%	\$ -
FFO from leased inventory should be no less than \$0 in FY 2005	Funds from Operations (FFO) from leased inventory	\$45,000	\$ -	\$0	\$ -	\$0	\$ -	\$0	\$ -
Budget Activities:									
	Rental Space		\$ 294,214		\$ 306,426		\$ 296,235		\$ (10,191)
	Building Operations		\$ 86,089		\$ 89,896		\$ 91,875		\$ 1,979
	Other		\$ -		\$ -		\$ -		\$ -
Total New Obligational Authority:			\$ 380,303		\$ 396,322		\$ 388,110		\$ (8,212)

^{1/} Includes \$42,061 thousand for New Obligational Authority and \$254,174 thousand of Indefinite Authority

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RENTAL OF SPACE	
Explanation of Budget Changes	
(Dollars in Thousands)	
	New Obligational Authority (NOA)
Fiscal Year 2004 Program	3,278,873
Full year cost of Lease Expansions acquired through IA in FY 2003	205,995
Part year cost of Lease Expansions acquired through IA in FY 2004	66,164
Fiscal Year 2004 Current	3,551,032
Unobligated balance carryover to FY 2004	169,814
Net reprogramming actions	(31,460)
Part year cost of Lease Expansions acquired through IA in FY 2004	(66,164)
Annualization of remaining FY 2004 program changes	5,066
Unobligated balance carryover to FY 2005	(63,215)
Fiscal Year 2005 Base	3,565,073
Rental Rate Increases	57,169
Lump Sum Payments for real estate taxes and lease buyouts	58,355
Lease Cancellations	(50,343)
Full year cost of Lease Expansions acquired through IA in FY 2004	[141,600]
Part year cost of Lease Expansions acquired through IA in FY 2005	[112,574]
Lease Expansions (other than indefinite)	42,061
Fiscal Year 2005 Request	3,672,315

Note: The FY 2005 Request excludes lease expansions acquired through Indefinite Authority (IA). Amounts reflected in brackets are non-add.

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**CHANGES IN RENTAL OF SPACE
(Dollars and Square Feet in Thousands)**

	FISCAL YEAR 2003 ACTUAL		FISCAL YEAR 2004 CURRENT		FISCAL YEAR 2005 REQUEST	
	SQ FT	OBLIGATIONS	SQ FT	OBLIGATIONS	SQ FT	OBLIGATIONS
PRIOR YEAR COST	154,840	\$3,155,062	160,425	\$3,413,762	165,688	\$3,626,171
Annualization of Rental Increases	[147,122]	60,006	[149,316]	41,056	[155,869]	43,118
Lump Sum - Real Estate Taxes; Lease Buyouts	-	(56,034)	-	(50,793)	-	(61,044)
Annualization of Lease Cancellations	[-4,710]	(30,341)	[-5,524]	(30,930)	[-4,556]	(49,249)
Annualization of Lease Expansion - Indefinite	[5,773]	60,172	[9,198]	67,614	[5,695]	[75,436]
Lease Expansion acquired in FY 2003	-	-	-	-	-	(66,164)
Annualization of Lease Expansion - All Other	[1,945]	24,708	[1,911]	17,378	[4,124]	72,241
BASE COST	154,840	\$3,213,573	160,425	\$3,458,087	165,688	\$3,565,073
Current Year Cost of Rental Increases	[149,316]	54,330	[155,869]	55,946	[160,246]	57,169
Lump Sum - Real Estate Taxes; Lease Buyouts	-	50,793	-	61,044	-	58,355
Current Year Cost of Lease Cancellations	(5,524)	(68,371)	(4,556)	(49,337)	(5,442)	(50,343)
Current Year Cost of Lease Expansion - Indefinite	9,198	138,381	5,695	66,164	6,276	[112,574]
Current Year Cost of Lease Expansion - All Other	1,911	25,056	4,124	34,267	1,760	42,061
CURRENT YEAR COST	160,425	\$3,413,762	165,688	\$3,626,171	168,282	\$3,672,315
Additional Information:						
New Obligational Authority (NOA)		\$3,112,107		\$3,278,873		\$3,672,315
Indefinite Authority for Leased Expansion Space		\$269,158		\$272,159		[254,174]
TOTAL AUTHORITY		\$3,381,265		\$3,551,032		\$3,672,315
Obligations (-)		\$3,413,762		\$3,626,171		\$3,672,315
Prior Year Balances/Recoveries		\$260,723		\$169,814		\$63,215
Reprogramming		-\$58,412 1/		-\$31,460 2/		\$0
Unobligated Balances		\$169,814		\$63,215		\$63,215

1/ Actual approved reprogrammings.

2/ Includes actual reprogramming for Gulfport, MS, CT (\$1,200 thousand), Las Cruces, NM, CT (\$600 thousand), Detroit, MI, Detroit International Bridge Company (\$15,566 thousand), New York, NY, Jacob Javits FB (\$12,094 thousand), and Rockford, IL, CT (\$2,000 thousand).

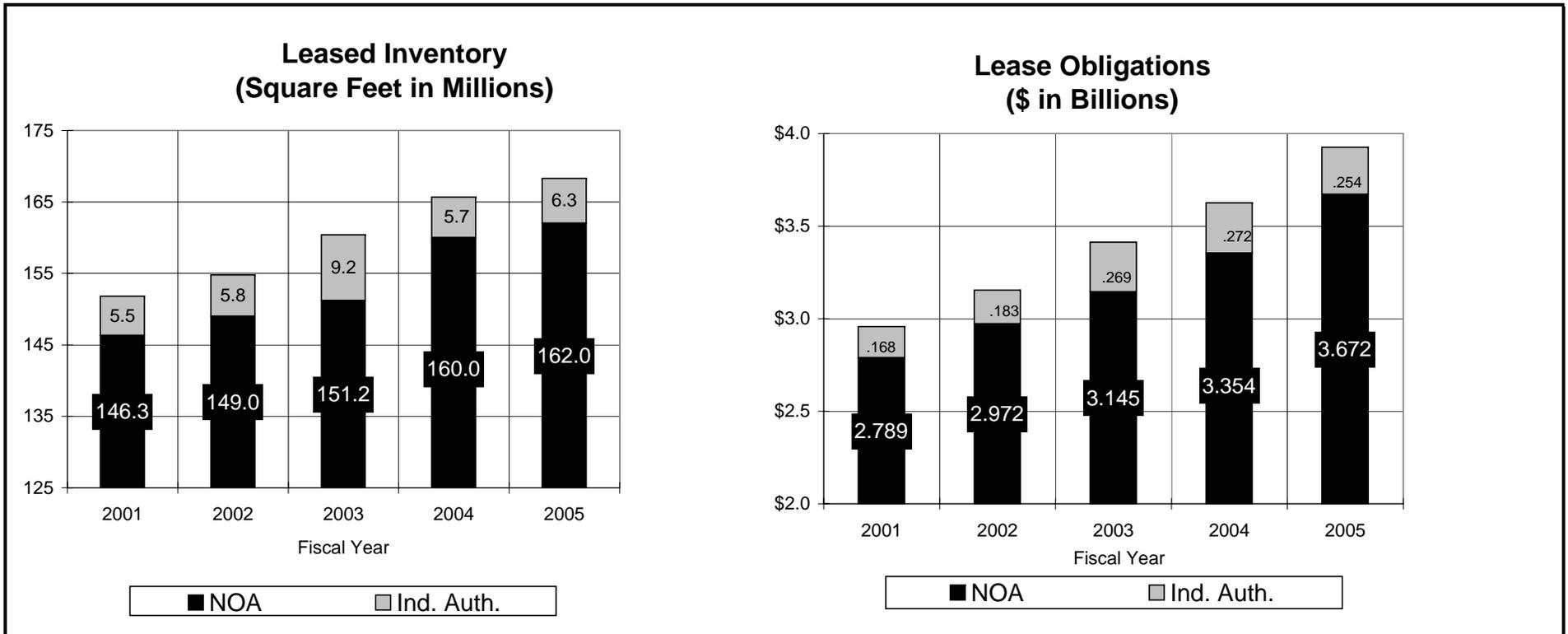
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**RENTAL OF SPACE DELEGATIONS INCLUDED IN GSA APPROPRIATIONS
(Dollars in Thousands)**

AGENCY	FY 2003 ACTUAL	FY 2004 CURRENT	FY 2005 REQUEST
Department of Commerce	\$77,793	\$79,940	\$81,139
Department of Defense	\$113,391	\$115,351	\$117,081
Total	\$191,184	\$195,291	\$198,220

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Rental of Space



The FY 2005 year-end inventory and obligations will be higher than the amounts shown to the extent that GSA utilizes the indefinite authority for expansion space.

The Leased Inventory for indefinite authority represents only new space coming into the inventory.

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Asset Management

Strategic Direction

- *Overview*

Asset Management encompasses all functions necessary to house tenant agencies in federally owned space that meets quality standards and mission needs at a competitive price.

- *Strategic Assessment*

To achieve our long-term goal of a viable, self-sustaining inventory, PBS has initiated a comprehensive review of its owned buildings to best align the portfolio with GSA's mission – *helping federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies*. This initiative is known as The PBS Strategy for Restructuring and Reinvesting in the Owned Inventory.

For GSA to meet our customers' expectations and remain cost competitive with the private sector, we must maintain below-market operating costs and reduce energy consumption, while simultaneously maintaining a high level of customer satisfaction. Our strategy is to leverage buying power through better planning, using national tools like the Federal Supply Schedule and holding contractors accountable for performance. We must leverage our workforce via user-friendly contracting vehicles, multi-regional operations/maintenance and energy contracts, electronic data systems, contractual data sharing, workload visibility, inter-regional workload rebalancing and national vendor alliance management and acquisition. In addition, the financial position of GSA's inventory will improve as GSA culls non-performing assets that are unable to generate sufficient income for their reinvestment requirements from the inventory.

- *Trends, Issues, and Concerns*

The most critical issue affecting the Asset Management program is the Human Capital Strategy. The Human Capital Strategy is a key initiative on the President's Management Agenda. PBS is currently engaged in developing a comprehensive Human Capital Strategy that will guide the recruiting, training, management and deployment of our most important asset in the years ahead. The Human Capital Strategy/Workforce Transformation project is primarily driven by the following factors:

- An aging workforce
- Previous inability to replenish talent lost through attrition
- Skills needed to focus PBS business priorities on customer relationships and enhancing customer agency performance.

PART Status for Asset Management

The asset management program has a clear program purpose; *housing federal agencies in space that meets their needs*. GSA has displayed solid management by holding senior managers and associates accountable for their performance. GSA's financial performance is strong in the area of execution.

At the time of the PART assessment, the asset management program did not have adequate long-term goals and related annual stretch goals. In response to the PART, PBS has developed long-term measurable goals that assess the performance of the program, as well as annual stretch goals that are linked to the long-term goals. For example, PBS has set a long-term goal to obtain an average return on equity of 6% or higher by FY 2010 for 80% of government-owned assets. PBS has also instituted a measure to track whether major repair and alteration projects are meeting performance expectations. Furthermore, monthly monitoring of financial activity will allow PBS to develop mitigating strategies before project escalations are required.

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For future repair and alteration projects, PBS is instituting the use of independent government estimates at 30%, 60% and 90% of design. This system of status reporting will greatly reduce the occurrence of budgetary surprises and alert management to potential problems while there is still time for corrective action.

Strategy and Action Plan

Long-term Outcome Goals:

Achieve a viable, self-sustaining inventory with an average return on equity of at least 6% by FY 2010 for 80% of government-owned assets.

Reduce energy consumption by 35% by FY 2010 over the FY 1985 baseline while maintaining overall operating costs 12% below the private sector and customer satisfaction levels at or above 80%.

Strategies

- Restructure the owned portfolio to consist primarily of strong income-producing properties generating sufficient funds to meet their own capital reinvestment needs.
- Establish financial performance expectations and benchmark owned assets.
- Conduct asset business planning.
- Establish performance measure targets and conduct quarterly performance reviews.
- Implement Energy Demand Side Management Strategies.
- Re-establish a pilot program to allow customer access to GSA's Assignment Database and Computer Aided Design (CAD) drawings.
- Complete the measurement of the remaining 17 million square feet of owned space.

- Complete Phase II of the Star Master Plan. The goal of this phase is to link the system for tracking and reporting real property (STAR) to the Spatial Data Management drawings, enabling us to share accurate assignment data and CAD drawings with our customers.

Action Plan and Performance

We have identified seven key areas where we must improve in order to achieve our overall goal of a sustainable inventory of owned buildings.

1. Establish financial performance expectations and benchmark owned assets

Early in the fiscal year, the Office of Portfolio Management runs diagnostic tests to determine the financial viability of each owned asset in the portfolio. With the test results, assets are categorized into performance tiers: Performing, Under-Performing, and Non-Performing. This process identifies assets capable of generating sufficient income to fund their own operations, repairs, and capital needs, and assists GSA with decisions about the best use of limited funds among competing priorities. Through reinvestment in assets that are sound financial performers, GSA will produce a portfolio of owned assets that generates sufficient income to cover their own reinvestment needs. Under-Performing and Non-Performing assets that cannot be reworked to sound financial performers will be disposed of using existing GSA authorities and procedures.

2. Asset Business Planning

Annually, regional asset business teams are formed with real estate, property management, and portfolio management representation. The teams conduct a strategic review of each asset based on the results of the annual diagnostic tests. An asset-specific strategy and action plan is revised as appropriate by recommendation of the teams and the

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Asset Business Plan is updated. In this process, anticipated customer expansion, contraction, and movement(s) are considered. Additionally, market changes are analyzed, redeployments of assets are identified, and reinvestment priorities for each asset are explicitly targeted to be consistent with the asset's strategy.

3. Performance Measure Targets and Quarterly Performance Reviews

Annually, PBS re-evaluates performance measures and targets, taking into account yearly performance and new factors influencing goal achievement. Quarterly, the performance results for all goals and measures are reviewed with the PBS Commissioner and the GSA Administrator to monitor progress in implementing strategies and to discuss obstacles, constraints, and best practices.

4. Operating Costs

GSA will maintain operating service costs in offices and similarly serviced space at 12% below private sector benchmarks. The operating service cost benchmark will be achieved while maintaining GSA's Customer Satisfaction scores at 80% or better by FY 2010.

To achieve this goal, GSA will:

- Manage vendor relationships to improve the procurement of goods and services.
- Use Multiple Award Schedules (MAS) to reduce pricing/contract costs.
- Consolidate contract requirements when it is cost effective.
- Utilize data from the Computerized Maintenance Management System (CMMS) to make cost effective repair/replacement decisions. Additional funding of \$1,600 thousand is requested for CMMS support and maintenance.

- Benchmark operations and maintenance contractor performance and costs using the CMMS.
- Hire and retain only the most cost effective Operations and Maintenance contractors.
- Ensure that newly constructed buildings can be efficiently and cost effectively managed.

5. Energy Consumption

GSA will reduce energy consumption in GSA owned and leased federal buildings by 35% as compared to the FY 1985 baseline by FY 2010. Energy conservation measures will be executed while achieving a Customer Satisfaction Goal of 80% by 2010. To achieve the energy consumption targets, GSA will implement Demand Side Management strategies to conserve energy in these areas:

- Operating practices
- Purchasing practices
- Repair and alteration practices
- Energy Savings Performance Contract (ESPC) measurement and verification practices
- Occupant awareness and incentive programs
- Operating contractor incentive programs

In addition, GSA will pursue industry qualification instruments such as Leadership in Energy and Environmental Design (LEED) certifications and Energy Star status while initiating energy conservation measures when they are deemed life cycle cost effective.

6. Customer Ratings

It is a goal of GSA's to maintain the percentage of customers who rate PBS "Highly Satisfactory" or "Outstanding" on the International Facility Management Association Tenant Satisfaction Survey at 71% or better by FY 2005. To meet this target, GSA will:

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- Utilize serviceability tools to improve quality of tenant build-outs.
- Increase investment in our owned assets when consistent with the Portfolio Restructuring Initiative.
- Continue design excellence initiatives.
- Implement a Customer Relationship Management Program (CRM) at a funding level of \$5,500 thousand.
- Utilize Computerized Maintenance Management System(s) (CMMS) to improve service provided to tenants.
- Implement Workplace 2020-a new method for planning, designing and implementing federal workplaces that links the workplace to strategic business objectives by integrating information technology, human resources, real estate and finance.

7. STAR Master Plan

The System for Tracking and Reporting Real Property (STAR) Master Plan will allow PBS to meet the future technological needs of the largest real estate organization in the country. Good planning for effective, efficient information systems is essential to maintain accurate, consistent data, allowing our associates to provide excellent customer service. A funding increase in Building Operations of \$6,255 thousand is requested to implement planned system enhancements in the “emerging” areas of security, eGov and improved financial performance along with executing the STAR Master Plan.

Impact on Performance:

The ultimate outcome of the PBS Strategy for Restructuring and Reinvesting in the Owned Inventory is to provide quality workplaces, increase customer satisfaction, and enhance the value of our real estate portfolio for the benefit of the taxpayer.

PBS fully expects portfolio performance to improve as a result of implementing this strategy. The performance measures developed to monitor progress in the strategy implementation were adopted from private sector portfolio management benchmarks and concepts.

Performance will also be improved by decreasing the amount of vacant available space, redeploying assets where there is no longer a federal need, and strategic backfilling actions. Non-performing assets that are unable to generate sufficient income for their reinvestment requirements will be culled from the inventory. More aggressive tracking and better scheduling through existing systems will refine the capture of reinvestment needs and facilitate prioritization of reinvestment projects.

Through gradual, continuous improvement in FY 2005 and beyond, and by meeting the targets of the individual performance measures, PBS will realize its long-term outcome goals.

Long-term Outcome Goal:

Achieve a viable, self-sustaining inventory with an average Return on Equity (ROE) of at least 6% by FY 2010 for 80% of government-owned assets.

Performance Goal: Increase to 68% the percentage of government-owned assets with a Return on Equity of at least 6% by FY 2005.

Performance Measure:

- Percentage of government-owned assets with an ROE of at least 6%.

“Return on Equity” is the ratio of annual net operating income to the amount of “equity” or value in the asset. Fair market value (the price at which the asset could be sold) is generally synonymous with the term

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“equity” used in this sense. Assets with an ROE of at least 6% are solid financial performers that fulfill the long-term needs of our customers by generating enough income to fund their own operations, repairs and capital needs.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
54%	64%	65%	68%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
71%	74%	77%	80%

Performance Goal: Increase the percentage of government-owned assets with positive Funds from Operations (FFO) to 80% by FY 2005.

Performance Measure:

- Percent of government owned assets achieving a positive FFO

FFO is a measure of PBS’s rent revenue minus expenses (excluding depreciation). Put another way, FFO is the amount of income left over after we pay all of the day-to-day expenses associated with running PBS’s owned and leased buildings, such as salaries, supplies, lease payments, security, cleaning, maintenance, utilities and other costs. By increasing the percentage of buildings with a positive FFO, PBS will continue its efforts to maximize the financial performance of retained assets by creating a self-sustaining inventory that will result in improved quality of space for our customers and superior value for taxpayers.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
74%	73%	75%	80%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
85%	90%	90%	90%

Performance Goal: 86% of R&A projects on schedule by FY 2005.

Performance Measure:

- R&A projects on schedule

PBS financial projections include rental income from new R&A (repair and alteration) projects as of the anticipated date of occupancy. It is critical that projects be completed on time to meet commitments to our customers and to generate planned revenue. This measure shows the percentage of projects on schedule, weighted so that projects with higher dollar values will have a greater impact on the measure.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
87%	78%*	86%	86%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
88%	88%	89%	90%

* Note: Fluctuation due to delays in the renovation of the Brooklyn Courthouse. Until this building is completed and removed from the measure, target achievement will be problematic.

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Performance Goal: Obligate 75% of Basic Repairs and Alterations budget for planned projects by the end of FY 2005.

Performance Measure:

- Percent of basic R&A budget obligated on planned projects by the end of the fiscal year

This measure is under development to encourage strategic reinvestment and a disciplined spending curve that rewards sound financial planning and budgeting. This measure focuses on how well PBS plans and executes the basic repairs and alterations program. The obligated percentage of the total basic repairs and alterations funds available is expected to remain in the 90% range.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
N/A	N/A	Baseline	75%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
75%	75%	75%	75%

Performance Goal: Decrease the vacant (available and committed) space to 7% of the owned inventory by FY 2005.

Performance Measure:

- Percent of vacant and committed space in government-owned inventory

This measure evaluates our effectiveness at maximizing the use of the government-owned buildings in our inventory. Vacant space includes any space for which we currently have no tenant, including space that we have committed to a customer, but is not yet occupied.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
9.2%	8.3%	7.6%	7%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
7%	7%	7%	7%

Performance Goal: Maintain the percent of escalations on R&A projects at or below 1% by FY 2005.

Performance Measure:

- Percent of escalations on R&A projects

PBS manages the capital program with budgets provided by Congress. Projects are considered within budget until PBS escalates, requests a reprogramming, or requests additional appropriations for a project. By remaining within original budgets on R&A projects, PBS ensures that taxpayers are getting the best value.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
3%	0.5%*	1.5%	1%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
1%	1%	1%	1%

*Note: In FY 2002, only completed projects were measured. In FY 2003, all new construction projects were measured. All projects will continue to be measured in future years.

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Performance Goal: Achieve an overall “highly satisfied” customer satisfaction rating of 73% on the ordering official survey by FY 2005.

Performance Measure:

- Percent of highly satisfied customers on the ordering official survey

This is a survey of customer agency employees that represent their agencies when ordering services and workspace from PBS. This group is the best judge of how well PBS meets the expectations of customer agencies and provides the best value. The survey has questions concerning their satisfaction with PBS products and services and the value PBS provided on a variety of items including space delivery, leasing, facility management, construction, alterations, security, and problem resolution.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
66%	72%	73%	73%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
74%	75%	76%	77%

Long Term Outcome Goal:

Reduce energy consumption by 35% by FY 2010 over the FY 1985 baseline while maintaining overall operating costs 12% below the private sector and customer satisfaction levels at or above 80%.

Performance Goal: Reduce energy consumption in GSA federal buildings by 30% over the FY 1985 baseline by FY 2005.

Performance Measure:

- Percent reduction in energy consumption over the FY 1985 baseline

PBS is a responsible steward of the environment and is committed to implementing energy saving solutions that improve the efficiency of operations and save taxpayer dollars.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
22.5%	18.6%	22.6%	30%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
31%	32%	33%	34%

Performance Goal: Execute energy conservation goals while increasing GSA customer satisfaction rating to 71% by FY 2005.

Performance Measure:

- Customer Satisfaction – tenants in owned space

Assessing customer satisfaction levels is a direct measure on how well PBS is meeting its goal to provide best value for customer agencies and taxpayers. The survey assists PBS managers with targeting problem areas within individual buildings.

<i>FY02 Actual</i>	<i>FY03 Actual</i>	<i>FY04 Target</i>	<i>FY05 Target</i>
N/A	67.6%	69%	71%
<i>FY06 Target</i>	<i>FY07 Target</i>	<i>FY08 Target</i>	<i>FY09 Target</i>
72.8%	74.6%	76.4%	78.2%

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Performance Goal: Maintain operating service costs in office and similarly serviced space at 12% or more below private sector benchmarks in FY 2005.

Performance Measure:

- Cleaning/Maintenance/Utility costs in office and similarly serviced space – percent below private sector benchmarks.

By controlling maintenance costs, PBS keeps its operating costs below the industry average, provides tenants with quality workspace, and contributes to the capital program, thus operating efficiently and effectively.

<i>FY02</i>	<i>FY03</i>	<i>FY04</i>	<i>FY05</i>
<i>Actual</i>	<i>Actual</i>	<i>Target</i>	<i>Target</i>
17%	14.8%	13.4%	12%
<i>FY06</i>	<i>FY07</i>	<i>FY08</i>	<i>FY09</i>
<i>Target</i>	<i>Target</i>	<i>Target</i>	<i>Target</i>
12%	12%	12%	12%

Linking Budget to Performance

In support of the performance goals/measures targets for the Asset Management program area, we request funding of \$1,824,284 thousand.

To achieve a viable, self-sustaining inventory with an average return on equity of at least 6% for 80% of government-owned assets by FY 2010, PBS requests funding of \$995,954 thousand. \$98,625 thousand of the \$394,500 thousand basic repairs and alterations budget is allocated to structural improvements to our buildings. As more assets become solid financial performers and fulfill the long-term needs of our customers, they will generate enough income to fund their own operations, repairs, and capital needs. To keep repair and alteration projects on schedule, line-item repairs and alterations and building operations will dedicate \$488,510 thousand

and \$67,223 thousand respectively. This is necessary to meet customer commitments and to produce anticipated revenue. In basic repairs and alterations, \$295,875 thousand is requested for routine repairs and maintenance projects in FY 2005. Line-Item Repairs and Alterations will dedicate \$34,212 thousand in M&I funding toward maintaining the percent of escalations on R&A projects at 1% or below. Building Operations will apply \$11,509 thousand toward achieving customer satisfaction with PBS products and services. These funds consist of \$5,500 thousand for Customer Relationship Management and \$6,009 thousand for the Customer Service organization.

To reduce energy consumption by 35% by 2010 while maintaining operating costs at 12% below the private sector and achieving customer satisfaction levels of 80% by FY2010, PBS requests funding of \$828,328 thousand. Line-Item Repairs and Alterations of \$30,000 thousand will be used to reduce energy consumption by 35% over the FY 1985 baseline. Building Operations will apply funding for the Energy Center of Expertise, \$1,595 thousand, to implement energy saving solutions and \$1,596 thousand to improve customer satisfaction. To maintain operating costs at 12% below the private sector, the cleaning, maintenance, and utility request is \$795,137 thousand. This level of funding will enable PBS to operate efficiently and effectively at rates well below private industry.

The following exhibits reflect the links between our budget request and performance plan for the Asset Management program area.

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**FY 2005 Budget Request / Performance Plan
Budget Links
Asset Management of Federally-owned Real Property
(dollars in thousands)**

Long-term Outcome Goal(s)

Achieve a viable, self-sustaining inventory with an average Return on Equity of at least 6% by FY 2010 for 80% of our government-owned assets.

Performance Goal	Performance Measure	FY 2003 Actual		FY 2004 Current		FY 2005 Request		Change FY04 to FY05	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Increase to 68% the percentage of government-owned assets with a return on equity of at least 6% by FY 2005.	Percentage of government-owned assets with an ROE of at least 6 percent	64.0%	\$ 87,838	65.0%	\$ 77,910	68.0%	\$ 98,625	3.0%	\$ 20,715
Budget Links:	Basic Repairs & Alterations		\$ 87,838		\$ 77,910		\$ 98,625		\$ 20,715
Increase the percentage of government-owned assets with a positive FFO to 80% by FY 2005.	Percentage of government-owned assets achieving a positive FFO	73.0%	\$ 13,455	75.0%	\$ -	80.0%	\$ -	5.0%	\$ -
Budget Links:	Indefinite Authority		\$ 13,455						\$ -
86% of R&A projects on schedule by FY 2005	R&A projects on schedule	78.0%	\$ 459,946	86.0%	\$ 688,267	86.0%	\$ 555,733	0.0%	\$ (132,534)
Budget Links:	Line Item Repairs & Alterations		\$ 389,405		\$ 624,157		\$ 488,510		\$ (135,647)
	Building Operations		\$ 70,541		\$ 64,110		\$ 67,223		\$ 3,113

**General Services Administration
FEDERAL BUILDINGS FUND**

**FY 2005 Budget Request / Performance Plan
Budget Links
Asset Management of Federally-owned Real Property
(dollars in thousands)**

Long-term Outcome Goal(s)

Achieve a viable, self-sustaining inventory with an average Return on Equity of at least 6% by FY 2010 for 80% of our government-owned assets.

Performance Goal	Performance Measure	FY 2003 Actual		FY 2004 Current		FY 2005 Request		Change FY04 to FY05	
		Target	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Obligate 75% of minor Repairs and Alterations budget for planned projects by the end of FY 2005.	Percent of minor R&A budget obligated on planned projects by the end of the fiscal year	N/A	\$ 263,513	Baseline	\$ 233,729	75.0%	\$ 295,875	N/A	\$ 62,146
Budget Links:	Basic Repairs & Alterations		\$ 263,513		\$ 233,729		\$ 295,875		\$ 62,146
Decrease the vacant (available and committed) space to 7% of the owned inventory.	Percentage of vacant and committed space in government owned inventory	8.3%	\$ -	7.6%	\$ -	7.0%	\$ -	-0.6%	\$ -

**General Services Administration
FEDERAL BUILDINGS FUND**

**FY 2005 Budget Request / Performance Plan
Budget Links
Asset Management of Federally-owned Real Property
(dollars in thousands)**

Long-term Outcome Goal(s)

Achieve a viable, self-sustaining inventory with an average Return on Equity of at least 6% by FY 2010 for 80% of our government-owned assets.

Performance Goal	Performance Measure	FY 2003 Actual		FY 2004 Current		FY 2005 Request		Change FY04 to FY05	
		Target	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Maintain the percentage of escalations on Repair and Alteration projects at or below 1% by FY 2005.	Percent of escalations on R&A projects	0.5%	\$ 40,525	1.5%	\$ 37,201	1.0%	\$ 34,212	-0.5%	\$ (2,989)
Budget Links:	Line Item Repairs & Alterations		\$ 40,525		\$ 37,201		\$ 34,212		\$ (2,989)
Achieve an overall "Highly Satisfied" customer satisfaction rating of 73% on the ordering official survey by FY 2005.	Percent of highly satisfied customers on ordering official survey	72.0%	\$ 5,664	73.0%	\$ 5,834	74.0%	\$ 11,509	1.0%	\$ 5,675
Budget Links:	Building Operations		\$ 5,664		\$ 5,834		\$ 11,509		\$ 5,675
Budget Activities:									
	Basic		\$ 351,350		\$ 311,639		\$ 394,500		\$ 82,861
	Line-Item		\$ 429,930		\$ 661,358		\$ 522,722		\$ (138,636)
	Indefinite Authority		\$ 13,455		\$ -		\$ -		\$ -
	Building Operations		\$ 76,205		\$ 69,944		\$ 78,732		\$ 8,788
Total New Obligational Authority:			\$ 870,940		\$ 1,042,941		\$ 995,954		\$ (46,987)

**General Services Administration
FEDERAL BUILDINGS FUND**

**FY 2005 Budget Request / Performance Plan
Budget Links
Asset Management of Federally-owned Real Property
(Dollars in Thousands)**

Long-term Outcome Goal(s)

Reduce energy consumption by 35% by the FY 2010 over 1985 baseline while maintaining overall operating costs 12% below the private sector and customer satisfaction levels at or above 80%

Performance Goal	Performance Measure	FY 2003 Actual		FY 2004 Current		FY 2005 Request		Change FY04 to	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Reduce energy consumption in GSA federal buildings by 35% over the FY 1985 baseline by FY 2010	Percent reduction in energy consumption over the FY 1985 baseline	18.6%	\$ 1,743	22.5%	\$ 6,549	30.0%	\$ 31,595	7.5%	\$ 25,046
Budget Links:	Line Item Repairs & Alterations				\$ 5,000		\$ 30,000		\$ 25,000
	Building Operations		\$ 1,360		\$ 1,549		\$ 1,595		\$ 46
	Indefinite Authority		\$ 383						\$ -
Execute energy conservation goals while increasing GSA's customer satisfaction scores to 71% by FY 2005	Customer Satisfaction - tenants in government-owned space	67.6%	\$ 1,359	69.0%	\$ 1,549	71.0%	\$ 1,596	2.0%	\$ 47
Budget Links:	Building Operations		\$ 1,359		\$ 1,549		\$ 1,596		\$ 47
Maintain operating service costs in office and similarly serviced space at 12% or more below private sector benchmarks	Cleaning/Maintenance/Utility costs in office and similarly serviced space - percent below private sector benchmarks	14.8%	\$ 710,111	13.4%	\$ 754,397	12.0%	\$ 795,137	-1.4%	\$ 40,740
Budget Links:	Building Operations		\$ 710,111		\$ 754,397		\$ 795,137		\$ 40,740
Budget Activities:									
	Line-Item		\$ -		\$ 5,000		\$ 30,000		\$ 25,000
	Indefinite Authority		\$ 383		\$ -		\$ -		\$ -
	Building Operations		\$ 712,830		\$ 757,495		\$ 798,328		\$ 40,833
	Other		\$ -		\$ -		\$ -		\$ -
	Building Operations		0		0		\$ -		\$ -
	Total New Obligational Authority:		\$ 713,213		\$ 762,495		\$ 828,328		\$ 65,833

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**REPAIRS AND ALTERATIONS
SUMMARY OF FY 2005 PROGRAM
(Dollars in Thousands)
IN PRIORITY ORDER**

	<u>ESTIMATED TOTAL PROJECT COST</u>				<u>FY 2005 REQUEST</u>			
	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&I</u>	<u>TOTAL</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&I</u>	<u>TOTAL</u>
Nonprospective (Basic) Repairs and Alterations Program	-	394,500	-	394,500	-	394,500	-	394,500
Limited Scope Program								
Washington, DC, Eisenhower Executive Office Building.....	454	4,092	454	5,000	454	4,092	454	5,000
Washington, DC, Federal Office Building 6.....	622	7,315	330	8,267	622	7,315	330	8,267
Suitland, MD, National Record Center.....	698	6,840	451	7,989	698	6,840	451	7,989
Washington, DC, Theodore Roosevelt Building.....	570	8,630	530	9,730	570	8,630	530	9,730
New York, NY, Foley Square Courthouse.....	94	2,338	73	2,505	94	2,338	73	2,505
Queens, NY, Joseph P. Addabbo Federal Building.....	353	4,896	206	5,455	353	4,896	206	5,455
Washington, DC, Hoover FBI Building.....	689	8,918	635	10,242	689	8,918	635	10,242
Washington, DC, New Executive Office Building.....	451	5,388	423	6,262	451	5,388	423	6,262
Woodlawn, MD, SSA Altmeyer Building.....	1,050	10,500	1,050	12,600	525	5,250	525	6,300
Subtotal, Limited Scope Program	4,981	58,917	4,152	68,050	4,456	53,667	3,627	61,750
Full Scope Repairs and Alterations								
Atlanta, GA, Martin Luther King Jr. Federal Building.....	2,351	40,005	3,356	45,712	-	13,436	1,364	14,800
Cincinnati, OH, Potter Stewart Courthouse.....	3,162	32,228	2,585	37,975	3,162	32,228	2,585	37,975
Kansas City, MO, Richard Bolling Federal Building.....	12,771	170,154	16,658	199,583	-	36,335	3,713	40,048
St. Paul, MN, Warren E. Burger Federal Building - Courthouse.....	2,591	33,745	2,899	39,235	-	33,745	2,899	36,644
Seattle, WA, William Nakamura Courthouse.....	2,850	45,879	4,331	53,060	-	45,879	4,331	50,210
Washington, DC, Mary E. Switzer Building.....	8,720	100,080	7,525	116,325	-	74,680	5,655	80,335
Baltimore, MD, George H. Fallon Federal Building.....	4,653	42,473	2,611	49,737	1,079	42,473	2,611	46,163
Hilo, HI, Federal Building - Post Office	605	4,528	605	5,738	-	4,528	605	5,133
Atlanta, GA, United States Court of Appeals.....	6,725	30,773	1,231	38,729	-	30,773	1,231	32,004
Cleveland, OH, Celebrezze Federal Building.....	2,274	34,418	2,957	39,649	-	34,418	2,957	37,375
New Orleans, LA, Boggs Federal Building	2,161	20,525	2,055	24,741	-	20,525	2,056	22,581
New Orleans, LA, Wisdom Courthouse of Appeals.....	939	6,973	1,033	8,945	-	6,973	1,032	8,005
Subtotal, Full Scope Repairs and Alterations	49,802	561,781	47,846	659,429	4,241	375,993	31,039	411,273
Design Program (see attached listing for specific projects).....	59,120	709,120	53,727	821,967	49,699	-	-	49,699
Special Emphasis Programs								
Glass Fragment Retention	-	100,000	-	100,000	-	20,000	-	20,000
Chlorofluorocarbons Program.....	7,350	700,000	24,290	731,640	-	13,000	-	13,000
Energy Program.....	23,748	264,400	17,070	305,218	-	30,000	-	30,000
Subtotal, Special Emphasis Programs	31,098	1,064,400	41,360	1,136,858	-	63,000	-	63,000
Total Repairs and Alterations Program	145,001	2,788,718	147,085	3,080,804	58,396	887,160	34,666	980,222

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**REPAIRS AND ALTERATIONS
SUMMARY OF FY 2005 DESIGN PROGRAM
(Dollars in Thousands)
IN PRIORITY ORDER**

	<u>ESTIMATED TOTAL PROJECT COST</u>				<u>FY 2005 REQUEST</u>			
	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&I</u>	<u>TOTAL</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&I</u>	<u>TOTAL</u>
Design Program								
New York, NY, Thurgood Marshall U.S. Courthouse.....	13,500	168,440	8,200	190,140	13,500	-	-	13,500
Washington, DC, Eisenhower Executive Office Building.....	4,788	53,204	4,788	62,780	4,788	-	-	4,788
Washington, DC, Lafayette Building.....	8,470	101,790	7,910	118,170	8,470	-	-	8,470
Chicago, IL, Everett McKinley Dirksen Courthouse.....	8,152	81,006	6,656	95,814	8,152	-	-	8,152
Birmingham, AL, Robert S. Vance Federal Building - Courthouse	1,739	13,375	1,184	16,298	1,739	-	-	1,739
Indianapolis, IN, Federal Building - Courthouse.....	2,413	27,239	2,130	31,782	2,413	-	-	2,413
Cincinnati, OH, John W. Peck Federal Building.....	2,587	26,771	2,173	31,531	2,587	-	-	2,587
Newark, NJ, Peter W. Rodino Federal Building.....	4,700	67,141	4,028	75,869	4,700	-	-	4,700
Kansas City, MO, Richard Bolling Federal Building (Phase 3).....	12,771	170,154	16,658	199,583	3,350	-	-	3,350
Total Design Program	59,120	709,120	53,727	821,967	49,699	-	-	49,699

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2005 Construction Phase Project Descriptions**

DISTRICT OF COLUMBIA

Federal Office Building 6.....\$8,267,000

The General Services Administration proposes alterations and repairs to the exterior facade of the Federal Office Building 6 (FOB 6) located at 400 Maryland Avenue, SW, Washington, DC. FOB 6 is a seven-story cast concrete structure and serves as the headquarters for the Department of Education. It was constructed in 1959 and sits directly across from the Smithsonian's Air and Space Museum on the National Mall. The building has 592,043 gross square feet, 529,643 rentable square feet, and 208 inside and 47 outside parking spaces.

The proposed project will correct the deteriorating limestone facade through installation of pilaster brackets, replacement of selected stone panels to resolve spandrel panel expansion and waterproofing repairs to the entire facade of the building. The building's limestone facade is showing signs of structural distress. The facade panels are cracking and spalling. Portions of the panels have fallen to the plaza area below, representing a safety hazard to building occupants and pedestrian traffic. This project will correct the deteriorating facade and improve the safety of building tenants and pedestrians.

This request is for design (\$622 thousand), construction (\$7,315 thousand), and management and inspection (\$330 thousand). The estimated total project cost is \$8,267 thousand.

Hoover FBI Building.....\$10,242,000

The General Services Administration proposes alterations and repairs to the electrical system in the J. Edgar Hoover Building located at 935 Pennsylvania Avenue, NW, Washington, DC. The Hoover building is a 12-story structure built in 1971 and sits on two large city blocks covering more than six acres. The building has 2,358,122 gross square feet and 1,874,263 rentable square feet of office space. The building serves as the headquarters for the Federal Bureau of Investigation.

The proposed project will upgrade components of the electrical system that have reached the end of their useful life. Many of these components are original to

this building and are non-compliant with current electrical and fire codes. Due to the outdated components, the building is at an increased risk for fire and power outages, should some of this equipment malfunction. The project will replace existing motor control centers, construct new wire closets, and provide new panel boards in the new wire closets. The project will increase the system's operational efficiency, power capacity for modern office needs, customer satisfaction, and reduce maintenance costs.

This request is for design (\$689 thousand), construction (\$8,918 thousand), and management and inspection (\$635 thousand). The estimated total project cost is \$10,242 thousand.

Eisenhower Executive Office Building\$5,000,000

The General Services Administration proposes repairs and alterations to the Eisenhower Executive Office Building (EEOB) located at Pennsylvania Avenue and 17th Street, NW, Washington, DC. Completed in 1888, this building consists of 691,783 gross square feet and houses approximately 1,500 employees. The building is on the National Register of Historic Places and provides a large block of space adjacent to the White House.

The proposed project entails a complete overhaul of the telecommunications system in the 17th Street wing of the building. The project includes rerouting of the telecommunication distribution system throughout the building, moving from a horizontal system to a vertical system, and renovating the cabling infrastructure.

The project includes the removal of building telecommunication closets, installation of a new main distribution frame room and intermediate distribution frames, raceways and cabling.

This request is for design (\$454 thousand), construction (\$4,092 thousand), and management and inspection (\$454 thousand). The estimated total project cost is \$5,000 thousand.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2005 Construction Phase Project Descriptions**

DISTRICT OF COLUMBIA – continued

Mary E. Switzer Building.....\$80,335,000

The General Services Administration (GSA) proposes to renovate the Mary E. Switzer Federal Building located at 330 C Street, SW, Washington, DC. This project will be a complete building renovation that will update this aging structure and create additional usable office space. The building completed in 1942 consists of 591,307 gross square feet with 128 outside parking spaces and houses 1,545 employees.

The proposed project will complete a major modernization of the building's heating, ventilation and air conditioning, electrical and plumbing systems, historic lobbies and restrooms, and fire alarm system. Most of these systems are original to the building, do not meet current life safety codes and are at the end of their useful life. The heating, ventilation and air conditioning system will replace obsolete, inefficient systems and the electrical system will be upgraded to eliminate safety hazards and meet increased tenant demands. Lead contaminated plumbing and piping will be replaced and lead based paint and asbestos will be abated when necessary. The ceiling will be demolished to accommodate a new electrical system, sprinklers, and fire alarm system. The project will also recapture space that is currently unavailable for use. By using a more modern, efficient heating, ventilation and air conditioning system, GSA will be able to convert the two-story mechanical penthouse into usable office space. GSA will also convert unused common areas into usable office space. The project will be designed for open office floor plans, a tactic that will use the space more efficiently.

Design (\$7,776 thousand) was funded in fiscal years 2000 and 2002. Additional design for \$944 thousand is pending fiscal year 2004 appropriation action. This request is for Phase 1 construction (\$74,680 thousand) and management and inspection (\$5,655 thousand). Phase 2 construction (\$25,400 thousand) and management and inspection (\$1,870 thousand) will be requested in a future fiscal year. The estimated total project cost is \$116,325 thousand.

New Executive Office Building.....\$6,262,000

The General Services Administration proposes alterations and repairs to the heating, ventilation, and air conditioning (HVAC) system in the New Executive Office Building (NEOB), located at 725 17th Street, NW, Washington, DC. NEOB is a 10-story reinforced concrete structure with a red brick facade. The building was constructed in 1966 and the building's footprint is in the shape of a capital H. It is proximate to the White House, a desirable feature for the building's tenants.

The proposed project will replace components of the existing HVAC system. The fan coil units on the 9th and 10th floors will be replaced and asbestos-containing material will be abated. In addition, the existing perimeter riser system will be replaced.

The fan coil units serving the building are 40 years old and beyond their serviceable life. The existing HVAC risers are deteriorated, thin walled, and prone to leaks. A small project was completed in 2002 to replace the fan coil units located under the windows on floors 2 through 8. The fan coil units located on floors 9 and 10 were not replaced during the previous project because they are located in the ceiling plenum, which contains sprayed on asbestos fire proofing. Findings during the original project indicate that the riser piping and related valves require replacement and are therefore included in this project.

This request is for design (\$451 thousand), construction (\$5,388 thousand), and management and inspection (\$423 thousand). The estimated total project cost is \$6,262 thousand.

Theodore Roosevelt Building.....\$9,730,000

The General Services Administration proposes alterations and repairs to the heating, ventilation, and air conditioning (HVAC) system in the Theodore Roosevelt Building, located at 1900 E Street, NW, Washington, DC. The Theodore Roosevelt Building is a seven-story structure built in 1963. The building has 859,430 gross square feet, 673,924 rentable square feet, and 303 inside parking spaces. The building serves as the headquarters for the Office of Personnel and Management.

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Repairs and Alterations FY 2005 Construction Phase Project Descriptions

DISTRICT OF COLUMBIA - continued

Theodore Roosevelt Building – continued

The proposed project will renovate the outdated, obsolete HVAC system. The project will replace all of the duct-mounted reheat coils with variable air volume boxes, retrofit the existing air handling units with variable speed fans and motors, and abate asbestos where necessary.

The existing reheat coils are original to the building, over 40 years old, and are at the end of their useful life. A significant number of the coils are clogged and some are not functioning in any capacity. Building occupants are experiencing problems with regulating airflow and temperature within the building due to this inefficient HVAC system. The new HVAC components will create a more energy efficient system, reducing energy and maintenance costs. This project will also provide improved air quality to building tenants.

This request is for design (\$570 thousand), construction (\$8,630 thousand), and management and inspection (\$530 thousand). The estimated total project cost is \$9,730 thousand.

GEORGIA

Atlanta – Martin Luther King, Jr. Federal Building.....\$14,800,000

The General Services Administration (GSA) proposes alterations to the Martin Luther King, Jr. (MLK) Federal Building located at 77 Forsyth Street, Atlanta, GA. This will be a multi-phased modernization project. The MLK Building was constructed in 1931 as a United States Post Office. When the Postal Service vacated the building, GSA accepted it as an annex to the Richard B. Russell Federal Building (FB). The MLK Building contains 367,886 gross square feet, is seven stories tall with 2 sub-basement and 1-basement levels, and is eligible for the National Register of Historic Places. There are 54 surface parking spaces adjacent to the building. The building population is currently 553 employees, but the number of tenants will increase as vacant space is occupied.

GSA proposes to restore the building exterior, provide initial space alterations (ISAs) for new tenants, and replace building systems that are old and failing. The exterior stone is loose and in danger of falling off the building. This stone needs to be removed and the walls repaired and anchored properly. The windows throughout the building need to be repaired or replaced, the roof needs to be repaired, and two 1957 chillers need to be replaced. The ISA work for new agencies will allow the remaining portions of GSA's Regional Office to relocate from the Summit FB to the MLK Building.

Design (\$2,351 thousand) was funded in fiscal year 2002. This request is for Phase 1 construction (\$13,436 thousand) and management and inspection (\$1,364 thousand). Phase 2 construction (\$26,569 thousand) and management and inspection (\$1,992 thousand) will be requested in a future fiscal year. The estimated total project cost is \$45,712 thousand.

Atlanta – United States Court of Appeals.....\$32,004,000

The General Services Administration proposes the acquisition of two buildings and adjacent parking on the west side of the Tuttle Building to be rehabilitated for adaptive use, with two buildings being joined into one structure. The two buildings contain 103,888 usable square feet of space. These adaptively reused historic properties will constitute an Annex, which in conjunction with the existing Elbert P. Tuttle Court of Appeals Building will meet the 30-year space needs of the administrative offices of the Eleventh Circuit Court of Appeals. This will require construction of underground secure parking of 9,000 usable square feet and a loading dock of 3,025 usable square feet, with additional new office space to be built above at 7,112 usable square feet.

Currently, the Eleventh Circuit Court of Appeals is housed in two separate locations in Atlanta. The main Court of Appeals office occupies 99,213 usable square feet of courtroom and office space in the historic Tuttle Building. The staff attorneys occupy 39,273 usable square feet of leased space at 55 Marietta Street, one block away from the Tuttle Building. Because no physical connection exists between the buildings, an enormous number of files must regularly be transferred between the buildings through the public streets thus presenting security concerns. The Court wishes to remain in the Tuttle Building, thereby not requiring the costly construction of new courtrooms and chambers.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2005 Construction Phase Project Descriptions**

GEORGIA – continued

Atlanta – United States Court of Appeals – continued

Funding for the acquisition (\$9,000 thousand) and relocation (\$1,500 thousand) is pending fiscal year 2004 appropriation action in the Construction and Acquisition of Facilities budget activity.

Design (\$6,725) is pending fiscal year 2004 appropriation action. This request is for construction (\$30,773 thousand) and management and inspection (\$1,231 thousand). The estimated total project cost is \$38,729 thousand.

HAWAII

Hilo – Hilo Federal Building-Post Office.....\$5,133,000

The General Services Administration (GSA) proposes renovating the historic Federal Building and Post Office located at 154 Waianuenu Avenue, Hilo, HI. The project consists of improvements to electrical and plumbing systems, seismic retrofit, security and life safety enhancements, upgrades to interior and exterior finishes, lead paint and asbestos abatement.

The original two-story building and basement was completed in 1917 to house the U.S. Post Office and District Court. In 1936, two additional three-story wings (east and west) were added. The building has 50,334 gross square feet with 23,999 usable square feet, 35,986 rentable square feet, houses 85 government personnel, and 28 outside surface official parking. The building was listed on the National Register of Historic Places in 1974.

The project is a repair and alteration of the building and systems that will include seismic, interior and exterior finishes, fire alarm and sprinkler system, as well as lead paint abatement and asbestos removal.

Design (\$605 thousand) was funded in fiscal year 2003. This request is for construction (\$4,528 thousand) and management and inspection (\$605 thousand). The estimated total project cost is \$5,738 thousand.

LOUISIANA

New Orleans – Boggs Federal Building\$22,581,000

The General Services Administration (GSA) proposes a modernization of building systems in the Hale Boggs Federal Building and Courthouse (FB-CT) located in downtown New Orleans, LA.

The Hale Boggs FB-CT was completed with substantial occupancy in 1976. The 14-story office building and six-story court building provides 705,345 gross square feet for approximately 2,986 employees. Pedestrian bridges connect the two structures at the second, third, and sixth floor levels. Parking is provided in the basement for 125 vehicles.

GSA proposes to replace vital building systems that have exceeded their life expectancy and are critical to the safe and efficient operation of the building. Modifications to the electrical system will include refurbishment of the emergency switchboard, main switchgear, and two motor control centers and replacement of existing transformers. Upgrades to the mechanical components of the heating, ventilation and air conditioning system include replacement of all 56 air-handling units, and on five floors of the office building, replacement of the existing multi-zone system with a variable air volume system. While many of the elevators' component parts will be refurbished such as the hoist machines, guide rails, cab shells, and hoist way frames, some critical parts are to be replaced, including the controls, cab interiors, door panels and all existing interlocks, closers, hangers, door rollers and door tracks. The existing fire alarm system will be replaced with a new Class A intelligent, analog addressable fire alarm system. Handicapped accessibility upgrades will include modifications to entrance doors, telephones, drinking fountains, door hardware, signage, and public restrooms.

Design for \$2,161 thousand is pending fiscal year 2004 appropriation action. This request is for construction (\$20,525 thousand) and management and inspection (\$2,055 thousand). The estimated total project cost is \$24,741 thousand.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2005 Construction Phase Project Descriptions**

LOUISIANA - continued

New Orleans – Wisdom Courthouse of Appeals.....\$8,005,000

The General Services Administration (GSA) proposes a modernization of building systems in the John Minor Wisdom Court of Appeals located at 600 Camp Street in the Central Business District of New Orleans, LA. It was completed in 1915 as the city's main post office and Federal courthouse. It served the public in this capacity for almost fifty years. Since its last renovation in 1972, the building has been occupied by the Fifth Circuit U.S. Court of Appeals. The building was placed on the National Register of Historic Places in 1974. The three-story building provides 246,280 gross square feet and houses approximately 170 employees. Parking is provided in the basement for 50 vehicles.

GSA proposes to replace vital building systems that have exceeded their life expectancy and are critical to the safe and efficient operation of the building. Modifications to the electrical system include replacement of transformers and panelboards. Upgrades to the mechanical components of the heating, ventilation and air conditioning system involve replacement of air handling units, rezoning ductwork, reworking of heating, ventilation and air conditioning controls, and pipe and duct asbestos abatement. Plumbing system modifications consist of the replacement of fixtures and the domestic water system. Architectural work includes renewing corridor and stair finishes, renovating toilet rooms and providing handicapped signage, telephones, and drinking fountains.

Design for \$939 thousand is pending fiscal year 2004 appropriation action. This request is for construction (\$6,973 thousand) and management and inspection (\$1,033 thousand). The estimated total project cost is \$8,945 thousand.

MARYLAND

Baltimore – George H. Fallon Federal Building.....\$46,163,000

The General Services Administration (GSA) proposes the modernization of the basement, ground, and 1st through 3rd floors of the George F. Fallon Federal Building (FB) located at 31 Hopkins Plaza, Baltimore, MD.

The Fallon FB was constructed in 1967 as a Federal office building to house various Federal Government agencies as it does today. The building is comprised of a three-story base structure with a 14-story tower extending above it. It has a gross floor area of 759,829 square feet, offering 565,234 rentable and 405,805 usable square feet of floor space, and includes built-in parking for 280 Federal occupants. About 1,400 employees are housed in the building. The building is generally in good condition, but has deficiencies from years of deferred maintenance and normal aging that require repair to maintain the building in acceptable operational condition.

The project proposes the modernization of the basement through 3rd floors of the FB, including about 280,000 gross square feet of floor space, and will complete the full modernization of the building. This proposed project includes the replacement of the heating, ventilation, and air conditioning system plant and distribution components, refurbishment and reconfiguring of the interior space layout and finishes, removal of asbestos materials above the ceilings, repair/replacement of the windows, upgrading of the egress of the circulation, fire alarm suppression and guidance systems, improvement of accessibility, and upgrading of the electrical, lighting, and utility systems.

Design (\$3,574 thousand) was funded in fiscal years 2000 and 2003. This request is for additional design (\$1,079 thousand), construction (\$42,473 thousand), and management and inspection (\$2,611 thousand). The estimated total project cost is \$49,737 thousand.

Suitland – National Record Center.....\$7,989,000

The General Services Administration proposes repairs to the Washington National Record Center (WNRC) located at the Suitland Federal Center, Suitland, MD. This project will provide necessary upgrades to the building's heating, ventilation, and air conditioning system. WNRC is a two-story brick and stucco structure located at the Suitland Federal Center in Suitland, MD. The building constructed in 1967 has 819,739 gross square feet with 188 outside parking spaces. It presently houses 281 occupants from the National Archives and Records Administration and the Department of Homeland Security, Federal Protective Service.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2005 Construction Phase Project Descriptions**

MARYLAND – continued

Suitland – National Record Center – continued

WNRC holds approximately 4.1 million cubic feet of storage space. The facility is the largest and most secure storage facility in the Washington metropolitan area for housing classified records, including classified nuclear data.

The building's air handling units will be removed and asbestos abated where necessary. Two mechanical rooms will be built and ducts and pipes will be routed through 14-foot wide building extensions. New air handling units will be placed in the newly constructed mechanical rooms. In addition, the new air-handling units will contain a smoke evacuation system, which is currently not present in the existing units.

Portions of the existing air handling units, which are suspended from the ceiling, are leaking. As a result, the building contains 22,173 rentable square feet of vacant space. The renovation will allow the National Archives and Records Administration to use the vacant space to store vital government documents. This request is for design (\$698 thousand), construction (\$6,840 thousand), and management and inspection (\$451 thousand). The estimated total project cost is \$7,989 thousand.

Woodlawn – SSA Altmeyer Building.....\$6,300,000

The General Services Administration (GSA) proposes alterations of the Central Boiler Plant at the Social Security Administration National Headquarters building in Woodlawn, MD, a suburb of Baltimore, MD.

The Central Boiler Plant is a space located in the basement of the circulation link between the Altmeyer and Operations buildings of the Social Security Administration (SSA) Headquarters campus. Its space is assigned to the Altmeyer building for space administrative purposes. The plant serves seven campus buildings totaling 2,391,100 gross square feet in floor area, including the West High, West Low, East High, East Low, Altmeyer, SSA Annex, and SSA Operations buildings of the campus. The plant is a delegated facility, which assigns SSA the responsibility for its maintenance and operation.

The boiler plant was constructed in 1960 to provide hot water to heat the buildings on the SSA campus. It is deteriorated from limited maintenance, aging, and operational wear and tear over the years, and the lack of any significantly alterations since its installation. Consequently, the plant is too technically obsolete, operationally inefficient, and functionally inadequate to meet current performance requirements.

This project proposes the complete upgrading of the plant. GSA proposes to upgrade the base plant, which comprises the standard level boiler equipment, while SSA proposes to upgrade the plant's redundant capacity that meets its mission related goals for this headquarters facility.

This request is for design (\$525 thousand), construction (\$5,250 thousand), and management and inspection (\$525 thousand). SSA will fund additional design (\$525 thousand), construction (\$5,250 thousand), and management and inspection (\$525 thousand). The estimated total project cost is \$12,600 thousand.

MINNESOTA

St. Paul – Warren E. Burger Federal Building and Courthouse....\$36,644,000

The General Services Administration proposes to meet the long-term operational needs of the District Court through an expansion and reorganization project at the Warren E. Burger Federal Building and U.S. Courthouse in St. Paul, Minnesota.

The Warren E. Burger Federal Building and U.S. Courthouse, located at 316 N. Robert Street in St. Paul, MN, was constructed in 1966. It is a seven-story building with a garage, basement, and penthouse area. The exterior of the building is constructed of reinforced concrete and marble. The building is 399,938 gross square feet, with 84 inside and 19 outside parking spaces and houses over 900 employees.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2005 Construction Phase Project Descriptions**

MINNESOTA – continued

St. Paul – Warren E. Burger Federal Building and Courthouse – continued

This project proposes tenant alterations, asbestos abatement, electrical upgrades, lobby improvements, heating, ventilation and air conditioning upgrades, security enhancements, mechanical, plumbing, and electrical upgrades, and Art-in-Architecture enhancements.

Under the proposed project, existing courtrooms will be upgraded; new courtrooms, judicial chambers, dedicated prisoner elevator and sally port will be constructed; the Clerk of the Courts' space will be increased; and various court functions will be collocating and relocated within the building. In addition, the building will undergo the first modernization in 34 years and will be upgraded to meet Americans with Disabilities Act requirements. Security will be improved to support the increased Court occupancy in the building.

Design (\$2,591 thousand) was appropriated in fiscal year 2003. This request is for construction (\$33,745 thousand) and management and inspection (\$2,899 thousand). The estimated total project cost is \$39,235 thousand.

MISSOURI

Kansas City – Richard Bolling Federal Building.....\$40,048,000

The General Services Administration (GSA) proposes to continue the phased renovation and modernization of the Richard Bolling Federal Building (FB) in Kansas City, Missouri. The Richard Bolling FB, 601 E. 12th Street, Kansas City, MO, was constructed in 1965 on a two-block site in the downtown Kansas City central business district. The FB is 18 stories above ground and provides a gross area of 1,205,582 square feet to house approximately 4,500 employees. There are 125 structured parking spaces within the building and 431 surface parking spaces in a lot adjacent to the building.

GSA proposes improvements including critical system upgrades, space alterations, Americans with Disabilities Act compliant modifications, structural strengthening, and asbestos and lead paint abatement. The proposed

modernization will provide for tenants to reoccupy these floors, and for the continued use of current swing space to allow for further building renovation.

The design (\$1,823 thousand) of Phase 1 was funded in fiscal year 1999. Design (\$67 thousand), construction (\$24,010 thousand), and management and inspection (\$1,805 thousand) of Phase I was funded in fiscal year 2001. Design of Phase II (\$2,773 thousand) is pending fiscal year 2004 appropriation action. The design of Phase III (\$3,350 thousand) is also being requested in fiscal year 2005. This request is for construction (\$36,335 thousand) and management and inspection (\$3,713 thousand) of phase II. Design of Phase IV (\$4,758 thousand), construction of Phases III and IV (\$109,809 thousand), and management and inspection of Phases III and IV (\$11,140 thousand) will be requested in future fiscal years. The estimated total project cost is \$199,583 thousand.

NEW YORK

New York – Foley Square Courthouse.....\$2,505,000

The General Services Administration (GSA) proposes the build-out of temporary chambers at the Daniel P. Moynihan U.S. Courthouse as an interim housing solution for the justices who will be relocated during the modernization of the Thurgood Marshall U.S. Courthouse.

The Daniel P. Moynihan U.S. Courthouse is a 27-story courthouse built in 1994. The building contains 932,536 gross square feet and houses 870 employees, including U.S. Circuit Court Judges, U.S. District Court Judges, and U.S. Marshals. It provides 224 indoor parking spaces and is located in the Civic Center of downtown Manhattan.

The proposed project includes the alteration of approximately 73,690 usable square feet of space currently occupied by Probation and Pretrial and the construction of temporary chambers to house judges displaced from Thurgood Marshall U.S. Courthouse during the modernization. To effectively accomplish the proposed Marshall renovation, the Courthouse must be vacant. Swing space will be required to house the Court functions. To maintain the Court function while providing the least amount of disturbance and transition, we are proposing

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Repairs and Alterations FY 2005 Construction Phase Project Descriptions

NEW YORK – continued

New York – Foley Square Courthouse – continued

this proposal as the interim solution until the Marshall Courthouse renovation is complete. This alternative is the most cost effective option because the Moynihan Courthouse already contains courtrooms that will be used by the judges relocated from the Marshall Courthouse.

This request is for design (\$94 thousand), construction (\$2,338 thousand), and management and inspection (\$73 thousand). The estimated total project cost is \$2,505 thousand.

Queens – Joseph P. Addabbo Federal Building.....\$5,455,000

The General Services Administration proposes to replace the existing chiller plant, including the environmentally hazardous R-12 refrigerant, in the Joseph P. Addabbo Federal Building (FB), located at One Jamaica Center Plaza, Jamaica, NY. It is an 881,612 gross square feet, steel-frame, brick facade, office building constructed in 1987. This building stands 11-stories tall and provides a total of 794,280 rentable square feet of multi-use commercial space and 50 indoor parking spaces. This FB is a single-tenant occupied, delegated building that houses 1,806 employees of the Social Security Administration.

The proposed project is to replace the existing chiller plant, consisting of three chiller units, four chilled water pumps, four condenser water pumps, and three-cell common sump cooling tower that has reached the end of its economic life. Also, the project includes the proper disposal of the environmentally hazardous R-12 refrigerant. Once completed, this project will boost energy efficiency, reduce operating costs by 75%, and alleviate the environmentally hazardous condition presented by the current system's use of R-12 refrigerant.

This request is for design (\$353 thousand), construction (\$4,896 thousand), and management and inspection (\$206 thousand). The estimated total project cost is \$5,455 thousand.

OHIO

Cincinnati – Potter Stewart U.S. Courthouse.....\$37,975,000

The General Services Administration proposes modernization of the 64-year old Potter Stewart U.S. Courthouse, located at 100 East 5th Street, Cincinnati, OH. This project will allow GSA to extend the service life of the building. The Potter Stewart U.S. Courthouse is a nine-story structure built in 1938 and houses 258 employees. The building consists of 499,841 gross square feet including 18 outside parking spaces and is located within the Central Business District of Cincinnati.

This project proposes considerable exterior repair, including window replacement and glazing, re-pointing and cleaning, replacement of the main roof, and structural areaway repairs. This project will complete the lobby renovation, historic renovation of public spaces on the upper floors, and renovate all public restrooms for compliance with the Americans With Disabilities Act (ADA). The project will replace interior vestibule doors at the east and west entrances and 5th street doors for ADA compliance.

This project includes additional building repairs including the installation of an emergency diesel generator and associated switchgear, extension of the existing sprinkler system, abatement of asbestos under the east ramp area and building pipe chases and re-insulation of this area. In addition, the boiler plant will be replaced.

An additional District court room and support space will be constructed on the first floor to meet Court requirements. The project will also provide upgraded courtroom lighting. All motors in the passenger elevator generators will be replaced, and new controls, cables, and motors will be provided for two freight and eight passenger elevators. Non-functioning chillers, cooling towers, pumps and tanks and associated equipment will be removed.

This request is for design (\$3,162 thousand), construction (\$32,228 thousand), and management and inspection (\$2,585 thousand). The estimated total project cost is \$37,975 thousand.

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Repairs and Alterations FY 2005 Construction Phase Project Descriptions

OHIO – continued

Cleveland – Celebrezze Federal Building.....\$37,375,000

The General Services Administration proposes a plaza repair, fire alarm, and heating, ventilation, and air conditioning (HVAC) replacement at the 1,462,628 gross square feet Anthony J. Celebrezze Federal Building (FB) located at 1240 East 9th Street, Cleveland, OH. This project will also replace the existing fire alarm system and HVAC distribution system, which is the original to the building.

The plaza at the Anthony J. Celebrezze FB is currently leaking into occupied sub-plaza spaces and the parking garage, which is affecting occupied tenant space and building mechanical areas. Water has infiltrated through the cracks in the plaza membrane and has leaked into the electrical distribution switchboard, causing outages and posing great risk to building employees and visitors. Also, the existing fire alarm system is outdated and does not meet the current fire alarm standards. The heating, ventilation and air conditioning system is 37 years old and past its useful life. This antiquated system is inefficient and requiring increased maintenance costs.

Design (\$2,274 thousand) is pending fiscal year 2004 appropriation action. This request is for construction (\$34,418 thousand) and management and inspection (\$2,957 thousand). The estimated total project cost is \$39,649 thousand.

WASHINGTON

Seattle – William Nakamura Courthouse.....\$50,210,000

The General Services Administration proposes to renovate, modernize and backfill the William K. Nakamura U.S. Courthouse at 1010 5th Avenue, Seattle WA. The proposed project will accommodate the consolidation, expansion, and space requirements of the U.S. Court of Appeals and future tenant agencies.

Completed in 1939, this building consists of 178,386 gross square feet, ten floors, a basement and one parking space. The building is on the National Register of Historic Places and currently houses approximately 186 employees of the U.S. District Courts, the Court of Appeals, and the U.S. Marshals Service.

This project includes interior space modifications as needed to accommodate the U.S. Court of Appeals and other compatible tenants. It will also upgrade several major building systems to meet current codes for fire and life safety, the Americans with Disabilities Act, and seismic safety. Other items requiring repair, replacement, and upgrades are elevator controls, the roof, telecom/data/technology, hazardous materials abatement, and exterior closure repair. The scope of the project has been increased to include the utilization of the available underground space beneath the existing courthouse lawn and plaza on the main entrance side of the building by adding 26 inside parking spaces.

Funding for design was provided in fiscal years 2003 (\$2,455 thousand) and 2004 (\$395 thousand). This request is for the estimated construction cost (\$45,879 thousand) and management and inspection (\$4,331 thousand). The estimated total project cost is \$53,060 thousand.

VARIOUS LOCATIONS

Chlorofluorocarbons Program.....\$13,000,000

This design/build program request will provide for projects during fiscal year 2005. This multi-year program is designed to replace or retrofit existing air-conditioning equipment, which presently uses chlorofluorocarbon (CFC) refrigerants. These CFCs, when vented or lost in the atmosphere, reduce the protective stratospheric ozone layer.

Scientific findings indicate that CFC emissions are depleting the stratospheric ozone layer, which leads to increased and harmful quantities of ultraviolet radiation reaching the Earth's surface. The Clean Air Act Amendments of 1990 (CAAA) (Public Law 101-549) established a phase-out schedule and yearly reduction percentages for ozone depleting chemicals.

The amendment promotes recycling, bans the deliberate venting or releasing of refrigerants during maintenance, service, repair or disposal, restricts emission of refrigerants, and establishes strict control over their use. In February 1992, the phase-out of the more adverse ozone-depleting refrigerants was accelerated from the year 2000, which was established by the CAAA, to the end of 1995.

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Repairs and Alterations FY 2005 Construction Phase Project Descriptions

VARIOUS LOCATIONS – continued

Chlorofluorocarbons Program – continued

The estimated total program cost (in thousands) is as follows:

	<u>Design</u>	<u>Construction</u>	<u>M&I</u>	<u>Total</u>
Current Funding	\$4,369	\$ 108,299	\$ 8,601	\$ 121,269
FY 2004	\$ 256	\$ 3,956	\$ 788	\$ 5,000
FY 2005 Request	\$ 0	\$ 13,000	\$ 0	\$ 13,000
Future Years	<u>\$2,725</u>	<u>\$ 574,745</u>	<u>\$ 14,901</u>	<u>\$ 592,371</u>
Total	\$7,350	\$ 700,000	\$ 24,290	\$ 731,640

Energy Program.....\$30,000,000

This request will provide for the implementation of energy retrofit and conservation measures in Government-owned buildings during fiscal year 2005. The projects to be funded will have savings-to-investment ratios greater than one, and will provide reasonable payback periods that average six years. The estimated energy savings that would result from funding of these projects is 280,000 million BTUs and \$4.5 million annually.

The Federal Energy Management Improvement Act (Public Law 100-615) requires Federal agencies to reduce energy consumption by 10 percent by the end of fiscal year 1995. Further, the Energy Policy Act of 1992 requires that all federal agencies reduce energy consumption by 20 percent by the year 2000. In addition, Executive Order 13123 requires federal agencies to take actions to reduce energy consumption by 30 percent by the year 2005 and by 35 percent by fiscal year 2010. GSA met both the 10 percent goal in 1995 and the 20 percent goal in 2000. GSA is now pursuing actions towards the fiscal year 2005 goal.

The estimated total program cost (in thousands) is as follows:

	<u>Design</u>	<u>Construction</u>	<u>M&I</u>	<u>Total</u>
Current Funding	\$ 5,117	\$ 86,285	\$ 5,820	\$ 97,222
FY 2004	\$ 256	\$ 3,956	\$ 788	\$ 5,000
FY 2005 Request	\$ 0	\$ 30,000	\$ 0	\$ 30,000
Future Years	<u>\$ 18,375</u>	<u>\$ 144,159</u>	<u>\$ 10,462</u>	<u>\$172,996</u>
Total	\$ 23,748	\$ 264,400	\$ 17,070	\$305,218

Glass Fragment Retention.....\$20,000,000

Executive Order 12977, establishes the need to increase the security measures in Federal facilities with high-volume public contact and high-risk agencies. On June 28, 1995, the DOJ issued security enhancement recommendations in a report entitled "Vulnerability Assessment of Federal Facilities" in which the President directed all executive departments and agencies to implement the recommendations. The report recommended that GSA provide as minimum standard glass fragment retention for windows in Level IV Federal buildings. Level IV buildings are facilities that have over 450 employees. In addition, the facility likely has more than 150,000 square feet, high-volume public contact, and contains high-risk law enforcement and intelligence agencies.

The application of a polymer film to windows will protect employees and visitors from flying glass fragments and reduce the possibility of damage due to flying glass fragments in the event of an explosion. Some buildings, however, may require alternative systems such as laminated glass, polycarbonate sheeting, blast curtains or fine metal mesh screens.

The estimated total program cost (in thousands) is as follows:

	<u>Design</u>	<u>Construction</u>	<u>M&I</u>	<u>Total</u>
Current Funding	\$ 0	\$ 46,000	\$ 0	\$ 46,000
FY 2004	\$ 0	\$ 20,000	\$ 0	\$ 20,000
FY 2005 Request	\$ 0	\$ 20,000	\$ 0	\$ 20,000
Future Years	<u>\$ 0</u>	<u>\$ 14,000</u>	<u>\$ 0</u>	<u>\$ 14,000</u>
Total	\$ 0	\$ 100,000	\$ 0	\$100,000

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Repairs and Alterations FY 2005 Construction Phase Project Descriptions

OTHER ACTIVITIES

BASIC REPAIRS AND ALTERATIONS PROJECTS UNDER \$2,360,000.....\$394,500,000

Funds in the amount of \$394,500 thousand are requested for all nonrecurring repairs and alterations projects where obligations at a single location within a fiscal year are above \$10 thousand but are under the prospectus threshold of \$2,360 thousand. Projects included in this category are generally short-term in nature and funds can normally be obligated within a one-year period. This category also includes projects that are recurring in nature, such as cyclic painting and the minor repair of defective building systems (e.g. mechanical, plumbing, electrical, firesafety, and elevator system components), and all repairs and alterations projects in leased facilities, regardless of size.

After initial build-out, any post-Government occupancy alterations in leased space require a prospectus when the estimated cost of the project exceeds the prospectus threshold of \$1,180 thousand for alterations in leased space.

The basic (non-line item) repairs and alterations program is the source of funds to ensure the operational continuity of the 1,600 plus buildings owned by the General Services Administration. These buildings provide over 200 million gross square feet of space to support tenant agency mission requirements. The building inventory averages over 50 years of age and requires constant attention and significant funding to repair systems, improve health and safety features, alter space, and accomplish special emphasis programs. Without adequate reinvestment in the building inventory, its condition will deteriorate and service delivery to customers will degrade. In addition, the taxpayers' investment in these properties will not be adequately protected resulting in more costly corrective actions in the future. The line-item repairs and alterations program only addresses approximately 30 buildings per year, thus the basic program is extremely important in keeping the rest of the inventory functioning pending a modernization project on a 20-25 year cycle.

The amount provided for the basic program may also be used to pay claims against the Government arising from any projects under the heading "Repairs and Alterations."

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Repairs and Alterations FY 2005 Design Phase Project Descriptions

ALABAMA

Birmingham – Robert S. Vance Federal Building – Courthouse...\$1,739,000

The General Services Administration (GSA) proposes to renovate the Robert S. Vance Federal Building-Courthouse located at 1800 5th Avenue North, Birmingham, AL. The proposed project will allow GSA to extend the service life of the building and maintain the viability of this legacy building into the future. The structure contains a total of 187,000 gross square feet, and 106,000 usable square feet.

This project addresses all major identified deficiencies in the building and ensures the viability of this very important historic structure for the future. The project will correct water infiltration problems from the moat, roof, and historic windows and provide watertight interior spaces for the tenants. The project will also correct significant fire and life safety issues, address the Americans with Disabilities Act accessibility concerns, and provide for more modern and efficient conveying systems, plumbing, and electrical and mechanical operations.

This request is for design (\$1,739 thousand). The balance of funding for construction (\$13,375 thousand) and management and inspection (\$1,184 thousand) will be requested in a future fiscal year. The estimated total project cost is \$16,298 thousand.

DISTRICT OF COLUMBIA

Eisenhower Executive Office Building (Phase II).....\$4,788,000

The General Services Administration proposes renovations to the building's middle wings (approximately 310,000 gross square feet (gsf)). Completed in 1888, this building consists of 691,783 gsf and 46 outside parking spaces. The building is on the National Register of Historic Places and currently houses approximately 1,500 employees. This building provides a large block of space adjacent to the White House and houses important functions of the Executive Office of the President.

The renovation will include heating, ventilation, and air conditioning; electrical and plumbing upgrades; blast and ballistic resistant window installation; security upgrades; fire and life safety upgrades; historic restoration; interior construction; telecommunication upgrades; hazardous material abatement; and Americans with Disabilities Act accessibility upgrades. A modernization of the 17th Street wing is currently under way. This design request would allow for funding of Phase 2 out of the three-phase project to completely modernize this historic structure.

This request is for the design (\$4,788 thousand). The balance of funding for construction (\$53,204 thousand) and management and inspection (\$4,788 thousand) will be requested in a future fiscal year. The estimated total project cost is \$62,780 thousand.

Lafayette Building.....\$8,470,000

The General Services Administration (GSA) proposes to modernize 464,579 rentable square feet of space in the Lafayette Building to house the Department of Veterans Affairs and the Export Import Bank. Completed in 1940, this building consists of 565,791 gross square feet and 129 inside parking spaces. The building is on the National Register of Historic Places and currently houses approximately 1,200 employees.

The GSA proposes window, mechanical, electrical, and plumbing upgrades, hazardous material abatement as well as tenant alterations to this 63-year old, fifteen story historic building. The renovation will allow GSA to update outdated mechanical and electrical systems as well as bring the building up to current fire and life safety codes and disability codes. The renovation will also allow GSA to add additional square footage to the building, allowing for an additional 250 personnel to be housed in the building.

This request is for the design (\$8,470 thousand). The balance of funding for construction (\$101,790 thousand) and management and inspection (\$7,910

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2005 Design Phase Project Descriptions**

DISTRICT OF COLUMBIA – continued

District of Columbia – Lafayette Building – continued

thousand) will be requested in future fiscal years. The estimated total project cost is \$118,170 thousand.

ILLINOIS

Chicago – Everett McKinley Dirksen Courthouse.....\$8,152,000

The General Services Administration proposes to renovate the Everett McKinley Dirksen Courthouse located at 291 S. Dearborn Street, Chicago, IL. Built in 1964, the Dirksen Courthouse is 41 years old and many of its systems, which are original to the building, have exceeded their expected design life. They are physically and technically obsolete, incapable of meeting modern performance demands and thus need to be replaced or substantially upgraded.

The proposed project includes the following work items: interior space alterations, heating, ventilation, and air conditioning replacement/upgrades, fire-safety systems replacement, restroom finish, fixture and accessibility upgrades, mechanical room refurbishment, emergency power upgrades, construction of an additional elevator, and asbestos abatement.

This request is for design (\$8,152 thousand). The balance of funding for construction (\$81,006 thousand) and management and inspection (\$6,656 thousand) will be requested in a future fiscal year. The estimated total project cost is \$95,814 thousand.

INDIANA

Indianapolis – Federal Office Building and U.S. Courthouse.....\$2,413,000

The General Services Administration proposes to renovate the Federal Office Building and United States Courthouse in downtown Indianapolis, IN. The original four-story, u-shaped structure was completed in 1905. A five-story addition to the north side was completed in 1938. This freestanding structure is comprised of approximately 459,121 square feet of offices, courtroom spaces, and a parking garage.

The proposed project will replace outdated heating, ventilation and air conditioning systems, including replacement of associated ductwork and temperature controls; replace electrical distribution system from the existing main electrical service switchboard to the sub-power and lighting distribution panels; replace the domestic water system; upgrade public areas including the rest rooms to meet the Americans with Disabilities Act requirements; replace fire alarm system; install complete automatic fire suppression system; exterior repairs, including roof replacement and window restoration. Additional work will include: clean and refurbish the existing cooling towers; replace the basement firing range exhaust system; replace all washroom exhaust fans; close off the Municipal steam system and install a gas supply and three new hot water boilers and all associated piping, electrical connections, and new DDC controls.

This request is for design (\$2,413 thousand). The balance of funding for construction (\$27,239 thousand) and management and inspection (\$2,130 thousand) will be requested in a future fiscal year. The estimated total project cost is \$31,782 thousand.

MISSOURI

Kansas City – Richard Bolling Federal Building (Phase 3).....\$3,350,000

The General Services Administration (GSA) proposes to continue the phased renovation and modernization of the Richard Bolling Federal Building (FB) in Kansas City, Missouri. The Richard Bolling FB, 601 E. 12th Street, Kansas City, MO, was constructed in 1965 on a two-block site in the downtown Kansas City central business district. The FB is 18 stories above ground and provides a

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Repairs and Alterations FY 2005 Design Phase Project Descriptions

MISSOURI – continued

Kansas City – Richard Bolling Federal Building (Phase 3) – continued

gross area of 1,205,582 square feet to house approximately 4,500 employees. There are 125 structured parking spaces within the building and 431 surface parking spaces in a lot adjacent to the building.

GSA proposes improvements including critical system upgrades, space alterations, Americans with Disabilities Act compliant modifications, structural strengthening, and asbestos and lead paint abatement. The proposed modernization will provide for tenants to reoccupy these floors, and for the continued use of current swing space to allow for further building renovation.

The design (\$1,823 thousand) of Phase 1 was funded in fiscal year 1999. Design (\$67 thousand), construction (\$24,010 thousand), and management and inspection (\$1,805 thousand) of Phase I was funded in fiscal year 2001. Design of Phase II (\$2,773 thousand) is pending fiscal year 2004 appropriation action. This request is for the design of Phase III (\$3,350 thousand). Construction (\$36,335 thousand) and management and inspection (\$3,713 thousand) of phase II are also being requested in fiscal year 2005. Design of Phase IV (\$4,758 thousand), construction of Phases III and IV (\$109,809 thousand), and management and inspection of Phases III and IV (\$11,140 thousand) will be requested in future fiscal years. The estimated total project cost is \$199,583 thousand.

NEW JERSEY

Newark – Peter W. Rodino Federal Building.....\$4,700,000

The General Services Administration proposes the completion of asbestos removal, the upgrade of building systems, and progressive collapse and seismic retrofits to the Peter W. Rodino Federal Building located at 970 Broad Street in downtown Newark, NJ. Constructed 1968, the building consists of 495,208 gross square feet and houses 1,348 employees.

The proposed project will complete the removal of asbestos from the building, retrofit the building shell for seismic and progressive collapse, upgrade electrical, plumbing, heating, ventilation and air conditioning, and fire protection systems, and provide a modernized space that meets the long-term expansion needs of the Bureau of Customs and Border Protection (formerly U.S. Customs Service and Immigration Naturalization Service) and the US Attorneys in the Newark Central Business District.

This request is for design (\$4,700 thousand). The balance of funding for construction (\$67,141 thousand) and management and inspection (\$4,028 thousand) will be requested in a future fiscal year. The estimated total project cost is \$75,869 thousand.

NEW YORK

New York – Thurgood Marshall U.S. Courthouse.....\$13,500,000

The General Services Administration proposes a complete upgrade of the building systems and infrastructure of the Thurgood Marshall United States Courthouse (CT) located at 40 Foley Square, New York, NY. The Thurgood Marshall CT was built in 1936 and is listed on the National Register of Historic Places. The courthouse consists of a classical six-story base and 32-story tower crowned by a gilded pyramid. The 32-story building contains 730,533 gross square feet and houses 573 employees, including U.S. Circuit Court Judges, U.S. District Court Judges, and the U.S. Marshals. It provides 23 indoor and nine outdoor parking spaces. The CT survives as one of the last Neoclassical style office buildings erected in New York City as well as one of the earliest skyscrapers built by the Federal Government.

The proposed project includes the replacement and/or upgrade of many of the Courthouse's outdated and deteriorating building systems, including heating, ventilation and air conditioning, electrical distribution, fire protection, domestic water, security, and lighting systems. In addition, this project includes the

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2005 Design Phase Project Descriptions**

NEW YORK – continued

New York – Thurgood Marshall U.S. Courthouse – continued

correction of major egress issues and reconfiguration of circulation patterns to meet U.S. Court Design and U.S. Marshals Service security requirements and repairs to interior finishes damaged during construction. This project will make necessary repairs and/or upgrades to exterior closures, including the façade and roof. The public restrooms will be modernized and will meet the Americans with Disabilities Act requirements. The freight elevator will be extended to provide access to the basement.

This request is for the design (\$13,500 thousand). The balance of funding for construction (\$168,440 thousand) and management and inspection (\$8,200 thousand) will be requested in a future fiscal year. The estimated total project cost is \$190,140.

and the fire alarm system and tenth floor roof will be replaced.

This request is for the design (\$2,587 thousand). The balance of funding for construction (\$26,771 thousand) and management and inspection (\$2,173 thousand) will be requested in a future fiscal year. The estimated total project cost is \$31,531 thousand.

OHIO

Cincinnati – John W. Peck Federal Building.....\$2,587,000

The General Services Administration proposes modernization of the 40-year old John Weld Peck Federal Building located at 550 Main Street in Cincinnati, OH to extend the service life of this asset. The John Weld Peck Federal Building was built in 1964 and houses almost 2,000 employees. The building is 785,513 gross square feet including 177 outside parking spaces and is located within the Central Business District of Cincinnati.

The John Weld Peck Federal Building has not undergone a major renovation since it was constructed in 1964. The project proposes to modernize and renovate the building's exterior, including curtain wall repair, cleaning, tuck pointing and window replacement. This project includes the installation of a laminate in the glass (blast glass) as part of the window replacement project. The heating, ventilation, air conditioning and electrical systems will be upgraded

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**BUILDING OPERATIONS
EXPLANATION OF BUDGET CHANGES
(Dollars in Thousands)**

	FTE	Dollars
Fiscal Year 2004 Current	5,457	\$1,608,064
Building Services in New Space	--	17,117
Increase Cost of Supplies, Materials and Service Contracts (1.5%)	--	12,506
Part Year Increase for FY 2004 Pay Act (4.1%), Effective January, 2004	--	5,006
Wageboard and Pay Act Increase (1.5%), Effective January, 2005	--	4,915
Increase for Utilities and Fuel Rates	--	10,273
Increase for Cleaning and Maintenance Contract Labor Rates and Benefits	--	6,465
Security Requirements	--	12,969
Denver Federal Center Remediation	--	7,000
Increase for IT Services	--	19,044
Increases to the Working Capital Fund	--	6,163
Fiscal Year 2005 Request	5,457	\$1,709,522

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

CHANGES IN BUILDING OPERATIONS								
Building Operations								
(Dollars in Thousands)								
	Cleaning	Utilities and Fuels	Main- tenance	Other Building Services	Space Acquisition	Staff Support	CIO	TOTAL
<i>FY 2004 CURRENT</i>	235,619	275,645	243,133	157,905	154,083	426,868	114,811	1,608,064
Building Services in New Space	5,915	4,070	5,632	1,500				17,117
Increase Cost of Supplies, Materials, and Service Contracts (1.5%)	3,506		3,483	897	712	3,085	823	12,506
Part-Year Increase for FY 2004 Pay Act (4.1%), Effective January, 2004	142		484	958	820	2,540	62	5,006
Wageboard and Pay Act Increase (1.5%), Effective January, 2005	168		602	1,047	884	2,134	80	4,915
Increase for Utilities and Fuel Rates		10,273						10,273
Increase for Cleaning and Maintenance Contract Labor Rates and Benefits	4,255		2,210					6,465
Security Requirements				12,969				12,969
Denver Federal Center Remediation				7,000				7,000
Increase for IT Services							19,044	19,044
Increases to the Working Capital Fund						6,163		6,163
<i>FY 2005 REQUEST</i>	249,605	289,988	255,544	182,276	156,499	440,790	134,820	1,709,522

General Services Administration FEDERAL BUILDINGS FUND

Justification of Building Operations Program Increases for FY 2005 (Dollars in thousands)

Increase for Cleaning and Maintenance Contract Labor Rates and Benefits **\$ 6,465**

Costs of cleaning and maintenance contracts are heavily influenced by the cost of labor. It has been determined by the Occupational Employment Survey (OEM) that the labor rates are increasing above the stated OMB inflation rate used by all federal agencies. The OEM's findings indicate labor rates are increasing above the given OMB inflation rate of 1.5% for contractual services. The contract cleaning wages increased by 3.8% and maintenance wages increased by 2.8% above inflation. The effect on FY 2005 costs is an increase of \$4,255 and \$2,210 for cleaning and maintenance, respectively.

Security Requirements **\$ 12,969**

This request is for additional needs not met by DHS, which remain the responsibility of GSA after the funding for security guard services in federal buildings transferred from GSA to the Department of Homeland Security. Examples of these needs include enhanced guard services during special events, 24-hour work schedules, and throughout the completion of major repair and alteration projects. These additional services will be provided by DHS on a reimbursable basis. Funding of \$9,364 is requested for additional guard services. In addition, GSA requests funding in the amount of \$3,605 to meet the requirement to provide preventative maintenance on security systems and fixtures that are attached to GSA owned or leased buildings.

Denver Federal Center Remediation **\$ 7,000**

Under the Resource Conservation and Recovery Act and a legally binding agreement issued by the State of Colorado, GSA is required to identify and investigate the nature and

extent of environmental contamination on the Denver Federal Center. The contamination is a result of this facility carrying its waste out into unlined settling ponds during World War II. Furthermore, other federal agencies used the facility to conduct experiments with biological and chemical agents. In this case, underground tanks were used for waste; however, one leaked chlorinated solvents that contaminated the groundwater of the neighboring community. To solve this dilemma, GSA has compiled a Historic Data Report, which documents the history of the facility and identifies over 600 potential contamination sites. The costs of the environmental program can be divided into two responsibilities, environmental investigation and remediation. The cost for fiscal year 2005 investigation is \$7,000. The ultimate cost of this project is projected at \$37,000 for the investigation and \$28,000 for remediation.

Increase for IT Services **\$ 19,044**

For FY 2005, the PBS Chief Information Officer is requesting funds in the amount of \$19,044 to accomplish the eGovernment initiatives established in the President's Management Agenda. It is the intent of GSA to provide an increased selection of web-based services, facilitate electronic data exchange, and gain productivity efficiencies. The proposed FY 2005 IT budget additions are as follows:

Customer Relationship Management	\$ 5,500
Infrastructure Agreement	3,646
Electronic Acquisition System	333
System for Tracking and Reporting Real Property	6,255
E-Leasing (STAR)	1,125
Property Management Services	1,600
Disaster Recovery Site and Continuity of Operations Planning	585

General Services Administration FEDERAL BUILDINGS FUND

Increases to the Working Capital Fund \$ 6,163

In fiscal year 2005, the Federal Buildings Fund (FBF) will pay the Working Capital Fund (WCF) for its increased support of the Public Buildings Service. Included is \$2,940 for increased business volume for financial and accounting services. The increased business volume is related to the new financial system that has been implemented in GSA to meet GPRA requirements. The FBF will also pay the WCF \$1,353 to cover new initiatives and workload increases taken on by other GSA staff offices that support PBS. The \$1,353 will fund PBS's portion of additional FTE to the staff office responsible for handling the Equal Employment Opportunity program, increased IT Security, development of Enterprise Architecture, and enhancements to the GSA website, GSA.gov. In addition to costs associated with the increase in business volume, the FBF will also be required to fund its share of increases to the WCF for the fiscal year 2005 Wageboard and Pay Act in the amount of \$1,870.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

INSTALLMENT ACQUISITION PAYMENTS EXPLANATION OF BUDGET CHANGES (Dollars in Thousands)	
FY 2004 Current Level (Obligations)	\$169,677
Decrease in Capitalized Interest Payments	(3,691)
Decrease in Interest Payments	(4,544)
FY 2005 Request	\$161,442

General Program Description

The Public Buildings Amendment of 1972 enabled GSA to contract for the construction of a backlog of authorized but unfunded new construction projects. We were granted borrowing authority for a selected number of these projects. Congress has also provided authority on numerous occasions to borrow funds to construct specific federal facilities. This program funds payments for interest, including capitalized interest, for facilities constructed under borrowing authority.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

REIMBURSABLE PROGRAM EXPLANATION OF BUDGET CHANGES (Dollars in Thousands)		
	FTE	Dollars
FY 2004 Current Level	117	\$976,748
Inflation	--	15,628
Workload Increases (+)	--	164,110
Workload Decreases (-)	--	(82,342)
FY 2005 Request	117	\$1,074,144

General Program Description

GSA provides tenant agencies with space and building services (e.g., cleaning, maintenance, utilities, and protection) commensurate with those offered in the private sector. When requested by a tenant, we also provide building services which exceed commercially equivalent levels on a reimbursable basis. The reimbursable program allows us to be fully responsive to the special needs of our tenants in the Government-owned and leased space that we operate. Reimbursable services include space adjustments, facility security, utilities, large projects, and janitorial services required for above standard levels of operations, as well as administrative support costs associated with providing the service.