

General Services Administration

Annual Performance Report

Fiscal Year 2001

Prepared by the Office of the Chief Financial Officer

**U.S. GENERAL SERVICES ADMINISTRATION
FY 2001 PERFORMANCE REPORT**

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GSA FY 2001 ANNUAL PERFORMANCE REPORT

I. Introduction

The mission of GSA is strategically important to providing good government service to the American people by helping federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies. GSA is the central management policy agency of the federal government responsible for regulating administrative services other than information technology, personnel, and financial management. The administrative services under GSA's regulatory purview include the management of real and personal property, travel and transportation, motor vehicles and aircraft, and mail. GSA is also a significant provider of procurement and property management services to other Federal agencies.

The GSA organization includes three major units that provide property management and procurement services to Federal agencies: the GSA Public Buildings Service (PBS), the GSA Federal Supply Service (FSS) and the GSA Federal Technology Service (FTS), and one unit providing management policy development, the GSA Office of Governmentwide Policy (OGP). GSA provides PBS, FSS and FTS services through the coordinated efforts of eleven regional offices and its central office in Washington D.C.

During FY 2001, the General Services Administration took steps to create a successful future at the agency. We began by reexamining GSA's mission, values and goals. After considerable discussion by GSA stakeholders, beginning with the administrative leadership and cascading down to every associate, we reassessed our purpose. New mission values and goals statements emerged from these discussions and were adopted by the agency. The fruits of this effort do not appear in this performance report, which focuses on performance goals that were in place at the start of the year. Nevertheless, the establishment of a new mission, values and goals, and the new emphasis on performance, speaks well for the future success of the agency.

This document, the General Services Administration's Annual Performance Report for FY 2001, is part of the Agency's overall implementation of the Government Performance and Results Act of 1993 (GPRA or the Results Act). The Chief Financial Officers Act and the Reports Consolidation Act also impact the drafting of this report. In the preparation, we have benefited from the insights of the General Accounting Office and the GSA Inspector General.

This report provides detailed information on how GSA performed against its performance goals for FY 2001. Overall approximately 62 of 79 or 78 % were met or exceeded. Certainly we are proud of this record. But we recognize that we can and must do better. The material that follows discusses our failures as well as our successes. Where we have fallen short we explain what future actions we will undertake to improve future results.

Performance Highlights for Key Performance Measures

To accomplish its mission GSA established five strategic goals for FY 2001. The FY 2001 goals were as follows.

- Goal 1: Promote Responsible Asset Management
- Goal 2: Compete Effectively for the Federal Market
- Goal 3: Excel at Customer Service
- Goal 4: Meet Federal Social and Environmental Objectives
- Goal 5: Anticipate Future Workforce Needs

To properly gauge its accomplishments in achieving its mission eleven measures were selected as the key to successful performance. The following table includes those key measures. A discussion of the measures follows.

Key Performance Measures

	FY00 Actual	FY01 Actual	FY01 Goal
Goal 1: Promote Responsible Asset Management			
1. Generate a capital investment contribution of 2.5-4.5 percent of the functional replacement value (FRV) of the PBS owned inventory. (PBS)	3.7%*	3.5%	3.1%
2. Reduce the amount of non-revenue producing space in the PBS Government-owned inventory from 13 percent in FY 2000 to 12 percent in FY 2001. (PBS)	12.2%	11.8%	12.0%
3. Maintain PBS building operations costs in office and office-like space to 12 percent below private sector benchmarks. (PBS)	17%	16%	12%
4. Reduce costs while expanding FSS supply and procurement support to Federal agencies, thereby reducing the cost per \$100 sales by over 6 percent. (FSS)	\$2.35	\$2.36	\$2.37**
Goal 2: Compete Effectively for the Federal Market			
5. Provide quality FTS products and services at competitive prices and achieve significant savings for Federal agencies by reducing the monthly average line rate. (FTS)	\$19	\$18	\$17
Goal 3: Excel at Customer Service***			
6. Improve overall PBS customer satisfaction with GSA-owned space to an overall 82 percent in FY 2001 and FY 2002. (PBS)	81%*	86%	82%
7. Achieve a customer satisfaction rating in all PBS leases of 82 percent with 86 percent or higher in newly leased space in FY 2001 and FY 2002. (PBS)	80%	85%	82%
8. Increase customer satisfaction with FSS supply and procurement programs. (FSS)	72%	75%	72%
9. Be customer centric – reduce FTS acquisition cycle times (number of days from quote to award). (FTS)	11	7	10
Goal 4: Meet Federal Social and Environmental Objectives			
10. Promote socioeconomic goals by increasing the proportion of dollars awarded to small and small-disadvantaged businesses. (GSA)	N/A	38%****	38%
Goal 5: Anticipate Future Workforce Needs			
11. Increase the number of FSS products and services available to Federal customers via electronic systems and Internet connectivity. (FSS)	35%	77%	95%

* Revised from FY 2000

** Target of \$2.37 was appropriate since FY 2001 was a period of transition as supply and procurement were split into separate business lines

*** In the past, FTS has obtained information from customers through personal visits, focus groups, telephone interviews, surveys, and other methods. The objective is to better understand customers' needs, their levels of satisfaction with FTS services and products and FTS representatives, and why they do business with FTS competitors. Past survey efforts consisted of professional surveys specifically tailored to our IT Solutions and Network Services business lines and various programs. FTS had planned to utilize this same survey effort during FTS 2001; however, FTS decided to discontinue the use of the types of surveys that it has done in the past. FTS has worked with GSA management to significantly improve its performance goals and associated measures to more accurately reflect the vision of FTS and GSA leadership. The new FTS measures provide a focus that will assist FTS in guiding the organization toward achievement of the FTS and GSA vision. This vision will be clarified through the FTS Blueprint Project, and it will include professionally developed and administered customer survey efforts as part of this effort.

**** Confirmation data from the Small Business Administration not yet available.

Discussion of Key Performance Measures for FY 2001

GSA's key performance measures are in the areas of cost control, customer satisfaction, meeting socioeconomic responsibilities, and E-Government. The differences in GSA's services, PBS, FSS, and FTS, and their own broad mandates make it necessary to look at a variety of measures to ascertain the agency's overall performance results. The measures are as follows.

1. PBS exceeded its Contribution to the capital investment goal of 3.1% of the Functional Replacement Value (FRV) of the owned inventory by generating 3.5% of the FRV.
2. Non-revenue-producing Government-owned space was reduced from 12.2% in FY 2000 to 11.8% in FY 2001. Over the same period, PBS reduced non-revenue-producing leased space from approximately 3.3% to 2.7%.
3. PBS increased its average operating costs per rentable square foot of office space to \$4.39 in FY 2001, but is still 16% below comparable private sector costs. This exceeded the annual performance goal of being 12% below private costs. PBS will attempt to increase spending on operating costs as budget conditions allow to provide a higher quality workspace in its effort to improve customer satisfaction needed to develop a high-performing workforce, as outlined in the President's Management Agenda.
4. FSS worked to increase customer use of its programs to maximize service to Federal agencies and enhance taxpayer return on investment. In FY 2001, the volume of supply and procurement purchases was \$17.9 billion—a significant increase from \$16.3 billion in FY 2000. FSS also strives to reduce costs while expanding supply and procurement support to Federal agencies.
5. The cost per line is the traditional means of measuring the local telecommunications services program. The FTS regional telecommunications program continues to reduce the average monthly local line rate, decreasing the rate to \$18 in FY 2001 from the FY 2000 rate of \$19. In FY 1998 FTS began to proceed with its planned Metropolitan Area Acquisition (MAA) program; this has enabled our customers to take advantage of competition in major local markets to achieve an immediate price reduction for local telecommunications services.
6. PBS exceeded its customer satisfaction target of 82% in GSA-owned space, getting 86% in FY 2001.
7. PBS exceeded its customer satisfaction target of 82% in all PBS leases, achieving 85% in FY 2001. Part of the increased customer satisfaction was due to using focus groups, at the building level, to better understand what is needed to improve customer satisfaction.
8. FSS surpassed its customer satisfaction target of 72 %, achieving 75%. FSS customers are able to choose the level of service and level of procurement responsibility right for the acquisition of supplies at any given time.
9. The average number of days to award task and delivery orders over \$2,500 from request for quotation to award was 7 days for FTS, which is faster than the goal of 10 days.
10. GSA actively promotes the Government's socioeconomic goals by reaching out to the small business community to increase its participation in Government contracting. In FY 2001, GSA awarded 38% of contract dollars to small and small disadvantaged business. This key measure represents the achievement of all three of the services.
11. FSS has significantly increased the number of services and products available to federal customers through the Internet. The total number of products and services available online has increased to 2.4 million in 2001, representing a 45% increase over FY 2000. Through a concerted effort in fiscal year 2001, the number of contracts on GSA Advantage!™ has increased to 7100.

Data Validation and Verification

The need to demonstrate that performance measures are backed up with accurate, reliable data is vital not only to GPRA plans and reports and financial statements, but equally importantly to support management decisions on a day-to-day basis.

GSA uses a broad range of performance goals. Accordingly, the data and the means to validate and verify the measures is similarly diverse. This discussion will address general themes only. The specific explanations for validation and verification for individual measures is shown in the discussion of individual performance goals.

Annual Report

The GSA Annual Report for FY 2001 also known as the "Accountability Report" or the "Financial Report" was issued on February 27, 2002. In accordance with the Reports Consolidation Act and other requirements, this report uses essentially the same performance measures as are used in the GPRA Performance Plan and the GPRA Annual Performance Report.

The GSA Administrator made the following statement with regard to the completeness and reliability of the financial and performance data used in the Annual Report:

The financial data used in the report are complete and reliable. I base this assessment on the unbroken series of 14 unqualified opinions GSA has received on its financial statements . . .

The performance data used in this report are generally complete and reliable. However, in conformance with recommendations made by the Office of the Inspector General, improvements are underway to increase our confidence in the data. Briefly, we are taking the following actions:

We are reviewing the procedures used to collect performance data and the basis on which an assertion of validity can be made at the program activity level. In some cases this review may lead to an enhancement of the written documentation for the procedures or systems being used. Similarly, there must be current, clear designations of responsibility for data collection and review.

One of the areas identified as non-material weaknesses in the past involved the STAR system in the Public Buildings Service. STAR is a source of both financial and performance data. Improvements to the STAR system will have a favorable impact on the completeness and reliability of both financial and performance data.

Controls and Procedures

GSA's performance measurement data can be divided into five types. The controls and procedures used to validate and verify each type is briefly discussed.

1. Financial data. GSA has a high degree of confidence in our financial data, however, the agency faces a number of security issues related to the control of existing systems.
2. Data from Large Computer Systems. GSA has undertaken an extensive process of systems certification to ensure that our computer systems operate as intended. Data quality is also maintained through ongoing training.
3. Data from Manual or Small Computer Systems. For these systems we stress confirmation so that more than one person is responsible for data. Written policy and procedures are very important in this area.
4. Benchmark Data from External Sources. Where there is a close correspondence between a GSA activity and a private sector counterpart, we use external data as a benchmark. When we do this we strive to find highly reputable sources of data that are recognized as an industry standard.

5. Data Obtained under Contract. GSA often contracts with outside polling firms, such as the Gallup Organization, to develop customer satisfaction or other survey data. Use of an outside contractor can make customers more eager to participate and add credibility to the results. In using such data, we always deal with reputable firms that are leaders in the industry. Our contract provisions require that sound practices be followed and we follow-up to make sure we can have confidence in the results. All of these firms have their own validation and verification procedures.

II. GSA Annual Report Matrix

The following matrix is also part of the GSA Annual Report for FY 2001, also known as the “Accountability Report”. In accordance with the Reports Consolidation Act and other requirements. The Annual Report uses essentially the same performance measures as are used in the GPRA Annual Performance Report.

FY 2001 GSA Performance Against Performance Goals

This chart provides GSA’s performance goals and measures—the baseline performance in FY 2000, the FY 2001 target and the actual performance in FY 2001 against the target for the year. The following symbols are provided as a quick indicator of performance on each goal.

↑ indicates that GSA’s performance exceeded target

✓ indicates that GSA met the target

↓ indicates that GSA did not meet the target

N/A indicates that GSA’s performance against that goal could not be measured, either because a target had not been established or because measurement had not been completed.

In some cases, goals, measures, baselines or targets have been revised since the GSA FY 2000/2001 Performance Plan was adopted. The performance measures reported in the Annual Accountability Report are consistent with the results reported in the GSA Annual Performance Report for FY 2001, which are summarized here. The full text of this report will be submitted to Congress in a separate document. Note that the key performance measure for increasing proportion of dollars awarded to small and small-disadvantaged businesses is not reflected as it is representative of the combined efforts of all the services.

GSA Public Buildings Service

Performance Goals	Performance Measures	FY 2000 Actual	FY 2001 Actual	FY 2001 Target	FY 2001 Performance vs. Target
Revenue And Investment					
Generate a capital investment contribution of 2.5-4.5 percent of the functional replacement value (FRV) of the owned inventory.	Contribution to capital as a percent of FRV	3.7%*	3.5%	3.1%	✓
Reduce the amount of non-revenue producing space in the Government-owned inventory from 13 percent in FY 2000 to 12 percent in FY 2001	Percent of Government-owned inventory not producing revenue	12.2%	11.8%	12.0%	↑
Maintain the amount of non-revenue producing space in the leased inventory at 3.0 percent in FY 2001 and FY2002	Percent of non-revenue producing leased space	3.3%	2.7%	3.0%	↑
Real Property Operations					
Maintain building operations costs in office and office-like space to 12 percent below private sector benchmarks	Percent difference between GSA's operating cost per square foot and the private sector costs	17%	16%	12% below	↑
Reduce indirect costs as a percentage of revenue	Indirect costs as a percent of revenue	10.2%	10.5%	10.1%	↓
Improve overall customer satisfaction to an overall 82 percent in FY 2001 and FY 2002	Percent of tenants that rate GSA-owned space as satisfactory or better	81%*	86%	82%	↑
Improve to an overall 85 percent customer satisfaction level with security	Percent of tenants that rate GSA's protective services satisfactory or better	84%	83%	85%	↓
For FY 2002, realize an annual reduction of 2.5 percent in the Regional Threat Composite Index from the baseline established at the start of FY 2002	Reduction in the Regional Threat Composite Index	N/A	26%	2.5%	↑
Improve energy reduction from 22 percent below the FY1985 baseline in FY2001 to 24 percent below in FY2002	Percent reduction from FY1985 baseline	20%	18.4%	22%	↓
Leasing Operations					
Keep the cost for new GSA leased office space under the average for each of the four aggregate market ranges we track in FY2002	Cost for leased space for each of the four aggregate markets	N/A	Below industry average	Below industry average	✓
Reduce the loss on operating leases	Loss on operating leases	\$66.2 million	57.2 million	\$46.2 million	↓
Achieve a customer satisfaction rating in all leases of 82 percent with 86 percent or higher in newly leased space	Percent of tenants that rate leased space and services as satisfactory or better	80%	85%	82%	↑
		85%	88%	86%	↑

Construction And Acquisition					
Improve the percentage of construction projects completed on schedule from target of 60 percent in FY2001 to target of 65 percent in FY2002	Percent of construction projects completed on schedule (weighted by cost)	46%	75%	60%	↑
Reduce the cost escalation rate for new construction projects to 1 percent	Total cost of construction projects over \$10 million projects completed as a percent of original appropriation	5.7%	2.3%	1%	↓
Maintain targeted 90 percent customer satisfaction rating in newly constructed buildings	Percent of satisfied customers	86%	89%	90%	↓
Repairs And Alterations					
Improve the percent of repair and alterations projects completed on schedule from the targeted 78 percent in FY2001 to a target of 82 percent in FY2002	Percent of total dollars of R&A projects over \$10 million completed on schedule	80%	80%	78%	↑
Maintain the cost escalation rate for repairs and alterations projects at 1 percent	Total cost for R&A projects over \$10 million completed as a percent of original appropriation	1%	0%	1%	↑
Property Disposal					
Improve annual cycle time to 335 days for property subject to the Property Act of 1949	Cycle time in days	N/A	174 days	335 days	↑
Improve the dollar returned to dollar spent ratio from a target of \$16:1 in FY2001 to a target of \$17:1 in FY2002	Ratio of dollar returned to dollar spent	16:1	18:1	16:1	↑

GSA Federal Supply Service

Performance Goal	Performance Measure	FY 2000 Actual	FY 2001 Actual	FY 2001 Target	FY 2001 Performance vs. Target
Supply And Procurement					
Reducing costs while expanding supply and procurement support to Federal agencies, thereby reducing the cost per \$100 sales by over 6 percent	Cost per \$100 sales	\$2.35	\$2.36	\$2.37**	↑
Increase Federal agencies' use of GSA sources of supply by 7 percent over original target for FY 2001 by providing additional products and services and by making it easier to access them	Dollar volume of GSA supply and procurement programs	\$16.3 billion	\$17.9 billion	\$16.4 billion	↑
Promote socioeconomic goals by maintaining the current proportion of Schedules contracts awarded to small businesses	Percent of Schedule contracts awarded to small business	77%	78.1%	77%	↑
Increase customer satisfaction with supply and procurement programs	Percent of responses in the "highly satisfied" category	72%	75%	72%	↑

Performance Goal	Performance Measure	FY 2000 Actual	FY 2001 Actual	FY 2001 Target	FY 2001 Performance vs. Target
Increase the number of products and services available to Federal customers via electronic systems and Internet connectivity	Percent of Schedule contracts accessible through GSA <i>Advantage!</i> TM	35%	77.1%	95%	↓
Vehicle Acquisition And Leasing					
Achieve an average 20 percent savings over commercial "Black Book" prices on compact sedans	Percent saved compared to "Black Book" price	27%	20%	20%	✓
Save taxpayers money by consolidating additional vehicles into GSA's fleet	Savings through vehicle consolidation	\$4.1 million	\$3.9 million	\$3.7million	↑
Hold annual increases in the cost per mile for GSA Fleet operations at or below the weighted Industry inflation rate	Increase in overall cost-per-mile	8.6% CPM vs. 9.48% Inflation	6.14% CPM vs. 5.83% Inflation	3.1% CPM vs. 3.1% Inflation	↓
Increase GSA's share of Federal fleet	Percent of Federal fleet operated by GSA	46%	49.5%	47%	↑
Meet or exceed customer expectations	Percent of respondents giving a "highly satisfied" rating	N/A	N/A	79%	N/A
Fill 100 percent of requests for alternative fuel vehicles	Percent of requests filled	100%	100%	100%	✓
Travel And Transportation					
Achieve significant savings on Federal travel as compared with commercial prices	Savings on Government travel as a percent of the total commercial value of the same travel	70%	70%	65%	↑
Reduce Government's transportation costs by recovering or avoiding excess charges through pre- and post-payment audits of freight and transportation charges	Increase cost avoidance due to pre-payment audits	\$4 million	\$13 million	\$5 million	↑
	Decrease collections from post-payment audits	\$19 million	\$13.6 million	\$13 million	↓
Achieve significant savings of 45 – 52 percent compared to commercial rates for shipment of freight and household goods, and for small package express delivery services	Percent savings from commercial rates: Freight	46%	46%	46%	✓
	Household Goods	52%	54%	52%	↑
	Small package express	45%	45%	45%	✓
Increase customer satisfaction with FSS transportation programs	Percent highly satisfied: Freight	67%	84%	69%	↑
	Household Goods	88%	83%	88%	↓
	Small package express	59%	N/A	61%	N/A
Increase the percentage of audits performed electronically	Percent of audits performed electronically	40%	50%	50%	✓

Personal Property Management					
Maximize cost avoidance through reutilization and donation of excess Federal personal property	New expenditures avoided through reutilization and donations of excess personal property	\$3.2 billion	\$1.6 billion	\$1.6 billion	✓
Control costs while effectively performing utilization, donation and sales services	Dollar volume of Utilization/Donation transfers per FTE	\$30.2 million	\$16.4 million	\$15.2 million	↑
	Sales proceeds per FTE	\$1.49 million	\$0.81 million	\$0.62 million	↑
Increase customer satisfaction with Personal Property Management services	Percent of respondents who report being "highly satisfied"	68%	72%	68%	↑

GSA Federal Technology Service

Performance Goals	Performance Measures	FY 2000 Actual	FY 2001 Actual	FY 2001 Target	FY 2001 Performance vs.Target
IT Solutions And Network Services					
Assist Federal agencies in achieving significant savings by providing high quality products and services at competitive prices that the demand for IT Solutions increases our overall business volume thereby resulting in a larger share of the Federal market	Total business volume as a percent of the Federal IT market	14%	15%	15%	✓
Maintain an employee-centric environment where employees thrive	Percentage of FTS associates satisfied or very satisfied with FTS internal communications	74%	N/A	72%	N/A
Be customer centric – reduce acquisition cycle times	Average calendar days to award task and delivery orders over \$2,500	Quote to Award 11	Quote to Award 7	Quote to Award 10	↑
		Notice to Proceed N/A	Notice to Proceed 31	Notice to Proceed 15	↓
Achieve and maintain an appropriate level of full cost recovery to maximize service to Federal agencies and affect the greatest advantage to the Government	Cover FTS costs, excluding reserve use and those costs not recovered from the rates	\$13 million	\$19 million	0	✓
Be customer centric—increase customer satisfaction with FTS representatives and products/services	Percent of customers indicating satisfaction with FTS reps and programs, products, and services in annual FTS surveys	76%	N/A***	77%	N/A

Performance Goals	Performance Measures	FY 2000 Actual	FY 2001 Actual	FY 2001 Target	FY 2001 Performance vs. Target
Increase the number of industry partnerships by making available new sources that can provide state-of-the-art equipment and workplace environments to meet the needs of the mobile Federal worker	Number of agency partnerships:				
	FTS Contracts	177	296	186	↑
	Schedules	293	306	308	↓
	Other	7	4	7	↓
	GWACS	31	44	33	↑
It Solutions & Network Services					
Achieve and maintain an appropriate level of procurements with small business as a percent of prime contracts	Percent of procurements with small business as compared to total contracts	36%	29%	26%	↑
Network Services					
Provide quality products and services at competitive prices and achieve significant savings for Federal agencies by reducing long distance prices	Outbound switched voice rates—rates per minute	4.70 cents	3.00 cents	3.51 cents	↑
Provide quality products and services at competitive prices and achieve significant savings for Federal agencies by reducing the average monthly line rate	Average monthly line rate	\$19	\$18	\$17	↓

GSA Office of Governmentwide Policy

Performance Goals	Performance Measures	FY 2000 Actual	FY 2001 Actual	FY 2001 Target	FY 2001 Performance vs. Target
Governmentwide Policy					
Organize, lead and collaborate with Federal agencies through interagency working groups to implement Federal laws and Executive Orders and address Government-wide issues	Number of areas with OGP supported interagency committees	12 of 12	12 of 12	12 of 12	✓
Maintain up-to-date policies and guidelines for those areas within OGP's responsibility	Percent of planned regulatory changes completed	93%	100%	100%	✓
Ensure that all OGP employees have the necessary knowledge and skills to support the organization's mission	Percent of employees at basic level or higher in critical competency areas	N/A	N/A	N/A	N/A
Identify and publish best practices for those areas within OGP's responsibility	Number of initiatives that promote improved management	42	45	49	↓
	Number of agencies participating in pilots or applying leading practices	161	295	237	↑
Develop and promote performance measurement	Number of areas with performance	11 of 12	12 of 12	12 of 12	✓

Performance Goals	Performance Measures	FY 2000 Actual	FY 2001 Actual	FY 2001 Target	FY 2001 Performance vs. Target
systems for Government-wide use	measurement systems Number of Federal entities using performance measures	N/A	218	203	↑
Encourage innovation and increase employee satisfaction with OGP-wide communications, cooperation, and information assets	Employee satisfaction with the quality of work life in OGP	N/A	46%	N/A	N/A
Improve accessibility to shared databases and information on best practices and policies for Government, industry and the public's use	Number of information systems accessible via the Internet	9 of 9	9 of 9	9 of 9	✓
Develop partnerships to share resources	Number of partners contributing resources to support OGP initiatives	60	171	78	↑
	Dollars from outside OGP supporting OGP initiatives	\$3.1 million	\$8.5 million	\$6.0 million	↑
Improve customer satisfaction	Customer satisfaction with OGP's services	N/A	82%	N/A	
Establish policies, standards and best practices to help develop an interoperable, single face for Government electronic business transactions	Number of solutions and best practices	4	27	5	↑
	Number of Government-wide guidelines	3	12	5	↑
	Number of interoperability standards	5	5	5	✓
	Number of information sharing initiatives	5	11	7	↑
Provide a centralized source of information on IT products that have been tested by users with disabilities pursuant to the accessibility standard mandated by Section 508 of the Workforce Investment Act	Number of EI&T classes with acceptable protocols	N/A	0	3	↓
Assist Federal agencies where the products, services and infrastructure have not been implemented to meet the needs of persons with disabilities for a barrier-free IT environment	Number of projects that meet their goals	N/A	8	8	✓
Governmentwide Improvement Initiatives					
Establish and maintain a core curriculum of classroom and Internet-based courses and increase the number of training instances	New Internet courses developed	2	10	4	↑
	Number of training instances. (A training instance is defined as one person completing one course session)	2,800	32,487	20,000	↑
Improve the professional skills of agencies' present and future IT leaders	Numbers of Federal IT professionals in IT leadership programs:				
	Students enrolled in "1,000 by 2,000"	1038	1062	1,000	↑
	Students completing Trail Boss seminars	110	N/A	N/A	N/A
	Participants at IRMCO	414	450	350	↑

Performance Goals	Performance Measures	FY 2000 Actual	FY 2001 Actual	FY 2001 Target	FY 2001 Performance vs. Target
	Number of participants in STAR CIO University participants	51 40	111 103	60 100	↑ ↑
Provide a "single point of entry" for industry to find opportunities to do business with the Federal government	Number of agencies using Electronic Posting System (<i>FedBizOpps</i>)	19	40	40	✓
Provide a prototype Federal gateway to the Internet to make Government information more accessible to the public	Number of web sites linked to by the search database	1000	22,000	2,000	↑

GSA Office of Childcare

Performance Goals	Performance Measures	FY 2000 Actual	FY 2001 Actual	FY 2001 Target	FY 2001 Performance vs. Target
Maintain/increase enrollment from Federal families of 50% of the total nationwide	Number of children from Federal families as compared to the total	50%	50%	50%	✓
Increase percent accreditation of all eligible GSA child care centers	Percent of eligible childcare centers accredited	88%	80%	85%	↓
Increase the magnitude and quality of the outreach of Federal consumer information through the effective delivery of services to other Federal agencies, the print and broadcast media, and the public	Publications distributed	N/A	N/A	6 million	N/A
	Accesses of FCIC electronic products	N/A	N/A	10 million	N/A

* Revised from FY 2000

** Target of \$2.37 was appropriate since FY 2001 was a period of transition as supply and procurement were split into separate business lines

*** In the past, FTS has obtained information from customers through personal visits, focus groups, telephone interviews, surveys, and other methods. The objective is to better understand customers' needs, their levels of satisfaction with FTS services and products and FTS representatives, and why they do business with FTS competitors. Past survey efforts consisted of professional surveys specifically tailored to our IT Solutions and Network Services business lines and various programs. FTS had planned to utilize this same survey effort during FTS 2001; however, FTS decided to discontinue the use of the types of surveys that it has done in the past. FTS has worked with GSA management to significantly improve its performance goals and associated measures to more accurately reflect the vision of FTS and GSA leadership. The new FTS measures provide a focus that will assist FTS in guiding the organization toward achievement of the FTS and GSA vision. This vision will be clarified through the FTS Blueprint Project, and it will include professionally developed and administered customer survey efforts as part of this effort.

III. Summary of Major Management Challenges by Service

Public Building Service

Maintenance of Aging Buildings

Obtaining the resources to manage the approximately \$5.0 billion backlog of building maintenance and repair work remains GSA's biggest financial challenge. Over 41 percent of the 1700 buildings in the PBS inventory of government-owned buildings are 50 or more years old. Of these buildings, 35 are National Historic Landmarks; 166 are on, or eligible for, the National Register; and 74 buildings are potentially eligible for the National register. In addition, over 150 buildings have not been evaluated for National Register eligibility, but would likely qualify. GSA must preserve these national treasures for future generations. Recently, GAO stated that the Federal Building Fund was not able to generate sufficient revenues to satisfy all repair and alteration needs, nor had Congress appropriated sufficient funds. GSA developed draft legislation that would authorize all agencies to enter into new real property arrangements. However, this legislation would take time to implement if enacted, and GSA is concerned that serious health and safety consequences may occur by delaying or not performing needed repair and alterations in a timely manner. GSA has made a commitment to Congress to institute an overall portfolio strategy.

Real Property Disposal

As part of the overall process of property management, GSA is working to identify and implement strategies and tools that promote appropriate alternative use of property slated for disposal. GSA is part of a three-way partnership with the National Park Service and the United States Coast Guard to dispose of historic lighthouses and light stations using the National Historic Lighthouse Preservations Act of 2000. GSA was also responsible for the successful disposition of the Lorton Correctional Complex in Fairfax County, Virginia this year. GSA had both custodial and disposal responsibility for this site and was able to ensure that the majority of the property will be used for recreation and open space.

Federal Protective Service (FPS)

GSA is vigilant about the safety and security of federal employees and visitors to federal properties. FPS has enhanced training for its security and law enforcement personnel, enhanced standards on security guard contracts, and increased the number of Criminal Investigators and Law Enforcement Security Officers.

As a result of the 1995 bombing at the Murrah building in Oklahoma City and the 2001 terrorist attacks in New York, Pennsylvania, and at the Pentagon, FPS intensified its efforts to protect federal employees and buildings. To aid in federal building threat identification, FPS implemented annual Regional Threat Assessments (RTA). A RTA is a tool that examines various intelligence information and other factors to determine the level of threat to GSA buildings. In addition to increased security GSA has 1) developed building standards for blast protection; 2) developed an evaluation program of construction contractors; 3) conducted 12 construction peer reviews; and 4) the Office of the Chief Architect has completed a report to Congress on window glass fragmentation.

Federal Supply Service (FSS)

Federal agencies want to procure needed goods and services efficiently through customized “virtual stores” designed to reflect their preferences. The challenge is for FSS to offer this customization while satisfying acquisition regulations. In FY 2002, FSS will make this possible by linking the vast array of Multiple Award Schedule contracts through new capabilities in the upgraded GSA *Advantage!*TM procurement system.

FSS initiatives have been designed to take advantage of private sector practices, improve performance, and create a culture that encourages excellence and teamwork. In FY 2002, FSS will enhance its performance management system and cascade corporate measures down to work units. Data verification and validation issues for calculating established measurement targets are the greatest FSS management challenges.

The constant churn and turbulence within the travel and transportation sector is a continuing area of focus for FSS. Commercial transportation and shipping offerings change frequently due to emerging technologies, as well as security concerns, especially in the wake of terrorist activity within the United States. Balancing the management of these concerns with increasing customer demands for convenience and speed is a major challenge. FSS will meet this challenge with online tools and integrated solutions. End-to-end travel solutions will include online authorization and approval, electronic booking, travel agent services, and travel vouchering and payment services. Web-enabled transportation solutions will allow agencies to seamlessly integrate all transportation procurement, payment, and audit functions.

Federal Technology Service (FTS)

The perception that the MAA local telephone program fees are too high constitutes a major management challenge for FTS. As the cost of local telephone service dramatically decreases, FTS fees appears disproportionate to the cost. To attack this problem, FTS plans an independent study to evaluate costs of performing FTS-like activities and plans to initiate a campaign to raise awareness of FTS value. Improving the MAA implementation schedule is also a significant challenge for FTS. FTS will continue to emphasize its cradle-to-grave support that allows agencies to concentrate on core missions. FTS will also increase its dialogue with industry, the Federal Communications Commission and State Public Utilities Commissions.

Office of Governmentwide Policy (OGP)

OGP faces significant challenges in the future. The organization must clear the backlog of current acquisition regulations; gain funding for completion of acquisition tools; and effectively deal with acquisition workforce issues, including succession planning, training and education, and provision of tools. In conjunction with DoD and NASA, OGP plans to reengineer the process by which acquisition regulations are developed. OGP will establish a succession plan for GSA acquisition workforce, identify needed competencies and skills in that workforce, develop training and education to acquire those skills, and measure to determine whether the skills have been acquired and performance has been improved. OGP must also make significant strides to guide agencies toward accepting and using technology to deliver citizen services.

Major Management Challenges of GSA

The GSA Inspector General in concert with the General Accounting Office and the Senate Government Affairs Committee has named the following areas “Major Management Challenges.”

GSA is addressing them in this performance report to provide context to the discussions of FY 2001 performance.

Issue: *“Providing a safe, healthful, and secure environment for over 1 million workers and the visitors to over 8,300 owned and leased Federal facilities nationwide is a major multifaceted responsibility of GSA. The increased risks from terrorism have greatly expanded the range of vulnerabilities traditionally faced by building operations personnel. The challenge facing GSA is a difficult one: the need to ensure appropriate and effective security to protect federal facilities, employees, and the public, while also ensuring that our buildings and institutions remain open and accessible in keeping with the character of a free society.”*

GSA has taken many actions to combat terrorism in the wake of the events of September 11, 2001. These include the following: we have enhanced guard services nationwide in line with the heightened state of alert. Particularly in New York City where the terrorist trial operation center is located, we have erected barriers, ballistic level guard post facilities, bollards, explosive detection devices and closed circuit TV. In many other locations, we have installed X-ray machines, magnetometers, environmental design planters for crime prevention and explosive detection devices.

Even before the terrorist attacks, GSA had increased vigilance for the safety of federal associates and visitors to federal space. The Federal Protective Service (FPS) has enhanced training for their personnel, enhanced standards for security guard contracts criteria, and increased the number of criminal investigators and uniformed, law enforcement, and security officers.

To help identify any type of threat to a federal building, the FPS has implemented Regional Threat Assessments (RTA). The RTA is a tool that examines intelligence information and other factors to determine the level of threats to buildings. The heart of the RTA is an examination of Motive, Opportunity, and Means for GSA-controlled workplaces which may constitute a threat from groups or individuals. The “threat” ranges from the most catastrophic, but least probable—terrorism—to the most probable, but least catastrophic—larcenies. At the center of the continuum, falls workplace violence.

The RTA will clarify resource allocation by providing a clear focus on the intended outcome of the physical security program - threat reduction. As such it will demonstrate whether levels of personnel and counter measures are adequate and where adjustments should be made.

Issue: *Multiple management controls have been replaced, through reinvention initiatives, by fewer and broader controls, making it essential that the remaining controls be emphasized and consistently followed.*

Formulation and compliance with appropriate management controls will assure that speedy procurement is not being attained at the expense of appropriate regulatory requirements, charge cards are being used solely for appropriate government purchases, and GSA is providing the best value to agencies and taxpayers.

Also very important to management control are the efforts to train and inform both our customers and GSA associates. We have created tools, such as the Multiple Award Schedules Owners' Manual to help ensure that management policies are followed.

Lastly, we are improving our data quality in order to keep our data collection and reporting activities under control. This includes both cleaning up old data residing in computer systems, and enforcing documentation requirements so managers can provide assurance that data is credible. The performance measurement database, now under development, will support these processes by standardizing the collection of data at the corporate level.

Issue: *“GSA’s challenges in the Information Technology area continue to increase. GSA relies on its automated information systems to perform its mission and manage its operations. Many of these systems process and store sensitive information such as personal employee data and contractor’s proprietary information. With respect to information security, GSA faces a significant management challenge to ensure that systems continue to operate as intended, agency assets are protected, and privacy is assured.”*

Systems Development

GSA is in the process of replacing a number of its old systems, in keeping with technological advances. GSA systems have experienced schedule delays and cost overruns, needed redesign, have difficulty sharing usable data between systems, and spend a prolonged period of time in development. Major system development efforts can rapidly grow in cost and complexity unless management consistently provides comprehensive oversight.

The Clinger-Cohen Act requires that GSA’s IT investments remain within 10% of the planned cost and schedule. Among other actions, GSA is identifying and tracking the number of IT investments that are approved and reviewed through its IT Capital Planning and Investment Process. Capital planning is a systematic approach to managing the risks and returns of IT investments for a given mission. It is an integrated management process which provides for the continuous selection, control, life-cycle management and evaluation of IT investments. It is focused on achieving a desired business outcome. IT investments require a complete project plan, cost benefit analysis and risk management plan. Two overall objectives of GSA’s capital process are 1) to align proposed system investments with strategic and tactical goals, and 2) to measure performance and net benefit for the dollars invested.

IT Security

GSA relies on its automated information systems to perform its mission and manage its operations. GSA has had several audits and reviews conducted by PriceWaterhouseCoopers and the Office of the Inspector General that have identified IT security vulnerabilities and weaknesses during penetration testing. Some of the findings have been repeated as a result of slow action within the agency to complete work correcting the issues identified. During FY 2001, GSA took the following major steps to correct these vulnerabilities and weaknesses:

- The development and funding of a new IT Center of Expertise
- The development and execution of an IT Security Action Plan
- The development and distribution of agency-wide IT security guidelines and procedures
- The development and implementation of procedures for performing vulnerability and risk assessments
- The monitoring of access attempts and security violations
- The development and implementation of security awareness training for all users and systems administrators
- The monitoring and reporting of policies and guidelines for compliance by Services, staff offices, and regions

Issue: *“ GSA provides federal agencies with products and services valued in the billions through various types of contracts two of the most prevalent types being the Multiple Award Schedule*

(MAS) Program and Multiple Award Contracts (MACs). Our Office is concerned that, as the MAS program has grown, the importance of certain program fundamentals — including pricing objectives and other pricing tools — has diminished. These fundamentals, which are set out by regulation, include the mandate for most-favored customer pricing, the requirement to perform meaningful price analysis when awarding or extending contracts, and the use of preaward audits to assist in negotiating contracts.”

For many years the MAS program has provided a vehicle for the acquisition of commercial products and services. In the last few years, many changes have been made as the program has adopted more commercial practices. Of course, these changes have been made to add value to the government thereby making the taxpayer’s dollar go farther.

The changes to the MAS program have moved the government to real-time commercial buying practices and by doing so have significantly reduced acquisition time. This streamlining as a result of both the Federal Acquisition Streamlining Act and the Clinger-Cohen Act has negated some of the ability of the Inspector General to perform some audits, such as audits of postaward pricing information.

The procurement workforce has evolved from a relatively small group of procurement or supply professionals to a broad base of government employees including thousands charge card holders. Educating the procurement workforce about the advantages and use of the procurement programs is a significant challenge.

The procurement workforce must be prepared to not only address the needs of the MAS program, but to do so in the context of a dynamic environment. Under the Clinger-Cohen Act, all contracting personnel hired must be college graduates or have 24 hours of business related courses at the college level. In addition, they will be expected to keep pace with the rapid growth of electronic commerce.

Issue: *“Like many federal agencies, GSA has an aging workforce and faces significant potential loss of institutional knowledge in the coming years. Since 1993, GSA has been downsizing and has focused on restructuring its financial and business efforts. The Agency workforce was reduced from 20,000 to 14,000 between 1993 and 1999. Much of the downsizing was accomplished through early retirements and buyout authority, and by filling job vacancies sparingly. Human capital planning and organizational alignment, leadership continuity and succession planning, and recruitment and retention of staff with the right skills are key areas needing attention”.*

GSA’s Workforce Analysis, submitted to the Office of Management and Budget in July 2001, indicates that the agency is prepared for the challenge of keeping its human capital “need” from becoming a human capital “crisis.” GSA is developing a more effective human capital management process that will be integrated with GSA’s strategic goals and performance management process. The human capital management process at GSA will address the need for specific recruitment, training, retention, and exit/succession planning as required to maintain the skills and competencies needed to achieve high performance and continuous improvement at GSA. To reflect the recognition of its importance, we have created a new strategic goal, “Maintain a world-class workforce and a world-class workplace.”

GSA is focusing on five categories of human capital goals to measure success:

1. Strategic Competencies: Recruit, develop, and retain associates with the strategic competencies for mission critical occupations;
2. Leadership: Ensure leadership in the agency inspires, motivates and models high standards;
3. Performance Culture: Create a culture that motivates associates while ensuring fairness in the workplace;

Learning: Promote knowledge sharing, intellectual honesty and continuous learning and improvement; and

Strategic Awareness: Align human capital policies to support the agency's Mission, Values, and Goals.

Issue: *“GSA is being challenged to provide quality space to federal agencies with an aging, deteriorating inventory of buildings and critical budgetary limitations in a competitive environment.”*

It is estimated that it would take approximately \$5.0 billion dollars to bring the building inventory up to standard. Since the Federal Buildings Fund generates annual revenue between \$4.5 and \$5 billion, most of which is committed to leased space costs, operating expenditures, and construction of new courthouses, finding funds for needed repairs is a challenge although considerably resources are being devoted to these needs.

GSA needs to determine which buildings represent the greatest risk from a safety and operational perspective, which buildings will yield the best return on investment, what the Government's future space requirements are, and how to fund the highest priority projects in a timely manner.

Over forty percent of our government-owned buildings are over fifty years old and nearly a quarter bear historic designation. GAO noted in its most recent report that approximately \$5 billion is needed to ensure acceptable quality, health, and safety standards. GSA's first capital priority is repairs and alterations to our aging buildings.

Our annual repair and alteration budget this year is approximately 2.8% of the inventory's replacement value which falls in the range (2-4%) of private sector practice. Determination of budget priorities and financial decisions are aided by the new R&A Decision Model. We are reinvesting in our inventory at the low end of the industry standard—yet our inventory is significantly older than the industry average. “Aging Buildings” will continue to be a challenge until a way is found to increase reinvestment.

IV. PUBLIC BUILDINGS SERVICE

Background

GSA's Public Buildings Service is the largest commercial-style real estate organization in the United States, managing more than 335 million square feet of space in office buildings, courthouses, laboratories and border stations. We provide workspace for nearly 1.1 million federal employees. Approximately 55 percent of the space is in 1,700 government-owned buildings and properties, housing nearly 500,000 employees. The remainder of the space and employees are housed in approximately 6,200 privately owned leased buildings. PBS provides a wide range of real estate solutions to federal agencies, effectively meeting their specific needs for workplace productivity, security and technology.

PBS funding comes principally from the rents that it charges to the more than 100 Federal agencies it houses. PBS direct revenues, amounting to approximately \$5.8 billion in fiscal year 2001, are deposited into the Federal Buildings Fund (FBF) and are used to operate the government's buildings, pay rent to the private sector for leased space, provide security, and underwrite administrative costs.

The PBS Vision

The PBS vision is to be recognized as the best public real estate organization in the world and to provide quality work environments for Federal employees. To achieve this vision, PBS continues to improve its internal operations by instilling accountability standards, benchmarking internally and against commercial equivalents, and emphasizing financial and other performance measures. PBS is improving relationships with its Federal customers and private partners. PBS strives to be a provider of choice for Federal agencies, to be easy to do business with, and to help Federal agencies utilize real estate more efficiently.

The PBS vision is predicated on the concept of "National Coherence" that will build upon the collaboration of its associate regions to ensure innovation and creativity to develop a stronger national organization. PBS regional cultures will be strengthened, by supporting each other with its customer and the taxpayer always in mind. Synergies will be captured and capitalized as the whole will become greater than the sum of its regional parts.

"National Coherence" will provide benefits for the customers in the form of improved services; for the taxpayer – in the form of increased efficiencies and lowered costs; and for PBS – in the form of a stronger, higher performing organization in acting nationally. "National Coherence" will also provide better definition of the relationship between National Office and the Regions, as well as PBS taking greater advantage of its size and scope, and its ability as a national organization to provide coordinated, consistent service to its big client agencies. PBS will take advantage of the best business practices developed in one region and incorporate these great new ideas to benefit PBS, taxpayers, and customers across the country. PBS will continue to use its leverage as a huge consumer of the private sector's products and services to get superior attention and best value from its suppliers and vendors, nationally.

Program Highlights

Improved Performance through Businesslike Goals Measures and Good Practices

While PBS carries out the public buildings program in accordance with government regulations, mandated contracting procedures and socioeconomic preferences, it strives to operate more like a business. Its performance measures link our budgeting process to performance in tangible ways. It has

established nine performance measures, which are known as the “Big Nine” in our organization. Regional budget allocations and even individual bonuses are tied directly to a region’s ability to meet specific performance improvement targets under the “Linking Budget to Performance” program.

The “Linking Budget to Performance” program continues to receive public acclaim and won an Achievement Award for Real Property Innovation from GSA’s Office of Governmentwide Policy in 2001. GSA’s Real Property Innovation Award promotes best practices and polices by recognizing and sharing them throughout the federal government. The Office of Governmentwide Policy’s four-member jury of real property professionals, representing both the public and private sectors, selected the “Linking Budget to Performance” program as one of two winning entries from among 47 entries. The program has resulted in additional income and savings to PBS of approximately \$650 million since its implementation three years ago. This year PBS achieved record revenue and Funds from Operations (FFO) and the lowest amount of Non-Revenue Producing Space (NRPS) ever recorded.

Measures help distinguish and promote excellence within PBS. PBS also continues to receive inquiries and make numerous presentations to Federal and private sector groups who would like to develop a similar program for their own use. In turn, identifying and disseminating good practices are becoming a PBS way of life. Its intent is to make sharing Good Practices as simple as possible. PBS collects, manages and markets these good practices nationwide, accelerating the sharing of better procedures and lessons learned among all PBS offices. Incorporation of good practices across the country is fundamental to the PBS’ concept of “National Coherence”. To date, it has identified and disseminated almost 200 good practices serving to improve performance in key measurement areas.

Portfolio Perspective

In its effort to foster a culture of business sensibility, PBS has rolled out the PBS Portfolio Strategy, entailing a focus on profitability and strategic thinking about capital investment, tempered by due regard for the Government’s socio-economic program objectives. The Portfolio Strategy is based on the premise that PBS needs to restructure its inventory to consist primarily of strong income-producing properties generating sufficient funds to meet its capital reinvestment needs. PBS will undertake a combination of activities to implement the Portfolio Strategy. These activities include strengthening PBS inventories to becoming more disciplined and strategic in directing reinvestment dollars towards those assets, which produce an acceptable return on investment.

PBS Capital Investment and Leasing Program play a key role in providing the necessary resources to maintain the current real property assets and acquire new or replacement assets. Proposed projects will be evaluated in the context of the entire national portfolio and the PBS Portfolio Strategy. PBS considers three options for meeting its client agency requirements: construction and acquisition, repair and alteration, or leasing space from the private sector. When evaluating and prioritizing its capital program, PBS considers a number of factors:

- Economic justification in terms of financial return and present value cost
- Project timing and execution
- Physical urgency based on building conditions
- Customer urgency
- Historic preservation and community considerations

PBS also uses asset business plans to monitor the performance of government-owned buildings under its management. These plans provide a common direction for the management, operation and use of assets and focus performance management down to the individual building. Additionally, through its National Accounts Program, PBS develops strategic alliances to solve long-term housing needs for its customers.

PBS has simplified its rent-pricing structure to more closely resemble commercial practice. Rents in owned spaces are based on market appraisals and, in leased space, on GSA's actual lease payments to the owner plus an administrative fee. Rents also include a basic security charge.

In addition to focusing on the bottom line, PBS has a broader goal of improving the benefits that Federal buildings bring to local communities across the country, recapturing the tradition of quality and vitality in Federal buildings that was begun by Washington and Jefferson. PBS is designing and constructing landmark public buildings that are efficient and dignified, sources of community pride, and positive government investments in its localities. Its urban livability program has improved the way PBS integrates its site and design decisions with local planning and development needs. PBS is making public building plazas centers of downtown activity, in the tradition of the American courthouse square. PBS is continuing with the First Impressions program to redesign the entry and lobby areas of its Federal buildings, making them more welcoming and functional as well as secure for the public and associates.

Building Security

Following the September 11th terrorist attacks, GSA has heightened security levels with increased scrutiny of tenants, vehicles, visitors and packages. PBS is buying additional state-of-the-art technology that will enhance PBS's ability to operate in and deploy to high alert locations. Security personnel are receiving counter terrorism training, and contract guard services have improved through more stringent eligibility requirements and enhanced training and testing. PBS is also conducting classes on crime prevention and threat management, such as those posed by anthrax.

PBS provides safe and secure work environments for customer agencies and taxpayers. PBS is responsible for the protection of approximately 8,000 GSA-controlled facilities. This protection is provided through the coordinated efforts of Law Enforcement and Security Officers, Criminal Investigators, PBS Police Officers, and Physical Security Specialists who are augmented by more than 7,000 contract security personnel.

PBS has a new performance management measure, the Security Threat index, which integrates criminal intelligence information, assesses potential threats to Federal facilities and provides managers with a framework for reducing potential threats. The data supporting the measure is captured through Facility Security Risk Management (FSRM) surveys conducted periodically on all PBS controlled buildings. These surveys form the basis of the Threat index, which focuses on and quantifies motive, opportunity and means such workspace may provide outside groups or individuals. The Threat index helps prioritize the allocation of agency resources, both fiscally and in the direction of personnel towards identified threats.

Property Disposal

PBS manages the use and disposal of excess and surplus Federal real property, which is redistributed to other Federal agencies, conveyed to State and local governments and is eligible to nonprofit institutions or sold to the general public. PBS acts as a central property broker with an extensive network of market contacts in both the public and private sectors. Disposal actions range from releasing small easements to the conveyance of large, historically significant properties. In FY 2001, the value of disposed properties was \$550 million, a 16% increase from \$472 million in FY 2000. The implementation of Portfolio Strategy will be critical to meeting PBS' goals and will lead PBS to rely more on its Property Disposal function.

Data

In order to track and assess performance, PBS uses data from a limited number of internal and external

sources. Certain data sources support multiple performance goals. Instead of repeating data quality information throughout this report, the information below discusses the verification and validation segments for various performance measures. If a particular data source supplies data to only a single measure, it will be discussed with that measure.

The **National Electronic Accounting and Reporting System (NEAR)** is GSA's corporate accounting system and is the foundation for all PBS financial data.

NEAR data is reliable and accurate and is subject to audit by the Inspector General. An annual audit is performed by GSA's independent auditor, PriceWaterhouseCoopers. This audit has produced an unqualified opinion for thirteen consecutive years. Financial data is subject to extensive in-house staff reviews, analysis, and system edits. As a result of these verification methods, GSA's financial data used in the performance measures is valid within a very high degree of certainty.

The **System for Tracking and Administering Real Property (STAR)** is the primary source of real property data. The accuracy of STAR data has improved significantly over the past year, and will continue to improve. Two data accuracy measures were implemented as part of internal monthly performance reporting which has been quite effective in reducing errors and missing data. The first measure crosschecks data within STAR for logic and consistency errors. The second measure, based on a random sampling of STAR data, ensures that critical fields in STAR accurately reflect information in source documents. Arthur Andersen, Inc. is assisting in the development processes and procedures to permanently reduce the number of errors in STAR through a single-point-of-entry process. Also, PBS is currently re-measuring buildings to compile a database of graphical spatial data and to validate the accuracy of assignment and inventory data.

The **Gallup Organization** provides data for the customer satisfaction measures. The Gallup Organization, one of the world's largest management consulting firms, brings its core expertise in the areas of measurement and analysis of people's attitudes, opinions, and behavior to satisfaction measures. Gallup employs several types of data verification methods including a parallel processing method for its automated reports. This process uses both electronic matching and manual proofing of the data; randomly verifying that a certain proportion of scanned and manually keypunched surveys are 100 percent accurate. Gallup's analysis indicates that PBS can expect a 95 percent statistical confidence level in this data.

To measure customer satisfaction among tenants, Gallup uses a survey tool developed in conjunction with the **International Facility Management Association (IFMA)**. The customer satisfaction survey is performed in approximately one-half of PBS' building inventory annually (approximately 6,000 owned and leased buildings are surveyed every two years) The following buildings are not included in the survey; delegated buildings, buildings with no occupants and postal space leases.

PBS is working with Gallup to implement a measure of agency ordering officials satisfaction. Starting in FY 2001, Gallup used the ordering official survey, conducted through phone interviews. Survey results will be compiled and analyzed by Gallup and shared with PBS.

There are two PBS enterprise applications for tracking progress of major new construction and repairs and alterations (R&A) projects. For capital budgeting, PBS uses **Pro Forma Investment Analysis**, a financial application, to analyze projects on planned expenditures of fixed assets, with future cash flows estimated for 25 years. Project information, such as rent start date and project cost, is used to capture the impact of changes on the original project financials.

For tracking construction, and repairs and alterations project information, PBS uses **Project Information**

Portal (PIP), a web-based application. This is a new system intended to link project managers, executives, and PBS in an integrated, web-enabled framework to track enterprise-wide information on the current capital construction program. In addition to the schedule, PIP application also captures the updated project budget information from Capital Projects Website, a supplement to the PBS accounting system, and obligations from the NEAR system on a daily basis. PIP application is used in conjunction with Inventory Reporting Information System (IRIS), the enterprise application for tracking R&A work inventory. PIP replaces Project Manager's Toolbox (PMT) which was burdensome to use and did not have the web features.

In addition, PBS National Headquarter staff works with regional project and program managers to track major projects from initial planning through final occupancy.

PBS Performance in FY 2001

The implementation of performance measures in major program areas, and the linking of these measures to individual performance has caused a cultural change in PBS, resulting in improved performance, cost effectiveness and customer satisfaction. associates are working together to achieve performance goals. They view the buildings they are responsible for as financial assets. In FY 2001, PBS improved performance from FY 2000 and reached or exceeded most of its key annual performance goals.

PBS exceeded its Contribution to the capital investment goal of 3.1% of the Functional Replacement Value (FRV) of the owned inventory by generating 3.5% of the FRV.

PBS did not meet its indirect costs as a percentage of revenue target of 10.1. PBS continues working to find ways to reduce indirect costs and identify private sector data with which it can compare against.

PBS increased its average operating costs per rentable square foot of office space to \$4.39 in FY 2001, but is still 16% below comparable private sector costs. This exceeded the annual performance goal of being 12% below private costs. PBS will attempt to increase spending on operating costs as budget conditions allow to provide a more quality workspace in its effort to improve customer satisfaction, needed to develop a high-performing workforce as outlined in the President's Management Agenda.

Non-revenue-producing government-owned space was reduced from 12.2% in FY 2000 to 11.8% in FY 2001. Over the same period, PBS reduced non-revenue-producing leased space from approximately 3.3% to 2.7%.

The major new construction projects completed by PBS did not meet the target of 1% escalation, while the repairs and alterations projects met its 1% target.

PBS revenues in leased space substantially covered leasing costs in FY 2000 and FY 2001.

PBS completed 80% of its repair and alteration projects delivered during FY 2001 on time against an 78% goal, and 75% of major new construction projects against a goal of 60%.

Organization of the PBS Section

The PBS Performance Report is divided into six responsibility segments:

- PBS Revenue
- PBS Building Operations
- PBS Rental of Space

PBS Construction and Acquisition of Facilities
PBS Repairs and Alterations
PBS Property Disposal

Each responsibility segment is linked to one or more of GSA's Strategic Plan Goals and Objectives. Each segment has a series of performance measures that link to the expenditure of funds in that responsibility segment. PBS performance against FY 2001 targets is shown for each measure. If targets were not met the reason and remedies for not meeting targets are provided. If a new FY 2001 target was established or a new measure is planned, the rationale is given. Charts illustrating performance are included in the discussion, where appropriate. The budget links are dealt with at the responsibility segment level rather than for each measure.

PBS REVENUE

Capital investment is required to maintain PBS assets as superior workplaces and to facilitate customer agencies' ability to fulfill their missions. PBS must adequately provide for this capital investment through the revenue that it generates, balanced against prudent expenditures for responsible asset management. The PBS Portfolio Strategy will allow PBS to restructure its inventory to consist of income producing properties and help the organization be more disciplined and strategic in directing reinvestment dollars towards those assets which produce an acceptable return on investment.

Performance Goals Link To Strategic Plan

GSA Strategic Goal: Promote Responsible Asset Management
 GSA Strategic Objective: Conserve taxpayer investment in real and personal property, and maximize the government's return on investment.

PBS Performance Measures

The performance measures in this segment show revenue and gauge the financial health of PBS.

Contribution available for capital investment
 Non-revenue producing space in government-owned inventory
 Non-revenue producing space in leased inventory

Budget Links

Budget Information for past, current and future fiscal years

	1999 Actual Obligations	2000 Actual Obligations	2001 Actual Obligations	2002 Current New Obligational Authority*
Revenue	\$5.4 billion	\$5.7 billion	\$5.8 billion	\$6.3 billion

* Excludes indefinite authority associated with Pennsylvania Avenue Activity (PAA) and International Trade Center (ITC)

PBS Revenue

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the government's return on investment.

Performance Goal:

Generate a Capital Investment contribution of 2.5% to 4.5% of the Functional Replacement Value (FRV) of the owned inventory.

The primary source of revenue to the Federal Buildings Fund is rental receipts from tenant agencies. The majority of the revenue is used to operate buildings and to lease space. The remaining revenue "contributes" to capital investment: basic repairs, modernization and new construction. To the extent that PBS is successful in maximizing revenue and reducing expenses, it generates this "contribution."

Measure

Contribution available for capital investment

The performance measure is "contribution" to capital investment generated as expressed in terms of an absolute dollar amount and percentage of Functional Replacement Value (FRV) of the owned inventory.

"Contribution" is computed by subtracting New Obligational Authority for Building Operations, Rental of Space and Installment Acquisition from the revenue.

Target

	<u>Total Contribution</u>	<u>% of FRV</u>
FY 1999 Actual:	\$1.2B	4.1%
FY 2000 Actual:*	\$1.2B	3.7%
FY 2001 Target:**	\$1.0B	3.1%
FY 2001 Actual:	\$1.2B	3.5%
FY 2002 Target:	\$1.2B	3.6%

**The FY 2000 actual performance data was revised. The previous reported scores included FY 1999 carry-over balance.*

***The FY 2001 targets are lower than FY 2000 actual performance due to market-driven increases in the value of the inventory that were not offset by decreases in operating expenses or significant increases in revenue. FY 2002 targets revised to reflect FY 2003 Congressional budget request.*

Reasons for success:

Revenue increased as an impact of PBS reducing its non-revenue producing space and improving data accuracy.

Verification and Validation:

Source: NEAR

See Data Section for a discussion of this system as a data source.

PBS Revenue

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the government's return on investment.

Performance Goal:

Reduce the amount of non-revenue producing space in government-owned buildings to maximize rental income.

Space that does not produce revenue reduces the amount of the "Contribution" to Capital Investment that the Federal Buildings Fund generates. Non-revenue producing space includes space under alteration, space occupied by PBS and vacant available space.

Measure

Non-revenue producing space in government-owned inventory

Target

Percent of government-owned inventory not producing revenue

FY 1998 Baseline:	16%
FY 1999 Actual:	13.5%
FY 2000 Actual:	12.2%
FY 2001 Target:	12.0%
FY 2001 Actual:	11.8%
FY 2002 Target:*	12.2%

*The Federal Supply Service determined that it has excess capacity in its stock program. They closed all forward supply points and two distribution centers. PBS must now absorb these vacant warehouses, which amounts to approximately 2.7 million square feet or roughly ten percent of total non-revenue producing space. Since these vacant warehouses are being absorbed in fiscal years 2002 and 2003, PBS is raising its targets for the next two years. These warehouses will be difficult to dispose of because they are largely unmarketable outside of the federal arena. In most instances they were built over thirty years ago and no longer reflect modern design and specifications.

Reasons for success:

Regional staffs developed well thought out strategies to reduce non-revenue producing space in government-owned inventories. Vacant non-revenue producing space was substantially decreased by using several tactics that are mentioned below.

- Moving tenants out of expiring leased space to vacant Government-owned space.
- Making sound investments in improving vacant space through repairs and alterations projects. Regional staffs target a portion of R&A funds for space improvements necessary to meet the needs of new tenants.
- Out-leasing Government-owned vacant space.

- Converting vacant space under alteration into vacant available or assigned space as quickly as possible.
- Realigning space assignments within owned buildings to consolidate small portions of vacant space into larger marketable blocks.
- Continuing to use occupancy agreements as a tool to help eliminate gaps between the time when space becomes available and when a revenue stream begins.
- Reviewing underutilized properties to determine, analyze and implement prudent alternatives.

Verification and Validation

Source: STAR

See Data Section for a discussion of this system as a data source.

PBS Revenue

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the Government's return on investment.

Performance Goal:**Minimize the amount of non-revenue producing space in the leased inventory.**

Leased space that does not produce revenue reduces the amount of “contribution” for capital investment the Federal Buildings Fund generates. Non-revenue producing space includes space under alteration, space occupied by PBS, and vacant available space. Reducing non-revenue producing space increases available funds for repairs and alterations and other capital improvements.

Measure

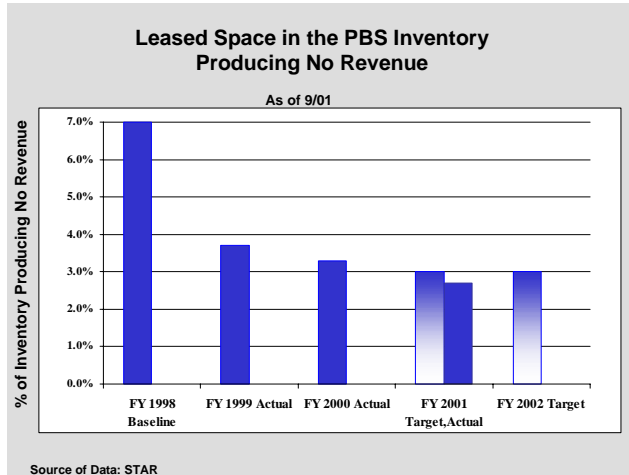
Non-revenue producing space in leased inventory

Target

Percent of leased inventory not producing revenue.

FY 1998 Baseline:	7.0%
FY 1999 Actual:	3.7%
FY 2000 Actual:	3.3%
FY 2001 Target:*	3.0%
FY 2001 Actual:	2.7%
FY 2002 Target:	3.0%

**The FY 2001 target of 3.0% reflects what is in the FY 2002 Performance Plan. The original FY 2001 target of 2.0%, stated in the FY 2000 Performance Plan, was developed during the conversion to a new real estate information system and a change in the methodology PBS uses to measure its inventory. This change caused PBS to underestimate the projection of non-revenue producing space and set a target that was too aggressive.*



Reasons for success:

Planned tenant expansions and downsizing more effectively to minimize vacant space.

PBS uses a performance clause in its occupancy agreements, requiring tenant agencies to meet necessary deadlines for space moves or pay the related costs.

Continuing to use occupancy agreements as a tool to help eliminate gaps between the time when space becomes available and when a revenue stream begins.

Verification and Validation

Source: STAR

See Data Section for a discussion of this system as a data source.

PBS BUILDING OPERATIONS

This section of the performance plan includes operating goals and measures that apply to the over 1,700 government owned buildings and properties in the PBS inventory as well as a portion of its leased building inventory where PBS provides real property services outside the lease.

PBS knows that its operating costs compare favorably with those of the private sector through benchmarking. In FY 2001, PBS lowered its expenses to 16% below the private sector while also focusing on consistent quality and services that target specific location or agency needs.

Performance Goals Link to Strategic Plan

- | | |
|--------------------------|---|
| GSA Strategic Goal: | Promote Responsible Asset Management |
| GSA Strategic Objective: | Conserve taxpayer investment in real and personal property and maximize the government's return on investment. |
| GSA Strategic Goal: | Compete Effectively for the Federal Market |
| GSA Strategic Objective: | Provide quality products and services at competitive prices and achieve significant savings for federal agencies. |
| GSA Strategic Goal: | Excel at Customer Service |
| GSA Strategic Objective: | Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes. |
| GSA Strategic Goal: | Anticipate Future Workforce Needs |
| GSA Strategic Objective: | Ensure that all Federal buildings in the GSA inventory meet the highest federal standards in terms of accessibility, energy consumption, systems and technology.
Develop a model work environment for the future that is efficient, fully accessible, health comfortable and economical. |

Performance Measures

- Building operating costs relative to industry
- Indirect costs as a percent of revenues
- Customer satisfaction – security
- Customer satisfaction – space and services
- Energy
- Child care

Budget Links

Budget Information for past, current and future fiscal years

	1999 Actual Obligations	2000 Actual Obligations	2001 Actual Obligations	2002 Current New Obligational Authority
Cleaning	\$185 million	\$197 million	\$203 million	\$224 million
Maintenance	\$223 million	\$201 million	\$210 million	\$246 million
Utilities	\$203 million	\$226 million	\$259 million	\$304 million

Staff, Administration and Program support (Government-owned)	\$389 million	\$436 million	\$441 million	\$353 million
Protection	\$218 million	\$219 million	\$246 million	\$326 million
Protection support (distributed overhead + direct management and staff support)	\$24 million	\$36 million	\$25 million	\$34 million

PBS Building Operations

GSA Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the government's return on investment.

Performance Goal:

Maintain operations costs that are at or below market rates.

By actively controlling cleaning, maintenance, and utility costs, PBS keeps its costs well below the industry average, provides its tenants with quality workspace, and contributes to the capital investment program. PBS has developed several sophisticated benchmarks to monitor operations costs—maintenance, utilities, and cleaning—in comparison with those in equivalent private sector buildings. PBS is holding its operating costs target at 12% below the private sector. There is concern that further increasing the differential between GSA and private sector benchmark costs will have a negative impact on customer satisfaction for space quality and space functionality.

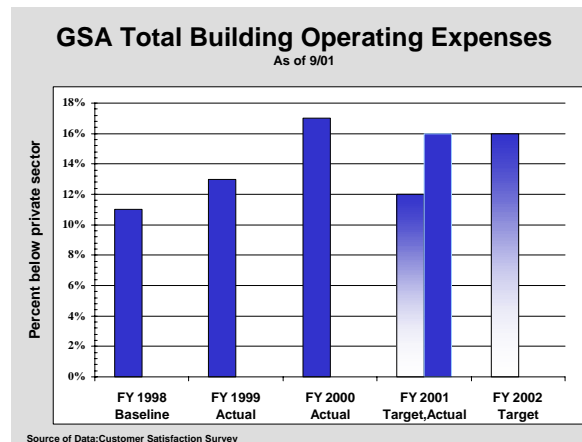
Measure

Building operating costs relative to industry

Target

Percentage difference between GSA's operating costs per rentable square foot for office space and private sector costs. PBS obtains the private sector benchmarks from the Building Operations and Managers Association (BOMA) reports.

	<u>Percent below private sector</u>
FY 1998 Baseline:	11%
FY 1999 Actual:	13%
FY 2000 Actual:	17%
FY 2001 Target:	12%
FY 2001 Actual:	16%
FY 2002 Target:	16%



Reasons for success:

PBS took advantage of procurement reform initiatives to revise the way it contracts for services. PBS has made great strides in reducing operating expenses. PBS predominantly uses performance-based service contracting mechanisms permitting contractors to focus on results, not process. This has led to impressive reductions in cleaning and maintenance costs.

PBS benchmarks operational costs with the private sector. It uses the industry benchmark as a tool to drive a fair price for contract services.

PBS partners with its national providers to reduce costs and improve quality. NISH, Central Nonprofit Agency for the severely disabled, is a national nonprofit agency designed to provide technical assistance to Community Rehabilitation Programs (CRPs). PBS and NISH have continued a strong partnership to improve its competitiveness in delivering quality cleaning services. Sixty-nine percent of PBS' cleaning dollars are expended with NISH. As a result of this effort cleaning costs were reduced substantially while maintaining high quality standards.

Verification and Validation:

Source: NEAR and the Building Owners and Managers Association's Experience Exchange Report (BOMA EER). See the Data section for a discussion of the NEAR system as a data source.

The Building Owners and Managers Association (BOMA) is an advocacy group for the real estate industry, a federation of 94 local associations whose members own or manage more than 6 billion square feet of downtown or commercial properties and facilities across America. BOMA is recognized for its expertise in the field of real property, frequently testifying before Congress and working with property holding agencies. The Experience Exchange Report is a database that contains building operations statistics on more than 4,000 buildings throughout the United States. It is used extensively in the private sector and PBS has reviewed and found it to be an accurate source for industry operating data that is comparable to PBS.

PBS Building Operations

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the government's return on investment.

Performance Goal:

Reduce indirect costs as a percentage of revenue.

PBS defines indirect costs as those costs not directly charged to a building. This definition includes salary and support costs for headquarters and regional management, facility and realty service providers, information technology, common administrative services and financial services.

PBS is committed to an organizational infrastructure that provides the right mix of human, financial, information technology, management, and other resources at the right price. To help PBS determine the proper mix at the right price, it has benchmarked comparable portions of its indirect costs with private and public organizations. The results of the benchmarking were ambiguous because only one-third of the costs PBS defines as indirect are comparable to private sector indirect costs. These comparable costs were primarily administrative costs, such as personnel, finance, etc. In FY 2002, PBS implemented a new system that allows for the coding of such costs. With this new system and an overhead study that is being conducted, PBS will be able to better benchmark itself against the private sector.

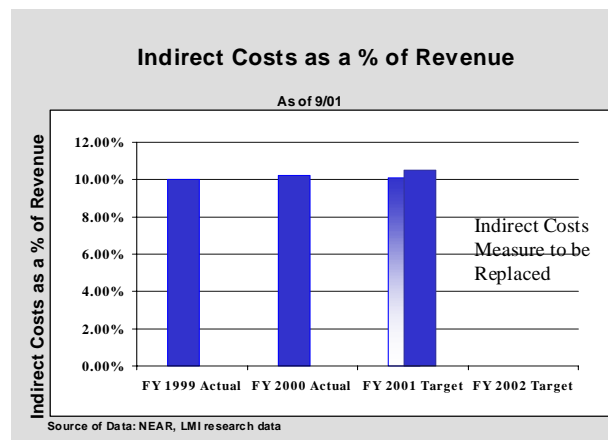
Measure

Indirect cost as a percentage of revenues.

Target

FY 1999 Actual	10.0%
FY 2000 Actual	10.2%*
FY 2001 Target	10.1%
FY 2001 Actual	10.5%
FY 2002 Target	Removed from plan

* change from FY 2002, FY 2000 Performance Plan and Report. New audited number.



Reasons for not achieving target:

In FY 2001, indirect costs accounted for salary increases, infrastructure expenses and support costs. However, some direct costs were coded as indirect and inflated the FY 2001 actual score. PBS was not satisfied with the labor distribution system being used because it did not let PBS code indirect costs like the private sector. A new system is being implemented in FY 2002 to better manage and account for costs.

Reasons for changing the measure:

Prior to FY 2002, most salary costs, some of which should have been charged as a direct cost to a building or project, were charged as indirect costs because the accounting systems had limited capabilities for distributing labor costs. In FY 2002, PBS implemented a new system that allows for the coding of salaries and other costs as either a direct cost to a building, business function or project, or as an indirect cost which, for accounting purposes, will be distributed across buildings and projects. This will provide PBS with much more accurate information about the cost of operations.

With the decision to implement this new system, PBS will see a sizeable portion of what used to be considered indirect costs coded as direct costs in FY 2002. It is impossible to speculate, with any accuracy, the magnitude of the effect on PBS' indirect cost measure, and equally impossible to establish a realistic target for FY 2002. PBS is temporarily removing this measure from the FY 2002 plan and will use FY 2003 data to establish a new baseline and target for FY 2004.

Verification and Validation:

Source: NEAR

See Data Section for a discussion of this system as a data source.

PBS Building Operations

GSA	
Strategic Goal	Compete Effectively for the Federal Market.
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

Performance Goal (original):

Improve customer satisfaction with security in PBS space

Measure: (original):

Percentage of customers that rate the security of PBS controlled space satisfactory or better.

Performance Goal (revised):

Reduce the threat to Federal facilities

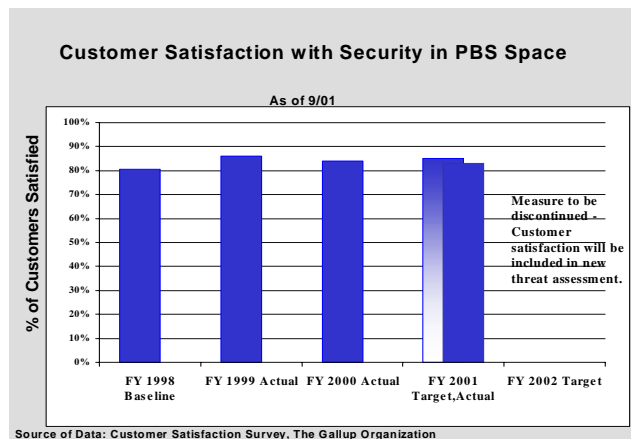
Measure (revised):

Threat Index

Original measure - Percentage of customers that rate the security of PBS controlled space.

FY 1998 Baseline:	80.5%
FY 1999 Actual:	86.0%
FY 2000 Actual:	84.0%
FY 2001 Target:	85.0%
FY 2001 Actual:	83.0%
FY 2002 Target*:	Replaced

* In FY 2002 this measure was replaced with a more comprehensive Threat Index Measure.



Reasons for not achieving target:

PBS did not meet its target for customer satisfaction with security. PBS believes the attacks on the World Trade Center, the Pentagon and the various anthrax discoveries had some adverse effects on the customer satisfaction scores. PBS is reaching out to tenants conducting classes on crime prevention and mailroom and mail handling procedures. Furthermore, PBS has received additional funding aimed at enhanced law enforcement and security procedures at the nation's Federal facilities. PBS will continue to keep its customers informed of the increased security measures while providing the appropriate level of security for Federal customers and the facilities in which they reside.

Reasons for changing the measure:

Customer satisfaction with security assesses the quality of PBS' protection services from the customer perspective utilizing customer satisfaction surveys administered by the Gallup Organization. Although customer satisfaction is important to PBS, the quality of protection services cannot be measured by it alone. PBS has developed a Threat index measure that focuses on the motive, opportunity and means that outside groups or individuals targeting the PBS inventory may possess. Customer satisfaction is included as a factor in this assessment.

Performance Goal (revised):**Reduce the threat to Federal facilities**

PBS is responsible for providing safe and secure work environments for customer agencies and taxpayers and reducing the measurable threat groups or individuals may pose to Federal facilities. This responsibility has evolved from a reactive posture of patrol and incident response to a proactive stance of crime prevention and threat reduction. In the aftermath of September 11, 2001 terrorist attacks PBS has redoubled its efforts to provide a safe and secure environment. In FY 2002, PBS received emergency security supplemental money to respond to the nation's high-alert status. The emergency funds will be spent towards a number of items designed to enhance security and PBS's preparedness for national security threats. Some of these items include: increased guard service due to heightened state of alert, reinforcement of existing security measures nationwide, travel and overtime for law enforcement personnel. In addition to the enhanced security levels, GSA is reaching out to tenants updating occupant emergency plans, conducting classes on crime prevention and anthrax, and doing mailroom searches for hazardous materials.

PBS uses the threat index measure as a means of identifying and evaluating threats to the Federal workplace, and of assessing program effectiveness in reducing these threats. The data supporting the measure is captured in the conduct of Facility Security Risk Management (FSRM) surveys done periodically on all PBS controlled buildings. These surveys form the basis of the Regional Threat Assessment (RTA), which focuses on and quantifies motive, opportunity and means such workspace may provide. PBS is working hard to reduce the external threat to Federal facilities but is also attuned to the possible internal threats posed by customers within PBS-controlled buildings. The FSRM surveys also takes into consideration incidents of workplace violence, theft and threats against co-workers. PBS personnel are trained to spot the potential for workplace violence and how to handle such incidents. Customers are warned on how to protect themselves against theft and other crimes.

Measure (revised):

Threat Index

A threat index is calculated for each building surveyed. This index focuses on three key elements:

(1) Real or perceived reason to attack U.S. government facilities or their tenants. This element of the RTA is based on the perception of security, visibility of the facilities and tenants or activities by criminal and terrorist groups or individuals.

(2) Vulnerabilities provided by circumstances, time and place. This element is based on data taken directly from the Law Enforcement and Security Officers' and Physical Security Specialists' building security assessments (using the Facility Security Risk Manager software program).

(3) Demonstrated capabilities for violence or resources to carry out a violent or disruptive act at the facilities. This element is based on the historical risk and the potential for discovering risk that a particular region may employ.

Based upon these three elements, all individual facility data is compiled to form a Regional Composite Threat Index. Regional indices are combined to assess progress nationally.

Target

Each year a sample of the PBS facilities is selected for survey. The FY 2001 sample represented 300 facilities. The sample size will increase to 2,000 in FY 2002 and 4,000 in FY 2003. From these samples, the top ten high-risk facilities are identified in each of the eleven regions, essentially concentrating on 110 facilities. The reduction in composite threat index shows the threat reduction in these 110 facilities. In FY 2004, PBS will no longer use a sample for this measure and will include all facilities in its inventory.

Reduction in Composite Threat Index

	Buildings surveyed	Sample Size	Composite baseline	Reduction from Composite score
FY 2001 Actual	300	110	183	135 or 26%
FY 2002 Target	2,000	110	201	161 or 20%

Verification and Validation:

Source: Regional and field personnel conduct threat assessments.

A Central Office review team will validate changes on an annual basis.

PBS Building Operations

GSA	
Strategic Goal	Excel at Customer Service.
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.

Performance Goal:

Increase the percentage of building tenants that are satisfied with PBS space and services.

PBS provides quality space in a timely manner that is responsive to agency requirements. PBS polls agencies annually using a survey developed by the International Facilities Management Association (IFMA) to determine the level of customer satisfaction with building services PBS provides. These survey results allow PBS to focus efforts on problem areas and to improve the work environment of its tenants.

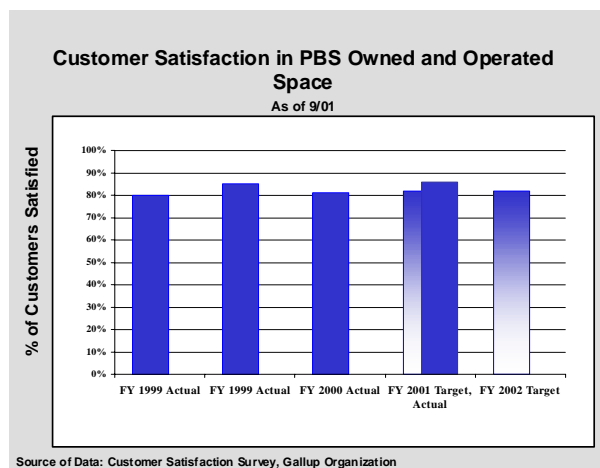
Measure

Customer satisfaction - tenants

Target

Beginning in 1999, PBS determined that the buildings surveyed in the odd years (1999, 2001, etc.) were performing at a higher level than buildings surveyed in the even years (2000). The future targets reflect this difference.

FY 1998 Baseline:	80%
FY 1999 Actual:	85%
FY 2000 Actual:	81%
FY 2001 Target:	82%
FY 2001 Actual:	86%
FY 2002 Target:	82%



Reasons for success:

Utilized training in customer satisfaction action planning at the field and regional office levels to target problem areas within individual buildings and discuss tactics that can be employed to improve scores.

Encouraged building managers with high customer satisfaction scores to share those business practices that have helped attain these high scores with other building managers nationwide.

Used focus groups, at the building level, to better understand what is needed to improve customer satisfaction.

Verification and Validation:

Source: The Gallup Organization and IFMA customer satisfaction survey.

See Data Section for a discussion of this system as a data source.

PBS Building Operations

GSA	
Strategic Goal	Carry Out Social, Environmental Responsibility as a Federal Government Agency
GSA Strategic Objective	Reduce energy consumption in Federal facilities

Performance Goal:

Meet the conservation goal to reduce energy consumption for standard facilities by 30% from the FY 1985 baseline by FY 2005.

PBS is a responsible steward of the environment and is committed to implementing energy-saving solutions that improve the energy efficiency of operations and save taxpayer dollars. PBS will continue to use environmentally safe and sustainable energy sources where possible and economically feasible. The long-term goal is to reduce energy consumption by 30 percent from the 1985 baseline by FY 2005.

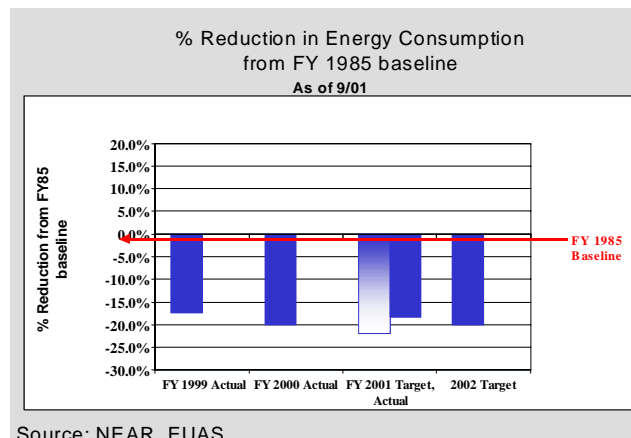
Measure

Energy consumption

Target

Percentage reduction from FY 1985 baseline

FY1999 Actual	17.3%
FY 2000 Actual	20.0%
FY 2001 Target	22.0%
FY 2001 Actual	18.4%
FY 2002 Target	20.0%



Reasons for not achieving the target:

General Accounting Office (GAO) reports highlighted PBS's backlog of repairs and alterations projects. PBS has made investment decisions to reduce this backlog and improve the condition of its inventory. Unfortunately these investments meant that there was less available for the energy program and energy

efficiency projects. Additionally, several new construction projects were added to the inventory that did not meet energy targets and the United States experienced the coldest two months in its history for November and December 2000. All of these factors caused PBS to miss its energy target of 22% in FY 2001. Subsequently, PBS is lowering its target in FY 2002 to 20%.

Verification and Validation

Source: NEAR
Energy Usage and Analysis System (EUAS)

The Data Section discusses the NEAR system as a data source.

The Energy Usage and Analysis System gathers utility cost and consumption information from the NEAR system. The staff of the EUAS Center verifies each new data entry from hard copy utility bills and tracks every utility bill in every building where GSA pays a utility bill. Most agencies sample a subset of their building inventory and project energy consumption over the entire inventory. The EUAS Center also reviews billing data to ensure that GSA is paying the correct rate.

Several additional data checks are made monthly. Regional energy coordinators review billing data in the EUAS system and building managers certify a statistical sample of data monthly. A utility accrual profile has been established for each utility account and every bill that is received that falls outside the accrual tolerance is reviewed and certified for payment by building personnel. Discrepancies are reported back to the EUAS Center for correction and staff members work directly with utility companies to correct billing records. Through these processes, PBS is confident that the data in the EUAS system is extremely accurate.

PBS Building Operations

GSA Strategic Goal	Anticipate Future Workforce needs
GSA Strategic Objective	Develop a model work environment for the future that is efficient, fully accessible, health comfortable and economical

Performance Goal

Maintain /increase the number of children of Federal employees who receive care in GSA child care centers.

Performance Measure

Percentage of children from Federal families receiving care in GSA child care centers.

FY 1999 Actual	50%
FY 2000 Actual	50%
FY 2001 Target	50%
FY 2001 Actual	56%
FY 2002 Target	50%

Reasons for success

Implementation of the building modernization program for existing child care centers improved some facility issues which were barriers to full enrollment.

The GSA child care subsidy implemented in mid-1999 contributed to the improvement of Federal enrollment. Of the 125 current recipients, 31% have moved their children into Federal centers.

Verification and Validation

Source of data is GSA Child Care Center of Expertise database.

PBS RENTAL OF SPACE

PBS provides workspace for Federal employees in approximately 6,200 leased properties. Currently, leased space accounts for 45 percent of our total space inventory by square footage, and more than 50 percent of the employees accommodated by GSA are in leased space. In recent years, PBS dramatically reduced the time and cost to deliver leased space to agencies, providing services comparable to those of private real estate services. While agencies are free to use private services if they wish, most prefer to continue using PBS. To continue a high level of service to federal client agencies with fewer associates, PBS contracted with a number of private real estate firms to help the Government lease space in local markets and provide such services as lease administration and renegotiations, requirements development, market surveys, and out-leasing.

PBS' goals for leasing operations are to provide leased space for client agencies at or below the cost of equivalent space obtained by the private sector and improve the percentage of satisfied customers.

Performance Goals Link to Strategic Plan

GSA Strategic Goal: Compete Effectively for the Federal Market
 GSA Strategic Objective: Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

GSA Strategic Goal: Excel at customer service
 GSA Strategic Objective: Incorporate customer feedback and customer satisfaction into GSA's planning and decision-making processes.

PBS Performance Measures

- Cost of leased space relative to market
- Cycle time on leases
- Customer satisfaction – leased space
- Recovery of lease costs

Budget Links

Budget Information for past, current and future fiscal years

	1999 Actual Obligations	2000 Actual Obligations	2001 Actual Obligations	2002 Current New Obligational Authority
Rental of Space (excludes Indefinite Authority)	\$2.670 billion	\$2.918 billion	\$2.957 billion	\$2.960 billion
Building Operations – Leased portion (Salary, Administration and Program support)	\$88 million	\$98 million	\$81 million	\$90 million

PBS Rental of Space

GSA

Strategic Goal: Compete Effectively for the Federal Market

GSA Strategic Objective: Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

Performance Goal:

Ensure that PBS cost for leased space is at or below commercial rates.

PBS must provide competitive rent rates if it is to be the provider of choice. For a variety of reasons such as tenant build-out requirements, space availability and lead time, a certain number of leases fall into the high range of market rates. To minimize those falling in the high range, PBS works with customer agencies to identify and develop their requirements and match their needs at a cost that is at or below the private sector.

Measure

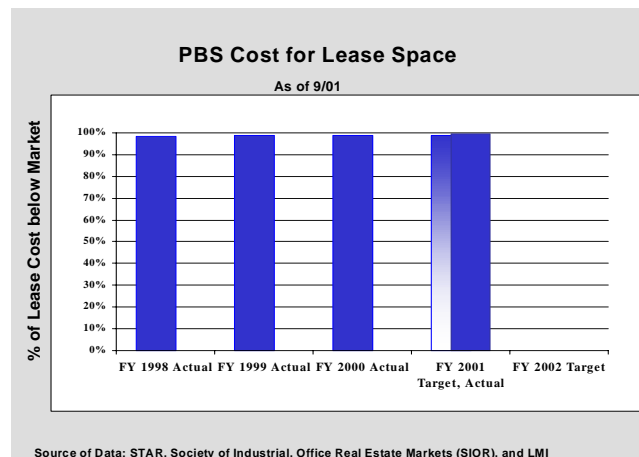
Cost of leased space relative to commercial market

Target

Comparison of PBS office space leasing costs with commercial leasing costs per rentable square foot for comparable space in major markets.

% of Lease cost at or below market

FY 1998 Baseline	98.4%
FY 1999 Actual:	98.7%
FY 2000 Actual:	98.8%
FY 2001 Target:	98.9%
FY 2001 Actual:	99.5%
FY 2002 Target:	new calculation method



Reasons for success:

PBS benchmarks leasing costs with independent industry benchmarks. PBS regional staffs have taken the industry benchmarks seriously. The benchmarks, obtained from the Society for Industrial and Office Realtors (SIOR), have become the starting point for many lease negotiations.

PBS realty staffs, already knowledgeable of their current markets, are leveraging their time by partnering with contract brokers. In-house realty specialist and contract brokers work together on leasing deals, freeing up PBS resources to better manage the customer relationship and the overall leasing program.

PBS continues to collect and share good leasing practices from those of its regions that excel in this measure. Those good practices are communicated to all of the regions and incorporated, as needed, to improve regional leasing programs.

Reason for changing the measure:

PBS' role in leasing space for our customers is to lease space in the market that provides the best value for the leasing dollar. Best value is not always the space offered at the lowest price. Often, building amenities, space features and a number of other factors can make buildings' tenants more productive and efficient. Space that makes tenants more productive may be a better value than space at a significantly lower costs. For that reason, PBS has changed its annual performance target to reflect the aggregate new leases by class A and class B space to be below the average of private sector leases in those same categories. Separate targets are provided for space with and outside of Commercial Business Districts.

The new targets will compare lease costs in four categories. These categories include:

- Class A space inside a Central Business District (CBD)
- Class A space outside a CBD
- Class B Space inside a CBD
- Class B space outside a CBD

PBS uses the Society of Industrial and Office Realtors' definition for Central Business District and Class A and B space.

Central Business District is defined as space located near the historical urban core, commonly associated with traditional government and financial districts in most cities.

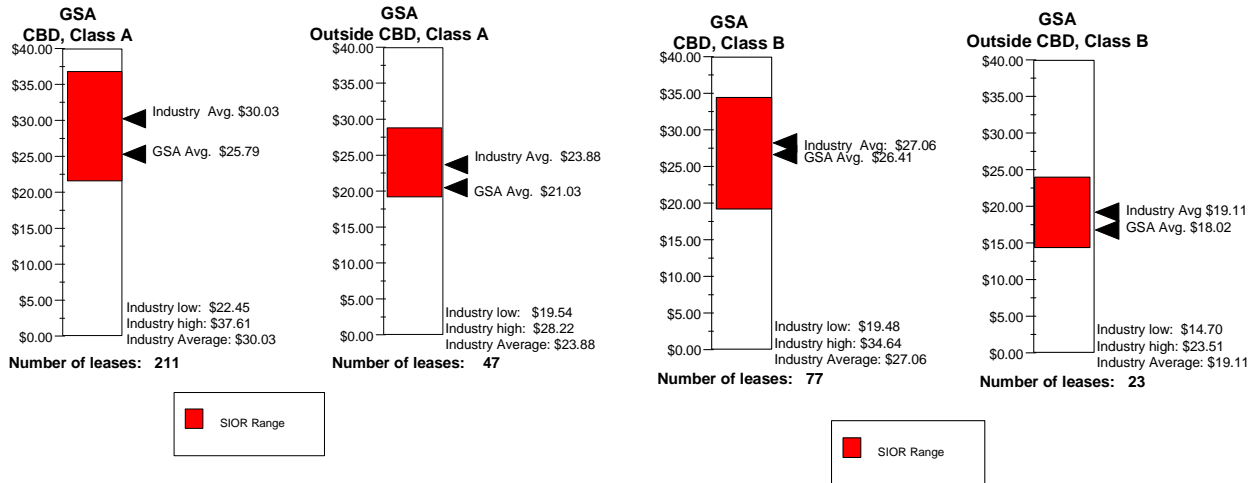
Class A is defined as space in an excellent location, high-quality tenants, high quality finishes, well maintained, and professionally managed.

Class B is defined as space in a good location, professionally managed, fairly high-quality construction and tenancy. Class B buildings generally show very little functional obsolescence and deterioration.

- FY 2001 Actual At or below the industry average in each of the 4 categories (see charts below)
- FY 2002 Target At or below the industry average in each of the 4 categories
- FY 2003 Target At or below the industry average in each of the 4 categories

Performance is determined by calculating the average of the aggregate square footage costs in new GSA leases and comparing it to the median of aggregate square footage costs in private sector leases in each of the four categories.

FY 2001 Actual



Verification and Validation:

Source: STAR and Society for Industrial and Office Realtors (SIOR) and the Logistics Management Institute (LMI).

See Data Section for a discussion of STAR System as a data source.

The SIOR commercial network and its publications are valuable tools in determining current trends and market rates from which GSA can benchmark. They are widely used within the industry.

The Logistics Management Institute (LMI) is a private non-profit organization that provides management consulting, research, and analysis to governments and other non-profit organizations. LMI employs several filters and data verification methods after preliminary results are collected from STAR. Regional offices are given the opportunity to re-check the final posted data for inaccuracies. The resulting lease data that is collected is valid with a reasonable degree of certainty.

PBS Rental of Space

GSA	
Strategic Goal	Excel at Customer Service.
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision making processes.

Performance Goal:

Increase tenant satisfaction with leased space.

PBS provides quality space in a timely manner that is responsive to agency requirements. PBS polls agencies annually using a survey developed by the International Facilities Management Association (IFMA) to determine the level of customer satisfaction with building services it provides. These survey results allow PBS to focus efforts on problem areas and improve the work environment of its tenants.

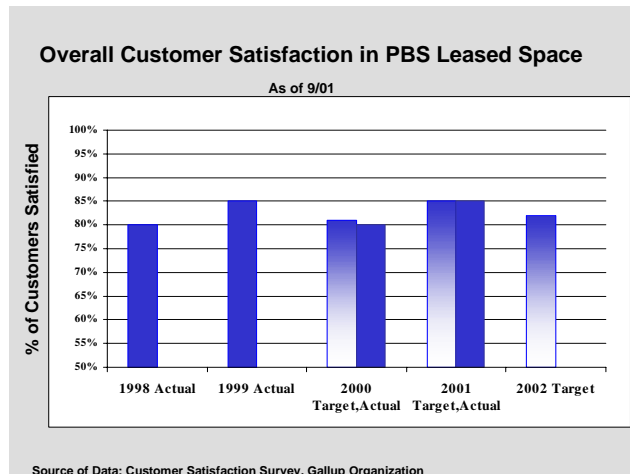
Measure

Customer satisfaction – tenants in leased space

Target

Beginning in 1999, PBS determined that the buildings surveyed in odd years (1999, 2001, etc.) were performing at a higher level than buildings surveyed in even years (2000). The future targets reflect this difference.

FY 1998 Baseline:	80%
FY 1999 Actual:	85%
FY 2000 Actual:	80%
FY 2001 Target:	82%
FY 2001 Actual:	85%
FY 2002 Target:	82%



Reasons for success:

Utilized training in customer satisfaction action planning at the field and regional office levels to target problem areas within individual buildings and discuss tactics that can be employed to improve scores.

Encouraged building managers with high customer satisfaction scores to share those business practices that have helped attain these high scores with other building managers nationwide.

Used focus groups, at the building level, to better understand what is needed to improve customer satisfaction.

Verification and Validation:

Source: The Gallup Organization and IFMA customer satisfaction survey.

See Data Section for a discussion of this system as a data source.

PBS Rental of Space

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and optimize the government's return on investment.

Performance Goal:

Breakeven on operating leases.

PBS should collect sufficient revenue from clients for leased space to cover the associated costs of those leases. These costs include payments to the lessors, operating costs as certain lease contracts require, depreciation for PBS funded tenant and building improvement, plus the administrative costs of leasing. By managing operating leases, PBS aims to maximize the funding available for capital investment and meet its goal to operate efficiently and effectively.

Protection related cost and income are not included in this measure.

Measure

Recovery of lease costs

Target

The financial impact of leasing space is assessed using net income for leased space.

FY 1999 Actual	(\$61.0 million) - loss
FY 2000 Actual	(\$66.2 million) - loss
FY 2001 Target	(\$46.2 million) - loss
FY 2001 Actual	(\$57.2 million) - loss
FY 2002 Target	(\$28.6 million) - loss

Reasons for not achieving target:

PBS provided agencies estimated rent levels so they could include them in their budgets. Some of the agencies with leased delegated buildings were promised rent at a level that precluded PBS from charging full cost. PBS decided to adhere to the rent agreement even though it forced PBS into a loss situation. PBS does not anticipate this to be a problem in FY 2002 and beyond.

Verification and Validation

Source: NEAR
STAR

The Data section discusses the NEAR and STAR systems as data sources.

PBS CONSTRUCTION AND ACQUISITION OF FACILITIES

PBS surveys the housing needs of client agencies and the availability of Federal housing in communities nationwide. Construction projects are recommended to meet new housing needs of an agency or to consolidate several dispersed agencies with long-term housing requirements.

PBS’s experience has shown that a construction and ownership solution for special purpose and unique facilities, such as courthouses and border stations, is often the best housing solution because these facilities are not readily available in the real estate market.

These expenditures are justified by the same stringent return on investment (ROI) analysis used to justify repairs and alterations expenditures. By applying a Treasury-based “hurdle rate” of 6.1 percent, the non-prospectus construction projects are geared to invest the government’s resources wisely.

The goals of the Construction and Acquisition of Facilities program are timely completion of construction projects, minimization of cost overruns, and meeting customer needs. The construction program of special purpose and unique facilities provides customers with superior workspace that has been built specifically for their individual requirements. Project and relationship management will enhance PBS’ ability to provide facilities that maximize customers productivity.

PBS revised the internal controls on the methodology of this measure to more realistically assess if projects are completed on time and on budget. In addition, GSA will increase the pool of projects being measured by \$10 million in FY 2002 by tracking construction projects greater than \$2 million.

**Performance Goals
Link to Strategic Plan**

GSA Strategic Goal: Promote Responsible Asset Management
 GSA Strategic Objective: Conserve taxpayer investment in real and personal property and maximize the government’s return on investment.

GSA Strategic Goal: Excel at customer service
 GSA Strategic Objective: Incorporate customer feedback and customer satisfaction into GSA’s planning and decision-making processes.

PBS Performance Measures

- Construction projects complete on schedule
- Construction projects completed on budget
- Customer satisfaction – tenants in newly constructed buildings

Budget Links

Budget Information for past, current and future fiscal years

	1999 Actual Obligations	2000 Actual Obligations	2001 Actual Obligations	2002 Current New Obligational Authority
New Construction	\$533 million	\$94 million	\$364 million	\$675 million

Building Operations (Salary, Administration and Program support)	\$91 million	\$92 million	\$84 million	\$93.4 million
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PBS Construction and Acquisition of Facilities

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the government's return on investment

Performance Goal:

Complete all construction projects on time.

PBS financial projections include rental income from new construction projects as of the anticipated date of occupancy. It is, therefore, critical that projects be completed on time so that they can begin to generate expected revenue.

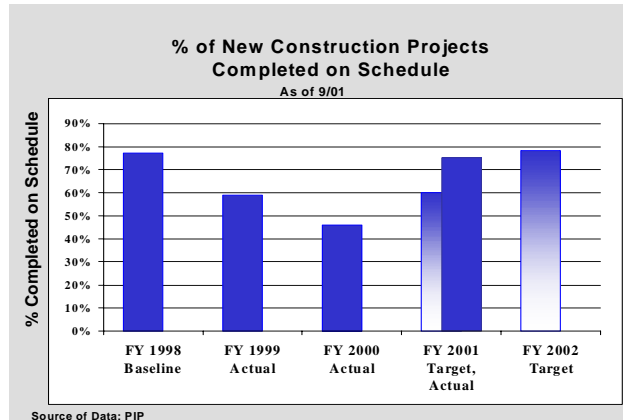
Measure

Construction projects completed on schedule

Target

Percent of construction projects delivered on schedule (weighted by cost).

FY 1998 Baseline:	77%
FY 1999 Actual:	59%
FY 2000 Actual:	46%
FY 2001 Target:	60%
FY 2001 Actual:	75%
FY 2002 Target:	78%



Reasons for success:

PBS initiated and continues to work on several improvements to its construction, and repair and alteration programs. PBS associates have established a strong project management organization to keep the goals of scope, schedule and budget in the forefront of all decision making related to projects. The project management organization is also the source of well-qualified project managers for deployment to major projects across the country.

PBS has established a Construction Excellence (CE) program, which is complementary to PBS's well-recognized Design Excellence program. Construction excellence provides some new thinking, reflecting industry practice, in the contracting and management of construction. Among other things, CE moves PBS contracting from reliance on low bid contracting toward best value contracting methods.

PBS contractor selection is now predicated on evidence of qualifications and a demonstrated, consistent ability to properly coordinate work on large projects and a solid track record dealing with scope, budget and schedule.

PBS has established peer reviews to assess contracts and procurement methodologies.

Reason for changing the measure:

Many of the projects that are in the process of being completed over the next several years were initiated long before PBS began to measure its construction program. PBS was not diligent in the past, in developing reasonable timeframes for projects based on the scope and complexity of the project. It has resulted in a group of older projects with unrealistic schedules that are currently driving the PBS performance results. To deal with the above issue, PBS is considering a temporary solution of measuring performance of projects in progress funded after FY 2000 until the older projects are phased out of the measure. PBS is also considering one-time correction of the unreasonable timeframes to a more reasonable schedule that the project managers can manage.

With an increased emphasis on performance measurement, PBS now develops reasonable project plans and costs for the construction projects it proposes in future budget submissions. The performance results of newer projects will show PBS is making great strides in its construction program with significant decrease in delays.

Verification and Validation:

Source: Project Information Portal (PIP)

See Data Section for a discussion of this system as a data source.

PBS Construction and Acquisition of Facilities

GSA	
Strategic Goal	Promote Responsible Asset Management.
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the government's return on investment.

Performance Goal:

Minimize cost escalations on construction projects.

PBS manages the construction program within budget as provided by Congress. Projects are considered within budget until PBS escalates or requests a reprogramming for the project.

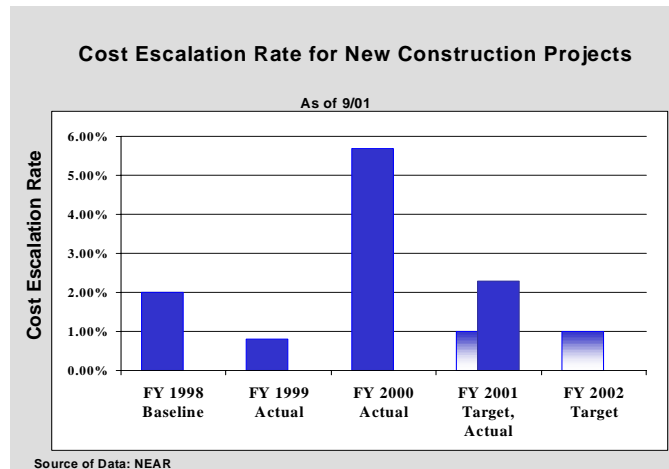
Measure

Construction projects completed within budget

Target

Project escalations divided by value of construction projects completed each year.

FY 1998 Baseline:	2%
FY 1999 Actual:	8%
FY 2000 Actual:	5.7%
FY 2001 Target:	1%
FY 2001 Actual:	2.3%
FY 2002 Target:	1%



Reasons for not achieving target:

The target was not achieved because GSA's construction projects, US Courthouse in Montgomery, Alabama and US Courthouse in Corpus Christi, Texas experienced sizable cost escalations. The cost escalation in the Montgomery Courthouse project was primarily due to \$6 million of options that were exercised at the request of the Courts. The escalation in the Corpus Christi Courthouse project was due to unexpected demand in the market conditions for construction as a result of the economic boom in the late 1990s. Although PBS fell short of the 1% target, it has made great improvement by reducing the project escalations from 5.8% in FY 2000 to 2.3% in FY 2001.

PBS initiated and continues to work on several improvements to its construction, and project repair and alteration programs. PBS associates have established a strong project management organization to keep the goals of scope, schedule and budget in the forefront of all decision making related to projects. The project management organization is also the source of well-qualified project managers for deployment to major projects across the country.

PBS has established a Construction Excellence (CE) program, which is complementary to PBS' well-recognized Design Excellence program. Construction excellence provides some new thinking, reflecting industry practice, in the contracting and management of construction. Among other things, CE moves PBS contracting from reliance on low bid contracting toward best value contracting methods.

PBS contractor selection is now predicated on evidence of qualifications and a demonstrated, consistent ability to properly coordinate work on large projects and a solid track record dealing with project scope, budget and schedule.

PBS has established peer reviews to assess contracts and procurement methodologies.

Verification and Validation:

Source: NEAR

See Data Section for a discussion of this system as a data source.

PBS Construction and Acquisition of Facilities

GSA

Strategic Goal Excel at Customer Service and Compete Effectively for the Federal Market

GSA Strategic Objective Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.

Performance Goal:

Increase the percentage of tenants that are satisfied with our space and services in newly constructed buildings while meeting agency space needs at best value to the taxpayer.

PBS achieves and maintains a high level of satisfaction among tenants of newly constructed buildings by providing quality space and services at competitive prices and achieves significant savings for federal agencies.

Measure

Customer satisfaction – tenants in newly constructed buildings

Target

Percentage of satisfied customers.

FY 1998 Actual 90%

FY 1999 Actual 91%

FY 2000 Actual 86%

FY 2001 Actual 89%

FY 2001 Target 90%

FY 2002 Target 90%



Reasons for not achieving target:

The FY 2001 actual performance score was just received and PBS has not had the opportunity to analyze the data to determine the reasons for not achieving the target. The Gallup Organization and PBS plan to further investigate the customer satisfaction data to find out what areas need improvement.

PBS has determined some strategies to help improve customer satisfaction scores such as utilize customer satisfaction action plan training at the field and regional office levels to target problem areas within individual buildings and discuss tactics that can be employed to improve scores. PBS will also use focus groups, at the building level, to better understand what is needed to improve customer satisfaction.

Verification and Validation:

Source: The Gallup Organization and IFMA customer satisfaction survey.

See Data Section for a discussion of this system as a data source.

PBS REPAIRS AND ALTERATIONS

PBS' objective is to provide consistent levels of quality space and services that meet the mission-related needs and expectations of client agencies housed in owned capital assets. The Repairs and Alterations (R&A) program funds the necessary work to keep PBS' building inventory in a proper state of repair, modernize outdated space and facilities, improve health and safety, recapture vacant government-owned space, and address other special program needs. The PBS Portfolio Strategy allows PBS to become more disciplined and strategic in directing reinvestment dollars towards those assets, which produce an acceptable return on investment, while PBS restructures its inventory to consist of strong-income producing properties generating sufficient funds to meet its capital investment needs.

The repair and upgrade of these assets are always the top priority for capital funds. The PBS Portfolio Strategy has been implemented to strengthen PBS inventory and to give guidance for directing the capital funds. Repairs and Alterations funds are separated into two distinct budget activities, the line item and basic programs.

The line item program provides funding authority for repairs and alterations projects that require prospectus approval. The FY 2003 prospectus limitation within a building is \$2.13 million. The basic program is designed to ensure day-to-day operational continuity of assets in GSA's portfolio. The basic program includes work in buildings below the prospectus threshold for basic repairs, health and life-safety, vacant space recapture, and PBS special programs. This program funds PBS' efforts to improve the GSA brand through First Impressions, Retail Tenant Services, Protection projects, Construction Excellence, and initiatives to reduce non-revenue producing space. This program is essential for preserving PBS' capital assets between major reinvestments.

The line item alteration program, combined with the basic program, is budgeted at approximately 2.8% percent of the Functional Replacement Value (FRV) of the owned inventory. The facilities under PBS' stewardship have a FRV of approximately \$34.5 Billion (estimated). This amount falls in the lower range of the funding level recommendation by the National Research Council and is consistent with private sector practice. While this level of funding is an increase over previous years, due to the competing program requirements, it does not provide PBS with the funds required to significantly improve the overall facility conditions that were mentioned in recent audits by GAO.

Performance Goals Link to Strategic Plan

GSA Strategic Goal:	Promote Responsible Asset Management
GSA Strategic Objective:	Conserve taxpayer investment in real and personal property and maximize return on investment for the government.

Performance Measures

Repairs and Alterations Projects completed on schedule
Repairs and Alterations Projects completed on budget

Budget Links

Budget Information for past, current and future fiscal years

	1999 Actual Obligations	2000 Actual Obligations	2001 Actual Obligations	2002 Current New Obligational Authority
Total R&A program (including major and minor)	\$682 million	\$669 million	\$632 million	\$827 million
Building Operations (Salary, Administration and Program support)	\$109 million	\$104 million	\$103.5 million	\$103.9 million

PBS Repairs and Alterations

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the government's return on investment.

Performance Goal:

Complete all repair and alterations projects on time.

PBS financial projections include expected rental income from buildings undergoing modernization. As with new construction, completing these modernization projects on schedule ensures that they can be occupied and begin to generate revenue as planned.

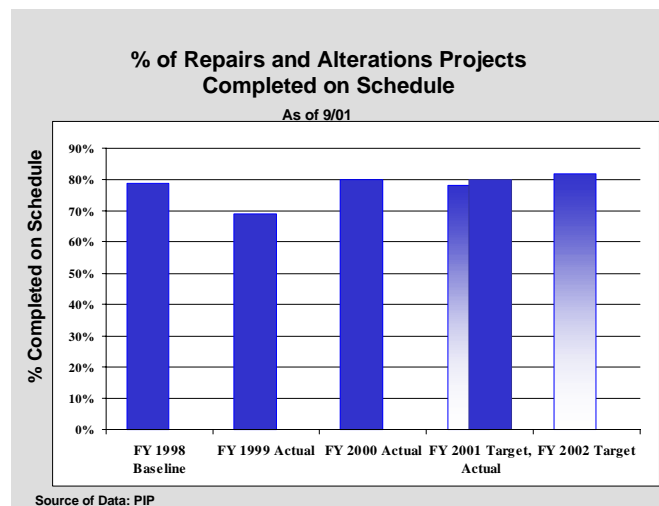
Measure

Repairs and Alterations projects completed on schedule

Target

Percentage of repairs and alterations delivered on schedule (weighted by cost).

FY 1998 Baseline:	79%
FY 1999 Actual:	69%
FY 2000 Actual:	80%
FY 2001 Target:	78%
FY 2001 Actual:	80%
FY 2002 Target:	82%



Reason for success:

PBS implemented the Portfolio Strategy to strategically direct more capital funds toward the strong-income producing properties. In the foreseeable future, PBS will have a strong inventory generating sufficient funds to meet its capital investment needs and to provide quality spaces that meet the mission-related needs and expectations of its client agencies.

PBS initiated and continues to work on several improvements to its construction, and repair and alteration programs. PBS associates have established a strong project management organization to keep the goals of scope, schedule and budget in the forefront of all decision making related to projects. The project management organization is also the source of well-qualified project managers for deployment to major projects across the country.

PBS has established a Construction Excellence (CE) program, which is complementary to PBS's well-recognized Design Excellence program. Construction excellence provides some new thinking, reflecting industry practice, in the contracting and management of construction. Among other things, CE moves PBS contracting from reliance on low bid contracting toward best value contracting methods.

PBS contractor selection is now predicated on evidence of qualifications and a demonstrated, consistent ability to properly coordinate work on large projects and a solid track record dealing with scope, budget and schedule.

PBS has established peer reviews to assess contracts and procurement methodologies.

Reason for changing the measure:

Many of the projects that are in the process of being completed over the next several years were initiated long before PBS began to measure its construction program. PBS was not diligent in the past, in developing reasonable timeframes for projects based on the scope and complexity of the project. It has resulted in a group of older projects with unrealistic schedules that are currently driving the PBS performance results. To deal with the above issue, PBS is considering a temporary solution of measuring performance of projects in progress funded after FY 2000 until the older projects are phased out of the measure. PBS is also considering one-time correction of the unreasonable timeframes to a more reasonable schedule that the project managers can manage.

With the increased emphasis on performance measurement, PBS now develops reasonable project plans and costs for the construction projects it proposes in future budget submissions. The performance results of newer projects will show PBS is making great strides in its construction program with significant decrease in delays.

Verification and Validation:

Source: Project Information Portal (PIP)

See Data Section for a discussion of this system as a data source.

PBS Repairs and Alterations

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the government's return on investment.

Performance Goal:

Minimize cost escalations on repairs and alterations projects.

Our modernization projects are planned with an expected return on investment. If projects are more expensive than planned, PBS will receive a lower return on investment than expected. PBS strives to ensure that every project performs well financially.

Measure

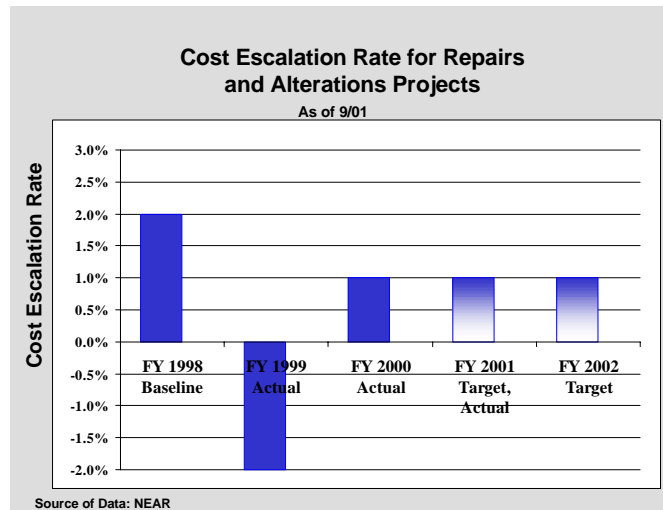
Repairs and Alterations projects completed within budget

Target

Project escalations divided by value of repairs and alterations projects completed each year.

Cost Escalation Rates

FY 1998 Baseline:	2%
FY 1999 Actual:	-2%
FY 2000 Actual:	1%
FY 2001 Target:	1%
FY 2001 Actual:	0%
FY 2002 Target:	1%



Reasons for success:

Established and maintained good working relationships with contractors, A/Es, tenant representatives, and other stakeholders through formal “partnering” for the duration of the project.

Controlled changes to the projects through effective communication and continuous coordination with A/Es, tenant representatives, contractors and stakeholders.

Coordinated requests for changes with asset team members and evaluated the total impact of any proposed contract change.

Reason for changing the measure:

To continually improve the way this program is measured, PBS associates are considering new performance measures for construction and repairs and alterations projects. PBS recognizes the importance of the on time and on budget measures. However, there is a need for flexibility in dealing with changes in project scope and customer requirements. For example, the current measure penalizes regions for meeting customer needs when new requirements arise after the project start date. PBS associates are attempting to find a comprehensive way to measure construction and repairs and alterations projects.

Verification and Validation:

Source: NEAR

See Data Section for a discussion of this system as a data source.

PBS PROPERTY DISPOSAL

The Public Buildings Service provides our customers with real property disposal services in a timely and cost effective manner. This program promotes the maximum utilization and efficient redeployment of Federally owned real property through Federal transfers, public benefit discount conveyances and negotiated and public sales. This program receives direct and reimbursable funding. The direct program provides services related to utilization and disposal by sale, exchange, or transfer of real property reported as excess to GSA. The reimbursable program provides similar services for other agencies on a fully reimbursable basis. Our budget request provides for GSA's Real Property Disposal program to operate its business function using a comprehensive business plan that integrates strategic and tactical actions along with a marketing plan to improve quality and customer satisfaction.

The performance goal related to this responsibility segment was to maintain a dollar returned to dollar spent ratio of 16:1, which was accomplished in Fiscal Year 2001.

Performance Goals Link to Strategic Plan

GSA Strategic Goal: Promote Responsible Asset Management
GSA Strategic Objective: Conserve taxpayer investment in real and personal property and maximize the government's return on investment.

PBS Performance Measures

Dollars returned to dollar spent ratio for disposal
Annual cycle time of properties subject to the Federal Property and Administrative Services Act of 1949

Budget Links

Budget Information for past, current and future fiscal years

	1999 Actual Obligations	2000 Actual Obligations	2001 Actual Obligations	2002 Current New Obligational Authority
Property Disposal	\$27 million	\$30 million	\$31 million	\$34 million

PBS received an appropriation of \$32 million for disposal functions in fiscal year 2001, of which \$31 million was obligated.

PBS Property Disposal

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the government's return on investment.

Performance Goal:

Dispose of excess property efficiently and effectively.

PBS provides real estate consulting services that meet the government's needs. If property is underutilized, PBS works with the client agency to release the property for excess. If the property is deemed surplus, PBS associates manage the disposal process to ensure the laws are followed and taxpayers receive maximum return on their investment.

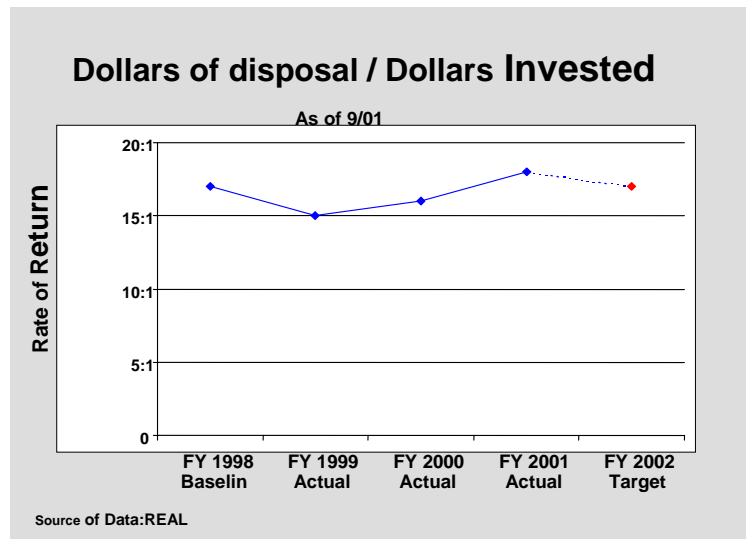
Measure

Dollar returned to dollar spent ratio for disposal

Target

Dollars of disposals for each dollar of yearly resources available.

FY 1998 Baseline:	17:1	(\$341.2 million: \$20 million)
FY 1999 Actual:	15:1	(\$447.9 million: \$29 million)
FY 2000 Actual:	16:1	(\$472.7 million: \$30 million)
FY 2001 Target:	16:1	(\$512.0 million: \$32 million)
FY 2001 Actual:	18:1	(\$550.2 million: \$31 million)
FY 2002 Target:	17:1	(\$575.0 million: \$34 million)



Reasons for success:

By more stringently managing the cycle time of disposable properties in our inventory PBS exceeded its goal in FY2001. The value of disposed properties was \$550.2 million, a 16% increase. The total disposal obligations for the fiscal year were \$31 million, allowing PBS to exceed its return on investment goal and achieve a return of 18 to 1.

Verification and Validation:

Source: Real Estate Activity Locator (REAL) System

The Real Estate Activity Locator (REAL) system is a fully deployed, integrated, nationwide information and analysis system. It is a real property information and analysis system that contains such information as appraisals, sales tracking and surveys. Maintaining data accuracy and reliability of REAL data is a critical element in the realty specialist's performance plan.

PBS Property Disposal

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Manage assets and related services effectively.

Performance Goal:

Achieve continuous yearly reductions in cycle time averages.

PBS is currently measuring the performance of this program by using a dollar returned to dollar invested ratio. However, cycle time in the disposal of real property is also an important measure. The environment of real estate management is constantly changing and more agencies are under pressure to reduce costs and divest unneeded assets. Until it has been disposed of, property must be maintained. Disposing of property in a timely manner will produce tangible cost savings in maintenance and demonstrates responsible asset management.

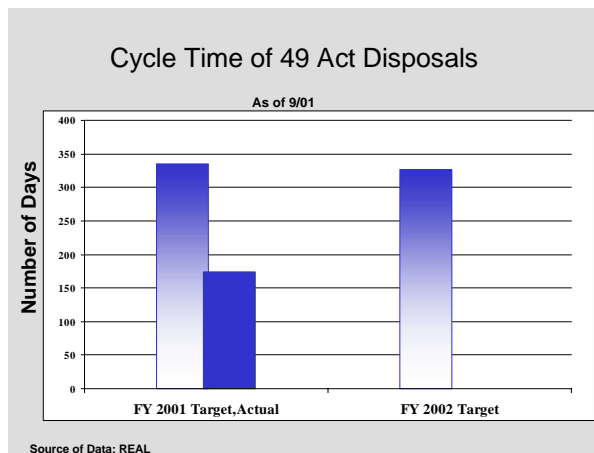
Measure

Annual cycle time of properties subject to the Federal Property and Administrative Services Act of 1949

Target

Cycle time is the difference in days between the date the report of excess is accepted by PBS and the date the property is awarded.

FY 2001 Target	335 days / 49 Act Property
FY 2001 Actual	174 days / 49 Act Property
FY 2002 Target	327 days / 49 Act Property



Reasons for success:

Continue to streamline the disposal process while maintaining adherence to all legislation, laws, orders, regulations, etc., pertaining to the disposal of federal properties.

Continue aggressive marketing strategies.

Verification and Validation:

Source: Real Estate Activity Locator (REAL) System

The Real Estate Activity Locator (REAL) system is a fully deployed, integrated, real property information and analysis system that contains such information as appraisals, sales tracking and surveys. Maintaining data accuracy and reliability of REAL data is a critical element in the realty specialist's performance plan.

V. FEDERAL SUPPLY SERVICE

The Federal Supply Service (FSS) provides federal agencies with services and supplies worth \$22 billion a year. These include commercial products acquired directly from contractors at discount prices, professional services provided by major private sector firms, low cost vehicle acquisition and leasing, and travel and transportation services that are deeply discounted. FSS also manages the utilization, donation and sales of surplus and excess federal personal property at a great savings to the government. The fastest growing area is service contracting which is included in the \$16.8 billion Federal Supply Schedules program. The Schedules program has benefited from the Federal procurement reforms of the mid-1990s and provides a broad and expanding range of services and products.

FSS serves customer agencies through four business lines: Supply and Procurement, Vehicle Acquisition and Leasing Services, Travel and Transportation, and Personal Property Management. FSS is in the process of separating Supply and Procurement into two distinct business lines. We anticipate completing the transition to five business lines during FY 2002.

In FY 2001, FSS adopted a balance scorecard approach used by commercial industry to measure performance of all aspects/segments of a business. The FSS Corporate Scorecard provides the foundation for business planning, and is used to build GPRA plans, with 5 corporate goals and expected outcomes, 15 strategies and 22 measures of success that have been developed through a collaborative effort by FSS' leadership and teams of associates. Since 1998, FSS' GPRA performance plans and reports have used operational targets as measures of achievement. While these measures provided insight into how well FSS business lines performed a particular activity, it was difficult for FSS stakeholders to assess overall performance of the FSS organization.

FSS will implement a comprehensive, enterprise-wide performance management system to ensure the organization focuses on meeting clearly defined standards of performance in Fiscal Year 2002. The performance management system will be used to develop our FY 2003 performance plan, which will focus on strategic measures that apply broadly to the organization.

Program Highlights

Supply and Procurement

The Supply and Procurement business line consists of two distinct programs – Commercial Acquisition and Supply. Commercial Acquisition offers federal agencies millions of commercial products and an extensive range of technology, financial, environmental, management, and administrative services through the Multiple Awards Schedules program. Agencies can make best-value choices and purchase directly from commercial suppliers through more than 9,500 FSS schedule contracts. In Fiscal Year 2001, the business volume under the schedules program was \$16.8 billion, exceeding the \$16.1 billion target. Customers benefit from volume purchasing, FSS contracting expertise, and compliance with federal procurement and socioeconomic policies. FSS promotes commercial buying practices, reduces acquisition time, and provides agencies opportunities to determine best value -- helping agencies get what they need, when they need it, to do their jobs effectively and focus on core missions. Professional services and the solutions available for complex requirements continue to be the fastest growing segment of the schedules program.

An example of program evaluation and changing business models to improve efficiency and effectiveness is the transition of the Supply and Procurement business line into two separate and distinct programs, Commercial Acquisition and Supply. In the past, the stock and special order programs were matrix-managed by several FSS offices, frequently resulting in conflicting program policy, direction, priorities, and operating practices. Placing the operations of these programs under the centralized purview of an Office of Supply enables FSS to develop a unified full-service Supply program that will provide basic business and mission supplies and full-service supply logistics support to federal customers. A unified Supply Business Line management approach will result in improved program operating efficiency and

effectiveness by clarifying lines of decision-making responsibility and authority. This in turn will enable FSS to respond to the changing demands, conditions, and developments of the marketplace.

Vehicle Acquisition and Leasing

The Vehicle Acquisition and Leasing Services business line provides two distinct services. First is acquisition service for an extensive range of vehicles through consolidated acquisitions and the Multiple Awards Schedules program. FSS contracts for over \$1 billion in vehicles annually, or approximately 55,000 standard sedans and trucks and other non-tactical vehicles, based on consolidated customer requirements that leverage the Government's buying power. For specialty vehicles like ambulances, trash trucks, tractors and trailers, tankers, fire trucks, etc., agencies can purchase directly from commercial suppliers with FSS schedule contracts. Customers benefit from volume purchasing, FSS contracting expertise, and compliance with federal procurement and socioeconomic policies. FSS promotes commercial buying practices, reduces acquisition time, and under schedules, provides agencies opportunities to determine best value -- helping agencies get what they need, when they need it, to do their jobs effectively and focus on core missions. The numbers of vehicle purchases are expected to remain constant through Fiscal Year 2003, with business volume increasing to \$1.3 billion. This service is funded through prices and fees paid by federal agencies.

The second service is the fleet management of over 182,000 vehicles. FSS provides non-tactical vehicles needed by civilian and military customer agencies with a comprehensive "cradle to grave" leasing program encompassing vehicle acquisition, asset management, maintenance and repair, fuel, accident management and vehicle re-marketing (sale). GSA Fleet consolidation from other federal fleets into GSA Fleet between Fiscal Years 1998-2001 totals over 28,000 vehicles and a savings to taxpayers of approximately \$23 million. This service is funded through monthly and per-mile charges for long-term vehicle leases.

The Fleet Management Program continues to outsource business segments to the private sector. Over \$1.1 billion, or 94% of Fleet Management program expenses and outlays were outsourced dollars in FY 2001. Over 80% of program operating expenses are outsourced. Vehicles are purchased directly from the automotive manufacturer. The Fleet program also implemented a national auction contract and created a national Remarketing Branch to leverage the sale of vehicles to maximize net sales proceeds. Through improving operational efficiencies, the Fleet program plans to maintain rates competitively priced at or below inflation into FY 2002.

The fleet program also has several strategies in place to keep cost per mile down. Strategies include negotiating the lowest possible price for large quantity purchases from vehicle manufacturers and tire wholesalers, negotiating agreements with maintenance and repair service providers to take advantage of discounts, and reviewing all cost accounts on a monthly basis to monitor and restrict extraordinary cost growth. Initiatives also include encouraging the use of the Fleet services card under the GSA SmartPay contract, which may be used at a large number of maintenance and repair facilities and provides management data electronically. Fleet also will continue to improve the 10-year capital model throughout 2003 which projects revenues, expenses, capital income and outlays and thereby enhance decision-making capabilities. Finally, Fleet will continue to develop and implement national programs (e.g. National Maintenance Control Center, Accident Management Center and National Re-marketing Program) to leverage GSA Fleet resources.

Travel and Transportation

Travel and Transportation negotiates great savings for federal travelers each year by leveraging a high volume of business. FSS contracts with commercial travel agents for Travel Management Center (TMC) services. TMCs manage agencies' travel planning and processing and ensure that travelers use available discounts and adhere to federal regulations and agency directives. For Fiscal Year 2002, FSS awarded contracts for walk-up fares to 14 airlines at an average of 72% savings over unrestricted coach fares offered to the general public, saving the federal government approximately \$3.0 billion. Savings increased 3% and \$0.2 billion from Fiscal Year 2001. The Fiscal Year 2002 contracts added capacity

based fares for some routes to protect airlines against costs associated with last minute cancellations by large groups. FSS will evaluate the impact of capacity based fares during Fiscal Year 2003. FSS will determine if the terrorist attacks of September 11 had an impact on program fares. City-Pair contract negotiations will continue to provide the best service and value at the lowest cost to taxpayers. In recent years, the federal travel and transportation marketplace has totaled approximately \$24 billion annually, and is expected to remain at this level through Fiscal Year 2003.

Personal Property Management

The Personal Property Management Program of FSS specializes in government cost avoidance and property sales. Property no longer needed by one federal agency may fill a need in another, thereby avoiding new procurements. Property whose value cannot be extended by reuse or donation is sold to the public. The Personal Property Management business line saved taxpayers over \$1.6 billion in new acquisitions during Fiscal Year 2001, projected savings remain constant for Fiscal Year 2002.

Supply and Procurement

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in real and personal property and maximize the government's return on investment.

Performance Goal

Reduce costs while expanding supply and procurement support to federal agencies, thereby reducing the cost per \$100 sales.

Performance Measure

Cost per \$100 of sales

FY 1998 Baseline	\$3.51
FY 1999 Actual	\$2.85
FY 2000 Actual	\$2.35
FY 2001 Target	\$2.37*
FY 2001 Actual	\$2.36
FY 2002 Target	\$2.22

*Note that target of \$2.37 as our FY 2001 target was appropriate since FY 2001 was a period of transition as Supply and Procurement were split into separate business lines.

Reasons for Success

FSS began the consolidation of its distribution operations into two Distribution Centers: Stockton, CA and Burlington, NJ, beginning October 1, 2001, which will result in significant savings in operating expenses and maximize distribution-operating efficiency.

Supply and Procurement business programs will continue to develop processes that shorten lead times and eliminate delays for GSA's customers. The Supply and Procurement business line offers more than 2 million products and services through GSA Advantage!TM, which includes a new electronic Request for Quotes system, called e-Buy! The addition of the e-Buy! capability allows customers to generate on-line requests for quotations from schedule contractors. FSS online provides access to over 6,000 vendors with over 7,100 contracts.

The Multiple Award Schedules program and contracting for services continues to provide increased business volume, without a commensurate increase in expenses, thus contributing to the improvement in cost per \$100 sales in FY 2002.

In addition to substantial administrative savings to customers, Supply and Procurement leveraged resources by changing from one-year contracts and renewals to five-year contracts and renewals. Another enhancement is the option for corporate contracts, where contractors can elect to hold a single contract in place of individual contracts under each different schedule they have been awarded.

FSS implemented corporate contracting in the Schedules Program in FY 2001. Corporate contracting invites a company that has more than one schedule contract to submit one offer for all commercially offered services and products that are covered by the scope of the Federal Supply Schedules Program. This streamlines the contracting process by reducing multiple negotiations to one negotiation and multiple contract management actions to one. GSA and its contractor partners can both better utilize human and other resources, as associates work in teams to negotiate contacts. FSS entered into 48 corporate

contracts in FY 2001, and will continue to enhance this practice to meet customers needs in Fiscal Years 2002 and 2003.

Budget Links: Direct Operating Expenses of \$338.2 million
Cost of Goods/Operations \$928.8 million

Verification/Validation

Total operating expenses are divided by the total dollar volume purchased from FSS sources (as measured in the General Supply Fund), multiplied by \$100. The financial statements of GSA are audited annually by a private accounting firm.

Supply and Procurement

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Increase market penetration to maximize service to federal agencies and effect the greatest advantage to the Government

Performance Goal

Increase federal agencies' use of GSA sources of supply by 7% over FY 2001 by providing additional products and services and by making it easier to access them.

Performance Measure

Dollar volume of GSA supply and procurement programs

FY 1998 Baseline	\$ 9.4 billion
FY 1999 Actual	\$12.7 billion
FY 2000 Actual	\$16.3 billion
FY 2001 Target	\$16.4 billion*
FY 2001 Actual	\$17.9 billion
FY 2002 Target	\$17.6 billion

*The FY 2001 target was increased from \$15.3 billion, which had been the target in the FY 2001 Performance Plan, based upon performance to date in FY 2000 and revised projections for FY 2001.

Reasons for Success

FSS offers state-of-the-art, competitively priced, commercial services and products. In addition, by using FSS sources, agencies minimize procurement costs.

As Schedules and service contracting areas continue as growth sectors, FSS continues to explore solutions to determine how existing services and products can be packaged to better meet customer needs. An example of the packaged solution concept is the E-connected Intelligent Remote Operations (EIRO) program. EIRO will feature a wide range of services and products already available on multiple FSS schedules. The purpose of this effort is to provide the items that meet the technological needs of a mobile government workforce in one location. Customer benefits accrue when FSS contractors help federal agencies meet legislative Telecommuting/Telework policies. EIRO products and service solutions can be identified and purchased through GSA Advantage!. By featuring quality expertise and optimal solutions for targeted needs, EIRO provides leveraged business solutions that result in time and process savings.

Under the EIRO program, FSS entered into a value-added strategic partnership agreement with GovWorks, Department of the Interior in FY 2001, to provide federal agencies with creative, effective value added services to support their mission. Value added services offered by GovWorks in this partnership agreement include requirement development, preparation of request for quotation, proposal analysis and evaluation, order placement and administration, and project management. The partnership agreement between FSS and GovWorks delivers acquisition excellence, assures compliance with government acquisition regulations, and achieves time and cost savings for taxpayers.

FSS implemented e-Buy!, an innovative electronic system and component of GSA Advantage! that allows federal agencies (buyers) to maximize buying power and by leveraging the Internet. e-Buy! enhances contractor participation which allows customer agencies to obtain quotes that result in a best value purchase decision.

FSS continues to develop and enhance online training tools to assist customers and contractors. FSS' Schedules E-Library Internet site is a centralized source for Federal Supply Schedule contract award information for federal agencies. FSS trains customers via the FSS developed U-MAS (Multiple Award Schedule) Virtual Campus on features of the program, a few examples being, how to order services and develop statements of work. Plans to expand U-MAS during Fiscal Year 2002 includes increased customer training on services and the schedules program and training onsite upon request.

Budget Link: Schedules program: Direct Operating Expenses \$109.3 million; Cost of Operations: \$1.8 million

Stock program: Direct Operating expenses: \$ 201.9 million; Cost of Goods/Operations: \$534.6 million

Special Order program: Direct Operating Expenses - \$27.0 million; Cost of Goods/Operations - \$392.4 million.

Verification/Validation

The sources of sales data are the FSS supply and procurement operating and management information system (FSS-19) and the Federal Supply Schedule cost-recovery systems. Both systems are password protected and conform to the GSA Information Security Policies and Procedures.

A contractor using their password and contract number report schedules data quarterly via the Internet. Checks are performed to assure that all contractors are reporting and follow-ups conducted including visits to contractor facilities to ensure that they understand the reporting process and the submission of their industrial funding fees to GSA.

Supply and Procurement

GSA	
Strategic Goal	Meet Federal Social and Environmental Objectives
GSA Strategic Objective	Meet small business and socioeconomic procurement goals.

Performance Goal

Promote socioeconomic goals by maintaining the current proportion of Schedules contracts awarded to small businesses.

FSS is reaching out to the small business community and to minority and women-owned businesses to assist their participation in government contracting, thereby facilitating federal agencies' use of small businesses and promoting the Administration's socioeconomic goals. GSA Schedules make it easier for agencies concerned with meeting their goals of contracts awarded to small businesses to select small business vendors for many types of supplies and services. Beginning in FY 1999, an agency receives credit for using small business schedule contractors in meeting the agency's small business goals.

Performance Measure

Percent of Schedule contracts awarded to small businesses

FY 1998 Baseline	77%
FY 1999 Actual	77%
FY 2000 Actual	77%
FY 2001 Target	77%
FY 2001 Actual	78.1%
FY 2002 Target	77%

Reasons for Success

FSS develops and supports programs that help small and minority-owned businesses participate in government contracting. Acquisition professionals actively participate in outreach efforts to sustain the proportion of contracts awarded to small businesses. Since Fiscal Year 1999, FSS has participated with GSA's Office of Enterprise Development in an annual 10-city tour to educate small businesses on how to do business with the government, with emphasis on schedule contracts. The Fiscal Year 2002 10-city tour will highlight the Professional Engineering Services Schedule to increase small business participation skilled in engineering disciplines. The number of contracts with small businesses has increased from 5439 in Fiscal Year 1998 to 7387 in Fiscal Year 2001, while the total number of contracts has increased from 7425 to 9459 during that same period. FSS Acquisition Centers continually conduct sessions on "How to Complete a Quality Offer" with emphasis on helping small businesses.

As an example of this focus, FSS worked with the Small Business Administration to effect a policy change in Fiscal Year 1999 that allows agencies to get credit for using small business schedule contractors in meeting their agency small business goals. Since schedules make it easier for federal agencies to use small business vendors for many types of supplies and services the target group benefits while the agencies benefit from administrative savings for the acquisitions. The use of small business schedule contracts has increased from \$3.6 billion in Fiscal Year 1999 to over \$5.4 billion through October 2001.

Budget Link: Within Schedules program: Operating Expenses \$109.3 million.

Verification/Validation

Data is reported in the FSS Supply and Procurement Operating And Management Information System (FSS-19). This system conforms to the GSA Information Security Policies and Procedures.

Supply and Procurement

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Continuously improve relationships with our customers by developing a thorough understanding of their concerns, anticipating their needs and finding creative solutions for them.

Performance Goal

Increase customer satisfaction with Supply and Procurement programs.

To gauge customer satisfaction with its performance, FSS contracts biennially with a professional, private sector survey organization to poll its customers throughout the country and at U.S. installations overseas. The issues tracked include quality of products, timeliness, responsiveness to inquiries and discrepancies, ease in use of FSS, courtesy of our staff and that of our contractors, and accessibility of information to help customers make decisions, reach solutions or resolve concerns.

Performance Measure

Prior to FY 2001: Percentage of responses in the category "highly satisfied"

FY 2001: Overall satisfaction rating

FY 1997/98	Baseline	61%
FY 1999/2000	Actual	72%
FY 2001	Target	72%
FY 2001	Actual	75% * (Average of S&P scores)
FY 2002	Target	75%

**Survey organization reported results to FSS first quarter 2002. Each business line met with the survey organization to review current scores, new methodology and calculate 2002 targets that will be used in FSS' Performance Measurement System.

Reasons for Success

FSS customers are able to choose the level of service and level of procurement responsibility that is right for the acquisition of supplies at any given time. More importantly, the government benefits whenever federal agencies rely upon the procurement and logistics expertise of FSS to help fulfill their supply needs. The Supply program is fully complementary to the self-service solutions offered through the Commercial Acquisition Multiple Award Schedule program.

Budget Link: Direct Operating Expenses: \$338.2 million;
Cost of Goods/Operations: \$928.8 million.

Verification/Validation

In FY 2001, FSS revised its methodology to conduct a new customer satisfaction survey to solicit data needed to draw valid comparisons and conclusions regarding customer satisfaction. FSS contracted with a private-sector survey organization to poll its customers throughout the country and at U.S. installations overseas. The new methodology used is based on the American Customer Satisfaction Index (ACSI). The University of Michigan developed this methodology along with the private consulting firm Arthur Andersen, and American Society for Quality (ASQ). The ACSI aggregate score is on a scale of 0 -100. Previous FSS customer satisfaction scores were calculated on a scale 1 through 7. Comparisons between the two scales have a +/- 3% error margin. The ACSI score reported reflects respondents'

overall satisfaction rating with FSS, as a percentage. This is a slight difference from prior years' scores that reflected the percentage of responses in the category "highly satisfied." The difference in scores is a result of the new methodology and will be used in the FSS Performance Measurement System.

Supply and Procurement

GSA	
Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Employ advanced information and Internet technology to make acquisition of products easier and faster for all federal agencies

Performance Goal

Increase the number of services and products available to Federal customers via electronic systems and Internet connectivity.

Performance Measures

Percentage of schedule contracts accessible through GSA Advantage!™

FY 1998 Baseline	18%
FY 1999 Actual	23%
FY 2000 Actual	35%
FY 2001 Target	95%
FY 2001 Actual	77.1%
FY 2002 Target	98%

Reasons for Not Meeting the Target

While FSS fell short of the goal to have 95% of our schedule contracts accessible through GSA Advantage!™, beginning July 2001, all schedule contractors must place their products and services on GSA Advantage!™ as a condition of award. The total number of products and services available online has increased to 2.4 million in 2001, representing a 45% increase over FY 2000. The number of contracts available on-line increased to 1,284 in Fiscal Year 1998 and to 2,900 in Fiscal Year 2000. Through a concerted effort in Fiscal Year 2001, the number of contracts on GSA Advantage!™ has increased to 7100. FSS has been working with its commercial partners to encourage them to be on GSA Advantage!™.

GSA Advantage!™ allows federal agencies worldwide to compare prices, place orders, and make payments over the Internet. In Fiscal Year 2001, FSS introduced a new enhanced version of GSA Advantage!™. For federal customers in FY 2002 FSS plans to enhance e-Buy! a component of GSA Advantage! that allows federal agencies to obtain quotes that result in best value purchase decisions and plans to develop new e-business tools that offer optimal solutions.

Budget Link: Within Supply and Procurement Budget: Direct Operating Expenses \$338.2 million; Cost of Goods/Operations - \$928.0 million.

Verification/Validation

The calculation for percent of product and service contractors accessible on GSA Advantage!™ is arrived at by comparison with all Multiple Award Schedule contracts.

Vehicle Acquisition and Leasing Services

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in personal property and maximize the government's return on investment.

Performance Goal

Achieve an average 20% savings over commercial "Black Book" prices for compact sedans.

Performance Measure

Percent saved compared to "Black Book" price

FY 1998 Baseline	20%
FY 1999 Actual	20%
FY 2000 Actual	27%
FY 2001 Target	20%
FY 2001 Actual	20%
FY 2002 Target	20%

Reasons for Success

FSS' vehicle acquisition program maximizes volume purchasing power through an annual consolidated purchase of vehicles, obtaining discounts of about 20% from the industry's "black book" on compact sedans. Through one major consolidated purchase annually, FSS gains the best possible savings for our customers and, ultimately, the taxpayer. The average percentage savings is based on a 4-cylinder compact sedan in accordance with Federal Standard 122, Standard Item 9C, which represents the largest category of vehicles that FSS purchases. This discount remains relatively constant and continues to be a reasonable target for 2002, which translates to extremely effective pricing on the vehicles purchased for customer agencies.

Budget Link: Automotive acquisition operating expenses of \$6.2 million.
Cost of goods/operations of \$648.7 million.

Verification/Validation

Contract prices are compared to invoice prices listed in the *Black Book Lease Guide*. The "Black Book" is recognized by the automotive industry as an authoritative baseline for invoice and retail prices. Contract price information is captured through the Automotive Division's ROADS (Requisitioning, Ordering, And Documentation System) database. Security for this system is maintained through limited access and through password protection. An audit performed on this system in 1997 found it to be compliant with security requirements.

Vehicle Acquisition and Leasing Services

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in personal property and maximize the Government's return on investment.

Performance Goal

Save taxpayers money by consolidating additional vehicles into GSA's fleet.

Performance Measure

Savings through vehicle consolidation into the GSA Fleet

	Vehicles Consolidated	Savings	Cumulative Savings
FY 1998 Baseline:	5,329	\$ 6.4 million	\$ 6.4 million
FY 1999 Actual:	7,027	\$ 6.8 million	\$13.2 million
FY 2000 Actual:	5,950	\$ 4.1 million	\$17.3 million
FY 2001 Target:	6,400	\$ 3.7 million	\$21.0 million
FY 2001 Actual:	7600	\$ 3.9 million	\$21.2 million
FY 2002 Target:	3,900	\$ 1.8 million	\$22.8 million
Four Year Total:	28,606	\$21.2 million	\$22.8 million

Note: The savings per vehicle consolidated are declining.

Average savings per vehicle

FY 2001 Target	\$578
FY 2001 Actual	\$588
FY 2002 Target	\$513

Reasons for Not Meeting the Target

FSS provides non-tactical vehicles needed by civilian and military customer agencies with a comprehensive "cradle to grave" leasing program encompassing vehicle acquisition, asset management, maintenance and repair, fuel, accident management and vehicle re-marketing (sale). Savings from fleet consolidation, however, are affected by customer demand; GSA is an optional source. They are also affected by the amount of capital available, and the savings estimated by customer agency studies.

Numerous studies/competitions have been undertaken to substantiate the savings associated with GSA Fleet. Based on the results of these studies, GSA Fleet is traditionally 25 percent lower than private industry and continues to be the best value for the federal government. These savings have been validated through studies conducted by GSA, customer agencies, and private sector consulting firms, and GSA in coordination with an independent third party, Arthur Andersen, LLP.

Budget Link: Within GSA Fleet Direct Operating Expenses of \$90.8 million and Cost of Goods/Operations of \$666.3 million.

Verification/Validation

Agency studies on cost/benefit of consolidation provide cost comparison. GSA Fleet relies on the data developed by other agencies and upon which they base their decision to consolidate. In the absence of exact historical information within an agency, the evaluation and savings may be drawn from other

agencies' documented consolidation experiences. Consolidating agencies, for comparison purposes, use GSA Fleet's published rates, available through the GSA home page on the world wide web at: <http://pub.fss.gsa.gov>

Note that the goal has been changed from savings per vehicle to overall savings from consolidations. As with other FSS targets (see Travel and Transportation), overall savings conveys the magnitude of the improvement and better depicts the results achieved. Accordingly we have changed the expression of this measure.

Vehicle Acquisition and Leasing Services

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in personal property and maximize the Government's return on investment.

Performance Goal

Hold annual increases in cost-per-mile for GSA Fleet operations at or below the weighted industry inflation rate.

Performance Measure

Increase in overall cost-per-mile (CPM).

	CPM	CPM Increase	Inflation
FY 1998 Baseline	\$0.3038	--	--
FY 1999 Actual	\$0.3065	0.9%	2.8%
FY 2000 Actual	\$0.3326	8.6%	9.48%
FY 2001 Target	\$0.3429	3.1%	3.1%
FY 2001 Actual	\$0.3533	6.14%	5.83%
FY 2002 Target	\$0.3575	1.14%	2.51%

Reasons for Not Meeting the Target

GSA Fleet continually monitors the efficiency of its operation to improve processes. Because of increasing petroleum costs throughout FY 2001, the GSA Fleet projects an increase in the cost per mile through FY 2003. Even with these rising costs, GSA Fleet projects that the increase in cost per mile will be at or near the annual inflation rate.

Strategies for Success

Obtain lowest possible pricing for volume purchasing through aggressive contract negotiation with vehicle manufacturers and tire wholesaler.

Review all cost accounts on a monthly basis to monitor and restrict extraordinary cost growth. Continue to improve capital model which projects revenues, expenses, capital income and outlays and serves to enhance decision-making capabilities.

Review all cost accounts on a monthly basis to monitor and restrict extraordinary cost growth.

Budget Link: Within GSA Fleet Direct Operating Expenses of \$90.8 million and Cost of Goods/Operations of \$666.3 million.

Verification/Validation

The source is the GSA Office of Finance report FR-2130, generated monthly. Net expenses (divided by) miles driven. Inflation figure is the Consumer Price Index (CPI) for all items from the Bureau of Labor Statistics (BLS).

Note that this performance measure was changed from rate per mile to cost per mile in that cost control is a more effective measure of management effectiveness and the resultant efficiencies of the GSA Fleet program.

Vehicle Acquisition and Leasing Services

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

Performance Goal

Increase GSA's share of Federal fleet.

Performance Measure

Percentage of Federal fleet operated by GSA

FY 1998 Baseline	43%
FY 1999 Actual	44%
FY 2000 Actual	46%
FY 2001 Target	47%
FY 2001 Actual	49.5%
FY 2002 Target	48%

Note that market share percentages are revised annually based upon fleet size as reported in the most recent Federal Motor Vehicle Fleet Report.

Reasons for Success

GSA minimizes the cost of Government-wide fleet operations by continuing to consolidate other agencies' fleet operations into the GSA Fleet. Currently GSA manages a worldwide fleet of 182,000 vehicles. The market is defined as all vehicles excluding tactical, U.S. Postal Service, and special purpose vehicles. GSA Fleet maintains its current market share through excellent customer service and customer outreach focusing the merits of consolidating their fleet with GSA.

Budget Link: Within GSA Fleet Direct Operating Expenses of \$90.8 million and Cost of Goods/Operations of \$666.3 million.

Verification/Validation

GSA's Office of Governmentwide Policy is responsible for collecting agency fleet data and publishing the Federal Motor Vehicle Fleet Report each year. Agencies that own vehicles submit data annually. The "Share of Federal Fleet" measure is calculated from the report.

Vehicle Acquisition and Leasing Services

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Continuously improve relationships with our customers by developing a thorough understanding of their concerns, anticipating their needs and finding creative solutions for them.

Performance Goal

Meet or Exceed Customer Expectations

Vehicle Acquisition and Leasing did not participate in the 2001 survey. Previous survey results only gauged satisfaction levels with GSA Fleet. The next survey will serve as the baseline for measurement of satisfaction levels in subsequent years, and is designed to examine satisfaction with both fleet and vehicle acquisition services.

Performance Measure

Prior to FY 2001: Percentage of responses in the category "highly satisfied"
FY 2001: Overall satisfaction rating

FY 1995/96 Baseline	74%
FY 1997/98 Actual	78%
FY 1999/00 Actual	Not available
FY 2001 Target	79%
FY 2001 Actual	Not available
FY 2002 Target	TBD*

* To be determined, survey completion pending.

Budget Link: Within targeted resources for the entire business line; Direct Operating Expenses \$97.0 million and Cost of Goods/Operations of \$1.3 billion.

Verification/Validation

In FY 2001 FSS revised its methodology to conduct a new customer satisfaction survey to solicit data needed to draw valid comparisons and conclusions regarding customer satisfaction. FSS contracted with a private-sector survey organization to poll its customers throughout the country and at U.S. installations overseas. The new methodology used is based on the American Customer Satisfaction Index (ACSI). The University of Michigan developed this methodology along with the private consulting firm Arthur Andersen, and American Society for Quality (ASQ). The ACSI aggregate score is on a scale of 0 -100. Previous FSS customer satisfaction scores were calculated on a scale 1 through 7. Comparisons between the two scales have a +/- 3% error margin. The ACSI score reported reflects respondents' overall satisfaction rating with FSS. This is a slight difference from prior years' scores, which reflected the percentage of responses in the category "highly satisfied." The difference in scores is a result of the new methodology and will be used in the FSS Performance Measurement System.

Vehicle Acquisition and Leasing

GSA	
Strategic Goal	Anticipate Future Workplace Needs
GSA Strategic Objective	Develop a model work environment for the future that is efficient, fully accessible, healthy, comfortable and economical.

Performance Goal

Fill 100% of requests for Alternative Fuel Vehicles (AFVs).

The Energy Policy Act of 1992 (EPACT) requires Federal agencies to purchase 75% of their annual light duty vehicles located in the 125 metropolitan statistical areas as Alternative Fuel Vehicles (AFVs) beginning in 1999 and beyond.

Performance Measure

Percentage of requests filled

FY 1998 Baseline	100%
FY 1999 Actual	100%
FY 2000 Actual	100%
FY 2001 Target	100%
FY 2001 Actual	100%
FY 2002 Target	Removed from FY 2003 Plan

Reasons for Success

The GSA Fleet is committed to removing obstacles to agency operation of AFV's and filling 100% of agency requests for such vehicles. Agencies generally must pay higher charges for AFV's because GSA must recoup the higher costs from manufacturers. GSA has established payment mechanisms to help agencies to pay the incremental cost of AFVs and made \$4M in matching funds available to GSA Fleet customers participating in the Federal government's AFV USER Program. Customers with vehicles located in the six cities that provide matching funds and have a strong policy to use alternative fuels are eligible for funding assistance under this program.

Budget Link: Within GSA Fleet Direct Operating Expenses of \$90.8 million and Cost of Goods/Operations of \$666.3 million.

Verification/Validation:

The U.S. Department of Energy has oversight of AFV usage for the federal government, as defined in the EPACT. Communication of AFV request by customer agencies is accomplished through a non-mandatory annual plan developed by some of GSA Fleet AFV customers. Agency plans may be verified through the Acquisition Management Program system (AMP), an internal GSA Fleet program that maintains customer agency requests. AMP requests are consolidated into GSA's annual vehicle purchases. A certification and accreditation review was completed on September 29, 2000.

Travel and Transportation

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of government resources.

Performance Goal

Achieve significant savings on Federal travel as compared with commercial prices.

Performance Measure

Savings on government travel as a percent of the total commercial value of the same volume of travel.

	Percentage	Savings
FY 1998 Baseline	68%	\$2.5B
FY 1999 Actual	68%	\$2.5B
FY 2000 Actual	70%	\$2.0B
FY 2001 Target	65%	\$2.3B
FY 2001 Actual	70%	\$2.8B
FY 2002 Target	65%	\$2.3B

Reasons for Success

Federal agencies budget approximately \$24 billion a year on travel. By leveraging this high volume of business, Travel and Transportation negotiates billions in savings for federal travelers each year. FSS contracts with 49 commercial travel agents for Travel Management Center (TMC) services that manage agencies' travel planning and processing and ensure that travelers use available discounts and adhere to federal regulations and agency directives.

Budget Link: Travel management expenses - \$3.2 million

City-Pair contracting support is performed by, and cost recovery revenues included in, Supply and Procurement.

Verification/Validation

Weighted average of annual market-by-market City-Pair contract fares are compared with published full coach, unrestricted fares. Our prices are publicly available for review. For the City-Pair program, the commercial prices to which we compare our contract prices are listed in the commercial reservation systems and are available for review. We rely upon data provided by the Department of Defense and the travel charge card contractors in estimating the volume of Federal travel used in calculating savings.

Travel and Transportation

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of government resources.

Performance Goal

Reduce government transportation costs by recovering or avoiding excess charges through pre- and post-payment audits of freight and transportation charges.

Performance Measures

Increased cost avoidance due to pre-payment audits.

FY 1998 Baseline	\$2.6 million
FY 1999 Actual	\$3 million
FY 2000 Actual	\$4 million
FY 2001 Target	\$5 million
FY 2001 Actual	\$13 million
FY 2002 Target	\$7 million

Decrease collections from post-payment audits.

FY 1998 Baseline	\$15.7 million
FY 1999 Actual	\$17.5 million
FY 2000 Actual	\$19 million
FY 2001 Target	\$13 million*
FY 2001 Actual	\$13.6 million
FY 2002 Target	\$13 million

*Note that even though FY 2000 collections were higher than expected, our target remains at \$13 million for 2001. Government-wide use of pre-payment audits in fourth quarter FY 2002 should result in fewer bills with overcharges.

Reasons for Success

Federal agencies are required by law to forward paid transportation bills to GSA for post-payment audit, to identify overcharges that must be recovered from vendors. FSS audits transportation bills for client agencies *prior* to payment. This program identifies overcharges before they are paid, eliminating both the overpayment and the need for recovery. Post-payment audits will, however, continue to be necessary for detecting and recovering overcharges not recovered during pre-payment audits. FSS audits Federal freight, household goods, and air passenger transportation vouchers to recover or avoid excess charges. The audits are performed by contractors and quality-controlled by GSA.

Budget Link: Audits program appropriation - \$10.4 million.

Verification/Validation

The Transportation Accounts Receivable and Payable System (TARPS) is used to manage the transportation audit activity. FSS in accordance with GSA IT security policy is strengthening system controls to ensure data integrity. The Certification and Accreditation review will be scheduled during FY 2002.

Travel and Transportation

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for federal agencies.

Performance Goal

Achieve significant savings of 45% to 52% compared to commercial rates for shipment of freight and household goods and for small-package express delivery services.

Performance Measure

Percentage of savings from commercial rates

Freight

		\$Million
FY 1998 Baseline	45%	\$70.8
FY 1999 Actual	46%	\$65.2
FY 2000 Actual	46%	\$61.8
FY 2001 Target	46%	\$62.5
FY 2001 Actual	46%	\$53.1
FY 2002 Target	46%	\$63.1

Household Goods

		\$Million
FY 1998 Baseline	47%	\$66.2
FY 1999 Actual	47%	\$61.0
FY 2000 Actual	52%	\$83.7
FY 2001 Target	52%	\$85.8
FY 2001 Actual	54%	\$92.5
FY 2002 Target	52%	\$87.9

Note that the GSA Household Goods FY 2001 discount levels were reflected at 47%. For the current submission, however, we are using more refined data collection techniques and are able to compute a more accurate average percentage discount level (54%). Additionally, the carrier industry offered higher percentage discounts because of significant increases in tariff rates to which the discounts apply.

Reasons for Success

The Travel and Transportation business line relies heavily on the competitive nature of the transportation industry to achieve major savings in its freight, small package express and household goods relocation programs. By consolidating civilian agency requirements, GSA brings its contractors a volume of business large enough to obtain discounts of at least 45% of commercial rates. In FY 2001 Federal agencies using GSA's transportation programs saved an average of \$72.8 million compared to commercial prices.

Budget Link: Transportation expenses for support will be \$3.1 million; contracting support is performed by and cost recovery revenues included in Supply and Procurement.

Verification/Validation

Small package express delivery services – Prices are compared with commercial prices for similar-services and shipment volumes.

Freight savings - Carriers file rates that are specified in terms of discounts off of a baseline rate table. Federal agencies can select carriers based on the rates they file.

Household goods savings - Carriers file rates that are specified discounts off a household goods carrier commercial tariff. For household goods shipments, agencies generally consider both cost and quality.

Small Package Express Delivery Savings

		<u>Savings</u>
FY 1998 Baseline	45%	\$ 90 million
FY 1999 Actual	45%	\$103.4 million
FY 2000 Actual	45%	\$111.8 million
FY 2001 Target	45%	\$100 million
FY 2001 Actual	45%	N/A*
FY 2002 Target	N/A	

*Note that Small Package Express Delivery savings projections are not provided for FY 2001 and FY 2002 as FSS plans to close this measure out for Small Package Express Delivery after FY 2001. The current contract expired in the fourth quarter of FY 2001 and FSS has developed a multiple award contracting approach so data will no longer be comparable to the base year and subsequent years.

Travel and Transportation

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes

Performance Goal

Increase customer satisfaction with FSS travel and transportation programs.

Performance Measure

Prior to FY 2001: Percentage of responses in the category "highly satisfied"

FY 2001: Overall satisfaction rating

In the 2001 survey, the issues tracked include quality of products/services, timeliness, responsiveness to inquiries and issues, ease in use of FSS, courtesy of our staff and that of our contractors, and accessibility of information to help customers make decisions, reach solutions or resolve concerns.

Freight

FY 1999/2000 Baseline	67%
FY 2001 Target	69%
FY 2001 Actual	84%
FY 2002 Target	84%

Household Goods

FY 1999/2000 Baseline	88%
FY 2001 Target	88%
FY 2001 Actual	83%*
FY 2002 Target	83%

Travel Management

FY 1999/2000 Baseline	59%
FY 2001 Target	61%
FY 2001 Actual	74%
FY 2002 Target	74%

Survey organization reported results to FSS in first quarter 2002. To establish FY 2002 targets each business line met with the survey organization to review current scores, new methodology, and then calculated 2002 targets that will be used in the FSS Performance Measurement System.

Reason for Not Meeting Target

The FSS Travel and Transportation business line helps control the government's direct and administrative costs for travel and transportation services. Travel services include negotiated airline contracts, travel agency and travel charge card services. Transportation services include the shipment of parcels, freight, and household goods. Travel and Transportation negotiates billions in savings each year for Federal travelers by leveraging the high volume of business. FSS Travel and Transportation's Household Goods Program missed target, due to level of satisfaction with customer service, price and value of the GSA's Centralized Household Goods Traffic Management Program (CHAMP). FSS is addressing vendor performance and will aggressively pursue strategies to ensure that customers continue to select CHAMP

as a best value decision compared to commercial alternatives. The customer satisfaction survey conducted in FY 2001 was designed to identify and measure program components, which FSS can improve to better, meet our customer needs.

Budget Link: Travel and Transportation expenses of \$6.3 million; with transportation audits appropriation of \$10.4 million.

Verification/Validation

In FY 2001 FSS revised its methodology to conduct a new customer satisfaction survey to solicit data needed to draw valid comparisons and conclusions regarding customer satisfaction. FSS contracted with a private-sector survey organization to poll its customers throughout the country and at U.S. installations overseas. The new methodology used is based on the American Customer Satisfaction Index (ACSI). The University of Michigan developed this methodology along with the private consulting firm Arthur Andersen, and American Society for Quality (ASQ). The ACSI aggregate score is on a scale of 0 -100. Previous FSS customer satisfaction scores were calculated on a scale 1 through 7. Comparisons between the two scales have a +/- 3% error margin. The ACSI score reported reflects respondents' overall satisfaction rating with FSS. This is a slight difference from prior years' scores, which reflected the percentage of responses in the category "highly satisfied." The difference in scores is a result of the new methodology and will be used in the FSS Performance Measurement System.

Travel and Transportation

GSA	
Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the government and transactions with industry partners and citizens.

Performance Goal

Increase the percentage of audits performed electronically.

Performance Measure

Percentage of audits performed electronically.

FY 1998 Baseline	10%
FY 1999 Actual	25%
FY 2000 Actual	40%
FY 2001 Target	50%
FY 2001 Actual	50%
FY 2002 Target	60%

Reasons for Success:

The audit of transportation bills has traditionally been a paper-intensive process. GSA's largest client, the Department of Defense, and some civilian agencies, have been moving toward electronic forms of payment for transportation. GSA assists in assuring that controls are in place to be able to audit these transactions electronically, keeping pace with the shift.

Budget Link: Transportation Audits appropriation of \$10.4 million.

Verification/Validation

The Transportation Accounts Receivable and Payable System (TARPS) is used to manage the transportation audit activity. FSS in accordance with GSA IT security policy is strengthening system controls to ensure data integrity. The Certification and Accreditation review is scheduled during FY 2002.

Personal Property Management

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in personal property and maximize the government's return on investment.

Performance Goal

Maximize cost avoidance through reutilization and donation of excess federal personal property.

Performance Measure

New expenditures avoided through reutilization of excess property and donations of surplus property as reported by the Federal Disposal System (FEDS).

FY 1998 Baseline	\$1.7 B
FY 1999 Actual	\$1.9 B
FY 2000 Actual	\$3.2 B*
FY 2001 Target	\$1.6 B
FY 2001 Actual	\$1.6 B
FY 2002 Target	\$1.6 B

*Note that GSA exceeded its target for FY 2000 because of major "one-time-only" property transfers involving computers and aircraft.

Reasons for Success

FSS promotes the maximum reutilization of property by increasing visibility of property available for utilization and donation customers via our automated Disposal System (FEDS). However, as a result of agencies' budget constraints and the expansion of authority to use proceeds for property replacement (exchange sale), more agencies are disposing of the higher value property through sales and utilizing the proceeds towards new procurements. When this happens, the properties do not go through the utilization and donation phases of the disposal process. As a result, we anticipate that property of lesser value will be moving through our disposal system, however, the overall volume of transactions that impact workload will only be slightly affected.

Budget Link: \$10.5 million for utilization/donation (Policy and Operations appropriation)
\$12.4 million in direct operating expenses (General Supply Fund) for the sales program.

Verification/Validation

Acquisition value of transferred and donated property is reported monthly by Federal agencies and reports are generated by the Federal Disposal System (FEDS). FSS in accordance with GSA IT security policy is strengthening system controls to ensure data integrity. Its Certification and Accreditation review is scheduled for FY 2002.

Personal Property Management

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Conserve taxpayer investment in personal property and maximize the government's return on investment.

Performance Goal

Control costs while effectively performing utilization, donation and sales services.

Performance Measure

Dollar volume of Utilization/Donation transfers per FTE.

FY 1998 Baseline	\$16.7 million
FY 1999 Actual	\$17.9 million
FY 2000 Actual	\$30.2 million*
FY 2001 Target	\$15.2 million
FY 2001 Actual	\$16.4 million
FY 2002 Target	\$15.2 million

*Note that GSA exceeded its target for FY 2000 because of major "one-time-only" computer and aircraft transfers.

Sales proceeds per FTE.

FY 1998 Baseline	\$0.54 million
FY 1999 Actual	\$1.10 million
FY 2000 Actual	\$1.49 million
FY 2001 Target	\$0.62 million**
FY 2001 Actual	\$0.81 million
FY 2002 Target	\$0.67 million**

**Note that the FY 2001/02 targets reflect the transfer of GSA Fleet vehicle sales to FSS' Vehicle Acquisition and Leasing Service business line.

Reason for Success

The Personal Property Management program continues to enhance the automated Federal Disposal System for increased efficiencies in performing utilization, donation and sales. As a result of budget constraints and the expansion of authority to use proceeds for property replacement (exchange sale), more agencies are disposing of the higher value property through sales and utilizing the proceeds towards new procurements. When this happens, the properties do not go through the utilization and donation phases of the disposal process. As a result, we anticipate a decrease in the value of the property moving through these programs. In addition to the decrease in higher dollar value property moving through the disposal system into the sales program, the transfer of GSA Fleet vehicle sales to FSS' Vehicle Acquisition and Leasing Service business line also affected sales volume. This shift was made in order to consolidate the full array of services, acquisition, management and disposal, within that business line. This change will significantly affect future targets for this measure.

Budget Link: \$10.5 million for utilization/donation (Policy and Operations appropriation)
\$12.4 million in direct operating expenses (General Supply Fund) for the sales program.

Verification/Validation

For reutilization and donation the total dollar volume (at original acquisition value) of utilization/donation transfers is divided by on-board operational FTE. The Federal Disposal System is the source for volumes. FSS in conjunction with GSA IT Security policy are strengthening system controls to ensure data integrity. Its Certification and Accreditation review will be scheduled and completed by September 2002.

Personal Property Management

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Continuously improve relationships with our customers by developing a thorough understanding of their concerns, anticipating their needs, and finding creative solutions for them.

Performance Goal

Increase customer satisfaction with Personal Property Management services.

The Personal Property Management program surveys its customers to determine their level of satisfaction with FSS property utilization, donation and sales programs.

Performance Measure

Prior to FY 2001: Percentage of responses in the category "highly satisfied"

FY 2001: Overall satisfaction rating

FY 1997/1998 Baseline		63%
FY 1999/2000 Actual		68%
FY 2001 Target		68%
FY 2001 Actual		72%
FY 2002 Target		72%

Reason for Success

GSAAuctions™ located at www.GSAAuctions.gov is the Internet website that offers the general public the opportunity to bid electronically on a wide array of federal personal property assets ranging from commonplace items, such as office equipment and furniture, to more select products like scientific equipment, heavy machinery, airplanes, vessels and vehicles. This site introduced during FY 2001 is revolutionizing the sale of the federal government's surplus and exchange/sale assets. GSAAuctions™ reaches a larger segment of the general public, which should result in more competitive sales prices and a greater return for the government in FY 2002 and FY 2003.

Budget Link: \$10.5 million for utilization/donation (expenses) and \$12.4 million in direct operating expenses for the sales program.

Verification/Validation

In FY 2001 FSS revised its methodology to conduct a new customer satisfaction survey to solicit data needed to draw valid comparisons and conclusions regarding customer satisfaction. FSS contracted with a private-sector survey organization to poll its customers throughout the country and at U.S. installations overseas. The new methodology used is based on the American Customer Satisfaction Index (ACSI). The University of Michigan developed this methodology along with the private consulting firm Arthur Andersen, and American Society for Quality (ASQ). The ACSI aggregate score is on a scale of 0 -100. Previous FSS customer satisfaction scores were calculated on a scale 1 through 7. Comparisons between the two scales have a +/- 3% error margin. The ACSI score reported reflects respondents' overall satisfaction rating with FSS. This is a slight difference from prior years' scores, which reflected the percentage of responses in the category "highly satisfied." The difference in scores is a result of the new methodology and will be used in the FSS Performance Measurement System.

VI. FEDERAL TECHNOLOGY SERVICE

The mission of the GSA Federal Technology Service (FTS) is to provide information technology (IT) solutions and network services that deliver best value and innovations to support our customers' missions worldwide. FTS provides local and long-distance telecommunications services, information technology solutions, and information security services to federal agencies and other authorized entities, such as the Native American Tribal Nations, on a fee-for-service basis. FTS is a self-sustaining group of programs funded almost entirely by reimbursements from customers through the GSA Information Technology Fund.

FTS has two business lines: IT Solutions and Network Services. Although each has unique characteristics, there is substantial coordination and interaction between the two business lines because of the growing interrelationships between the IT and telecommunications technologies. This convergence of business lines and the use of the IT Fund to finance FTS programs are important to FTS plans for the future.

FTS revenues have grown from approximately \$1.5 billion in FY 1995 to more than \$6.2 billion in FY 2001. Most of this increase is in the information technology area, in which there is a growing demand for FTS products and services.

The Office of Information Assurance and Critical Infrastructure Protection (OIACIP) is the only organizational unit within FTS that is fully funded through a direct appropriation. This program assists the federal community in meeting the challenges of securing operations in the open systems environment of the Internet. OIACIP programs include the Federal Computer Incident Response Center (FedCIRC), the Federal Bridge Certification Authority (FBCA) and the National Security Emergency Preparedness Center.

Network Services

The Network Services business line offers comprehensive telecommunications services including global voice, data, and video services supporting both local and long distance government telecommunications users. The Network Services projected revenue for FY 2003 is approximately \$1.0 billion -- \$636 million from long-distance services, and \$364 million from local telecommunications.

FTS also provides advanced telecommunications products and services through specialized services contracts. The specialized services contracts currently provide customers with a variety of fully competed contracts for wireless communications, technical management support services, international calling, wire and cable, satellite equipment and services, and Internet access. The wide array of service offerings, as well as a host of new advanced networking and value-added offerings, best reflect the overall success of both the long distance and local services programs.

Local Telecommunications Services

FTS provides local voice and data telecommunications services to federal agencies nationwide. Switched services are currently provided through more than 400 local telecommunications systems, which offer all the features of the most modern systems. The FTS Metropolitan Area Acquisition (MAA) contracts deliver immediate and 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 21 cities nationwide, FTS offers many local service customers the potential to significantly reduce costs. FTS is a non-mandatory source, operating within a turbulent telecommunications industry that is undergoing considerable change. FTS plans to emphasize to agency customers the value FTS can provide in dealing with this 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.

Long-distance Telecommunications Service

GSA provides long distance telecommunications services to customers primarily through the FTS2001 contract. In FY 2001, GSA met the challenge of bringing customers much better prices by completing the transition to FTS2001. 138 customer agencies were transitioned, and this involved complex logistics, emergency procedures, planning, testing, and project management support. 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 27 cents per minute in FY 1988 to 3.0 cents per minute in FY 2001 and is projected to be 2.1 cents per minute in FY 2003.

Information Technology Solutions

The Information Technology (IT) Solutions business line provides the full range of IT products and services, including security solutions, to its agency clients through contracts with industry partners. IT Solutions provides a variety of ways for agency customers to buy -- through FTS contracts, through the use of Federal Supply Service Schedules (Multiple Award Indefinite Quantity, Indefinite Delivery (IDIQ) contracts available to all Federal agencies worldwide that allow for direct placement of orders with contractors), and through the contracting offices of other agencies with which the IT solutions business line has developed strategic partnering arrangements. Federal customers can choose among numerous value-added services at various levels of support. IT Solutions programs revenues have grown from \$500 million in FY 1995 to approximately \$5.5 billion in FY 2003.

The IT Solutions business line aims to provide all clients, regardless of size or geographic location, access to the same products and services or solutions, with the same level of service, at the same price.

IT Solutions & Network Services

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies

Performance Goal

Assist Federal agencies in achieving significant savings by providing such high quality products and services at competitive prices that the demand for IT Solutions increases our overall business volume thereby resulting in a larger share of the Federal IT market.

FTS seeks to keep current customers and cultivate new ones by providing quality technology services at competitive prices, thereby assisting agencies to achieve significant IT savings. FTS collaborates with other GSA programs to facilitate consistency in its interaction with clients and to enhance the overall GSA reputation as a place where agencies can come to acquire a complete GSA package of goods and services, including technology services.

FTS representatives strive to be knowledgeable about customer agencies' needs and to use this knowledge to identify the best solutions and deliver superior customer service. Due in part to the expertise of the contracting force, FTS has aggressively driven down Government telecommunications rates. The decrease in rates results in a challenge to maintain our Network Services business volume.

Performance Measure

Total business volume as a percent of the Federal IT market.

	IT Solutions Business Volume	Network Services Business Volume	% Federal IT/Telecom Market
FY 1999 Actual	\$3.3 billion	\$1.2 billion	13.7%
FY 2000 Actual	\$4.2 billion	\$1.2 billion	14%
FY 2001 Target	\$4.9 billion	\$1.2 billion	15%
FY 2001 Estimated Actual	\$5.3 billion	\$1.3 billion	15%
FY 2002 Target	\$5.5 billion	\$1.2 billion	16%

Business volume figures include total revenue and direct-order, direct-billed, also called non-flow through revenue. In FY 1999, FTS calculated market share based on OMB Exhibit 42; however, that exhibit has been replaced with OMB Exhibit 53. The FY 2000 and FY 2001 market share calculations are based on OMB Exhibit 53, Agency Information Technology Investment Portfolio.

FTS has experienced explosive revenue growth. This growth has affected FTS organizational culture and strained the infrastructure. As a result of this growth, FTS has changed, and the leadership is now shifting focus. FTS goals and measures have been changed in the FY 2003 plan to reflect that shift in focus. FTS is focusing on best value, savings and competition. FTS is paying attention to needed reinforcement of business critical infrastructure and to the financial health of the IT Fund, now and for the future. FTS is emphasizing public service and seeking stability and excellence in customer service.

This measure will no longer be reported on by FTS. FTS has worked with GSA management to significantly improve our performance goals and associated measures to more accurately reflect the vision of FTS and GSA leadership. The new FTS measures provide a focus that will assist FTS in guiding the organization toward achievement of the FTS and GSA vision.

Our new plan includes several measures that will attempt to measure cost savings and cost avoidance to customers. GSA and FTS have much to learn in this area, and plan to study how to best measure savings and cost avoidance over the next year with an eye toward improving the measures.

Reasons for Success

FTS met the FY 2001 Target as result of awarding and implementing contracts that utilized the leverage of the government's buying power through the aggregation of agency requirements.

FTS provided state of the art telecom products and services at competitive prices allowing customers to achieve savings.

Delivered services to customers in a timely manner.

Reduced surcharges/fees through efficiencies in operations.

Verification/Validation

The IT market share is calculated using flow-through revenue that was captured in the GSA financial accounting system, the National Electronic Accounting and Reporting (NEAR) system, and non-flow through revenue that is collected by the program offices. The non-flow through revenue represents a very small percentage of the total revenue. Together, these amounts provide the IT business volume.

Total Federal IT market share is based on OMB Exhibit 53, Agency Information Technology Investment Portfolio.

IT Solutions & Network Services

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Invest in the competencies of our workforce.

Performance Goal

Maintain an associate centric environment where associates thrive.

FTS works with associates to ensure that they have an environment that is worker-friendly and that they have the tools, technical skills, and supporting infrastructure to do their jobs. In FY 2000 FTS chartered a cross-functional Internal Communications Team focused on improving internal communications between FTS management and associates. The team established a corporate FTS New Associate Orientation Program. The program provides new associates with materials on roles and responsibilities so that organizations across FTS can be more effective in training new associates about FTS programs, products, services, vision, goals, and priorities. In FY 2001 FTS decided to discontinue the use of the internal communications survey.

Performance Measure

Percent of FTS associates satisfied or very satisfied with FTS internal communications.

FY 1998 Baseline	68%
FY 1999 Actual	Data Not Available
FY 2000 Actual	74%
FY 2001 Target	72%
FY 2001 Actual	Data Not Available
FY 2002 Target	Not in 2003 Plan

Reasons for Not Meeting Target

FY 2001 Actual results are not available for this measure as the survey was discontinued. The performance measure is not included in the FY 2003 Annual Performance Plan. FTS has worked with GSA management to significantly improve performance goals and associated measures to more accurately reflect the vision of FTS and GSA leadership. Future associate survey efforts will be performed from a GSA-wide perspective.

Verification/Validation

FTS utilizes independent contractors with a good reputation in survey methodology and management for any customer or associate surveys that are conducted.

IT Solutions & Network Services

GSA Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making process.

Performance Goal

Be Customer Centric – reduce acquisition cycle times.

For FTS customers, the speed with which FTS can deliver contract services is as highly valued as our competitive prices. FTS has aggressively implemented acquisition reform and is constantly looking for better ways to expedite IT and telecommunications acquisitions to meet the new and emerging needs of customers. Recognizing the importance of timeliness, FTS is committed to reducing the time it takes to issue task and delivery orders.

Performance Measure

Average calendar days to award task and delivery orders over \$2,500.

	<u>Average Number of Days from Request for Quotation to Award</u>	<u>Average Number of Days from Notice to Proceed to Award</u>
FY 1999 Actual	12	16
FY 2000 Actual	11	Results Not Available
FY 2001 Target	10	15
FY 2001 Actual	7	31
FY 2002 Target	9	14

Reasons for Not Meeting Target

While FTS was successful in reaching the goal for span of time from “Request for Quotation to Award” FTS exceeded the target for “Notice to Proceed to Award.” Some task and delivery orders took an extraordinarily long period of time to fulfill due to issues with requirements that necessitated FTS to make clarifications with both vendors and customers.

Although this measure will no longer be reported on and will not be included in the FY 2003 plan, FTS plans to improve cycle time in a number of different ways, which include the following.

Improving timeliness by taking advantage of key aspects of acquisition reform initiatives, such as use of commercial item contracting, Multiple Award Indefinite Delivery/Indefinite Quantity contracts, and by the use of electronic commerce.

Utilizing Client Support Centers for providing direct client interface and support, issuing and managing task orders against task order contracts, and delivering solutions to FTS clients

Taking advantage of the IT master contracts awarded and administered by FTS Solutions Development Centers (SDCs).

Including flexibility in new contracts to reduce the need for modifications.

Verification/Validation

Task order and other contracting data are collected from the Regional and Central Office contracting offices and are used to report the average number of days in the procurement lead-time cycle for contract actions. Detailed information about these actions is contained in the Federal Procurement Data System

(FPDS) and forms the basis and backup for the information reported. These reports are consolidated by the FTS Office of Acquisition and reviewed by FTS management for accuracy.

IT Solutions & Network Services

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Increase market penetration to maximize service to Federal agencies and effect the greatest advantage to the Government.

Performance Goal

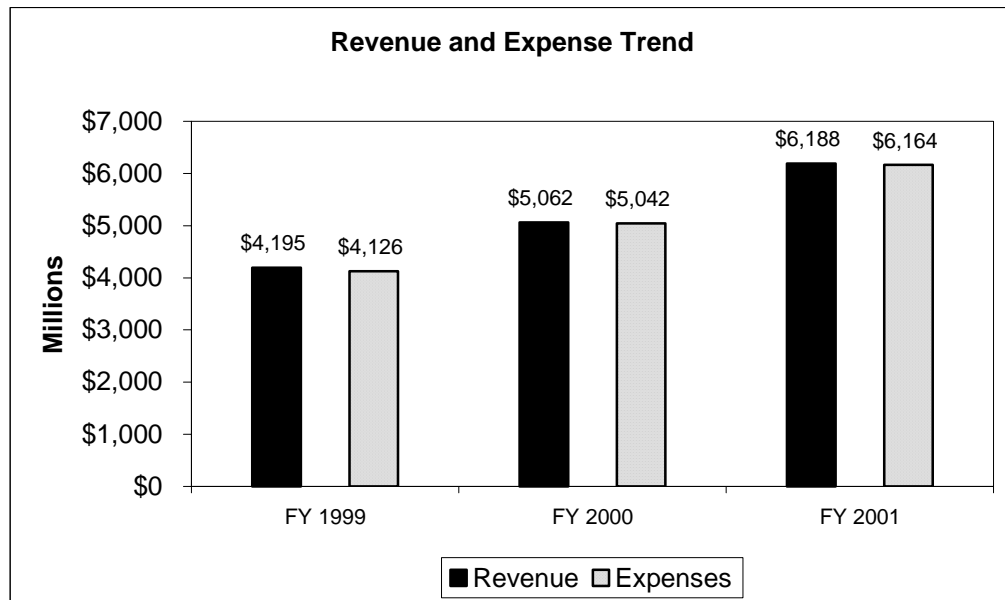
Achieve and maintain an appropriate level of full cost recovery to minimize costs borne by customer agencies.

FTS as a preferred technology provider for the Federal community, increased our focus on savings to the government through extensive outreach efforts, new acquisitions, and dialogue with our customers, stakeholders and industry. FTS focused on keeping prices competitive by continuing to implement internal operating efficiencies to keep costs down.

Performance Measure

Cover FTS costs excluding reserve use and other expenses not covered by the rates.

	IT Solutions Revenue	Network Services Revenue	Total Excess Revenue/(Loss)
FY 1999 Actual	\$3,110 million	\$1,085 million	\$69 million
FY 2000 Actual	\$4,022 million	\$1,040 million	\$13 million
FY 2001 Target	\$4,662 million	\$1,018 million	\$0 million
FY 2001 Est Actual	\$5,085 million	\$1,103 million	\$19 million
FY 2002 Target	\$5,175 million	\$1,024 million	\$0 million



Total excess revenue excludes unfunded expenses and reserve use.

Reasons for Not Meeting Target

The FTS 2001 target was to have no revenue in excess of expenses. Although FTS has experienced explosive revenue growth, the focus is now on best value, savings, and competition. FTS is paying attention to needed reinforcement of business critical infrastructure and to the financial health of the IT Fund. This measure will no longer be reported on by FTS and will not be included in the FY 2003 Performance Plan. FTS will continue to market itself as a quality provider of technology services at competitive prices that help customers achieve significant telecommunications and IT solutions savings.

Verification/Validation

Financial data is obtained from two GSA systems, Pegasys and NEAR.

IT Solutions & Network Services

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making process.

Performance Goal

Be Customer Centric – increase customer satisfaction with FTS representatives and products/services.

In the past, FTS has obtained information from customers through personal visits, focus groups, telephone interviews, surveys, and other methods with the objective of better understanding customers' needs, their levels of satisfaction with FTS services and products and FTS representatives, and why they do business with FTS competitors. Past survey efforts consisted of professional surveys specifically tailored to our IT Solutions and Network Services business lines and various programs. FTS had planned to utilize this same survey effort during FTS 2001; however, FTS decided to discontinue the use of the types of surveys that it has done in the past.

Performance Measure

Percentage of customers indicating satisfaction with FTS representatives and programs, products and services on annual FTS surveys as indicated by responding four or five on a scale of one to five.

Percentage of Customers Satisfied with FTS Programs, Products, Services & Representatives

FY 1999 Actual	80%
FY 2000 Actual	76%
FY 2001 Target	77%
FY 2001 Actual	Data Not Available
FY 2002 Target	Data Not Available

Reasons for Not Meeting Target

FY 2001 results for customer satisfaction are not known, as the survey effort was postponed and data was not available. The FTS Blueprint Project, which will include customer survey efforts, will strategically focus survey efforts to collect data concerning customer requirements and service expectations. Surveys will be developed that target specific areas for improvement of customer satisfaction, segmented by both business line and region.

FTS has worked with GSA management to significantly improve performance goals and associated measures. FTS is emphasizing public service and seeking stability and excellence in customer service.

Verification/Validation

FTS Blueprint Project customer survey efforts will utilize independent contractors, with a good reputation in survey methodology and management,

IT Solutions & Network Services

GSA Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Provide state-of-the-art equipment and workplace environments to meet the needs of the mobile Federal worker.

Performance Goal

Increase the number of industry partnerships by making available many sources that can provide state-of-the-art equipment and workplace environments to meet the needs of the mobile Federal worker.

FTS is committed to developing industry partnerships so that our customers have access to a multitude of sources for leading-edge technology and streamlined and innovative acquisition support. FTS uses the findings of competitive analysis studies to identify new technology service offerings and to search for industry partners to meet the needs of our customers. FTS also works with other GSA organizations on integrated projects that have a technology component. FTS identifies customer requirements and is an honest broker by collaborating with the government and contractor community to find the best way to meet customer needs quickly and obtain the best value.

FTS utilizes many vehicles to bring IT Solutions and Network Services to our customers. The vehicles that FTS utilizes to meet customer needs have been categorized below as follows: GSA/FTS are contracts that FTS has put in place, GSA/Schedule are schedule contracts that GSA has put in place, GSA/Other are other non-schedule contracts that GSA has put in place, and GWACS are government-wide acquisition contracts that other Federal agencies have put in place.

Performance Measure

Number of new industry partnerships.

Includes prime contractors with awards that exceed \$25,000.

	<u>Number of New Industry Partners</u>			
	<u>GSA/FTS</u>	<u>GSA/Schedule</u>	<u>GSA/Other</u>	<u>GWACS</u>
FY 1999 Actual	255	353	5	52
FY 2000 Actual	177	293	7	31
FY 2001 Target	186	308	7	33
FY 2001 Estimated Actual	296	306	4	44
FY 2002 Target	195	323	8	34

Reasons for Not Meeting Target

The number FTS/Industry partnerships, as well as those for GWACS, far exceeded the targets set for FY 2001. Targets for Schedules and GSA/Other were not met. This measure may not be the most effective way to measure best value for our customers and will no longer be reported on by FTS and will not be included in the FY 2003 plan.

Verification/Validation

Source of data concerning number of industry partners is obtained from the Regional and Central Office contracting offices. The Federal Procurement Data System (FPDS) contains detailed information about these contract actions and forms the basis and backup for the information reported. The FTS Office of Acquisition Policy consolidates the reports, which are then reviewed by management.

IT Solutions & Network Services

GSA

Strategic Goal	Meet Federal Social and Environmental Objectives
GSA Strategic Objective	Meet small business and socioeconomic procurement goals.

Performance Goal

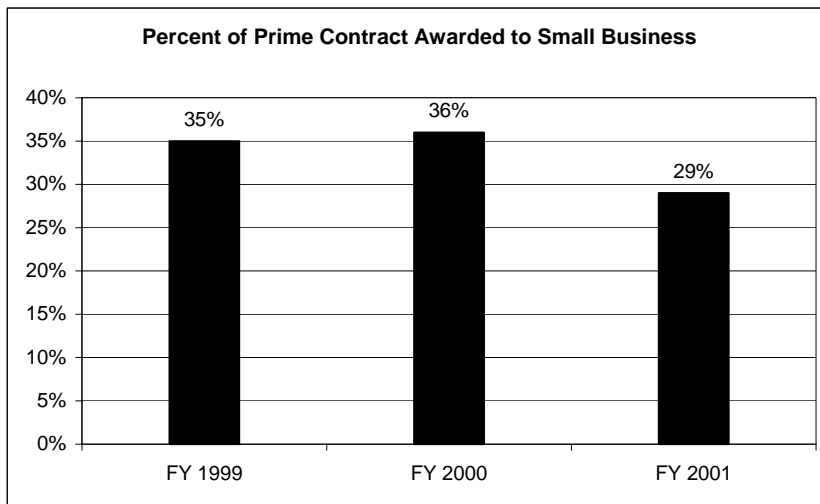
Achieve and maintain an appropriate level of procurements with small business as a percent of prime contracts.

In conjunction with the GSA Office of Enterprise Development FTS establishes goals for contracting with small businesses. Information is tracked for small businesses, small disadvantaged businesses, women-owned small businesses, and HUBZone small business concerns. HUBZone is defined as a Historically Underutilized Business Zone as identified by the Small Business Administration.

Performance Measure

Percentage of procurements with small business as compared to total prime contracts.

FY 1999 Actual	35%
FY 2000 Actual	36%
FY 2001 Target	26%
FY 2001 Actual	29%



Reasons for Success

FTS successfully exceeded the target by actively participating in efforts to publicize contract opportunities to small business.

Verification/Validation

Source of data for the performance measure is obtained from the Regional and Central Office contracting offices who report enhancements and new awards. Detailed information about these actions is contained in the Federal Procurement Data System (FPDS) and forms the basis and backup for the information reported. The FTS Office of Acquisition consolidates these reports, which are then reviewed by FTS management for accuracy.

Network Services

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

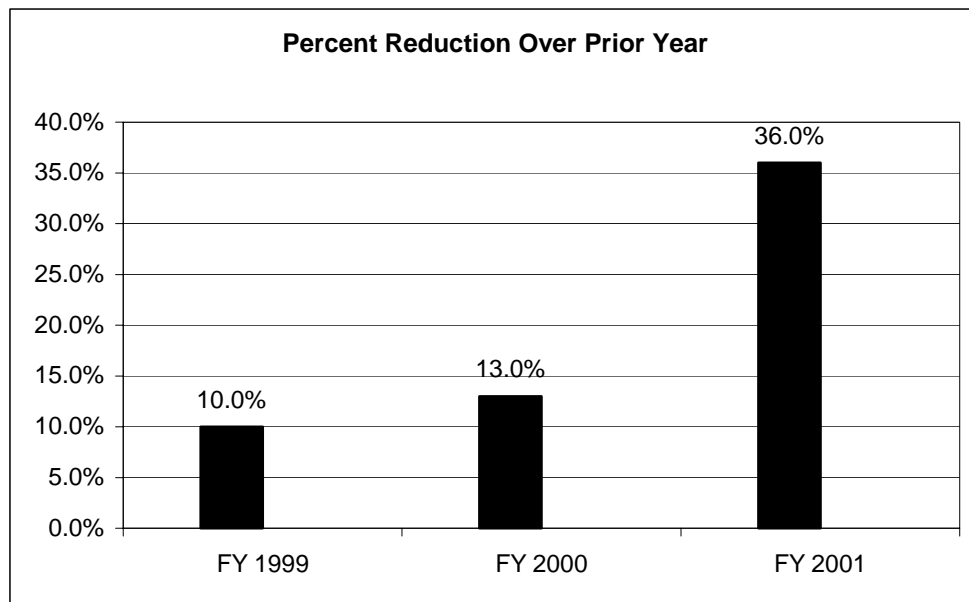
Performance Goal

Provide quality products and services at competitive prices and achieve significant savings for Federal agencies by reducing long distance prices.

Performance Measure

Outbound switched voice rates per minute.

	Outbound Switched Voice <u>Rate Per Minute</u>	Prior Year Outbound Switched Voice <u>Rate Per Minute</u>	Percent Reduction <u>Over Prior Year</u>
FY 1999 Actual	5.42 cents	6.01 cents	10%
FY 2000 Actual	4.70 cents	5.42 cents	13%
FY 2001 Target	3.51 cents	4.70 cents	25%
FY 2001 Actual	3.00 cents	4.70 cents	36%
FY 2002 Target	2.56 cents	3.51 cents	27%



Reasons for Success

FTS successfully exceeded the FY 2001 target by consistently providing competitive prices. FTS prices were 36% lower than those of the previous year. Those savings were achieved by a number of means including the following.

Promoting ongoing competition through the FTS crossover program.

Re-engineering customer networks to optimize efficiency and reliability.

Reducing overhead rates to improve equipment and service delivery costs.

Continuing to award and implement contracts that utilize the advantages of economies of scale by leveraging buying power.

Promoting initiatives that reflect cost avoidance to assist customers in achieving significant savings and increase federal community awareness of potential cost savings under FTS contracts.

Verification/Validation

Calculation of the rates for outbound switched voice are performed with the aid of computer models developed by Mitretek Systems that have been in use and updated over several years.

Network Services

GSA	
Strategic Goal	Compete Effectively for the Federal Market
GSA Strategic Objective	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies.

Performance Goal

Provide quality products and services at competitive prices and achieve significant savings for federal agencies by reducing the average monthly local line rate.

The cost per line is the traditional means of measuring the local telecommunications services program. The FTS regional telecommunications program continues to reduce the average monthly local line rate. In FY 1998, FTS began to proceed with its planned Metropolitan Area Acquisition (MAA) program; this has enabled our customers to take advantage of competition in major local markets to achieve an immediate, substantive, and sustained price reduction for local telecommunications services.

Performance Measure

Average monthly local line rate.

	Monthly <u>Line Rate</u>	Prior Year Monthly <u>Line Rate</u>	Percent Reduction <u>Over Prior Year</u>
FY 1999 Actual	\$20	\$21	5%
FY 2000 Actual	\$19	\$20	5%
FY 2001 Target	\$17	\$19	11%
FY 2001 Actual	\$18	\$19	5%
FY 2002 Target	\$17	\$19	11%

Line rates indicated above have been rounded to the nearest dollar. In addition percent reduction over prior year has also been rounded to the nearest percentage point.

Reasons for Not Meeting Target

The aggressive target, 11% reduction over the prior year, was not met. Historically a 5% reduction has been achievable, as was done in FY 2001. FTS has a number of strategies to promote ongoing competition and continue to reduce the prices paid to industry partners. One strategy is to increase federal awareness of potential cost savings of MAA and other contractual arrangements; another is to continue to reduce overhead rates through improved service delivery techniques.

Verification/Validation

For each Fiscal Year FTS cost data and projected business volume data are used to compute the average monthly line rate. Financial data are currently maintained in two GSA systems, NEAR and Pegasys.

VII. OFFICE OF GOVERNMENTWIDE POLICY

The Federal Property and Administrative Services Act of 1949 authorizes GSA to provide a governmentwide system for procurement and supply of personal property and management services, use of available property, disposal of surplus property, and records management. By the same authority, GSA develops, facilitates, and interprets governmentwide policies in these areas.

GSA's Office of Governmentwide Policy (OGP) shapes and maintains a governmentwide framework that helps agencies better serve the public by improving management in the Federal government. OGP's policy authority covers 12 key areas — Acquisition, Aircraft, Committee Management, Electronic Government, Information Technology, Mail Management, Motor Vehicles, Personal Property, Real Property and the Workplace, Regulatory Information Services Center, Transportation, and Travel.

OGP associates in each of these policy areas have been working with agencies and other stakeholders to facilitate the changes needed for this changing world. The increased customer emphasis, the Internet explosion, and a collaborative model for policy development have transformed how OGP does business. OGP has re-engineered the traditional policy development model to one that stresses collaboration. This new model calls for involvement of other Federal agencies, the private sector, and other stakeholders from the very onset of policy review and/or formulation. Such collaborative efforts offer numerous advantages, not the least of which is to ensure “buy-in” from the policy customers.

Performance Goals

Throughout these new efforts, OGP wants to ensure a positive impact on helping Federal agencies better serve the public and improving Federal management. To quantify and determine the impact, OGP measures its efforts against 16 performance goals focusing on two main areas —

Office of Governmentwide Policy
Governmentwide Improvement Initiatives

The Governmentwide Policy framework provides for more effective government management by establishing and updating laws and policies, sharing information, partnering with customers, measuring progress, and enhancing the workforce as follows.

- Implementing Federal Laws and Executive orders
- Maintaining up-to-date policies and guidelines
- Identifying and publishing leading practices
- Improving accessibility to shared databases and information
- Developing partnerships (new)
- Developing and promoting performance measurement systems
- Improving customer satisfaction (new)
- Investing in the competencies of the workforce (new)
- Increasing the satisfaction and effectiveness of the workforce (new)

Among the changes featured include four new performance goals. These goals are part of OGP's internal performance measurement system called the Balanced Score Card. Two of the new goals increase the focus on customers.

Improving customer satisfaction
Developing partnerships

And, two of the new Goals in the Governmentwide Policy framework emphasize the most important asset — OGP's experienced workforce. The goals are as follows.

Invest in the competencies of the workforce
Increase the satisfaction and effectiveness of the workforce

OGP recognizes the need to develop and replenish associates' skills to support GSA's strategic goals in a rapidly changing environment which include an aging workforce.

In addition the measures from two previous goals, "Identify and publish best practices," and "Develop and promote performance measurement systems for governmentwide use," have been refined and expanded. This change enhances management's ability to target and evaluate program performance in the Governmentwide Policy area.

The second category against which OGP measures its efforts is Governmentwide Improvement Initiatives. These Initiatives focus on specific OGP programs that can improve Federal management and help agencies better serve the public and include the following.

- Helping develop a single face for Government electronic transactions, OGP has developed several active user communities of practice including Extensible Markup Language (XML), an active Working Group Federal Public Key Infrastructure (PKI) Steering Committee, and SmartCard Program Managers forums.
- Working with the Accessibility Forum, an outgrowth of the issues surrounding the implementation of Section 508, two projects are the focus — an interoperability project and an effort to identify what objective measures may already exist that can be used.
- Helping agencies create a barrier free IT workplace by working with the IT Industry Council OGP has launched an improved Web site, an interactive Web-based training module, and the Buy Accessible portal. OGP also hosted numerous presentations at conferences nationwide.
- Developing an Electronic Performance Support System (EPSS) to include instructional materials and mentoring for acquisition personnel. OGP teamed with Defense Acquisition University to share responsibilities and resources.
- Reaching the goals to improve IT leaders professional skills, OGP focuses on improved and increased marketing, improved content of programs, and improved inclusion of affinity groups.
- Providing a "single-point-of-entry" for doing business with the government, OGP developed the FedBizOpps System, (formerly the Electronic Posting System). OGP's goal involves enhancing and expanding the utility of FedBizOpps, which allows industry to search and download solicitations, register for e-mail notification of applicable opportunities, and eventually submit proposals electronically.
- Promoting a single-face e-Government, OGP developed FirstGov. The FirstGov search database now contains 22,000 links to Federal Government Web sites containing 35 million Web pages.

In total OGP performance goals focus on establishing and updating laws and policies, partnering with customers, measuring progress, enhancing the workforce, developing a single face for government electronic transactions, helping provide barrier free IT workplaces, establishing and maintaining Internet based courses, improving the skills of IT leaders, providing a single point of entry for industry to do business with the government, and prototyping a Federal gateway to the Internet. In FY 2001, OGP met or exceeded all of its key goals. OGP will continue working on these goals to ensure success in FY 2002.

Conclusion/Sphere of Influence

OGP exercises GSA's authority as one of the central management organizations of the Federal government. OGP's sphere of influence covers the following

All Federal procurement actions — 33.3 million actions obligating \$231.1 billion

A total of 280,000 Federal Contracting Officers

Many foreign, State, and local governments

Total government space inventory — 3.3 billion gross square feet

Total Federal fleet activities — nearly 600,000 vehicles and 1,200 civilian agency aircraft

Disposal of over \$11 billion of Federal excess and surplus property (real and personal) each year

Portal for government information under FirstGov

Procurement opportunities using FedBizOpps

Establishing a policy framework for public key technology

With this scope of influence, OGP must continue to operate effectively and efficiently. Performance goals serve as a guidepost to ensure that OGP successfully helps Federal agencies better serve the public by improving management in the Federal Government, now and in the future.

Governmentwide Policy

GSA	
Strategic Goal	Promote responsible asset management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of government resources.

Performance Goal

Organize, lead, and collaborate with federal agencies through interagency working groups to implement federal laws and Executive Orders and address governmentwide issues.

Establishing new interagency working groups and supporting existing groups provide an important foundation for OGP's governmentwide policy framework. These groups serve as conduits for collaboration and cooperation with Federal agencies in developing policies and identifying best practices in the areas under OGP's purview.

Performance Measure

Number of OGP program areas with supporting interagency committees.

FY 1999 Actual	12 of 12
FY 2000 Actual	12 of 12
FY 2001 Target	12 of 12
FY 2001 Actual	12 of 12
FY 2002 Target	12 of 12

Reasons for Success

A key component of OGP's success depends on involving key stakeholders and providing opportunities for participation by agencies from various levels of government. OGP leads and collaborates with federal agencies through the use of over 70 interagency councils, workshops, forums, and conferences. Electronic tools, such as e-mail list-servers and Web pages, greatly enhance OGP's ability to partner. OGP supports interagency groups to work on issues addressing e-Government, cross-agency portals, interoperability, and IT security. To promote real property, the 21st Century workplace, and entrepreneurial government, OGP co-chairs the Federal Real Property Council and participates with seven organizations. The Intergovernmental Advisory Board (IAB), chaired by OGP, facilitates information exchange between governments and forecasts issues that governments will face well before they become mainstream. OGP co-chairs the Partnership for Intergovernmental Innovations, which encourages innovative action to transform government. OGP will continue these and many other collaborative interagency efforts in FY 2002.

Reason for Discontinuing Measure

In keeping with the Results Act OGP is focusing on outcome measures instead of activity measures. This measure is not included in the FY 2003 Annual Performance Plan.

Verification/Validation

Each OGP program area tracks the number of interagency committees that it supports and verifies that the groups are continuing to meet on a regular basis, conducts membership surveys to assess participant needs, and monitors industry participation.

Governmentwide Policy

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of government resources.

Performance Goal

Maintain up-to-date policies and guidelines for those areas within OGP's responsibility.

OGP not only develops regulations but also regularly updates the regulations to address issues raised by the Executive and Legislative branches. OGP revises the applicable governmentwide regulations into plain language format so the policies are easier to understand and use, and OGP has set internal timelines to monitor its progress.

Performance Measure

Percent of planned regulatory changes completed.

FY 1999 Actual	58%
FY 2000 Actual	93%
FY 2001 Target	100%
FY 2001 Actual	100%
FY 2002 Target	100%

Reasons for Success

OGP continued to work with the Office of Management and Budget to streamline the clearance and publication process and followed a strict plan with milestones at different stages to keep on schedule. OGP developed and revised the following regulations in FY 2001.

Aviation — OMB Circular A-126 dealing with aviation management.

Committee Management — 41 CFR Part 101-6, the Federal Advisory Committee Act (FACA).

E-Government — guidelines for the use of e-Commerce standard conventions, smart card policies and interoperability guidelines, policies for the use of digital signatures, and a rule on single point of entry for business opportunities.

Information Technology — Final Rule on Section 508 accessibility requirements.

Motor Vehicle — Federal Management Regulation (FMR) 102-34 and FMR 102-5.

Personal Property — published in final form three of seven personal property regulations in FMR.

Real Property — FMR Parts 102-71 to 102-82, "Guidelines for Public Access Defibrillation Programs in Federal Facilities," and finalized language for FMR Part 102-84, "Annual Real Property Inventories."

Transportation — 41 CFR 102-117 and 41 CFR 102-11.

Efforts to revise the following regulations will continue in FY 2002.

Acquisition — guidelines for the use of new technologies to shift acquisition decisions to the end item user and for the acquisition of best value construction, goods, services, and leaseholds.

Aviation — FMR 102-33 and accompanying guidance.

Mail — revised proposed rule.

Motor Vehicles — Public Law 99-550 changes.

Personal Property — the remaining four of seven Personal Property regulations in the FMR.

Real Property — FMR Parts 102-71 to 102-83 to update location, outleasing, historic preservation/ Executive Order 13006, and security.

Reason for Discontinuing Measure

In keeping with the Results Act OGP is focusing on outcome measures instead of activity measures. This measure is not included in the FY 2003 Annual Performance Plan.

Verification/Validation

OGP tracks the publication of rewritten or updated regulations in the Federal Register. It conducts federal agency surveys on guidelines, their usefulness, and clarity. OGP regularly reviews the number of agencies participating in Governmentwide projects sponsored by the Electronic Government Office and the contract vehicles it helped to establish. OGP periodically surveys federal fleet management, (as FEDFLEET members), on the usefulness and clarity of existing regulations and guidance and asks for ideas on what needs to be changed, added, or deleted from the regulatory guidance on Federal fleet management operations. OGP surveys the Interagency Committee On Property Management (ICPM) members to determine usefulness and applicability of property management regulations. Day-to-day project management and integration into the OGP-wide Balanced Score Card process also serves as a checkpoint.

Governmentwide Policy

GSA	
Strategic Goal	Promote responsible asset management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of government resources.

Performance Goal

Identify and publish leading practices for those areas within OGP's responsibility.

Performance Measure

Effectiveness of governmentwide efforts to identify, evaluate, and promote the use of leading practices by OGP.

Indicators

A - The number of OGP initiatives that promote development of improved management practices governmentwide.

B - The number of Federal agencies participating in pilots and/or applying leading practices.

Indicator	FY2000 Baseline	FY2001 Target	FY2001 Actual	FY2002 Target
A	42	49	45	60
B	161	237	295	350

Reasons for Success/Reasons for Not Achieving Target

OGP updated publications, in both printed and electronic formats, that communicate best practices to its customers and stakeholders. Current information on best practices is shared with the federal community at interagency meetings, workshops, and training seminars. OGP also encouraged agencies to participate in the various awards programs to publicly recognize the use of best practices within the Federal agencies. Effective marketing of the awards programs, and the use of the interagency community to promote and support best practices, contributed to the success of this goal. Encouragement of industry participation in forums also helped in OGP's outreach effort to share the success stories.

Success was based on collaboration with the interagency community, redirection of resources to customer priorities, and expanding the number of opportunities to present best practices. OGP focused much of its efforts on collaborating with public and private partners in the implementation of identified best/leading practices, which was the reason that more agencies engaged in best practices. While the number of initiatives exceeded FY 2000, it did not meet the FY 2001 target because a few of the initiatives were combined or not implemented.

Acquisition — developed a Knowledge Management Portal with the Procurement Executive Council to capture lessons learned and intellectual capital and share it with all acquisition professionals.

Aviation — performed Aviation Resource Management Surveys (ARMS) for two agencies, updated ARMS checklist, and will continue with Safety Standards Agreement for Aviation Management.

Committee Management — increased formal guidance issued by developing standard committee models and including best practices in training.

E-Government — leveraged best practices through OMB's Quicksilver Action Plan developed/ approved by the President's Management Council, and trained 35 agencies and 4 Department of Defense groups.

Information Technology — supported the Office of Management and Budget in leading Federal Interagency Councils, shared resources with Councils, and used electronic tools to provide forums to address IT issues helping agencies collaborate and share best practices.

Mail — identified two leading individuals and two excellent teams in the Federal mail community through the best practices awards process.

Motor Vehicles — reported that 59 agencies currently apply leading practices.

Real Property — evaluated products and services, and received input for new initiatives through customer outreach programs and collaboration with stakeholders and agencies. Dissemination and use of best practices included the Federal sector, other governments, and the private sector.

Regulatory Information Service Center (RISC) — trained over 70 agency personnel.

Transportation — estimates that implementation of best practices will save over \$60 million annually.

Reason for Discontinuing Measure

In keeping with the Results Act OGP is focusing on outcome measures instead of activity measures. This measure is not included in the FY 2003 Annual Performance Plan.

Verification/Validation

OGP verifies the number of agencies testing/adopting best practices through agency surveys.

OGP continues to review industry groups who endorse identified best practices and to monitor increases in the number of pilot programs leading to full implementation of the practices tested. It will review for increases in the number of collaborative benchmarking studies (intended to identify industry leading practices) with other agencies. In addition, OGP Web sites contain mechanisms allowing users to provide feedback.

OGP performs verification through day-to-day project management and integration into the OGP-wide Balanced Score Card process, and receives continuing support from management for quality data.

OGP regularly conducts customer use/satisfaction surveys. Tabulation of the results of customer surveys focuses on an evaluation of the effectiveness of Transportation and Personal Property strategic initiatives. OGP conducted an in-house validation of the data received.

OGP managers meet regularly to analyze and balance the full portfolio of IT programs. Managers meet weekly to discuss each business case, determine the breadth of program impact, and measure progress in promoting best practices across government.

Governmentwide Policy

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of government resources.

Performance Goal

Develop and promote performance measurement systems for governmentwide use.

Performance Measures

Number of OGP areas of responsibility with performance measurement systems.

FY 1999 Actual	7 of 12
FY 2000 Actual	11 of 12
FY 2001 Target	12 of 12
FY 2001 Actual	12 of 12
FY 2002 Target	12 of 12

Number of Federal agencies using performance measures.

FY 2000 Baseline	58
FY 2001 Target	203
FY 2001 Actual	218
FY 2002 Target	318

Reasons for Success

OGP's strategies for success include establishing interagency committee working groups to conduct base line surveys, work with customers to determine relevance of proposed measures, and develop and enhance information management systems that incorporate performance measurement data reporting elements.

Acquisition — worked with the Procurement Executives' Council (PEC) to adopt a Balanced Score Card (BSC) framework to measure performance of agencies' procurement operations.

Aviation — operated the Federal Aviation Interactive Reporting System (FAIRS), which provides data on aircraft inventory, cost, and use to develop performance measures. Published a (base-line) report. Provided the 18-member Interagency Committee for Aviation Policy (ICAP) agencies with resources to measure the performance of their flight programs by information sharing and data collection through FAIRS.

Committee Management — developed performance measures to cover advisory committees and worked to ensure the relevance of proposed measures for the over 1,000 advisory committees. This effort ties to the Secretariat's shared management system and has included incentives to use measurement more effectively.

E-Government — identified Electronic Commerce metrics, developed metrics for FedBizOpps, and worked with the QuickSilver team to formulate metrics for the cross agency eGov initiatives and a governance structure. Produced measures for using digital certificates in applying for services and methods for determining the value of doing business with the government electronically.

Information Technology — used both Lead and Lag Measures of the Balanced Score Card to track performance. Found 24 Federal agencies submitted cost, schedule, and performance goals for IT investments as part of their budget submission, as determined from the President's

2001 Budget, Table 22-1. The Federal CIO Council and GSA did not release criteria for evaluating agency IT performance measures as planned, because two pilots showed performance measures on the contribution of IT investments to mission results are specific to each investment.

Mail Management — Decided not to go forward with the budget issue paper for a governmentwide mail management information system until the new mail management regulation is published.

Motor Vehicles — launched the Fleet Automotive Statistical Tool to gather performance data for the Federal fleet report and collaborated with Energy to streamline development time and costs. Collaborated with agencies via the Motor Vehicle Interagency Committee and determined 59 agencies use measures.

Personal Property — measured data loaded in the Asset Disposition Management System and the Computers for Learning System.

Real Property — issued the fourth annual "Performance Results" report, and expanded the initiative to include workplace measures, more work on the cost per person model, the workplace's impact on productivity and associate satisfaction, the number of teleworkers, and the level of annual capital reinvestment. In all, 10 agencies participated in the voluntary benchmarking system for Performance Results, which exceeded FY 2000 (9) but fell short of the target (12). OGP hopes to work with the additional two agencies in the future. In FY 2002, OGP plans to refine and target agency participation in the performance measurement benchmarking, to generate additional agency participation in pilot testing cost per person, and to conduct other Innovative Workplace initiatives.

Regulatory Information Service Center (RISC) — produced draft performance indicators for the RISC/OIRA Consolidated Information Systems (ROCIS) system that will be reviewed by the Office of Management and Budget's, Office of Information and Regulatory Affairs (OIRA), and OGP in the near future.

Transportation — identified key best practices such as prepayment audit systems and use of commercial bills of lading and order entry systems, which will save approximately \$60 million.

Travel — measured performance through survey improvement and customer feedback. OGP does not prescribe agency performance measures. Instead, OGP provides regulations and guidance on travel policy to agencies.

Verification/Validation

OGP uses agency/industry agreements to determine what data should be collected and how to collect it. OGP tests performance measurement systems under development by selected agencies to see if they measure what they are supposed to measure and improves systems based on these tests. After testing, agencies adopt the performance measurement systems and use them to improve their operations. Industry endorses performance measurement systems and provides industry measures for comparison purposes.

OGP measures data from Electronic Government as a by-product of automated federal procurement systems, capturing actual data from the business process. OGP will compare results to the private sector and other government data, will report on data limitations, and will provide documentation of data collection protocols.

OGP works with FEDFLEET, the National Association of Fleet Administrators, and other industry groups to conduct research and analysis to identify data elements that represent the performance to be measured and are relevant for comparisons between private sector and government fleets. FEDFLEET members periodically review the measures to ensure their continued validity and usefulness in managing their fleet operations. OGP consults industry sources to ensure the

validity of the measures. Currently, before information is included in the Federal Fleet Report, OGP contacts agencies to confirm and/or correct data that appears to be erroneous. In addition to these personal contacts, the Fast System will include data entry checks that will automatically compare new submissions to the previous year's submission and red flag changes of more than five percent.

Validity checks are part of day-to-day project management and the OGP Balanced Score Card process. Management continues to communicate support for quality data.

OGP will verify based on agencies reporting on use of the Governmentwide performance measurement system to the Procurement Executives Council (PEC). Data from research partners, commercial benchmarks, industry standards, and from the analysis of successful government initiatives will also be used to provide relevant performance measurement information.

For the FY 2002 budget submissions provided in September 2000, OMB asked agencies to submit their mission-level performance goals or measures for their IT systems that had been included in their FY 2001 submission. Review of this information gives the percentage of agencies with mission level-IT performance measures.

Tabulation of the results of customer surveys focused on an evaluation of the effectiveness of strategic initiatives. OGP plans to conduct an in-house validation of the data received.

OGP uses verification and validation as part of day-to-day project management and the OGP-wide Balanced Score Card process. Management continues to communicate support for quality data.

Governmentwide Policy

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of government resources.

Performance Goal (New)

Invest in the competencies of our workforce to ensure that all OGP associates have the necessary knowledge and skills to support the organization's mission.

Performance Measure

The percent of associates at the basic level or higher in competency areas identified as being critical to OGP's needs.

FY 2001 Baseline	100% (Presumed at basic level)
FY 2001 Target	To be determined (% above basic level)
FY 2001 Actual	This is a new measure. Baseline data is being developed.
FY 2002 Target	To be determined

Reasons for Success

Management recognizes the challenges inherent to an older, smaller workforce and understands the need to develop and replenish associates' skills to support GSA's strategic goals in a rapidly changing environment with an aging workforce. OGP's programs are in the process of identifying basic skills requirements and developing job competency standards for the various management and technical professions. The skills plan will be a common tool used by management and staff to assess current technical expertise and target future training or recruitment actions.

Acquisition — associates must participate in at least 20 hours of continuing education annually. In FY 2001, only two associates did not complete this. Supervisors track and report quarterly on the status of continuing education. This is a Balanced Score Card measure.

Committee Management — associates get on-the-job and formal training on core competencies. By comparing performance against results, OGP identifies and validates core competency areas.

E- Government — moved additional funds into the training budget for project management skills.

FirstGov — Office of FirstGov existed for only 9 months during FY 2001, with a small staff of less than 10 permanent, full-time personnel. Once fully staffed, FirstGov will proceed with an office-wide skills assessment, encourage all associates to develop Individual Development Plans (IDP's), and provide a training budget to assure a minimum amount of training for each associate.

Information Technology — acquired software to do a 360-degree evaluation of each associate's competence for any position and also enables creation of an IDP. Due to program priorities, not all associates used the software. The software-hosting license was renewed for FY 2002.

Real Property — used an up-to-date skills plan to evaluate the skills on board and assess the skill strengths and weaknesses. Future recruitment efforts will target the shortfalls. By working on major initiatives in teams, OGP emphasizes diversity and knowledge sharing. Associates take training in skills shortfall areas and personal areas that need strengthening. The program offices share-all drive facilitates institutional knowledge building and corporate knowledge sharing.

Transportation — identified 11 critical skills as baseline measurements for associates and delayed the comparison of these skills with the competencies of current associates until OGP performs individual competency assessments in FY 2002.

Reason for Discontinuing Measure

While OGP continues its focus on its associates as its most valuable resource, workforce information will be reported from a GSA wide perspective. This measure is not included in the FY 2003 Annual Performance Plan.

Verification/Validation

OGP will jointly verify and validate performance data using supervisory and associate self-assessments and through supervisory observation and evaluation during performance appraisals. OGP will also validate using certificates of completed training and supervisory assessment of progress made by individuals against training, education, and developmental goals identified in IDP's.

Governmentwide Policy

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Increase the satisfaction and effectiveness of our workforce.

Performance Goal (New)

Increase the satisfaction and effectiveness of our workforce by encouraging innovation and increasing associates' satisfaction with OGP-wide communications, cooperation, and information assets.

Performance Measure

Associates' satisfaction with the quality of work life in OGP.

Indicators

Average ratings (percentile of average responses in agreement with the survey categories) OGP culture and organizational climate survey.

FY 2001 Baseline	46%
FY 2001 Actual	46%
FY 2002 Target	N/A

Reasons for Success

Using the results from Gallup Surveys, OGP assessed impediments to improving associates' satisfaction and increasing productivity and effectiveness. OGP management is focusing its efforts at the working group level to address concerns revealed by the survey results, building on the basic need to help associates learn and grow.

Acquisition — undertook a major structural reorganization and substantial physical renovations of workspaces. This has had a significant impact on associates' satisfaction. Success will be determined by a follow-up survey in FY 2002.

E-Government — associates identified the transition of leadership across the agencies as an impediment to satisfaction.

FirstGov — associates' first opportunity to participate in the Gallup survey did not occur until FY 2002, so this measure does not apply.

Real Property — surveyed associates and found 58 percent agreed that internal cooperation and communications were satisfactory in FY 2000. OGP conducts biweekly all-hands staff meetings in which all associates have a voice. On an ongoing basis, associates share the status of work projects and review office internal performance strategies and objectives (Balanced Score Card). OGP will redesign the physical workplace based on feedback from an office-wide offsite. OGP completed the first phase of a space redesign using the Integrated Workplace process in October 2001. Early feedback has been encouraging. The remaining space will be redesigned and occupied in two additional phases in FY 2002.

Transportation — Directors identified issues from the Gallup survey results requiring attention and took corrective action. Success will be determined by a follow-up survey in FY 2002. Results will validate FY 2001 corrective actions and aid in future performance targets.

Reason for Discontinuing Measure

While OGP continues its focus on its associates as its most valuable resource, workforce information will be reported from a GSA wide perspective. This measure is not included in the FY 2003 Annual Performance Plan.

Verification/Validation

The Gallup Organization uses traditional research methodology and statistical techniques to validate and verify the survey results.

Governmentwide Policy

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Make government policies and best practices timely, accessible, and useful.

Performance Goal

Improve accessibility to shared databases and information on best practices and policies for government, industry, and the public's use.

Performance Measure

Number of information systems accessible via the Internet.

FY 1999 Actual	7 of 9
FY 2000 Actual	100%
FY 2001 Target	100%
FY 2001 Actual	100%
FY 2002 Target	100%

Reasons for Success

Aviation — provided continued maintenance of the Federal Aviation Interactive Reporting System (FAIRS) application and database, which all aircraft-using agencies now share. Using the Web-based FAIRS, all agencies have access to information on federal aviation accidents and incidents.

Computers for Learning (CFL) — measured federal computer transfers by 30 federal agencies. In FY 2002, OGP will increase the number of agencies using the CFL Web site and increase marketing of the Asset Disposition Management System (ADMS) to federal agencies as a performance measurement tool.

Mail — will begin working with the major Federal agencies on data requirements once OGP publishes its mail management regulation in final form. This may lead to a shared database.

Motor Vehicles — will continue developing and refining two-shared motor vehicle databases (FAST with the Department of Energy and Fleet Reference Guide with the Department of Health and Human Services).

Real Property — increased access to shared databases by demonstrating the benefits of Foundation Information for Real Property Management (FIRM) and the Worldwide Inventory (WWI) to other agencies and advising of the low cost to use the system. The WWI has been Web-enabled, and 15 agencies now access their inventory via the Internet. During FY 2002, OGP plans to increase that number to 30 by having all reporting agencies review and verify their inventory using the Web application. Development of Web-enabled FIRM will be completed during FY 2002.

Regulatory Information Service Center (RISC) — provides the 60 participating agencies with a cost effective way to publish their regulatory agendas. OGP has the only fully electronic submission that the Office of the Federal Register and the Government Printing Office accepts for a full discount saving agencies \$150,000 per year.

Travel — provides customers with up-to-date travel information, i.e., policy, travel advisories, and Per Diem rates, via the OGP Web site.

Reason for Discontinuing Measure

In keeping with the Results Act OGP is focusing on outcome measures instead of activity measures. This measure is not included in the FY 2003 Annual Performance Plan.

Verification/Validation

OGP will test Web sites against the access validation tools referenced by the World Wide Web Consortium — a voluntary consensus standards body in which OGP and other government representatives participate. The data from these measures will be a by-product of an automated federal grant system, capturing actual data from the business process.

OGP also uses day-to-day project management and the OGP-wide Balanced Score Card process as another means of validation and verification. Management continues to communicate its support for quality data.

Governmentwide Policy

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Make government policies and best practices timely, accessible, and useful.

Performance Goal (New)

Develop partnerships to share resources.

Performance Measures

Ability to build collaborative partnerships that result in mutual resource sharing.

A - The number of partners contributing resources to support OGP initiatives.

B - Dollars from outside OGP supporting OGP initiatives.

Indicator	FY2000 Baseline	FY2001 Target	FY2001 Actual	FY2002 Target
A	60	78	171	93
B	\$3,155K	\$5,980K	\$15M	\$8,780K

Reasons for Success

Emphasizing the building of partnerships with its customers, OGP devoted much of its efforts in developing a thorough understanding of their concerns, anticipating their needs, and finding creative solutions for them. OGP does most of its work in collaboration with partners from the federal government, other governments, and the private sector. In addition to direct monetary assistance, OGP also worked with its partners for additional support through part-time or full-time personnel on detail, access to information, and sharing of technological expertise. Some of these partnerships include —

Acquisition — partners with numerous organizations and agencies to improve the efficiency and effectiveness of various acquisition initiatives. These initiatives include the annual Acquisition Conference, the Acquisition Knowledge Management Portal, FedBizOpps, ARNet, Federal Acquisition Institute (FAI), and the Federal Procurement Data System.

Aviation — partners with the aviation community for participation in Interagency Committee for Aviation Policy (ICAP)-related programs, including Federal Aviation Interactive Reporting System (FAIRS). The Department of Energy donated the AAIRS Web-based system (accessible through FAIRS) to GSA/ICAP for collecting information on aviation accidents and incidents.

Information Technology — collected and managed interagency funding during FY 2001 totaling \$15 million. Due to OGP's success at managing the three Councils/Boards over the past few years, the Office of Management and Budget added a fourth Council to OGP in FY 2002 — the Chief Financial Officers Council. OGP has restructured how it provides its services in order to manage the added responsibilities.

Motor Vehicles — did not receive dollars from partnering with agencies, but did realize much lower development cost as a result of partnerships. OGP estimates savings of approximately \$400,000 due to partnerships with the Departments of Energy and Health and Human Services.

Real Property — built collaborative partnerships through ongoing initiatives. OGP has a federal partner contributing one FTE for Cooperative Administrative Support Units (CASU) issues, and GSA's Public Buildings Service (PBS) funds the Technology Barrier Study and supports 22 nationwide Integrated Workplace (IW) pilots. OGP will provide necessary support to GSA's PBS during the technology barriers study and the IW pilots. The lessons learned and results may have governmentwide impact on the number of teleworkers and the future Federal workplace.

Other effective non-monetary partnerships with agencies include Mail, Property Management, and Travel, which partnered with the Official Airline Guide (OAG) and Innovota to provide travel related information to customers. In FY 2002, OGP will continue these partnerships.

Reason for Discontinuing Measure

In keeping with the Results Act OGP is focusing on outcome measures instead of activity measures. This measure is not included in the FY 2003 Annual Performance Plan.

Verification/Validation

OGP verifies with partners the external dollar amounts supporting OGP initiatives plus uses internal budget reports. OGP maintains tracking of funds against approved budget and will analyze the correlation between our programs and the Strategic Plan, the priorities of the Administration and of OMB, plus Congressional initiatives. OGP will continue with the regular monitoring and reports on status of funds to OGP managers, OMB, CIO Council, and other responsible interagency committees. In-house assessment of the participation of Federal partners in terms of actual dollars invested and FTE's provided will be ongoing. Day-to-day project management and integration into the OGP-wide Balanced Score Card process also serves as another means of validation.

Governmentwide Policy

GSA	
Strategic Goal	Excel At Customer Service
GSA Strategic Objective	Make government policies and best practices timely, accessible, and useful.

Performance Goal (New)

Improve customer satisfaction.

Performance Measures

Customer satisfaction with OGP's services.

Indicators

A - Percent program areas achieving overall customer satisfaction goals.

B - Percent program areas with initiatives to address emerging issues.

C - Percent program areas that demonstrate integration of customer, stakeholder, and other external interests into their initiatives.

Indicator	FY2001 Baseline	FY2001 Actual	FY2002 Target
A	82%	82%	TBD
B	100%	100%	TBD
C	100%	100%	TBD

Reasons for Success

OGP has always emphasized the need to build partnerships with its customers and stakeholders, have a thorough understanding of their concerns, anticipate their needs, and find creative solutions for them that will increase their satisfaction with services provided. Customer surveys are conducted to assess satisfaction levels. OGP staff also solicits feedback at interagency meetings, training seminars, and day-to-day customer contacts. Survey results and customer feedback are constantly analyzed and used to help identify improvement opportunities and set performance targets.

Verification/Validation

OGP will conduct customer focus groups and structured interviews to verify, validate, clarify, and amplify survey results. OGP's internal initiative tracking system will provide another source of data. Also, project managers will indicate the extent that customers, stakeholders, and others external to OGP have been involved in designing and implementing the initiative.

Support for Governmentwide Improvement Initiatives

GSA	
Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the government and transactions with industry partners and citizens.

Performance Goal

Establish policies, standards, and best practices to help develop a single face for government electronic business transactions.

Performance Measures

A) Number of governmentwide solutions developed and best practices recognized.

FY 1999 Actual	4
FY 2000 Actual	4
FY 2001 Target	5
FY 2001 Actual	27

B) Number of governmentwide guidelines developed.

FY 1999 Actual	3
FY 2000 Actual	3
FY 2001 Target	4
FY 2001 Actual	12

C) Number of government-industry collaborative efforts to develop interoperability standards.

FY 1999 Actual	4
FY 2000 Actual	5
FY 2001 Target	5
FY 2001 Actual	5

D) Number of government-industry information sharing initiatives.

FY 1999 Actual	7
FY 2000 Actual	5
FY 2001 Target	6
FY 2001 Actual	11

Reasons for Success

OGP has been helping the government develop a common approach to the technological and administrative issues raised by the increasing use of electronic commerce. Success is based on the use of established government-industry groups, active user communities, and other inter-agency groups to provide input as to which policies, standards, and best practices to establish.

OGP established a government-industry working group to consider technical issues in electronic commerce implementation and established policies to encourage and facilitate Federal adoption of interoperability standards. It conducted pilots to test governmentwide interoperability solutions such as those that would allow Federal agencies to search and transact business with the government. It developed a policy framework and technical guidelines for digital signatures, which allows Web-based government business to take place in a secure electronic environment, a public key infrastructure. OGP also continued its work with agencies to analyze and promote the adoption of the next generation of data exchange standards based on XML.

Reason for Discontinuing Measure

In keeping with the Results Act OGP is focusing on outcome measures instead of activity measures. This measure is not included in the FY 2003 Annual Performance Plan.

Verification/Validation

OGP uses established government-industry groups, agencies, and other interagency groups to provide input as to which policies, standards, and best practices should be established. OGP will perform pilot tests to establish long-term operational systems.

Support for Governmentwide Improvement Initiatives

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of government resources.

Performance Goal

Provide a centralized source of information on IT products that have been tested by users with disabilities pursuant to the accessibility standard mandated by Section 508 of the Workforce Investment Act.

Performance Measure

Number of Electronic and Information Technology (E&IT) classes with accepted protocols. (The number of E&IT product classes with acceptable protocols measures the product lines where all involved (procurement officials, users, and industry) can be reasonably sure that purchases meet the standards set by the law and the accompanying regulations.)

FY 2000 Actual	N/A
FY 2001 Target	3
FY 2001 Actual	0
FY 2002 Target	3

Reasons for Not Achieving Target

OGP has been working on developing voluntary consensus standards and tools for accessibility interoperability. These standards and tools would ensure interoperability between E&IT with known accessibility problems and the various assistive technology tools used by persons with disabilities. However, no consensus has been reached within the Federal community and at this point, industry leadership is needed to develop voluntary standards. In regards to Section 508, disagreement exists in the IT industry whether there should be any testing protocols since such an entity would slow normal product development and innovation. The Accessibility Forum has selected two projects to focus on — an interoperability project and a scope effort to identify what objective measures may already exist and can be used.

Verification/Validation

OGP sees acceptance of the standards by industry and users as a sign of validation. The voluntary consensus standards forum will develop testing scripts for each class of IT product. Once established, OGP will place the script on <http://www.section508.gov>. Quality check consists of — 1) the voluntary consensus standards forum will include vendors and users working together to develop acceptable scripts; 2) absence of complaints or lawsuits for products represented as 508 compliant as a result of the voluntary consensus standard process.

Support for Governmentwide Improvement Initiatives

GSA	
Strategic Goal	Meet Federal Social and Environmental Goals
GSA Strategic Objective	Provide employment opportunities for individuals with disabilities.

Performance Goal

Assist Federal agencies, where the products, services, and framework have not been implemented, to meet the needs of persons with disabilities for a barrier-free IT environment.

This performance goal has been refined to stress the development of a framework to ensure that persons with disabilities have IT resources to enhance their participation in the workplace and to comply with the requirements of Public Law 105-220, Section 508.

Performance Measure

The number of projects that meet their performance goals.

FY 2000 Actual	3
FY 2001 Target	8
FY 2001 Actual	8
FY 2002 Target	8

Reasons for Success

OGP has launched an improved Web site, the first of the interactive Web-based training modules, and the Buy Accessible portal in concert with the IT Industry Council. OGP hosted numerous panels and presentations at conferences nationwide, and the Accessibility Forum which resulted from the collaborations with all stakeholders — Federal agencies, IT industry, Assistive Technology industry, advocacy groups/consumer groups for people with disabilities, and academia.

The principal agencies involved in Section 508 activity have formed an Executive Steering Committee and working group with OGP providing support. The initiative has the following project components — Agency Teams, Web site, Outreach, Training, Accessibility Forum, Technical Assistance, and the Information Technology Demonstration Center. (Note — This last project was terminated due to serious issues regarding appropriateness, CICA conflicts, and inadequate project definition. OGP will continue working with the Section 508 Executive Steering Committee to coordinate governmentwide Section 508 activity.

Verification/Validation

Each of the eight projects within the FITAI has its own measurement for success. No single measure will determine the success of the FITAI. The FITAI will build quality assessment into the normal work processes, using feedback from the community of disabled users as well as other stakeholders. Quality and validity checks will also be performed via interagency team assessments.

Support for Governmentwide Improvement Initiatives

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of government resources.

Performance Goal

Establish and maintain a core curriculum of Internet-based courses and increase the number of training instances.

Performance Measures

A) Number of new Internet courses developed.

FY 1999 Actual	4
FY 2000 Actual	2
FY 2001 Target	4
FY 2001 Actual	10
FY 2002 Target	5

B) Number of training instances (one-person completing on-line course session).

FY 1999 Actual	11,157
FY 2000 Actual	2,800
FY 2001 Target	20,000
FY 2001 Actual	32,487
FY 2002 Target	30,000

Reasons for Success

OGP's Federal Acquisition Institute (FAI) has continued to promote research to improve procurement laws, policies, and related procedures; to identify critical competencies and academic prerequisites for acquisition career fields; to develop instructional materials for acquisition personnel; and to evaluate the effectiveness of training and career development programs for acquisition personnel. To promote research and develop instructional materials, FAI developed an Electronic Performance Support System (EPSS) on the FAI Online University, which includes competency-based instructional materials and mentoring for acquisition personnel.

OGP successfully teamed with Defense Acquisition University by agreeing to share responsibilities and resources to achieve mutually desired outcomes. Strategies include the following.

Develop a total of nine new Internet-based commercial and non-commercial courses.

Move five college-credit core courses to the Internet by September 2001.

Establish a governmentwide standard for acquisition professionals accepted by all agencies.

Establish certification levels for all acquisition professionals accepted by executive agencies.

Get agencies to implement a common core curriculum for the acquisition workforce, promote a common knowledge base, and make it easier for acquisition professionals to move around.

Reason for Discontinuing Measure

In keeping with the Results Act OGP is focusing on outcome measures instead of activity measures. This measure is not included in the FY 2003 Annual Performance Plan.

Verification/Validation

The FAI Online University database tracks the training instances, agency affiliation, test results, as well as collects students' satisfaction ratings. Using FAI records, the staff of the FAI will verify that the database does not contain duplicate records and the information is complete.

Support for Governmentwide Improvement Initiatives

GSA	
Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of government resources.

Performance Goal

Improve the professional skills of present and future federal IT leaders.

Performance Measure

Number of federal IT professionals in OGP IT leadership programs.

FY 1999 Actual

857 students enrolled in "1,000 by the Year 2000"

1,383 students completing Trail Boss seminars

140 participants at Trail Boss Roundup

460 participants at IRMCO

FY 2000 Actual

1,038 students enrolled in "1,000 by the Year 2000" (*Goal accomplished.*)

110 participants at Trail Boss Roundup (*Last and final roundup held 4/00.*)

414 participants at IRMCO

51 STAR seminar participants

40 CIO University participants

FY 2001 Target

425 participants at IRMCO

60 participants to have completed the STAR program

100 CIO University participants

FY 2001 Actual

450 participants at IRMCO

111 participants completed the STAR program

103 CIO University participants

FY 2002 Target

425 participants at IRMCO

170 participants to have completed the STAR program

170 CIO University participants

Reasons for Success

OGP's success at reaching the 2001 goals with IRMCO, STAR, and the CIO University center on improved and increased marketing, improved content of programs, and improved inclusion of affinity groups. Much of this effort was driven by program survey results from customers.

For each program, OGP marketed earlier than in the past, improved the content of information within each marketing phase, and broadened outreach to more communities.

OGP enhanced the content of the programs to accommodate the rapidly changing demands in the work with a focus on overall improved business management. This business management focus also directed us to develop program content that was relevant to and reached across a number of professional communities including Chief Information Officers, Chief Financial Officers, Procurement Executives, Human Resource Managers, and Program Mangers. OGP also

focused on common issues and interests that reached across Federal, State, and local governing communities.

Reason for Discontinuing Measure

In keeping with the Results Act OGP is focusing on outcome measures instead of activity measures. This measure is not included in the FY 2003 Annual Performance Plan.

Verification/Validation

Program managers collect, maintain, and verify data as applications are received for various programs. OGP regularly conducts analysis of attendee databases; student surveys; surveys of conference and seminar attendees; and feedback from interviews with alumni, network members, and Chief Information Officers.

Support for Governmentwide Improvement Initiatives

GSA	
Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the government and transactions with industry partners and citizens.

Performance Goal

Provide a "single point of entry" for industry to find opportunities to do business with the federal government.

Performance Measure

Number of agencies using the FedBizOpps (formerly the EPS system).

FY 1999 Actual	12
FY 2000 Actual	19
FY 2001 Target	40
FY 2001 Actual	40
FY 2002 Target	40

Reasons for Success

The Office of Governmentwide Policy developed FedBizOpps (formerly known as the Electronic Posting System (EPS)) as part of the Acquisition Reform Network (ARNet), which is a central Web site for acquisition regulations, policies, and guidance. The FedBizOpps System is the single-point-of-entry for Federal procurement opportunities. OGP continuously enhances and expands the utility of FedBizOpps and refines the FedBizOpps software to ensure portability and scalability of the applications for governmentwide use. Additional modules are added to expand functionality, such as search and download of solicitations, register for e-mail notification of applicable opportunities, and electronic submissions of proposals. Plans were in place for FY 2001 for completion of work with the Department of Commerce to integrate the electronic Commerce Business Daily with FedBizOpps and make appropriate regulatory changes to the Federal Acquisition Regulation. However, completion of the project took place in FY 2002.

Verification/Validation

FedBizOpps will track which agencies are posting information to the system. OGP will also look into tracking the number of hits or inquires received by the system. Support for Governmentwide Improvement Initiatives is a part of the validation process.

Support for Governmentwide Improvement Initiatives

GSA	
Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the government and transactions with industry partners and citizens.

Performance Goal

Provide a prototype federal gateway to the Internet to make government information more accessible to the public.

Performance Measure

Number of links by FirstGov.gov to other Web sites.

FY1999 Actual

Webgov Web site with 1,000 links was built.

FY 2000 Actual

Developed beta version prototype FirstGov Web site with 1,000 links to Federal sites.

FY 2001 Target

Populate search database with at least 2,000 Federal Web sites. Contract with outside firm to build and operate a fully functioning Web site.

FY 2001 Actual

22,000 links to Federal Government Web sites containing 33 million Web pages.

FY 2002 Target

TBD

Reasons for Success

OGP has developed "FirstGov.gov" to provide a single gateway site for quick and easy access to government information over the Internet. FirstGov.gov combines consolidated information, hyperlinks, and searching mechanisms to offer the public ready access to governmentwide information. In addition to promoting the use of the Internet, FirstGov.gov saves the public time in locating information and makes it easier for agencies to share information with the public.

OGP's FirstGov search database contains 22,000 links to Federal Government Web sites containing 33 million Web pages. And, according to Google, 34,000 links to the FirstGov.gov Web site from other Internet Web sites currently exist.

The FirstGov Web site contains 1,668 links to other Web sites.

OGP succeeds in providing useful links from the FirstGov Web site to other government Web sites for two reasons. First, OGP has developed a large network of Federal Government contacts that have established links to us. Second, associates continually search for sites providing the most useful information and functionality to customers and stakeholders.

Verification/Validation

OGP tracks the number of visits to FirstGov.gov and allows users to submit comments on how to improve the Web pages.

VIII. OTHER RESPONSIBILITY SEGMENT

The Federal Consumer Information Center (FCIC) has responsibility for one of the performance goals reported on in the FY 2001 Report. FCIC will become a component of the GSA Office of Citizen Services.

Federal Consumer Information Center

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Continuously improve relationships with our customers by developing a thorough understanding of their concerns, anticipating their needs and finding creative solutions for them.

Performance Goal

Increase the magnitude and quality of the outreach of federal consumer information through the distribution of 6 million publications to the American public in FY 2001 and by providing 12 million public accesses to CIC electronic information products.

FCIC informs the public about vital topics such as health and safety issues, developments in federal programs, and the impact and effects of Federal research and regulatory actions. To make sure that every American has access to the most recent and helpful government information, the CIC identifies and coordinates information from more than 40 Federal agencies; its media and direct mail marketing programs promote public awareness of the information; its contracts with the Government Printing Office (GPO) distribute printed information from the nationally known facility in Pueblo, Colorado; its toll-free telephone system enables consumers to more easily order publications; and its Internet web site makes this information available electronically. CIC produces the **Consumer Information Catalog** which lists hundreds of popular titles from Federal agencies on various important subjects. CIC also publishes the **Consumer's Resource Handbook** which is one of the most informative and popular consumer documents issued by the Government. It is designed to help citizens find the best and most direct source for assistance with their consumer problems and questions.

Performance Measure

Number of Publications Ordered and Accesses Recorded

FY 1999 Actual	6.3 million Publications/9.5 million accesses
FY 2000 Actual	7.2 million Publications/14 million accesses
FY 2001 Actual	5.5 million Publications/22.5 million accesses
FY 2001 Target	6 million Publications/12 million accesses
FY 2002 Target	6 million publications/31.9 million accesses

Reasons for Success

Variables such as public interest, agency publishing budgets and initiatives, and media pickup affect publication distribution amounts each year. FCIC anticipates that publication distribution will trend downwards as citizens increasingly use our easily accessible free information available on our websites.

Budget Link

This program has a budget of \$11.298 million for the FY 2002 program.

Verification/Validation

Publication distribution data is provided by the Government Printing Office.

National Call Center data is provided by the contractor, Aspen Systems, and the telephone provider, MCI WorldCom.

The logs used to support the counts are provided from GSA web servers and analyzed with Web Trends software.

All data is then validated and verified by the FCIC staff.

IX. STAFF SUPPORT OFFICES

The following GSA Staff Offices are independent of the Services and OGP but are responsible for important performance goals.

Office of the Chief Financial Officer

The Office of the Chief Financial Officer provides policy leadership in financial matters. CFO reports directly to the Administrator.

Office of the Chief Information Officer

The Office of the Chief Information Officer provides policy and technical guidance concerning the GSA IT infrastructure. CIO reports directly to the Administrator.

Office of the Chief People Officer

The Office of the Chief People Officer provides policy and technical guidance concerning the human capital of GSA. CPO reports directly to the Administrator.

Office of the Chief Financial Officer

GSA's tradition of receiving unqualified opinions on its consolidated financial statements was continued in FY 2001. Our independent audits provided an unqualified opinion. While we take great pride in this accomplishment, we recognize that there is more to successful financial management than clean audit opinions. The first years of this new century will bring great change in the way we do business. E-government and new technology will challenge us to continue and strengthen financial accountability and yet become more efficient and responsive to our customer's needs. High quality service and reliable and timely financial information will be essential to GSA in maintaining its competitive edge. We are working to expand and enhance GSA's use of new technologies to improve internal processes, vendor relationships, and customer service.

The Office of the CFO is committed to a corporate alliance with GSA's business managers and clients. We are dedicated to cost-effective, best-in-class financial stewardship and to being a valuable resource in achieving our customers' business goals.

Office of the Chief Financial Officer

GSA Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of Government resources.

Performance Goal

Increase the percentage of vendor payments made by electronic media such as Electronic Fund Transfer (EFT) and purchase credit card.

Performance Measure

Percentage of invoices paid electronically.

FY 1999 Baseline	62%
FY 2000 Actual	71%
FY 2001 Actual	79%
FY 2001 Target	76%
FY 2002 Target	80%

Reasons for Success

We have been able to exceed our target through personal contact with members of the vendor community to solicit the use of electronic transactions and through continuing efforts to promote the use of the Government Purchase Card within the procurement community.

Future strategies include emphasizing the use of purchase credit card to procurement officials when purchase is less than \$100,000 and utilizing direct mail and personal telephone contact to solicit vendor-banking data.

Budget Link

This function is performed within the Working Capital Fund which has a FY 2002 budget of \$312 million as presented in the GSA Congressional Justification for Fiscal Year 2003.

Verification/Validation

Data source is the GSA financial system National Electronic Accounting and Reporting System (NEAR).

Office of the Chief Financial Officer

GSA Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of government resources.

Performance Goal

Increase the percentage of invoices received electronically by Electronic Data Interchange (EDI) through the World Wide Web (Internet).

Performance Measure

Percentage of electronic invoice received.

FY 1999 Baseline	12%
FY 2000 Actual	12%
FY 2001 Actual	24%
FY 2001 Target	20%
FY 2002 Target	35%

Reasons for Success

We have been able to exceed our target through the promotion of the use of electronic invoicing within the vendor community. Strategies for the future include encouraging vendors to submit invoices via the World Wide Web by placing clauses in GSA contracts and orders.

Budget Link

This function is performed within the Working Capital Fund which has a FY 2002 budget of \$312 million as presented in the GSA Congressional Justification for Fiscal Year 2003.

Verification/Validation

Data Source is the National Electronic Accounting and Reporting System (NEAR).

Office of the Chief Financial Officer

GSA Strategic Goal	Promote Responsible Asset Management
GSA Strategic Objective	Develop, advocate, and evaluate policies and best practices that enable better acquisition, management, and utilization of Government resources.

Performance Goal

Increase the percentage of invoices collected through the On-Line Payment and Collection (OPAC) System.

Note that OPAC became the Intra-Governmental Payment and Collection (IPAC) System in mid- calendar year 2001.

Performance Measure

Percentage of invoice collected on-line.

FY 1999 Baseline	82%
FY 2000 Actual	85%
FY 2001 Actual	88%
FY 2001 Target	88%
FY 2002 Target	89%

Reasons for Success

Success in meeting the target was due to continuous work with customer agencies to encourage them to accept billings by IPAC. Strategies for the future include encouraging GSA customers to switch from paying by paper check to an electronic mode, such as IPAC and by increasing the amount of invoices paid by IPAC.

.Budget Link

This function is performed within the Working Capital Fund, which has a FY 2002 budget of \$312 million as presented in the GSA Congressional Justification for Fiscal Year 2003.

Verification/Validation

Data source is the National Electronic Accounting and Reporting System (NEAR).

Office of the Chief Information Officer

The Office of the Chief Information Officer (CIO) pursues new ways of applying computing and communications technologies to the practical problems of information management and seeks to reduce the cost and risk of technology.

The CIO addresses information technology issues of strategic concern as follows.

- Capital Planning
- Computing systems architecture
- Software technology
- Common interoperable services
- Mobile computing and networking
- Security and survivability technologies

Office of the Chief Information Officer

GSA Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the Government and transactions with industry partners and citizens.

Performance Goal

Resolve all high-risk vulnerabilities and conditions detected by IT audits or reviews within 30 days of findings and recommendations.

GSA has had several audits and reviews conducted by PriceWaterhouseCoopers and the Office of Inspector General, which have identified IT Security vulnerabilities and weaknesses. As a result of slow action within the agency to complete work to correct the issues identified, some of the findings have been repeated in subsequent studies.

As GSA must take a much more aggressive approach to resolving findings and recommendations contained in all audits and reviews, we anticipate a more secure IT environment across the enterprise and we will be better able to protect our system, data, and information assets. We anticipate that this will also result in the elimination of repeat findings in the future.

Performance Measure

Percent high risk audit action items completed successfully within the 30-day time standard.

FY 2001 Target	N/A
FY 2001 Actual	N/A
FY 2002 Target	100%

Reasons for Success

There were four high-risk IT security vulnerabilities identified for FY 2001. These included NIMDA, Code Red, and two vulnerabilities found during vulnerability testing. One allowed the password database to be compromised and the other was related to unauthenticated dial-in access. All of these were resolved in less than 30 days. The vulnerabilities found during testing were resolved in less than an hour.

Verification/Validation

Sources for data are the findings of professional consultants, PriceWaterhouseCoopers, database records maintained by the IG and security alert notifications sent out by FedCIRC or other IT security risk identification and tracking entities. High Risk Vulnerabilities are determined on a case-by-case basis following an evaluation conducted by the OCIO Security Division. Considerations include but are not limited to vulnerabilities that have agency-wide impact, can allow root access, or allow external penetration.

Office of the Chief Information Officer

GSA Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the Government and transactions with industry partners and citizens.

Performance Goal

Ensure GSA IT Capital Investment projects remain within 10% of the cost and schedule approved by the IT Investment Review Process.

In accordance with the requirements of the Clinger-Cohen Act, the GSA CIO is responsible for ensuring that our IT investments remain within 10% of the planned cost and schedule.

Performance Measure

Percentage of IT investment projects that are 1) within the planned cost and schedule requirements and 2) the percentage that exceeds the planned cost and schedule by more than 10%.

	<u>Percentage within Cost & Schedule</u>	<u>Percentage Exceeding Tolerance</u>
FY 2001 Target	N/A	N/A
FY 2001 Actual	N/A	N/A
FY 2002 Target	100%	0%

Reasons for not Meeting the Target

For the first time, the Office of the CIO was required to establish GPRA Performance Measures for FY 2002. Based on this, the CIO plans have been focused towards gathering performance results for FY 2002. The CIO began, within the last year, an initiative to increase the importance, emphasis and focus on the control and review of IT investments within GSA. As a result of this effort, each of the Services and major Staff Offices established or are in the process of establishing Technical Review Boards and second level IT Resources Review Boards to oversee and manage IT investments, to include costs and schedule. This process is currently quickly moving towards finalization. While we have not finalized all aspects of the performance results gathering, we have gathered preliminary data on the FY 2001 results against these measures. The schedule accomplishments will be captured for FY 2002 reporting.

We are continuing our work with the Services and Staff Offices to improve and strengthen our IT investment control processes which will enhance our ability to measure this performance.

Verification/Validation

Sources for data are the FY 2001 column of the OMB Exhibit 300 and 53 submissions for FY 2002 and 2003 for GSA. The FY 2001 column of the FY 2002 submission identified the planned expenditures for FY 2001. The FY 2001 column of the FY 2003 submission identified the actual expenditures for FY 2001. Comparison and analysis of this data provided actual performance.

Office of the Chief Information Officer

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.

Performance Goal

Maintain a customer satisfaction rating of highly effective in services provided.

The Office of the CIO provides an enterprise-wide Corporate Information Network. In addition the CIO provides mail messaging services and systems within the agency.

Performance Measure

Percentage customers rating service and support provided by CIO as highly effective.

FY 2001 Target:	N/A
FY 2001 Actual	N/A
FY 2002 Target:	95%

Reasons for not Meeting the Target

For the first time, the Office of the CIO (OCIO) was required to establish GPRA Performance Measures for FY 2002.

During FY 2001 only the performance on the Seat Management contract was measured for customer satisfaction. The former Seat Management contract was originally envisioned to support all 14,000 GSA seats. The constraints of the contract, the problems with performance level requirements, the quality of the delivered support, and the high cost of support were collectively responsible for limiting the expansion of supported seats beyond the 2500 desktops included in those services at Central Office. These factors caused the former Council of Governors (CoG), and current Council of Controllers (CoC), and Executive Committee to re-evaluate GSA's approach to desktop management. As a result of their decisions, the Seat Management contract was replaced and performance has improved dramatically in this area. We do not anticipate the same level of performance in this area for FY 2002.

Plans for FY 2002 include conducting an annual survey measuring overall performance in all OCIO areas to gauge customer satisfaction.

The results of the survey and the contractor performance assessment will be evaluated to determine corrective actions or changes that may be required to continuously improve the level of service and to maintain a 95% customer satisfaction rating.

Verification/Validation

Sources for data are customer satisfaction surveys conducted for the Seat Management contract.

Office of the Chief People Officer

The Office of the Chief People Officer (CPO) is responsible for providing GSA with workforce, organization and workplace solutions. Because it plays a lead role in coordinating GSA workforce management, the majority of CPO resources and efforts will continue to be focused on recruiting, developing, retaining and supporting the GSA workforce.

The GSA Inspector General has identified the demographics of GSA's workforce as a management challenge. GSA's Human Resources community and GSA's managers have been working to deploy solutions to this problem. First, GSA formed a Worldclass Workforce (WCW) Team to review how we can meet changing skill needs within the agency. This has led to increased emphasis on hiring recent college graduates and a focus on improving the skills of current associates. In addition the WCW team has held a series of meetings with managers to share best practices in the areas of recruiting, energizing associates, and developing leaders.

Second, GSA has developed a variety of programs to address the impending increase in associate turnover due to retirements. These programs include adopting Gallup Corporation's Q-12 survey of associates engagement, contracting with OPM to develop a succession plan for PBS leadership, and hiring a private vendor to deploy additional training to managers in FTS. There are a number of initiatives at the corporate, service, and regional level to deal with the challenges of GSA's aging workforce and its impact on meeting the business objectives of the agency.

For the last two years GSA has been ranked in the top three federal agencies in job satisfaction as measured in the OPM "Merit Principles" survey of federal associates. The steps that GSA has taken to date have enhanced the ability of GSA to maintain and attract associates.

Office of the Chief People Officer

Human Resources

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.

Performance Goal

Increase customer satisfaction with filling vacancies.

Performance Measure

Overall customer satisfaction rating with the recruitment process.

FY 2001 Actual	4.00
FY 2001 Target:	3.25 (on a 5.0 scale)
FY 2002 Target:	4.25

Reasons for Success

HR consulted with its customers to identify current and future recruitment needs. HR advised managers of available HR flexibilities to recruit associates. HR managers consistently reiterated with staff members the importance of providing reliable, courteous, and prompt service to our customers.

Strategies for future success include meeting with clients to clarify the needs of the organization and to identify best recruiting sources for the vacancy. Identification of the recruiting sources will focus on producing candidates with the requisite skills, not just producing numerous applicants.

Budget Link

This function is performed within the Working Capital Fund, which has a FY 2002 budget of \$312 million as presented in the GSA Congressional justification for Fiscal Year 2003.

Verification/Validation

Data will be obtained from Customer Satisfaction Survey conducted annually and from daily customer feedback. An assessment of contractor provided service will also be conducted.

Office of the Chief People Officer

GSA	
Strategic Goal	Excel at Customer Service
GSA Strategic Objective	Incorporate customer feedback and customer satisfaction data in GSA's planning and decision-making processes.

Performance Goal

Improve cycle time for recruiting.

Performance Measure

Average number of days from the receipt of request for personnel action to referral.

FY 2001 Actual	60 days
FY 2001 Target	120 days
FY 2002 Target	40 days

Reasons for Success

HR worked with managers to identify and encourage the use of cost effective methods to streamline the recruitment process. HR consulted with its customers to identify best recruiting sources for the vacancy. HR consulted with managers to develop well-defined crediting plans to distinguish candidates that can meet the business needs of the agency. In addition, HR piloted an Internet based application process to decrease the time needed to issue referrals to managers.

Budget Link

This function is performed within the Working Capital Fund, which has a FY 2002 budget of \$312 million as presented in the GSA Congressional justification for Fiscal Year 2003.

Verification/Validation

Agency personnel records were the source of data.

Office of the Chief People Officer

GSA Strategic Goal	Anticipate Future Workforce Needs
GSA Strategic Objective	Develop policies and practices to facilitate safe electronic transactions within the Government and transactions with industry partners and citizens.

Performance Goal

Increase use of Online University as a cost-effective method to improve associate skills.

Performance Measure

Increase usage of Online University.

FY 2000 Actual	2,276 elective registrations
FY 2001 Actual	182%
FY 2001 Target	15%
FY 2002 Target	15%

Reasons for Success

HR continued to market Online University (OLU) as an alternative to traditional classroom training. Even excluding registrations for required courses (i.e., IT security, ethics, purchase card), there was a significant increase in the number of OLU registrations in FY 2001. Completing required courses exposed managers and associates to the benefits, ease of use, and variety of courses available on OLU. Therefore, associates were more likely to use OLU as a viable training source for elective courses. The increase in usage peaked in FY 2001 and moderate increases are anticipated in the future. GSA will continue to market OLU to our associates in FY 2002. In addition, we will begin to market OLU to other federal agencies.

Budget Link

This function is performed within the Working Capital Fund, which has a FY 2002 budget of \$312 million as presented in the GSA Congressional justification for Fiscal Year 2003.

Verification/Validation

Online University usage reports will provide measurement data.