

# Summary of Performance and Financial Information

# **GSA Mission and Goals**

The U.S. General Services Administration (GSA) mission of providing value to both the American taxpayer and the agencies of the federal government is more important than ever before. That is why over the past year, GSA has taken significant steps towards transforming into a recognized leader in effective and efficient public service.

To realize this goal, GSA conducted rigorous top to bottom reviews to examine how we can best fulfill our mission in the future. As part of this process, we conducted interviews and meetings with agency employees, both one-on-one and with the leadership of the two dozen major operating units within GSA to discuss strategy, operations, and human capital. We also looked beyond the federal government and met with business leaders in procurement and real estate to identify best practices from comparable private-sector business models. At the same time, we performed exhaustive analysis of financial and performance data within the agency, as well as careful studies of Inspector General and GAO reports. Finally, we held more than a dozen meetings with other federal agencies to solicit their feedback in order to identify areas where GSA can provide greater savings. As a result of this comprehensive review, GSA has instituted numerous changes and improvements to ensure that we are meeting our responsibilities to the American people and to other federal agencies.

We are already seeing results. Our clarified guidelines and oversight for travel and conferences have saved more than \$11 million in taxpayer funds. At the same time, we have instituted mandatory training to ensure that every GSA employee is aware of what is and is not acceptable at conferences. GSA is also freezing the current federal per diem travel reimbursement rates, keeping FY 2013 reimbursement rates at FY 2012 levels. This step will result in an anticipated \$20 million in avoided costs in FY 2013, helping to meet the administration's directives to reduce Governmentwide travel costs.

GSA connects with the public through social media technologies that enhance communication, collaboration, and information exchange. By openly sharing knowledge, best practices, and lessons learned; GSA provides more effective solutions to enhance excellence in the business of government. Connect with GSA on Facebook.com/gsa, Youtube.com/usgsa, and Twitter.com/usgsa.

Find more information about GSA in the FY 2012 Agency Financial Report (AFR), available at GSA.gov/afr2012.

# **GSA Performance**

In FY 2012, GSA had three strategic goals: GSA will be an innovation engine for the government; GSA will seek an intimate understanding of and resonance with its customers in order to serve with integrity, creativity, and responsibility; and GSA strives for performance excellence, continuous improvement, and the elimination of waste in all of its operations.

In FY 2011, GSA updated its three agency priority goals: Green the Federal Supply Chain, Open Government and Transparency, and Excellence in Solutions Delivery through Customer Portfolio Planning.

These goals identify short-term outcomes that are meaningful to the public and demonstrate progress toward achieving the GSA strategic goals. Each GSA agency priority goal aligns with a GSA strategic goal: Innovation is supported by the Green the Federal Supply Chain goal; Customer Intimacy objectives are reported in the Open Government and Transparency goal; and success in Operational Excellence will be measured, in part, by GSA performance against its goal of Excellence in Solutions Delivery through Customer Portfolio Planning.

#### **Innovation**

## **Green the Federal Supply Chain**

Federal Acquisition Service (FAS) has committed to the sustainability of the federal supply chain by increasing the sale of green products and service offerings to five percent of total business volume, and increasing the availability of green products and service offerings by 10 percent, relative to its total inventory by September 30, 2013.

In FY 2012, the sale of green offerings accounted for 6.9 percent of total business volume. This is an increase of 3.7 percent over FY 2011. In addition, GSA's target for green product availability as a percentage of total inventory is 2.84 percent. In FY 2012, the total green product availability as a percentage of total inventory was 2.23 percent.

In FY 2013, GSA will continue to identify additional sustainable product and service offerings and use focused communications to educate federal agencies about available green products and services and where they can be purchased.

### **Customer Intimacy**

## **Open Government and Transparency**

GSA has developed expertise in delivering government information and services directly to citizens and helping other federal agencies improve their interactions with the public. GSA is using its strength in this area to improve the effectiveness of government by helping other agencies improve their interactions with citizens, engage citizens in government, and increase transparency in government.

The Office of Citizen Services and Innovative Technologies (OCSIT) will drive greater transparency and openness in government by developing at least 10 new, innovative, and cost-effective technology-enabled solutions that improve government effectiveness and lead to Governmentwide cost savings by September 30, 2013.

In FY 2012, OCSIT developed the following five innovative solutions:

 The Federal Risk and Authorization Management Program (FedRAMP), provides federal agencies a mandatory, standardized approach to cloud computing security assessment and a repository of security assessment packages that agencies can leverage to issue Authorities to Operate (ATOs). Through the use of FedRAMP, federal agencies save significant cost, time, and staff that would be required to conduct redundant security assessments.

- Data.gov Open Government Platform (OGPL), provides an open source product that developing nations, cities, and governments at any level, can use to quickly launch their own open government platforms at lower costs.
- BusinessUSA provides a one-stop, web-based platform to support the development and expansion of small and medium sized businesses in an effort to facilitate U.S. exports and grow jobs.
- The Federal Infrastructure Projects Dashboard for the Permitting Process provides a central website that increases visibility on the permitting process for high priority infrastructure projects.
- The Social Media Registry provides a central, authoritative registry of authentic government social media accounts, enabling the public to easily differentiate legitimate government social media accounts from those that are fraudulent.

## **Operational Excellence**

#### **Excellence in Solutions Delivery through Customer Portfolio Planning**

As the government's expert in real estate, GSA will continue an effort to manage agency real estate portfolio needs in a cost-effective and environmentally sustainable manner. GSA will complete Customer Portfolio Plans (CPPs) with nine agencies by September 30, 2013. These CPPs identify opportunities to optimize their real estate portfolios by reducing space, improving utilization, and leveraging market opportunities to reduce costs.

In addition to the three CPPs completed in FY 2011, which identified millions of dollars in potential savings, GSA completed an additional three CPPs in FY 2012. GSA is currently implementing many of the projects outlined in those CPPs. In FY 2013, GSA will partner with three additional agencies and produce CPPs. GSA will also continue to monitor the performance of CPP projects that have been implemented and prioritize the implementation of remaining opportunities.

For more information about GSA's FY 2012 performance, see the Performance Section of the FY 2012 AFR, at GSA.gov/afr2012.

# **GSA Financial Results**

KPMG LLP issued an unqualified (clean) opinion on GSA's FY 2012 financial statements. GSA's financial statements and the audit opinion results demonstrate the agency's commitment to accountability and integrity in financial management.

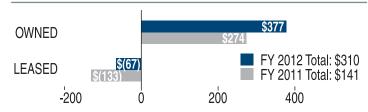
#### **Federal Buildings Fund**

The Federal Buildings Fund (FBF) is the primary fund of the Public Buildings Service (PBS). PBS provides workplaces for federal agencies and their employees. The FBF is primarily supported by rent paid to GSA from other federal entities. It also operates a Reimbursable Work Authorization program that provides alterations and lease improvements above those in the agencies' base rental agreements.

In FY 2012, FBF gross revenue was \$11.5 billion. Revenues and expenses in FBF come primarily from building operations and rent. Net revenues from operations are used to invest in major repairs and alterations to

federal buildings and to partially offset the costs of constructing new federal buildings. FBF reported net revenue of \$310 million. Overall net revenues increased by \$169 million, from \$141 million in FY 2011. This was due to a \$103 million increase in net revenue from owned building operations and a \$66 million decrease in the net cost of leased building operations.

# **FBF Net Revenues from Operations**



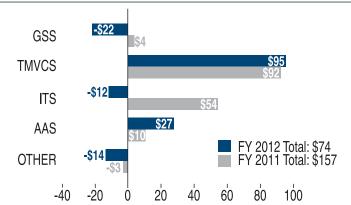
In the FBF, obligations are primarily the value of contracts awarded to commercial vendors for the construction of new federal buildings, for repairs, cleaning, utilities, and other maintenance of GSA-owned federal buildings; and lease and related payments to commercial landlords for space leased by GSA for federal agencies. FBF Obligations Incurred decreased by more than \$450 million between FY 2011 and FY 2012. This significant reduction is the direct result of the depletion of Recovery Act and Reinvestment Act resources and reduced ordering as the initiation of projects is winding down.

## **Acquisition Services Fund**

The Acquisition Services Fund (ASF) is a revolving fund that operates on the revenue generated from its business and is the primary fund of GSA's Federal Acquisition Service (FAS). FAS consolidates common requirements from multiple federal agencies and uses its negotiating expertise to acquire products and services at better prices and terms than agencies could obtain individually.

In FY 2012, ASF realized \$9.8 billion in revenues. Revenues and expenses in ASF come primarily from the sale of goods and services and the respective costs associated with them. Net revenues from Operations are used to invest in the GSA Fleet, information systems, other investments necessary to improve FAS service levels, and to comply with regulatory and statutory requirements. ASF reported net revenues of \$74 million during FY 2012, which is \$83 million less than FY 2011 net revenue of \$157 million. The decrease in net

**ASF Net Revenues from Operations** 



Financial Section of the FY 2012 AFR at: GSA.gov/afr2012.

revenue was primarily attributed to a \$66 million decrease in the Integrated Technology Services (ITS) Program.

ASF obligations and outlays are primarily driven by contracts awarded to commercial vendors who provide goods and services to federal agencies. Obligations incurred decreased by more than \$450 million between FY 2011 to FY 2012. The decrease is primarily attributable to lower business volume in the General Supplies and Services (GSS) portfolio. Outlays and Offsetting Collections both increased.

For more information about GSA's FY 2012 financial results, please visit the

# **Management Challenges Facing GSA**

Each year, GSA's Office of the Inspector General produces a report on "GSA's Major Management Challenges." Here are highlights of those management challenges:

**Consolidation of Central Office Personnel to 1800 F Street NW** - GSA faces the challenge of successfully bringing the majority of its functions in the Washington, D.C., area under one roof in FY 2013. GSA is looking at innovative ways to provide workspace to accommodate all employees concurrently.

**Acquisition Programs** - The GSA Schedules Program also referred to as Multiple Award Schedule and Federal Supply Schedule remain GSA's largest procurement programs. As a result of its large size, effectively negotiating contractor's best prices, enforcing contract compliance, and managing workload will be a challenge for GSA. Additionally, there are several issues with the proposed changes to the General Services Administration Acquisition Manual.

**Organizational Structure** – GSA is rebuilding, restructuring its organizations, and reassessing the agency's current controls and systems. The Acting Administrator has initiated a comprehensive Top to Bottom review of the agency and its operations. The Acting Administrator has already centralized FAS and PBS regional budget and financial management under the Chief Financial Officer.

**Protection of Federal Facilities, Personnel, and Information** – GSA continues to provide employees and visitors with secure environments, increased risks of unauthorized access and terrorism have expanded the range of vulnerabilities traditionally faced by building operations personnel. GSA is in the process of combining enterprise-wide physical security, HSPD5-12, and emergency management responsibilities within the Office of Emergency Response and Recovery. This alignment will enhance the agency's capacity to fulfill its missions, including those directed by HSPD-7 relating to critical infrastructure.

American Recovery and Reinvestment Act of 2009 - GSA's implementation of the Recovery Act will continue to challenge the agency. GSA has been challenged by the Recovery Act from the beginning. The increased workload from the Recovery Act was a major challenge for GSA's workforce. Although many of the projects will be completed in the near future, obtaining funding for phased projects, managing project changes, and tracking the results of High-Performance Green Building projects remain challenges for GSA.

**Financial Reporting** - In partnership with the Office of the Chief Information Officer, the Office of the Chief Financial Officer works to promote the reliability of budgetary and financial information. GSA is also considering taking an agency-wide approach to acquisition systems. FAS is developing a comprehensive acquisition system for itself and PBS has partnered with FAS to address PBS's requirements for its current system development.

**Information Technology** - The Office of the Chief Information Officer developed an IT Strategic Business Plan covering FY 2012 through FY 2015 to enable the planning, decision-making, acquisition, and execution of IT services by individual services, staff offices, and business-level program areas. The plan is intended to guide GSA IT investment decisions and communicate long-term goals and objectives. GSA updated its IT security policy and several IT security guides, as well as developed guides for securing a new cloud platform and implementing security controls. GSA also issued an Instructional Letter on procurement, deployment, and appropriate use of mobile device applications.