

**U.S. GENERAL SERVICES
ADMINISTRATION**



FY 2003

**CONGRESSIONAL
JUSTIFICATION**



SUMMARIES

General Services Administration

FY 2003 BUDGET SUMMARY AND HIGHLIGHTS

INTRODUCTION:

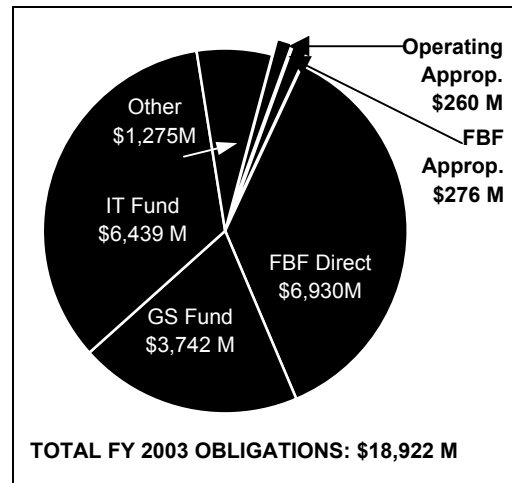
The General Services Administration (GSA) was established by the Federal Property and Administrative Services Act of 1949.

- GSA's Mission, Values and Goals are:
 - Our Mission: *We help federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies.*
 - Our Values:
 - Ethics and integrity in everything we do
 - Respect for fellow associates
 - Teamwork
 - Results orientation
 - Professionalism
 - Our Goals:
 - Provide best value for customer agencies and taxpayers
 - Achieve responsible asset management
 - Operate efficiently and effectively
 - Ensure financial accountability
 - Maintain a worldclass workforce and a worldclass workplace
 - Carry out social, environmental, and other responsibilities as a federal agency

BUDGET TOTALS AND SOURCES

Measured in obligations, GSA's FY 2003 budget estimate totals \$18.9 billion. Most of GSA's funding comes from customers through reimbursements to revolving funds for purchase of goods and services or as rent paid for space in GSA-owned and leased buildings. Congress is asked to appropriate only \$260 million for GSA direct funded operations.

In addition, the Federal Buildings Fund (FBF) includes \$276 million in appropriations for FY 2003. Congress annually authorizes how GSA may apply its available FBF revenues (new obligational authority in annual appropriations acts).



The tables on the following pages show total obligations by account, including the obligations requiring congressional action. The table on page 2 includes CSRS/FEHB accruals; the table on page 3 excludes the accruals. See page 10 for further explanations of CSRS/FEHB accruals.

General Services Administration

FY 2003 BUDGET SUMMARY AND HIGHLIGHTS

FY 2003 BUDGET SUMMARY (Including CSRS/FEHB Accruals) (Dollars in Thousands)

<u>OBLIGATIONS</u>	FY 2001 <u>Actual</u>	FY 2002 <u>Current</u>	FY 2003 <u>Budget</u>
Operating Appropriations – Direct Obligations	209,733	205,382	260,148
Federal Buildings Fund – Direct	5,882,688	7,532,945	7,205,940
Reimbursable programs	1,124,836	929,361	918,294
General Supply Fund	3,245,774	3,645,295	3,742,092
Information Technology Fund	7,269,313	6,315,471	6,438,867
Working Capital Fund	278,386	319,832	329,225
Federal Consumer Information Center (Reimb.)	3,184	3,447	3,265
Real Property Relocation	2,343	10,000	2,000
Permanent Indefinite Appropriations	<u>17,554</u>	<u>22,012</u>	<u>22,630</u>
TOTAL OBLIGATIONS, Excluding ERF	18,033,811	18,983,745	18,922,461
Emergency Response Funding (ERF)	<u>7,831</u>	<u>127,281</u>	<u>0</u>
TOTAL OBLIGATIONS, Including ERF	18,041,642	19,111,026	18,922,461
<u>REQUIRING APPROPRIATIONS COMMITTEE ACTION</u>			
<u>Budget Authority/Operating Appropriations¹</u>			
Policy & Citizen Services	71,610	62,350	68,429
Operating Expenses, GSA	82,304	85,823	91,010
Electronic Government (E-Gov)	0	5,000	45,000
Federal Consumer Information Center (Direct)	7,219	7,402	12,681
Office of Inspector General	36,197	38,236	39,587
Allowances, Former Presidents	2,601	3,292	3,441
Presidential Transition	<u>7,084</u>	<u>0</u>	<u>0</u>
Subtotal Budget Authority/Appropriations	207,015	202,103	260,148
<u>Working Capital Fund Budget Authority</u>	3,907	0	0
<u>Federal Buildings Fund (FBF) New Obligational Authority:</u>			
Construction & Acquisition of Facilities	504,775	674,972	556,574
Repairs and Alterations	681,331	826,676	986,029
Installment Acquisition Payments	185,369	186,427	178,960
Rental of Space	3,112,207	3,147,368	3,153,211
Building Operations	1,683,528	1,792,959	2,010,601
Columbia Hospital for Women	<u>0</u>	<u>5,992</u>	<u>0</u>
Subtotal FBF NOA (Excluding ERF)	6,167,210	6,634,394	6,885,375
Subtotal FBF Budget Authority	256,289	364,142	291,465
Subtotal FBF Appropriations ²	476,523	284,400	276,400
TOTAL, Treasury Approp. Action (BA/NOA)³	6,367,006	6,829,095	7,132,842
Budget Authority	459,992	558,843	538,932
Appropriations	676,319	479,101	523,867
Emergency Response Funding (ERF):			
FBF New Obligational Authority (NOA):			
Repairs and Alterations	0	42,700	0
Building Operations	8,600	83,812	0
Appropriations	8,600	126,512	0
TOTAL, Treasury Approp. Action (BA/NOA)	6,375,606	6,955,607	7,132,842
Budget Authority	468,592	685,355	538,932
Appropriations	684,919	605,613	523,867
TOTAL, VA/HUD Appropriations Action (BA)	7,219	7,402	12,681
Federal Consumer Information Center (Direct)	7,219	7,402	12,681

¹The FCIC is funded under the VA/HUD bill; all else (\$247,467) is in the Treasury and General Government bill.

²\$276.4 million advance appropriation enacted in FY 2001 for FY 2002.

³Total, Treasury Approp. Action BA/NOA excludes permanent appropriations for Transportation Audits and Expenses, Disposal.

General Services Administration

FY 2003 BUDGET SUMMARY AND HIGHLIGHTS

FY 2003 BUDGET SUMMARY (Excluding CSRS/FEHB Accruals) (Dollars in Thousands)

<u>OBLIGATIONS</u>	FY 2001 <u>Actual</u>	FY 2002 <u>Current</u>	FY 2003 <u>Budget</u>
Operating Appropriations – Direct Obligations	203,004	198,236	252,755
Federal Buildings Fund – Direct	5,840,425	7,488,935	7,160,499
Reimbursable programs	1,124,836	929,361	918,294
General Supply Fund	3,227,522	3,626,285	3,723,152
Information Technology Fund	7,259,359	6,305,361	6,428,155
Working Capital Fund	270,613	311,708	320,865
Federal Consumer Information Center (Reimb.)	3,184	3,447	3,265
Real Property Relocation	2,343	10,000	2,000
Permanent Indefinite Appropriations	<u>17,073</u>	<u>21,528</u>	<u>22,134</u>
TOTAL OBLIGATIONS, Excluding ERF	17,948,359	18,894,861	18,831,119
Emergency Response Funding (ERF)	<u>7,831</u>	<u>127,281</u>	<u>0</u>
TOTAL OBLIGATIONS, Including ERF	17,956,190	19,022,142	18,831,119
<u>REQUIRING APPROPRIATIONS COMMITTEE ACTION</u>			
<u>Budget Authority/Operating Appropriations¹</u>			
Policy & Citizen Services	69,338	59,992	65,995
Operating Expenses, GSA	79,803	83,147	88,263
Electronic Government (E-Gov)	0	5,000	45,000
Federal Consumer Information Center (Direct)	7,106	7,276	12,541
Office of Inspector General	34,444	36,346	37,617
Allowances, Former Presidents	2,511	3,196	3,339
Presidential Transition	<u>7,084</u>	<u>0</u>	<u>0</u>
Subtotal Budget Authority/Appropriations	200,286	194,957	252,755
<u>Working Capital Fund Budget Authority</u>	3,907	0	0
<u>Federal Buildings Fund (FBF) New Obligational Authority:</u>			
Construction & Acquisition of Facilities	504,775	674,972	556,574
Repairs and Alterations	681,331	826,676	986,029
Installment Acquisition Payments	185,369	186,427	178,960
Rental of Space	3,112,207	3,147,368	3,153,211
Building Operations	1,641,265	1,748,949	1,965,160
Columbia Hospital for Women	<u>0</u>	<u>5,992</u>	<u>0</u>
Subtotal FBF NOA (Excluding ERF)	6,124,947	6,590,384	6,839,934
Subtotal FBF Budget Authority	256,289	364,142	291,465
Subtotal FBF Appropriations ²	476,523	284,400	276,400
TOTAL, Treasury Approp. Action (BA/NOA)³	6,318,127	6,778,065	7,080,148
Budget Authority	453,376	551,823	531,679
Appropriations	669,703	472,081	516,614
Emergency Response Funding (ERF):			
FBF New Obligational Authority (NOA):			
Repairs and Alterations	0	42,700	0
Building Operations	8,600	83,812	0
Appropriations	8,600	126,512	0
TOTAL, Treasury Approp. Action (BA/NOA)	6,326,727	6,904,577	7,080,148
Budget Authority	461,976	678,335	531,679
Appropriations	678,303	598,593	516,614
TOTAL, VA/HUD Appropriations Action (BA)	7,106	7,276	12,541
Federal Consumer Information Center (Direct)	7,106	7,276	12,541

¹The FCIC is funded under the VA/HUD bill; all else (\$247,467) is in the Treasury and General Government bill.

²\$276.4 million advance appropriation enacted in FY 2001 for FY 2002.

³Total, Treasury Approp. Action BA/NOA excludes permanent appropriations for Transportation Audits and Expenses, Disposal.

General Services Administration FY 2003 BUDGET SUMMARY AND HIGHLIGHTS

WATERFALL TABLE Changes in Appropriated Accounts \$(Thousands)

	Policy & Citizen Services	Operating Expenses	Inspector General	Former Presidents	Electronic Government	Total
FY 2002 Enacted Budget	\$59,992	\$83,147	\$36,346	\$3,196	\$5,000	\$187,681
Accrual for CSRS/FEHB	\$2,358	\$2,676	\$1,890	\$96	\$0	\$7,020
Adjusted FY 2002 Enacted Budget	\$62,350	\$85,823	\$38,236	\$3,292	\$5,000	\$194,701
Decreases:						
Regulatory Information Service Center (RISC)	-\$796					-\$796
Disposal of Lorton Correctional Complex		-\$3,822				-\$3,822
FY 2002 Former Presidents Offsetting Reductions				-\$61		-\$61
Increases:						
Increased Pay Costs	\$1,180	\$1,365	\$1,060	\$20		\$3,625
Increased Common Information Technology Infrastructure Costs	\$619	\$780	\$211			\$1,610
Increase to Accrual for CSRS/FEHB	\$76	\$71	\$80	\$6		\$233
Enhanced Web Production Search Tools	\$5,000					\$5,000
FECA administrative surcharge payment to DOL		\$1,123				\$1,123
Disposal Activities for Vieques, Puerto Rico		\$3,500				\$3,500
Office of Emergency Management Staffing		\$200				\$200
Establish & Maintain COOP Alternate Facility Database		\$620				\$620
Cyber Warning Information Network (CWIN)		\$900				\$900
National Security Emergency Preparedness (NSEP) study		\$200				\$200
GovNET		\$250				\$250
Rent increases				\$89		\$89
Equipment and other increases				\$95		\$95
Electronic Government Fund					\$40,000	\$40,000
FY 2003 Appropriation Request	\$68,429	\$91,010	\$39,587	\$3,441	\$45,000	\$247,467
Less Accrual for CSRS/FEHB	-\$2,434	-\$2,747	-\$1,970	-\$102	\$0	-\$7,253
Total (Excludes CSRS/FEHB Accrual)	\$65,995	\$88,263	\$37,617	\$3,339	\$45,000	\$240,214

¹FY 2001 Appropriations, net of rescissions.

General Services Administration FY 2003 BUDGET SUMMARY AND HIGHLIGHTS

FEDERAL BUILDINGS FUND New Obligational Authority

2003 Construction and Acquisition of Facilities (NOA) <i>In Priority Order</i> \$(Millions)	
<u>Executive Agencies:</u>	
Judgment Fund Repayment.....	3.012
Suitland, MD, U.S. Census Bureau.....	176.919
New York, NY, US Mission to the UN.....	57.053
Suitland, MD, NOAA II	9.461
Washington, DC, Southeast Federal Center Site Remediation.....	8.972
Oroville, WA, Border Station	6.572
Jackman, ME, Border Station	9.194
Raymond, MT, Border Station.....	7.753
Portal, ND, Border Station.....	2.201
Massena, NY, Border Station.....	1.646
Montgomery County, MD, FDA Consolidation	5.500
Nonprospectus Construction.....	8.253
Subtotal, Executive Agencies.....	296.536
<u>Federal Judiciary:</u>	
Brooklyn, NY, Courthouse Annex – GPO	39.500
Eugene, OR, Courthouse	77.374
Salt Lake City, UT, Courthouse	6.018
Little Rock, AR, Courthouse Annex	77.154
Cedar Rapids, IA, Courthouse	5.167
Nashville, TN, Courthouse	7.095
Fort Pierce, FL, Courthouse.....	2.744
Jackson, MS, Courthouse.....	7.276
Austin, TX, Courthouse	13.809
San Diego, CA, Courthouse Annex	23.901
Subtotal, Federal Judiciary.....	260.038
TOTAL CONSTRUCTION PROGRAM, FY 2003	\$556.574

General Services Administration FY 2003 BUDGET SUMMARY AND HIGHLIGHTS

Federal Buildings Fund (Cont'd)

2003 Repairs and Alterations (NOA)	
<i>In Priority Order</i>	
\$(Millions)	
Basic Non-Prospectus R&A Projects	\$367.340
Baltimore, MD, Metro West	6.162
Chicago, IL, Customhouse	9.000
Fort Worth, TX, Lanham Federal Building.....	15.249
Elevator Program.....	21.533
Washington, DC, Federal Office Building 10A Garage	5.454
Boston, MA, John F. Kennedy Federal Building Plaza	3.271
Kansas City, MO, Bannister Federal Complex, Building 1.....	16.130
Kansas City, MO, Bannister Federal Complex Building 2.....	3.148
New York, NY, Jacob Javits Federal Building.....	7.568
Washington, DC, Harry S. Truman Building (State).....	29.443
San Francisco, CA, Appraisers Building	20.283
Cleveland, OH, Metzenbaum Courthouse	15.212
Tecate, CA, Tecate Border Station	5.709
Los Angeles, CA, 300 North LA Federal Building	93.166
Pittsburgh, PA, William S. Moorhead Federal Building	68.793
Portsmouth, NH, Thomas McIntyre Federal Building.....	11.149
New Haven, CT, Robert N. Giaimo Federal Building	18.507
Seattle, WA, Henry M. Jackson Federal Building	26.832
Davenport, IA, Federal Building-Courthouse	12.586
Dallas, TX, Cabell FB-CT/Santa Fe Federal Building	16.394
Woodlawn, MD, SSA National Headquarters.....	96.905
Manchester, NH, Norris Cotton Federal Building	17.668
Energy Program	8.000
Chlorofluorocarbons Program	8.000
Terrorism	10.000
Glass Fragmentation Program	20.000
Subtotal, R&A Line Item Program	\$566.162
TOTAL R&A CONSTRUCTION PROGRAM	\$933.502
R&A Design Program:	
Baltimore, MD, George H. Fallon Federal Building	2.467
Seattle, WA, William K. Nakamura Courthouse	2.455
Washington, DC, Herbert C. Hoover Building (Commerce).....	4.100
Washington, DC, GSA-ROB.....	7.390
Hilo, HI, Federal Building-Post Office.....	0.605
Auburn, WA, Warehouse.....	1.134
St. Paul, MN, Warren E. Burger Federal Building-Courthouse	2.591
Lakewood, CO, Building 53.....	4.672
San Francisco, CA, 50 United Nation Plaza	5.550
Columbus, OH, John W. Bricker Federal Building-Courthouse	1.063
Washington, DC, Eisenhower Executive Office Building	7.500
Washington, DC, GSA Central Office	13.000
TOTAL R&A DESIGN PROGRAM	\$52.527
TOTAL REPAIRS AND ALTERATIONS, FY 2003	\$986.029

General Services Administration

FY 2003 BUDGET SUMMARY AND HIGHLIGHTS

WATERFALL TABLE Changes in Other FBF Obligations \$(Thousands)

	Installment Acquisition Payments	Rental of Space	Building Operations
FY 2002¹	\$186,427	\$3,331,747	\$1,831,261
Decrease in Capitalized Interest Payments	-625		
Decrease in Interest Payments	-6,842		
Exclusion of the Part Year Cost of FY2002 Indefinite Authority		-97,921	
Annualization of FY 2002 Program		-163,742	
Rental Increases		85,432	
Lump Sum Payments for taxes and lease buyouts		47,622	
Cancellations		-35,452	
Expansions – Not Indefinite Authority		32,765	
Building Services in New Space			25,557
Part Year Increase for FY 2002 Pay Act (4.6%), Effective January, 2002			6,466
Wageboard and Pay Act Increase (2.6%), Effective January, 2003			10,935
Increase for Utilities and Fuel Rates			15,207
Increase for Cleaning & Maintenance Contract Labor Rates & Benefits			12,366
Increase for Information Technology Services			6,700
Increase for Pension Benefits for CSRS Employees			16,920
Increase for Post-Retirement Health Benefits			24,560
Increase for Working Capital Fund Payment for Pension and Health Benefits			3,961
Progressive Collapse Studies			19,200
Increase for Security System Replacements and Upgrades			3,580
Increased Guard Service			31,788
Two Communications Vans			2,100
FY 2003	\$178,960	\$3,200,451	\$2,010,601

¹ Building Operations excludes Emergency Response Fund non-recurring items (travel).

General Services Administration

FY 2003 BUDGET SUMMARY AND HIGHLIGHTS

BUDGET HIGHLIGHTS AND TRENDS

Operating Programs

- Annual operating appropriations in FY 2003 show an increase over FY 2002 levels of approximately \$58 M. This increase is primarily related to additional funding for the Electronic Government (E-Gov) Fund and the Office of Citizen Services.

Electronic Government

- The agency continues to expand its role in implementing electronic government. Electronic government is a major focus of the Administration and the President's FY 2003 Budget reflects a number of new electronic government (E-Gov) initiatives for GSA, including establishment of the Office of Citizen Services (OCS), increased E-Gov funding, FirstGov enhancements, National Contact Center enhancements, and proposed General Supply Fund (GSF) contributions to GSF related electronic government initiatives:
 - Office of Citizen Services: A new organization created by consolidating citizen oriented information functions which were previously a part of the Office of Governmentwide Policy and the Federal Consumer Information Center (FCIC). The portion of OCS financed by this appropriation account is responsible for providing leadership and support for electronic government initiatives, and for the operation of FirstGov, the official Federal Internet Portal through which citizens may access Federal Information services electronically. The remainder of OCS is financed by the FCIC appropriations, which are made through the VA-HUD appropriation bill.
- E-Gov funding: \$45 million for projects that will use the Internet or other electronic methods to provide individuals, businesses, and other government agencies with simpler and more timely access to Federal information, benefits, services, and business opportunities.
- FirstGov enhancements, including upgraded web production search tools.
- National Contact Center (NCC) enhancements: The Federal Consumer Information Center (FCIC) operates a toll-free National Contact Center for responding to consumer inquiries about the Federal Government. In fiscal year 2001, the FCIC had approximately 30 million contacts with the public. For fiscal year 2003, in addition to incoming calls from citizens, the NCC will begin to accept and respond to e-mails and faxes, and provide self-help capabilities such as an expanded Integrated Voice Response (IVR) system. Additionally, NCC will closely track and analyze the inquiries received and share this government-wide in order to improve the information flow from Federal agencies to citizens.
- General Supply Fund (GSF) contributions: the Federal Supply Service will make funds available for information technology investments, from the net revenues of the GSF. These investments will build and support systems and programs that will enable citizens to obtain information and services from and conduct business with the Federal Government electronically.

General Services Administration

FY 2003 BUDGET SUMMARY AND HIGHLIGHTS

Asset Management

- Funding repairs and alterations continues to be the top priority for the Federal Buildings Fund (FBF). The main objectives are to maintain and improve those properties that are in the Government inventory – many of which are historically significant, yet viable and adaptable for use as modern office space. The PBS budget includes \$986 M for Repairs and Alterations (R&A). Highlights include:
 - \$367 M for Basic R&A.
 - \$88 M for limited scope program
 - \$433 M for Major Modernization
 - \$8 M for the chlorofluorocarbons (CFC) program
 - \$8 M for Energy program
 - \$20 M for Glass Fragmentation program
 - \$52 M for Design program
 - \$10 M for Terrorism
- The Public Buildings Service (PBS) FY 2003 budget request also includes \$557 M for construction and acquisition of facilities. Highlights include:
 - \$260 M for 10 Federal Judiciary Projects
 - \$177 M for US Census Bureau in Suitland, MD
 - \$57 M for US Mission to the United Nations
 - \$28 M for five border stations
 - \$9.5 M for NOAA in Suitland, MD
 - \$9 M for Southeast Federal Center site remediation in Washington, DC.
 - \$8 M for non-prospectus projects
 - \$5.5 M for FDA consolidation in Montgomery Co., MD
 - \$3 M for repayment to the Judgment Fund
- At the request of Congress and OMB, GSA, in collaboration with other agencies, developed a legislative proposal to amend the Federal Property

and Administrative Services Act of 1949 in order to enhance and modernize property management governmentwide. The Property Act reform bill incorporates private industry practices that will provide the flexibility needed by agencies to effectively manage their portfolios and personal property assets. Among other things, the Act will allow agencies to:

- Transfer property among themselves and exchange property with private-sector entities,
- Sublease assets on unexpired portions of government leases, and
- Lease certain assets to the private sector.

Security

The funding request for the FBF will permit us to continue the current high level of security for GSA-controlled facilities and to put in place additional security threat reduction measures. To this end, funds are included in this request for security system replacements and upgrades, additional guard services, studies to improve building structure, as well as other threat reduction measures. The funding provided for FY 2003 is over \$135 million more than the level of funding initially provided for security in FY 2002, prior to the events of September 11, 2001.

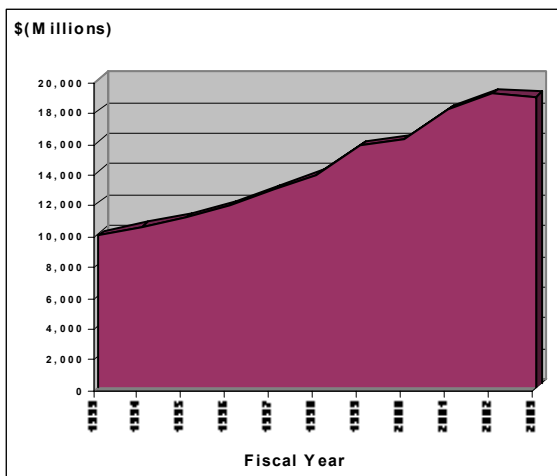
General Services Administration FY 2003 BUDGET SUMMARY AND HIGHLIGHTS

Other

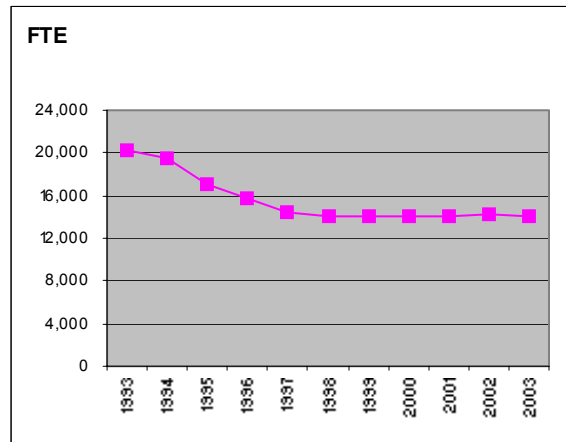
The FY 2003 Budget reflects the effects of the Administration's proposed legislation to shift full payment of the Civil Service Retirement System (CSRS) pension accruals and Federal Employee Health Benefit (FEHB) accruals for retirees, from OPM to the individual agencies. The impact of these payments is reflected in the individual sections of the Congressional Justifications.

In its ongoing business operations, GSA has moved from being a mandatory source to being a provider of choice, and is competing for customer purchases of supplies, fleet services, information technology services and, increasingly, real property services.

Even in this non-mandatory environment, GSA's "business volume" (expressed as total obligations) has steadily grown, reflecting delivery of increased goods and services to Federal customers. Higher business volumes demonstrate that customers are increasingly choosing GSA in an environment in which they have many choices. During the 10-year period shown in the following chart, obligations increased over 92%.



Over the same period, GSA has significantly streamlined and reduced its workforce.



The budget supports 14,145 FTE in FY 2003, a slight decline from FY 2002 levels of 14,229.

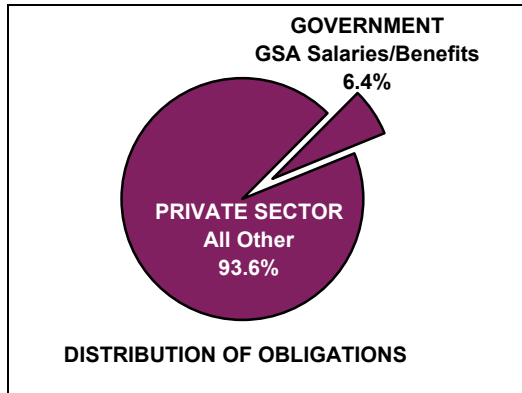
GSA has a large influence on overall federal spending. In total, GSA actually affects about \$76 billion in financial transactions throughout the Government. This includes its own funds and the value of contractual and other vehicles it puts in place for all agencies to use. See the table on "Government Financial Transactions Affected by GSA" on page 13.

GSA produces comprehensive annual reports and audited financial statements. We have earned an unqualified audit opinion from an independent public accounting firm in FY 2001, for the fourteenth consecutive year, unprecedented among Federal agencies.

General Services Administration

FY 2003 BUDGET SUMMARY AND HIGHLIGHTS

GSA contracts with the private sector to meet client agency needs. Of the \$18.9 billion budgeted in FY 2003, only \$1.2 billion, or 6.4%, is for salaries and benefits of GSA personnel.



The rest is for commercially sourced supplies, services, commercial rent payment, equipment, communications and utilities.

Public Buildings Service

The Federal Buildings Fund finances GSA's real property activities, except for disposal. GSA offers quality non-mandatory real property services, which permit our customers to choose their leasing and space alteration providers from GSA, other public, or private sources. Most agencies continue to use GSA's facilities and services. Public Buildings Service (PBS) customer satisfaction increased from 74% in FY 1994 to 86% in FY 2001. Our long term goal is to maintain a customer satisfaction rating of 85%. PBS participates in industry groups, keeps abreast of changes and trends in the industry, pursues energy conservation strategies and employs commercial buying practices. These activities have contributed to PBS annual operating costs for government-owned space at 16% below the private sector. Our long term performance goal is to maintain operating costs at 12% below the private sector.

GSA maintains and disposes of surplus Federal real property, producing \$355 million in proceeds in FY 2001, from direct (surplus) and reimbursable (sold for other agencies) sales, at significant savings to our customers.

GSA's energy conservation goal is to reduce energy consumption from the 1985 baseline by 20% in FY 2002 and 22% in FY 2003.

Federal Technology Service

Through FTS's portfolio of Network Services and IT Solutions, GSA delivers Federal agencies the latest in telecommunications and information technology. In FY 2003, 94% of the total FTS reimbursements are projected to flow through to the private sector for payment of telecommunications and IT solutions services. The remaining 6% fund the reserve requirements and FTS internal operations.

The FY 2003 budget provides resources for the leadership, new technology, technical expertise and innovative programs that enable other Federal agencies to achieve their planned results in the most efficient and productive way. The IT Fund FY 2003 total revenue of over \$6.5 billion reflects an increase of almost \$123 million from FY 2002 total revenue. This growth is largely attributed to increased business volume in the IT Solutions business line.

Previously, the IT Fund was experiencing a low cash balance because of increased business volumes and the 30 to 60 day lag time between payments to contractors and cash receipts from customers. As a result of aggressive management actions, the cash balance has improved significantly.

Federal Supply Service

The General Supply Fund (GSF) brings hundreds of thousands of Federal

General Services Administration

FY 2003 BUDGET SUMMARY AND HIGHLIGHTS

customers together with more than 9,000 contractors. The business lines provide the Federal community with a value-added, source for business, administrative and mission solutions, providing electronic access to virtually every commercial product or service an agency might need. With a projected business volume of \$22 billion in fiscal year 2003, the business lines offer more products and services than any commercial enterprise in the world. Supply and Procurement provides a conduit for agencies to purchase directly from commercial suppliers through more than 9,000 contracts in the Multiple Award Schedules program, most of which can be accessed through *GSA Advantage!*TM. Reacting to changes in customer demand for products distributed through Federal Supply Service (FSS) distribution facilities, FSS consolidated the nationwide distribution network of 8 sites into two centers located in Burlington, New Jersey, and Stockton, California.

The Supply and Procurement business line projects its operating expenses for fiscal year 2003 to be \$357.2 million which is an increase of \$21.7 million from its fiscal year 2002 operating expenses of \$335.5 million. Additionally, the value of goods sold (excluding the schedules program) is expected to decrease from \$800.8 million in 2002 to \$786.1 million in 2003.

The Office of Vehicle Acquisition and Leasing Services provides vehicle acquisition and fleet management services. In fiscal year 2001, FSS purchased more than 55,000 vehicles, worth over \$1.1 billion at average prices of 13% to 18% below dealer-invoice prices. FSS cost-effectively manages a worldwide fleet of over 182,000 vehicles and leases them to 75 Federal agencies.

Responding to environmental goals, GSA has purchased over 54,000 Alternative Fuel

Vehicles (AFV's) for Federal fleets since 1991, nearly 39,000 of which were acquired for GSA Fleet customers.

The Travel and Transportation business line applies aggregate buying power to meet the diverse needs of our customers while controlling costs. In recent years, Federal travel and transportation budgets have been approximately \$24 billion annually. Reducing costs by consolidating contracts and achieving administrative savings, this business line achieves significant savings for the Government in its mandatory Airline City Pairs program.

The Federal Supply Service plays an important role in expanding electronic government (E-Gov), one of the goals in the President's Management Agenda. In FY 2002 and FY 2003, the Federal Supply Service will make \$25 million and \$35 million, respectively, in information technology investments with the net revenues of the General Supply Fund.

General Services Administration

FY 2003 BUDGET SUMMARY AND HIGHLIGHTS

GSA affects about \$76 billion in financial transactions throughout the Government.

Government Financial Transactions Affected By GSA			
<i>\$(Thousands)</i>			
	FY 2001	FY 2002	FY 2003
	Actual	Current	Request
ACTIVITIES UNDER GSA ACCOUNTS:			
Budgeted Obligations	18,041,642	19,111,026	18,922,461
Unobligated Balance of Approved Const/R&A Program	<u>1,306,609</u>	<u>642,134</u>	<u>372,004</u>
Subtotal	19,348,251	19,753,160	19,294,465
FUNDS THAT GSA COLLECTS:			
Recoveries of Transportation Overcharges (Net)	12,000	14,000	14,000
Surplus Real Property Sales Proceeds	550,200	646,800	588,600
Surplus Personal Prop Sales Revenue	9,368	10,000	11,000
Outlease of Govt-Owned Space	2,511	2,600	2,600
Energy Rebates and Recycling Receipts	<u>705</u>	<u>1,226</u>	<u>1,226</u>
Subtotal	<u>574,784</u>	<u>647,626</u>	<u>617,426</u>
MECHANISMS PUT IN PLACE BY GSA (REVENUES):			
GSA SmartPay (note 1)	<u>6,900</u>	<u>7,000</u>	<u>7,200</u>
Subtotal	6,900	7,000	7,200
MECHANISMS PUT IN PLACE BY GSA (EXPENSES):			
Multiple, Single, Service Schedules (Supply & IT)	15,288,400	17,894,300	17,900,000
Purchase of Telecomm. Services (POTS)	7,000	3,500	3,500
Major Info. System Acquisition (FEDCAC)	160,827	135,000	138,000
Telecommunications Enhancement Contracts	301,152	467,937	455,354
Innovative Business Solutions (note 4)	21,080	25,700	31,750
Freight Transportation Services (HHG and STOS)	145,600	153,300	153,700
GSA SmartPay (note 1)	19,669,156	20,000,700	22,000,200
Real Estate Schedules	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Subtotal	<u>35,595,215</u>	<u>38,682,437</u>	<u>40,684,504</u>
COST AVOIDANCES DUE TO GSA PROGRAMS:			
Real Property Utilization Transfers	171,700	14,400	17,600
Personal Property Utilization/Donations	1,554,600	1,477,900	1,466,400
Real Property Donations	114,600	37,900	58,200
Value of FCIC Pub Svc Media Donations	<u>15,600</u>	<u>15,600</u>	<u>16,000</u>
Subtotal	<u>1,866,500</u>	<u>1,545,800</u>	<u>1,558,200</u>
GSA DELEGATED AUTHORITIES:			
Real Prop. Disposal (DOD) (note 2)	8,000,000	10,000,000	10,000,000
Buildings Delegations (note 3)	208,807	221,484	217,344
Supply Schedules - Dept Veterans Affairs	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
Subtotal	<u>11,708,807</u>	<u>13,721,484</u>	<u>13,717,344</u>
TOTAL GSA-RELATED FINANCIAL TRANSACTIONS	<u>69,090,457</u>	<u>74,384,507</u>	<u>75,879,139</u>

Note 1: Under GSA SmartPay, the amount of the refund varies by agency. There is a base refund of 4 basis points, which goes to GSA out of the agencies' refunds. Agencies have negotiated refunds in different amounts, depending upon such issues as how quickly they pay, how electronic the process is, volume, etc. Some agencies have refunds of well over 100 basis points, while others have a lot less. These refunds are paid directly to the ordering agency, not to GSA. Given that the refunds are dependent on actions of agencies (for example meeting volume incentives, improving speed of payment, etc.), we have no way of knowing how much the refunds will be. However, we are able to report the total amount of agency refunds after the end of the period. FY 2000 refunds totaled \$65.3 million and increased to \$70.4 million in FY 2001.

Note 2: Estimated sales value of properties under DOD Base Closures; GSA delegates its disposal authorities to DOD.

Note 3: Estimated rent payments transferred to delegatee agencies that are responsible for lease management as prescribed in the delegation agreements (usually single-tenant buildings).

Note 4: In FY 2000 includes Fedlearn, GSA IT Acquisition Center (ITAC), Financial Management Systems Support Center (FMSS), SEAT, and Smart Card.

General Services Administration

FY 2003 BUDGET SUMMARY AND HIGHLIGHTS

GSA'S GENERAL PROVISIONS

Brief explanations of proposed GSA general provisions are listed below, with minor modifications from last year as noted. Several GSA general provisions contained in the FY 2002 Appropriations Act were

deleted, as they were one-time in nature and did not need to be repeated. Several Title VI General Provisions of special interest to GSA are also shown.

GSA General Provisions	
Sec. 401	Provides for reimbursement by wholly owned Government corporations and agencies to GSA for provision of building services, including costs of operations, protection, maintenance, upkeep, repair and improvement, included as part of rentals.
Sec. 402	Provides GSA authority for the hire of passenger motor vehicles, to satisfy its requirements for vehicles from other sources when the motor pool system cannot supply the required vehicles.
Sec. 403	Provides that notice of any proposed transfers for the Federal Buildings Fund, GSA, shall be transmitted in advance to the Committee on Appropriations for activities that may be transferred between such activities only to the extent necessary to meet program requirements.
Sec. 404	Provides that requests for Courthouse construction must (1) meet the GSA/OMB/ Judicial Conference design guide standards, (2) reflect the Judicial Conference approved 5 year construction plan, and (3) include a standardized courtroom utilization study.
Sec. 405	Provides that GSA shall not provide usual building services to agencies that do not pay the assessed rental rate as determined by GSA in compliance with law.
Sec. 406	Provides that funds provided by the Information Technology Fund, GSA, to other Government agencies for performance of pilot information technology projects which have potential for Government-wide benefits and savings, may be repaid to this Fund from any savings actually incurred by these projects or other funding, to the extent feasible.
Sec. 407	Provides that claims against the Government for less than \$2,000,000 arising from direct construction and the acquisition of buildings may be liquidated from savings effected in other construction projects provided that the Appropriations Committees are notified in advance.
Title VI General Provisions <i>(of special interest to GSA)</i>	
Sec. 606	Provides that appropriations for any department or agency during the current FY for necessary expenses, including maintenance or operating expenses, shall also be available for payment to GSA for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements performed in accordance with appropriate law.
Sec. 622	Provides that funds are made available to any department or agency, which is a member of JFMIP, to finance an appropriated share of JFMIP administration costs, but not to exceed a total of \$800,000 including the salary of the Executive Director and staff support.
Sec. 623	Provides for transfer of funds to GSA for governmentwide financial management, information technology, procurement, and other initiatives, as approved by OMB in consultation with the CFO, CIO and Procurement Executives Councils, not to exceed \$17,000,000, following notification of the Appropriation Committees.
Sec. 624	Notwithstanding any other provision of law, a woman may breastfeed her child at any location in a Federal building or on Federal property, if the woman and her child are otherwise authorized to be present at the location.

General Services Administration

FY 2003 BUDGET SUMMARY AND HIGHLIGHTS

OBLIGATIONS SUMMARY By Object Classification \$(Thousands)

	FY 2001	FY 2002	FY 2003
	Actual	Current	Request
Personnel Compensation:			
11.1 Full-time permanent	794,441	857,696	869,585
11.3 Other than permanent	12,255	11,097	11,353
11.5 Other personnel compensation	61,975	50,663	51,940
11.8 Special personal service payments	402	534	534
11.9 Total personnel compensation	869,073	919,990	933,412
12.1 Civilian personnel benefits	271,198	273,136	283,270
13.0 Benefits for former personnel	31,798	26,291	27,554
21.0 Travel and transportation of persons	33,769	32,916	32,310
21.0 Motor Pool travel	6,281	6,161	6,184
22.0 Transportation of things	51,389	51,534	52,513
23.1 Rental payments	84,358	74,607	67,096
23.2 Rental payments to others	2,953,776	3,331,747	3,200,451
23.3 Communications, utilities, and misc.	423,456	424,969	446,306
24.0 Printing and reproduction	9,325	15,400	15,512
25.1 Advisory and assistance services	346	353	353
25.2 Other services	9,484,462	9,553,694	9,324,836
25.3 Purch. of goods & services from Govt	225,056	245,573	251,397
25.4 Operation & maintenance of facilities	504,474	572,138	692,803
25.5 Research & development contracts	0	0	0
25.7 Operation & maintenance of equipmt	44,377	46,361	46,361
26.0 Supplies and materials	2,086,034	2,382,161	2,447,214
31.0 Equipment	740,258	842,717	870,660
32.0 Lands and structures	33,372	126,960	48,581
33.0 Investments and loans	0	0	0
41.0 Grants, subsidies and contributions	17	255	45
42.0 Insurance claims and indemnities	383	220	223
43.0 Interest and dividends	171,975	172,994	159,434
90.0 Below Reporting Threshold	0	0	0
91.0 Unvouchered	6,773	0	0
93.0 Limitation on expenses	0	0	0
99.0 Comparable Direct Program (Includes CSRS/FEHB Accrual)	18,031,950	19,100,177	18,906,515
12.1 Less CSRS/FEHB Accrual	-85,339	-88,758	-91,202
99.9 TOTAL OBLIGATIONS (Excludes CSRS/FEHB Accrual)	17,946,611	19,011,419	18,815,313

NOTE: All data exclude the Federal Consumer Information Center, financed under the VA/HUD Appropriations Act; these obligations including CSRS/FEHB accrual are (\$000): \$9,692 for FY 2001, \$10,849 for FY 2002, and \$15,946 for FY 2003. Total FCIC obligations excluding CSRS/FEHB accrual are: \$9,579 for FY 2001, \$10,723 for FY 2002, and \$15,806 for FY 2003.

General Services Administration

FY 2003 BUDGET SUMMARY AND HIGHLIGHTS

ACQUISITION WORKFORCE EDUCATION AND TRAINING FY 2003 BUDGET DATA

As prescribed by 41 U.S.C. 433(h), following are funding levels included in the FY 2003 program for education and training of the acquisition workforce.

Organization	Amounts programmed for Acquisition Workforce Education and Training		
	FY 2001 Actual	FY 2002 Current	FY 2003 Request
Federal Supply Service: General Supply Fund	629,817	800,000	1,000,000
Federal Technology Service: Information Technology Fund	183,701	490,000	501,000
Public Buildings Service: Federal Buildings Fund	695,736	922,000	1,260,000
General Management: Working Capital Fund	9,732	14,000	14,000
Office of Governmentwide Policy: Policy and Citizen Services	9,507	27,000	12,000
Working Capital Fund	10,254	9,000	9,000
Total	1,538,747	2,262,000	2,796,000



POLICY & CITIZEN SERVICES

General Services Administration

POLICY AND CITIZEN SERVICES

INTRODUCTION

The Policy and Citizen Services account is new in fiscal year 2003, and funds two organizations, the Office of Governmentwide Policy (OGP) and the Office of Citizen Services (OCS). The Federal Consumer Information Center (FCIC) will organizationally be a part of the OCS; however, the Federal Consumer Information Center Fund will continue to fund FCIC programs under the OCS.

MISSION

The Office of Citizen Services (OCS) will combine the General Services Administration's (GSA) citizen-centered activities into a single office. These activities include GSA's leadership and support for electronic government initiatives and the operation of the official Federal Internet Portal (FirstGov.gov) where citizens can electronically access Federal, State and Local information and services. Consolidation of GSA's citizen-centered websites and telephone call center is in keeping with the Administration's objective to simplify and unify the electronic information offered to the American public.

OCS will provide citizens and businesses with one-stop, multi-channel access to Federal services via the Internet, a toll free national contact center, faxes, and print publications. OCS will work collaboratively with Federal agencies and key customer groups to implement customer-focused business models and emerging electronic tools enabling customer-centric E-Government.

The Office of Governmentwide Policy (OGP) works collaboratively with other agencies to develop policies and guidelines for the implementation of Federal laws, Executive Orders and other Executive branch guidance, sponsors and supports Government-wide reforms to make the

Federal Government's management processes more efficient and effective, and creates and leads networks of interagency representatives to evaluate and develop solutions to make the Government work better.

EXPLANATION OF ESTIMATES

The Policy and Citizen Services Direct and Reimbursable programs support the GSA mission to provide direction and coordination of comprehensive Government-wide administrative reform programs. The amounts shown for all years include the additional costs associated with full funding of Civil Service Retirement System (CSRS) and Federal Employee Health Benefit (FEHB) programs.

Direct Programs

The fiscal year 2003, Office of Citizen Services and Office of Governmentwide Policy combined budget request of \$68,429 thousand and 290 FTE reflects a net increase of \$6,079 thousand and 10 FTE over the comparable amount for fiscal year 2002 of \$62,350 thousand and 280 FTE (see pages P&CS 3-4 for additional details).

Office of Citizen Services Direct Program

The funding for the Office of Citizen Services (OCS) is provided by two appropriation accounts: (1) Policy and Citizen Services, and (2) the Federal Consumer Information Center Fund which is provided for in a separate appropriations act. \$8,232 thousand of the funding identified in this request for the OCS has been reallocated from funds previously made available to the Office of Governmentwide Policy (OGP). The fiscal year 2003 OCS budget request of \$13,419 thousand and 55 FTE reflects a net increase of \$5,187 thousand over the amount previously provided for in the fiscal year 2002 OGP budget. The net change consists of (1) \$5,000 thousand and 10 FTE

General Services Administration

POLICY AND CITIZEN SERVICES

for enhanced web production and search tools; (2) \$85 thousand for increases in pay; and (3) \$26 thousand for common information technology infrastructure costs, and (4) \$76 thousand for an increase in the CSRS/FEHB accrual.

Office of Governmentwide Policy, Direct Program

The fiscal year 2003 OGP budget request of \$55,010 thousand and 235 FTE reflects a net decrease of \$7,340 thousand. The net change consists of (1) \$1,095 thousand for increases in pay and (2) \$593 thousand for common information technology infrastructure costs. These increases are offset by a reduction of \$796 thousand in funding required by the Regulatory Information Service Center (RISC) and the reallocation of \$8,232 thousand to the Office of Citizen Services.

Reimbursable Program

Policy and Citizen Services provides reimbursable services to other Federal agencies in the amount of \$7,000 thousand, comprised of: (1) a \$2,800 thousand for the new Office of Citizen Services to support the President's E-GOV vision of a more citizen-centric government; and (2) \$4,200 thousand for the Office of Governmentwide Policy consisting of (a) \$2,000 thousand for Electronic Government to improve the design, modernization, and interoperability

of IT resources, including Federal Public Key Infrastructure (PKI) steering committee initiatives; (b) \$200 thousand for providing Federal Advisory Committee Act training; (c) \$1,000 thousand to provide procurement support, training, and reengineering of the Federal Procurement Data System; and (d) \$1,000 thousand for other miscellaneous reimbursable activities.

Transfers for Management Councils

The head of each Executive department and agency is authorized to transfer to the Policy and Citizen Services account, funds to support Government-wide financial, information technology (IT), procurement, and other management innovations, initiatives, and activities. The Director of the Office of Management and Budget (OMB) determines the amount to be contributed by each agency. Also, OMB in consultation with the relevant interagency groups (including the Chief Financial Officers Council for financial management initiatives, the Chief Information Officers Council for IT initiatives, and the Procurement Executives Council for procurement initiatives) determines the appropriate use of these funds. The total funds transferred shall not exceed \$17,000 thousand. Such transfers may only be made 15 days following notification of the Committees on Appropriations by the Director of OMB.

General Services Administration POLICY AND CITIZEN SERVICES

EXPLANATION OF BUDGET CHANGES IN PRIORITY ORDER APPROPRIATION \$(Thousands)	
FY 2002 Enacted Budget	\$59,992
Accrual for Civil Service Retirement System and Federal Employee Health Benefits	2,358
Adjusted FY 2002 Enacted Budget	\$62,350
Decrease:	
Regulatory Information Service Center (RISC)	-796
Increases:	
Increased Pay Costs	1,180
Increased Common Information Technology Infrastructure Costs	619
Increased Accrual for Civil Service Retirement System and Federal Employee Health Benefits	76
Enhanced Web Production and Search Tools	5,000
FY 2003 Appropriation Request.....	\$68,429
Less Accrual for Civil Service Retirement System and Federal Employee Health Benefits	-2,434
Total (Excludes Civil Service Retirement System and Federal Health Benefits Accrual)	\$65,995

General Services Administration POLICY AND CITIZEN SERVICES

BUDGET AUTHORITY \$(Thousands)

	FY 2001 Actual	FY 2002 Current	FY 2003 Request	FY 2002/2003 Change
Direct Program:				
<u>New Budget Authority</u>				
Office of Governmentwide Policy	59,293	62,350	55,010	-7,340
Office of Citizen Services	0	0	13,419	+13,419
Total Obligations – New Budget Authority	59,293	62,350	68,429	+6,079
Less Accrual for CSRS/FEHB	-2,272	-2,358	-2,434	-76
Total (Excludes CSRS/FEHB Accrual)	57,021	59,992	65,995	+6,003
Reimbursable Program	3,704	7,000	7,000	0
Transfers for Management Councils	15,454	17,000	17,000	0
Net Outlays	53,815	61,076	65,061	+3,985
Employment (FTE):				
Direct	270	280	290	+10
Reimbursable	0	0	0	0

General Services Administration
POLICY AND CITIZEN SERVICES

OBLIGATIONS BY OBJECT CLASS \$(Thousands)			
	FY 2001 Actual	FY 2002 Current	FY 2003 Request
	Personnel Compensation:		
11.1	18,459	19,700	20,563
11.5	3,033	3,166	3,300
11.9	21,492	22,866	23,863
12.1	6,116	6,540	6,547
21.0	505	516	527
81.0	6	6	6
23.1	1,949	1,990	2,032
23.3	381	389	397
24.0	798	815	832
25.2	20,676	18,462	23,253
25.3	18,604	10,255	10,451
26.0	204	208	212
31.0	297	303	309
99.0	71,028	62,350	68,429
12.1	-2,272	-2,358	-2,434
99.0	68,756	59,992	65,995
99.0	7,423	24,000	24,000
99.9	76,179	83,992	89,995

General Services Administration

POLICY AND CITIZEN SERVICES

PROGRAM HIGHLIGHTS

Office of Citizen Services (OCS)

is a new organization created by consolidating citizen-oriented functions previously a part of the Office of Governmentwide Policy and the Federal Consumer Information Center. The portion of OCS financed by this appropriation account is responsible for providing leadership and support for electronic government initiatives, and for the operation of FirstGov, the official Federal Internet Portal, through which citizens may access Federal Information services electronically. The OCS will help lead the E-GOV initiative, "USA Services." This initiative will provide citizens and businesses an integrated multi-channel access to information and services, integrated case management, and authentication for transactions on-line when appropriate.

In addition to the Office of FirstGov, several OGP initiatives that support government-to-citizen and government-to-government E-GOV programs will become part of the Office of Citizen Services. These include activities of: (1) the Office of Electronic Government, which helps agencies meet the demand for online government and the delivery of government services and information; (2) the Office of Information Technology, which promotes the strategic management and effective use of Federal information technology through the collaborative development and execution of Government-wide programs and functions; and (3) the Office of Intergovernmental Solutions, which helps facilitate the intergovernmental sharing of experiences and expertise in information and communications technology and public administration, such as, the Government Without Boundaries (GWOB) project.

GWOB is a collaborative effort between Federal, state and local governments to create a virtual pool of Government information and services from all levels of governments. GWOB involves both the "Government to Government" and "Gov-

ernment to Citizen" channels of Electronic Government, and is building "Communities of Interest" consisting of government and private sector practitioners and technologists. The goal is to create core standards of interoperability across governments and provide citizen-centric information and services accessible by all constituents.

In addition to the activities financed by this appropriation account, the OCS will also include the programs financed by the Federal Consumer Information Center Fund. The Federal Consumer Information Center (FCIC) maintains close working relationships with more than 40 Federal agencies in order to identify, develop, promote, and make accessible Federal consumer information to the public. The FCIC produces and distributes the *Consumer Action Handbook* and the quarterly *Consumer Information Catalog*. The FCIC distributes print publications nationwide from the Government Printing Office order fulfillment center in Pueblo, Colorado. The costs, of the print publications program, are reimbursed by Federal and private organizations that participate in their development in partnership with the FCIC.

The FCIC promotes public awareness of this information through marketing and media promotion, and through Internet websites that provide online access to the *Consumer Action Handbook* and hundreds of publications along with consumer news and publication electronic shopping services. The FCIC also operates a toll-free National Contact Center for responding to consumer inquiries about the Federal Government. In fiscal year 2001, the FCIC had approximately 30 million contacts with the public. Included in the FCIC fund request is a proposal to dramatically enhance the National Contact Center.

General Services Administration

POLICY AND CITIZEN SERVICES

The Office of Governmentwide Policy

(OGP) provides for Government-wide policy development and policy support activities associated with acquisition and contracting, electronic government, information technology, personal property (to include aircraft, mail, and vehicles), real property, travel and transportation management. It also manages a Government-wide program for maximizing public participation in Federal decision making through Federal Advisory Committees. OGP's Regulatory Information Service Center, in partnership with OMB, supports Executive oversight of Federal regulatory and information collection activities.

Real Property

OGP provides leadership to the Federal community in the use and management of real property and encourages the adoption of best practices for use by the Federal real estate community. It is responsible for the development, coordination, administration and issuance of Government-wide guidelines, regulations, standards, criteria, policies and asset management principles concerning real property programs. Real property programs include real estate operation and management, acquisition, disposal, design and construction, space standards, delegations, safety and environmental issues, and workplace initiatives such as telework/telecommuting and cooperative administrative support units (CASU's). OGP improves Government-wide real property operations by (1) collecting and communicating information to Congress concerning the Federal Government's total real property portfolio within the Executive Branch; (2) providing guidance to other agencies to assist them in the most cost-effective management of their own individual real estate portfolios; and (3) providing other agencies with a means of obtaining the tools and techniques necessary to manage and operate Federal real property assets.

OGP facilitates information sharing for real property use. Through comprehensive studies of innovative techniques, emerging trends and best practices in both public and private sectors, OGP has developed policy recommendations for improving real property management across the Federal Government in areas such as space utilization, performance measurement, strategic planning, sustainable development, joint pier use, e-Real Estate, and workplace design.

OGP also provides support to agencies through the Foundation Information for Real Property Management (FIRM) system. OGP customizes this electronic inventory management system to meet unique agency needs. In fiscal year 2000, the FIRM software interface with the GSA System for Tracking and Administering Real Property was completed and distributed to FIRM users to give them real-time information on space leased from the GSA Public Buildings Service. The web-enabling conversion of FIRM began in fiscal year 2001 to provide Internet access to the FIRM software and to restructure the application to improve security and performance. Fiscal year 2002 planned developments include further enhancements to the ad-hoc report module and improvements to be identified by the FIRM focus group.

OGP provides an Internet application for annual reporting on the Federal Government's real property holdings. The Worldwide Inventory Internet Application (WWIIA) is an Internet application tied to an Oracle 8.0 database that can be accessed via the World Wide Web.

OGP is undertaking a comprehensive review of the Worldwide Inventory that will result in an improved system that will provide real time real property information to all stakeholders, including Congress, Federal agencies and citizens.

The following projects represent OGP collaborations with other Federal agencies and

General Services Administration

POLICY AND CITIZEN SERVICES

private sector professional real estate groups in fiscal year 2001.

Innovative Workplaces

OGP's nationally recognized Integrated Workplace program is working with GSA's Public Buildings Service on 22 pilot projects across the country to design, construct and evaluate integrated work environments for Federal agencies in GSA space. These pilots are viewed as an option for making the Federal workplace a more productive environment. OGP collaborated with the Office of Personnel Management on a joint one-stop telework web site, as well as an interagency telework policy review. Real property performance measurement moved into the workplace area with the mainstreaming of the popular Cost per Person Model and a major study of the impact of the workplace on associate satisfaction and productivity.

Governmentwide Real Property Information Sharing (GRPIS)

The GRPIS Program leads Federal real property professionals in several communities nationwide in establishing local councils to provide these professionals with opportunities to network and share information with one another. This collaboration results in (1) improved Federal real property asset management, (2) a more cost effective use of resources, and (3) improved efficiencies.

These councils currently operate in New England, Puget Sound (Washington State), Arizona, New Mexico, Kansas City, and South Florida. Councils in Ohio and Colorado are under development.

Information Technology

The Office of Information Technology (IT) plans, develops and directs Governmentwide activities to support the OMB, interagency committees, and other Federal agencies and provides leadership and guidance on the acquisition, management

and use of IT. Specific program activities include (1) improving the effectiveness of the Government IT workforce by promoting guidelines and principles for the installation and management of electronically assisted government; (2) assisting agencies in the implementation of Section 508 of the Rehabilitation Act by providing guidance, training, and support to make information and technology accessible to people with disabilities; (3) developing and managing interagency programs to improve the management of IT resources and to increase the efficiency and effectiveness of Government; (4) providing technical and management services to interagency IT groups such as the CIO Council, and IT Resources Board mandated by Executive Order 13011, as well as the Procurement Executives Council and the Chief Financial Officers Council; (5) managing professional development programs to assist agencies in successful acquisition, management and use of IT; and (6) developing, issuing and maintaining policies and regulations for the creation and maintenance of electronic Federal records. In carrying out these activities the Office of Information Technology works with over 70 inter-agency groups, including local, state, and other national governments.

Transportation and Personal Property

OGP leads Governmentwide development and evaluation of issues, legislation, policies and objectives related to travel, transportation, and personal property management. Specific responsibilities include (1) developing policies for Governmentwide freight and household goods transportation, transportation audit and documentation; (2) developing mail management regulations and policies to enhance Federal mail security, effectiveness and efficiency; (3) developing regulations and procedures governing the management and oversight of Federal agencies' motor vehicles; (4) developing regulations, policies, and procedures for aircraft procurement, management, operations, safety, utilization and disposal; (5) developing the

General Services Administration

POLICY AND CITIZEN SERVICES

policies and regulations governing civilian agencies' travel, per diem rates (maximum reimbursement levels) for Federal travelers; and (6) developing legislation and regulations governing the management of Federal personal property.

Federal transportation managers manage over \$14 billion in expenditures. OGP revised the Federal Management Regulation (FMR) 102-117 requiring retirement of the Government Bill of Lading (GBL) by March 31, 2002, thereby permitting Federal transportation managers to use commercial documentation, systems, and practices in transportation.

Because OGP had already developed an on-line course "Dealing with an Anthrax Threat," it was well positioned to respond to the crisis posed by the anthrax contamination. Onsite training was immediately provided, upon demand to over 3,000 Federal personnel throughout the United States. The Interagency Mail Policy Council (comprised of approximately 170 members representing 50 agencies) was the Forum for Agencies to effectively deal with the threat of anthrax to their mail. To remain proactive in responding to the threat of bio-terrorism in the mail, OGP is developing new security guidelines to restore confidence in mail safety. In fiscal year 2001, OGP presented the Second Annual Federal Mail Best Practice Awards and published the Mail Management Resource Guide consolidating a wide range of mail information into one source for Federal mail employees. OGP is the senior managing partner for the Administration's E-GOV initiative to transform the way Federal travel is managed through its **e-Travel initiative**. OGP is spearheading the development of a fully integrated, web-based end-to-end travel solution to include travel planning, authorization, reservations, voucher and payments. This program will dramatically improve effectiveness and efficiency, reducing costs and ultimately satisfying mission-based travelers.

Also, OGP has been working to develop state-of-the-art management information systems for vehicles and for personal property disposal statistics.

OGP deployed the new Federal Aviation Interactive Reporting System (FAIRS) which is an Internet accessible system that GSA and the Federal agencies use to collect and report aviation management data. In fiscal year 2001, OGP published the first FAIRS report that contains extensive information on how the Federal agencies manage their aviation programs. OGP has trained about 170 FAIRS users and issued the personal digital certificates that every user needs to access the highly secure system.

In partnership with agencies that manage vehicles and aircraft, the OGP has developed performance measures to promote effective and efficient fleet management Governmentwide. In addition, OGP is helping other agencies comply with legislation requiring an increase in the number of alternative-fuel vehicles in their fleets, and it has partnered with the Federal Prison Industries (UNICOR) to satisfy the Government's license plate requirements while upgrading ordering and inventory processes and providing additional security measures.

OGP sponsors the Biannual National Federal Fleet Manager Workshop, which provides Federal fleet professionals with training, policy changes, and updates on technological advances in fleet management. In fiscal year 2001, OGP successfully deployed the Federal Automotive Statistical Tool (FAST) that was jointly developed with the Department of Energy. FAST captures Federal motor vehicle fleet data to fulfill reporting requirements for the Federal Fleet Report, the Energy Policy Act, Executive Order 13149 "Greening the Government Through Federal Fleet and Transportation Efficiency", and the Energy Policy and Conservation Act. OGP will continue the development of FAST to consolidate future reporting requirements and allow more efficient dissemination of information.

General Services Administration

POLICY AND CITIZEN SERVICES

In fiscal year 2001, OGP partnered with the Department of Health and Human Services to develop the Fleet Reference Guide Training website. This internet-based program provides a comprehensive collection of Government-wide fleet reference material that will be expanded to include training and certification programs.

Also, in fiscal year 2001, OGP completed development of the Asset Disposition Management System (ADMS). The ADMS supports policy decisions for the disposal of Federal personal property by providing analysis of actual disposal and performance indicators.

In fiscal year 2001, OGP saw increased usage in the Computers for Learning website by educational institutions and Federal property managers. OGP manages the Computers for Learning website that allows Federal agencies to match their available equipment with needs of schools nationwide. OGP continues to provide citizens and Federal employees guidance and assistance relating to Executive Order 12999, Educational Technology: Ensuring Educational Opportunity for all Children in the Next Generation.

Acquisition

The OGP Office of Acquisition Policy supports the Federal acquisition system through which the Government obligates more than \$200 billion annually. Responsibilities include researching, developing, and publishing policy guidance; providing career development services for the Federal acquisition workforce, including the development of acquisition training and career management programs and materials; and reporting on more than 20 million contract actions. OGP chairs the 14-agency Civilian Agency Acquisition Council that collaborates with the Defense Acquisition Regulations Council to develop changes to the Federal Acquisition Regulations (FAR). The two Councils have formed 25 interagency teams

of technical experts in procurement to advise on FAR changes. In fiscal year 2001, OGP (1) developed new acquisition policies to streamline and clarify existing processes, and implemented statutory changes through collaboration with other agencies and the public; (2) participated in the Procurement Executive Council's working group to establish Government-wide procurement performance measures; (3) held a Federal Acquisition Conference attended by approximately 600 acquisition professionals; and (4) converted the FAR to a new software and reissued the base document for the first time in four years.

The Office of Acquisition Policy is also responsible for providing the following Government-wide services:

Federal Assistance Programs. The Office of Acquisition Policy is responsible for compiling Government-wide information on over 1,400 Federal assistance programs from 57 Federal agencies, departments, and other sites into the annual "Catalog of Federal Domestic Assistance" and its semi-annual update. The catalog is published in hard copy, CD-ROM, and on the Internet. It is available to Federal, state and local governments, and the public.

General Services Administration

POLICY AND CITIZEN SERVICES

FedBizOpps. GSA has worked with the Federal procurement community and the Office of Federal Procurement Policy (OFPP) to establish a Government-wide point of entry for Federal business opportunities. The site provides access to detailed information, including any relevant attachments. Currently over 120,000 vendors are registered to receive E-mail notification of opportunities and 40 Federal Agencies are posting their requirements. FedBizOpps is mandatory for all Federal agencies as of October 2001.

Knowledge Management Portal. The Acquisition Policy program area is also responsible for developing a Knowledge Management Portal for Government-wide use. The portal is a joint effort by all Federal agencies through the Procurement Executive Council to provide all acquisition professionals with desktop access to recent and relevant information pertaining to the acquisition of goods, services and construction.

Federal Acquisition Institute (FAI). Training and career development is available through the Federal Acquisition Institute (FAI) which has established (1) an Online Knowledge Center offering web-based acquisition courses open to the Federal acquisition workforce, (2) continuous learning opportunities and seminars, (3) general and technical competencies for the acquisition workforce, and (4) reports on the demographics of the Federal acquisition workforce. Also, FAI is partnering with Arizona State University and the National Association of Purchasing Managers to develop Internet courses for public and private sector acquisition professionals.

Other Government-wide Policy Responsibilities

OGP, through the Committee Management Secretariat, plans, develops, evaluates and directs a Government-wide program for maximizing the value of public participation in Federal decision making. In fiscal year 2001, the Secretariat completed enhancements to its website to permit 1,000 Federal advisory committees, comprised of over 55,000 members to submit on-line reports, electronically publish meeting minutes and other documents and complete routine business transactions required by law. In addition, the Secretariat published a new final rule implementing the Federal Advisory Committee Act (FACA) and collaborated with multiple agencies and the National Academy of Sciences to develop Government-wide performance indicators for advisory committees.

The Regulatory Information Service Center (RISC) is responsible for compiling and analyzing data on both Government-wide and agency specific activities in support of the regulatory oversight role of the Executive Office of the President. The Center also maintains a comprehensive Internet site of regulatory information that provides links to sources of information on Federal, State, and local regulations. The Workplace Initiatives program provides leadership to the Federal community for programs designed to provide Federal employees with family-friendly cost effective and accessible workplaces. These programs include fostering the development of child care centers; enhancing cooperative administrative support among Federal agencies; promoting alternative worksite arrangements; and facilitating support mechanisms among Federal agencies, State and local governments, nonprofit organizations, and the private sector to ensure that Federal facilities are accessible to citizens with disabilities.

General Services Administration

POLICY AND CITIZEN SERVICES

APPROPRIATIONS LANGUAGE

[For expenses authorized by law, not otherwise provided for, for Government-wide policy and oversight activities associated with asset management activities; utilization and donation of surplus personal property; transportation; procurement and supply; Government-wide responsibilities relating to automated data management, telecommunications, information resources management, and related technology activities; utilization survey, deed compliance inspection, appraisal, environmental and cultural analysis, and land use planning functions pertaining to excess and surplus real property; agency-wide policy direction; Board of Contract Appeals; accounting, records management, and other support services incident to adjudication of Indian Tribal Claims by the United States Court of Federal Claims; services as authorized by 5 U.S.C. 3109; and not to exceed \$7,500 for official reception and representation expenses, \$143,139,000, of which \$25,887,000 shall remain available until expended.] For expenses authorized by law, not otherwise provided for, for Government-wide policy and evaluation activities associated with the management of real and personal property assets and certain administrative services; Government-wide policy support responsibilities relating to acquisition, telecommunications, information technology management, and related technology activities; providing citizens with Internet access to Federal information and services; and services as authorized by 5 U.S.C. 3109, \$68,429,000. (Independent Agencies Appropriations Act, 2002; additional authorizing legislation required.)

EXPLANATION OF PROPOSED LANGUAGE CHANGE

The current Policy and Operations appropriation account consist of two activities, Policy and Operations. The Policy activity funds the Office of Governmentwide Policy (OGP), which develops and helps agencies implement administrative services policies that come under GSA's regulatory purview, e.g., real and personal property management, travel and transportation, etc. The Operations activity supports certain GSA operational programs, e.g., real and personal property disposal, and its internal management leadership structure. For fiscal year 2003, GSA is requesting that the two activities under the Policy and Operations account be separated into two new appropriations accounts: (1) Policy and Citizen Services; and (2) Operating Expenses. GSA is also planning to reorganize the Office of Governmentwide Policy to emphasize its growing role in supporting the Administration's electronic government (E-GOV) vision. This role includes providing citizens with electronic access to Federal and other government information through the FirstGov.gov Internet portal. The Office of FirstGov and the other elements of OGP that closely support development and implementation of the E-GOV vision will be combined with the Federal Consumer Information Center (FCIC) into a new Office of Citizen Services (OCS). Funding for FCIC will continue to be provided from the VA-HUD Appropriations Act. The proposed Policy and Citizen Services account will have two activities: Policy, which will fund OGP; and Citizen Services, which will fund the OCS activities that were formerly part of OGP.



OPERATING EXPENSES

GSA

General Services Administration

OPERATING EXPENSES

MISSION

Operating Expenses provides direct appropriations for a variety of activities, which are not feasible or appropriate for a user fee arrangement. They include the personal property utilization and donation activities of the Federal Supply Service and the real property utilization and disposal activities of the Public Buildings Service. These programs include utilization of real and personal property by Federal agencies and the transfer among agencies of excess real and personal property; disposal of surplus real property by sale, exchange, lease, permit, assignment, or transfer, as well as the protection and maintenance of excess and surplus real property pending its disposition; appraisal of excess and surplus property, necessary environmental and cultural analyses, reuse planning, and real property utilization surveys. Operating Expenses also includes: (1) Critical Infrastructure Protection initiatives (e.g., Federal Computer Incident Response Capability), and support for the Federal Public Key Infrastructure Steering Committee; and (2) Management and Administration activities including Indian Trust Accounting, administrative support of Congressional District and Senate State offices, and top-level agency-wide management and administration.

EXPLANATION OF ESTIMATES

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

Direct Program

The fiscal year 2003 budget request of \$91,010 thousand reflects a net increase of \$5,187 thousand over the comparable amount of \$85,823 thousand for fiscal year 2002 (see pages OE-2-3 for additional details). The net change of \$5,187 thousand provides \$5,670 thousand for program

increases consisting of: (1) \$620 thousand and one FTE for establishing and maintaining a Government-wide Continuity of Operations Plan (COOP) Alternate Facility Database; (2) \$200 thousand for Office of Emergency Management staffing; (3) \$3,500 thousand for the disposal of the Naval installation on Vieques, Puerto Rico; and (4) \$900 thousand for the Cyber Warning Information Network (CWIN); (5) \$200 thousand for the National Security Emergency Preparedness (NSEP) study; and (6) \$250 thousand for GovNET. Other cost increases total \$3,339 thousand for: (1) \$1,365 thousand for increased pay costs; (2) \$780 thousand for increased common information technology infrastructure costs; (3) \$71 thousand for the Civil Service Retirement and Federal Employee Health Benefits accrual; and (4) \$1,123 thousand for FECA administrative surcharge payment to the Department of Labor. These increases are partially offset by a decrease of \$3,822 thousand for protection and maintenance costs of the Lorton Correctional Complex. The decrease of \$3,822 thousand will be realized through the disposal of the Lorton Correctional Complex thereby eliminating protection and maintenance costs.

Governors Island funding remains at \$8,582 thousand, the same funding level as fiscal year 2002. Governors Island is planned for disposal in late fiscal year 2002 with sale proceeds planned in the first quarter of fiscal year 2003. Absent new legislation or an acceptable offer from the City/State of New York, it is possible that the Federal Government will not divest this property prior to the third quarter of fiscal year 2003. Accordingly, it will be necessary for the Federal Government to protect and maintain this historic asset during fiscal year 2003.

General Services Administration OPERATING EXPENSES

Reimbursable Program

Operating Expenses provides reimbursable services to other Federal agencies including: (1) \$2,300 thousand for personal property services; (2) \$12,200 thousand for: (a) real estate disposal services for specialized properties outside the purview of the Federal Property and Administrative Services Act of 1949; and, (b) real property seized,

forfeited, or foreclosed on by other agencies such as the U.S. Marshals Service, Department of Housing and Urban Development, Internal Revenue Service, and the Small Business Administration; and (3) \$500 thousand for other miscellaneous reimbursable activities. In addition, \$5,000 thousand may be reimbursed for GovNET.

EXPLANATION OF BUDGET CHANGES IN PRIORITY ORDER APPROPRIATION \$(Thousands)		
	FTE	\$
Enacted FY 2002 Budget	373	83,147
Accrual for Civil Service Retirement and Federal Employee Health Benefits		2,676
Adjusted FY 2002 Enacted Budget		85,823
Decreases:		
Disposal of Lorton Correctional Complex		-3,822
Increases:		
Pay Increases		1,365
Increased common information technology infrastructure costs		780
Increase to Accrual for Civil Service Retirement and Federal Employee Health Benefits		71
FECA administrative surcharge payment to DOL		1,123
Disposal Activities for Vieques, Puerto Rico		3,500
Office of Emergency Management Staffing		200
Establish & Maintain COOP Alternate Facility Database	1	620
Cyber Warning Information Network (CWIN)		900
National Security Emergency Preparedness (NSEP) study		200
GovNET		250
FY 2003 Appropriation Request (Includes CSRS/FEHB Accrual)	374	91,010
Less Accrual for Civil Service Retirement and Federal Employee Health Benefits		-2,747
FY 2003 Total (Excludes CSRS/FEHB Accrual)	374	88,263

General Services Administration
OPERATING EXPENSES

BUDGET AUTHORITY
\$(Thousands)

	FY 2001 Actual	FY 2002 Current	FY 2003 Request	FY 2002/2003 Change
Direct Program:				
<u>New Budget Authority</u>				
Basic Program	77,915	85,823	91,010	+5,187
Less Accruals for Civil Service Retirement and Federal Employee Health Benefits	-2,501	-2,676	-2,747	-71
Total Obligations – New Budget Authority	75,414	83,147	88,263	+5,116
Prior Year Carryover	9,192	3,279	0	-3,279
Total Obligations – Direct Program	84,606	86,426	88,263	+1,837
Reimbursable Program	5,887	14,700	15,000	+300
Net Outlays	91,125	82,012	86,394	+5,314
Employment (FTE):				
Direct	340	373	374	+1
Reimbursable	15	17	17	0

**General Services Administration
OPERATING EXPENSES**

OBLIGATIONS BY OBJECT CLASS \$(Thousands)				
	FY 2001 Actual	FY 2002 Current	FY 2003 Request	
Personnel Compensation:				
11.1	Full-time permanent	\$20,306	\$23,129	\$24,311
11.5	Other personnel compensation	4,069	4,247	4,430
11.9	Total personnel compensation	24,375	27,376	28,741
12.1	Civilian personnel benefits	7,563	7,622	7,631
21.0	Travel and transportation of persons	1,386	1,480	1,511
21.0	Motor Pool	109	130	132
22.0	Transportation of things	45	33	33
23.1	Rental payments to GSA	3,016	3,595	3,695
23.3	Communications, utilities and miscellaneous charges	559	1,021	1,042
24.0	Printing and reproduction	225	513	524
25.2	Other services	31,538	27,504	27,816
25.3	Purchases of goods and services from Government Accounts	17,506	18,262	18,287
26.0	Supplies and materials	309	439	448
31.0	Equipment	474	1,127	1,150
42.0	Insurance Claims and Indemnities	2	0	0
99.0	Comparable Direct Program (Includes CSRS/FEHB Accrual)	\$87,107	\$89,102	\$91,010
12.1	Less Accruals for Civil Service Retirement and Federal Employee Health Benefits	-2,501	-2,676	-2,747
99.0	Total (Excludes CSRS/FEHB Accrual)	\$84,606	\$86,426	\$88,263
99.0	Reimbursable obligations	\$5,887	\$14,700	\$15,000
99.9	Total Direct & Reimbursable (Excludes CSRS/FEHB Accrual)	\$90,493	\$101,126	\$103,263

General Services Administration

OPERATING EXPENSES

PROGRAM HIGHLIGHTS

GSA provides for the Real Property Disposal, Personal Property Utilization and Donation, and Information Assurance and Critical Infrastructure Protection programs. It also provides for Management and Administration, which includes the internal policy, management, oversight and coordination of all GSA programs by the Administrator, Deputy Administrator, and Regional Administrators. In addition, Management and Administration programs include Congressional and Intergovernmental Affairs, Communications, Indian Trust Accounting, Emergency Management, Congressional Support, and the GSA Board of Contract Appeals.

Real Property Disposal

In line with the GSA mission, the Public Buildings Service supports the accomplishments of our customers' programs by providing 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 (property transferred to another Federal agency), public benefit discount conveyances (property conveyed to state and local governments and eligible non-profit organizations at or below market value), and negotiated and public sales. This program receives direct and reimbursable funding. The direct program provides services related to utilization and disposal of excess property by transfer to other Federal agencies, by sale, exchange, or discount conveyance of surplus real property reported to GSA from agencies without disposal authority. These direct program properties actually belong to the GSA inventory, and as such the proceeds from these sales are deposited into the GSA receipt account. The reimbursable program provides similar services for agencies with their own disposal authorities on a fully reimbursable

basis. These reimbursable properties do not come into the GSA inventory; they remain the property of the landholding agency. GSA is reimbursed for its expenses, and the proceeds after expenses are returned to the land holding agency. Examples of landholding agencies with their own disposal authority are the Department of Veterans Affairs, U.S. Marshals Service, U.S. Postal Service, and the Department of Transportation. The Department of Defense has disposal authority delegated by GSA under statute (Federal Property and Administrative Services Act of 1949 and P.L. 101-510, entitled National Defense Authorization Act for fiscal year 1991). Over the past eleven years, GSA has provided \$2.4 billion in real property proceeds to Federal landholding agencies for their ultimate use.

By reengineering the disposal process and the utilization program, significant time and costs savings to our customers and taxpayers at large were realized. In fiscal year 2001 Real Property Disposal (RPD) disposed of 308 properties. These properties had a total value of \$550.2 million and produced \$354.9 million in proceeds of which \$346.1 million was returned to other Federal agencies and \$5.9 million was retained by GSA from properties covered under the Federal Property Act. Twenty-eight of these properties, worth \$171.7 million were transferred between Federal agencies and 41 properties with a value of \$23.6 million were conveyed to State and local governments and eligible non-profit institutions for public benefit purposes.

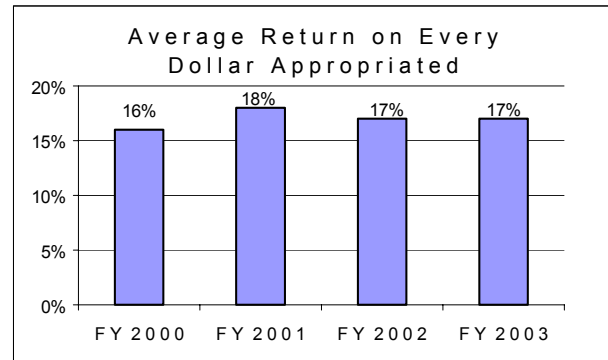
In fiscal year 2003, Property Disposal will continue to be the provider of choice for quality, cost-efficient, timely Federal real property redeployment activities. Along with the responsibility of protection and maintenance of properties such as Governors Island, RPD will provide expert redeployment of approximately \$578 million in surplus or excess Federal real and related property.

General Services Administration OPERATING EXPENSES

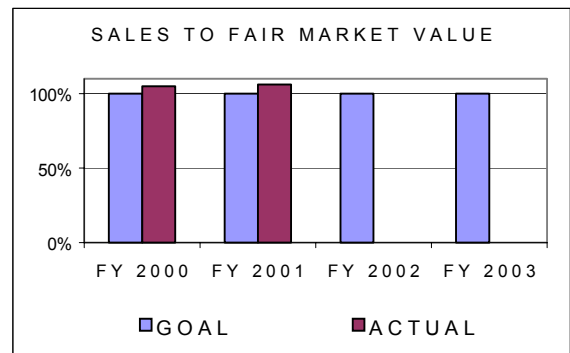
GSA has not yet identified all potential properties that could be sold in fiscal year 2003. However, the total receipts from the sale of real property in FY 2003 plus estimated receipts of \$3 million from outleasing of Government owned space is estimated at approximately \$300 million.

GSA's RPD is improving operational and programmatic effectiveness and efficiency by establishing an aggressive Customer Outreach and Marketing Program, to ensure superior customer relations with existing customers and to reach new customers. Another GSA Property Disposal initiative is to maintain and continue developing new computer systems (hardware and software, Internet and Intranet) to ensure data accuracy, and the visual display of RPD's homepage of properties offered for sale on the World Wide Web.

GSA's RPD performance measure is the rate of return on an appropriated dollar. This measure provides results of disposal actions already completed by RPD and those projected for the future. The rate of return on an appropriated dollar provides information about how much in proceeds are returned to the Government for each dollar expended by RPD in the disposal process. This measure will continue to be refined to include a series of ratios and measures of costs and proceeds data that will be activity-based. The results of these activity-based measures will provide information on the efficiencies and effectiveness of the RPD program from an operational and programmatic perspective. The program emphasis is to provide the American taxpayer with the highest rate of return for their investment.



GSA makes every effort to achieve the goal of ensuring that the Federal Government receives full value for the sale of real property and produces quarterly results on Actual Sales Value to Fair Market Value. As a competitive service provider, GSA seeks to optimize the use of scarce resources while returning the maximum residual value of real property to the Government.



Office of Information Assurance and Critical Infrastructure Protection (OIACIP)

GSA's Office of Information Assurance and Critical Infrastructure Protection (OIACIP) in the Federal Technology Service is charged with assisting the Federal community in securing its communications capabilities and protecting the integrity of Government operations afforded by the open systems

General Services Administration

OPERATING EXPENSES

environment of the Internet. The following initiatives enable us to provide critical infrastructure protection that will allow the Federal community to continue to operate with confidence.

Cross Government Activities/ National Programs

Both the Office of Management and Budget Circular A-130 and Presidential Decision Directive - 63 (PDD-63) call for the Federal Government to assess vulnerabilities of computer-based systems, remedy deficiencies, and produce detailed plans to protect the critical infrastructure. The OIACIP assists the Federal community in meeting this challenge by providing its information security knowledge and expertise through participation in activities with national and international organizations, and also serving as a representative on the National Security Telecommunications and Information Systems Security Committee.

Federal Computer Incident Response Capability (FedCIRC)

The FedCIRC is a collaborative partnership drawing on the skills and resources within Government, academia, and the private sector to address computer security related incidents. Under the guidance detailed in the Government Information Security Reform Act, agencies and departments are required to report incident data to the FedCIRC. Federal civilian agencies turn to FedCIRC for assistance in identifying, containing and recovering from adverse events that impact on the confidentiality, integrity or availability of information traversing the critical information infrastructure. The FedCIRC effort relies on an existing contract with the Carnegie Mellon University's Computer Emergency Response Team (CERT) and with Predictive Systems, which serve as the operational core for incident handling vulnerabilities and incident analysis. The incident analysis capability of FedCIRC

provides the ability to identify, isolate and analyze hostile activities or misuse of Federal information technology resources. Existing FedCIRC relationships with the National Infrastructure Protection Center, the National Security Incident Response Center, the Cyber Warning Information Network (CWIN), and other computer security incident response teams within the Federal Government provide a medium through which a broad spectrum of incident and security relevant information might be shared to prevent or minimize the effects of anomalous activities and events.

Federal Public Key Infrastructure (PKI) Steering Committee and Federal PKI Policy Authority/Federal Bridge Certificate Authority

The Federal PKI Steering Committee provides guidance to U.S. Federal agencies for implementation of e-government initiatives in which strong authentication is a component. Through digital signature and encryption, the PKI will provide four basic security services: Authentication, Data Integrity, Non-repudiation and Confidentiality.

As Agencies respond to the Government Paperwork Elimination Act and move their processes to the open systems environment, the security of these processes must be addressed. For many of these processes, security is defined as the ability to adequately authenticate the identity of the respondents, ensure the integrity of the data during transmission, hold the parties responsible for the content, and ensure the confidentiality of the information. The "best-in-breed" technology available today capable of providing this full range of security services in the open systems environment is asymmetric key encryption supported by PKI.

General Services Administration

OPERATING EXPENSES

The strategy employed by the Federal PKI Steering Committee has been to allow U.S. Federal agencies to develop their own Trust Domains for the issuance of electronic credentials to their employees. This has allowed each agency to assess its needs based on the determination of risk and sensitivity. As a result, U.S. Federal Government PKI implementations are continuing to increase and it has become obvious that a mechanism for tying them together is needed. Each Federal PKI implementation represents a unique island of trust. To facilitate shared trust, the Federal PKI Steering Committee has developed the Federal Bridge Certification Authority (FBCA). The FBCA acts as a conduit through which two discrete islands of trust can decide whether or not to trust one another's credentials. The FBCA establishes standards of assurance for its participating members and enhances interoperability standards among PKI product and services vendors.

Personal Property Utilization and Donation Program

GSA is committed to satisfying the Federal Government's requirements for supplies, equipment, and services at the least cost to the taxpayer. The Personal Property Utilization and Donation program supports this commitment. This program makes the most of tax dollars invested in Government-owned personal property by helping avoid outlays for new purchases through transferring one agency's excess to another that can use it, and by donating surplus Federal property to states or localities, again providing taxpayer savings by avoiding new Government procurements. In addition, FSS also assists in the implementation of the President's program to donate computers to schools.

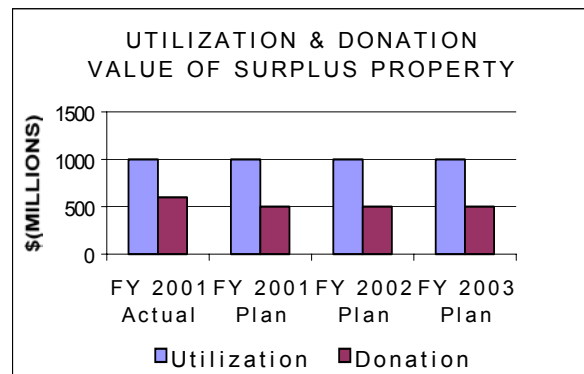
FSS maintains the Federal Disposal System (FEDS) which provides for a Government-wide inventory of excess and surplus per-

sonal property and processes transfers of property to Federal agencies and to state and local governments. FEDS is accessible nationwide through the Internet.

The Personal Property Utilization and Donation program is monitored on a continual basis using the following performance measures:

- New Expenditures Avoided
- Transfers per FTE
- Customer Satisfaction

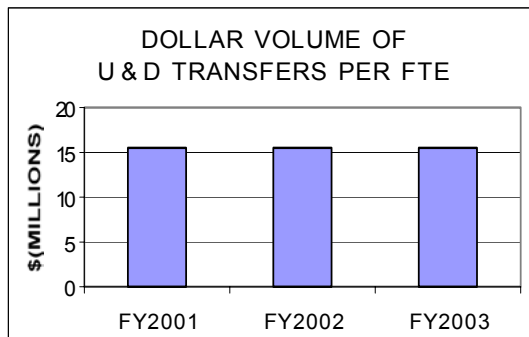
In fiscal year 2001, the utilization program generated \$1.0 billion in savings for the Government via the transfer of personal property excess to one agency's needs to meet those of other Federal agencies. Estimated savings for fiscal years 2002 and 2003 are \$1.0 billion. During fiscal year 2001 the donation program generated \$0.5 billion in savings by giving surplus usable property to states for donation to public agencies and certain non-profit tax-exempt activities. Donations for fiscal years 2002 and 2003 are valued at \$0.5 billion, (see following chart).



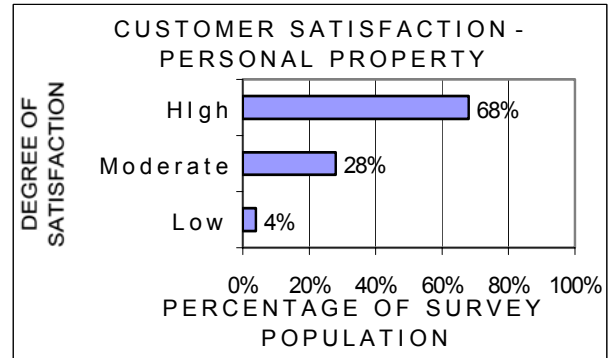
General Services Administration OPERATING EXPENSES

The consolidated business volume for the utilization and donation of excess and surplus personal property for fiscal year 2001 was \$1.6 billion, with \$1.5 billion projected for fiscal years 2002 and 2003. As a result of budget constraints and the expansion of authority to use disposal proceeds for property replacement (exchange sale), more agencies are disposing of the higher valued property through sales and utilizing the proceeds towards new procurements.

These properties will not be going through the utilization and donation phases of the disposal process. We anticipate that property of lesser value will continue to move through our disposal system and expect that the overall volume (number of lines of property) which impacts workload will only be slightly affected. The following chart reflects the dollar volume of utilization/donation transfers per FTE.



The property management program conducts biennial surveys of its customers to determine their level of satisfaction with FSS property utilization and donation programs. Data shown below is that of the latest customer satisfaction survey.



Management and Administration

This program area supports management and administrative activities associated with GSA internal operations. These activities include: (1) the Office of the Administrator; (2) the Regional Administrators and their staffs; (3) the Office of Congressional and Intergovernmental Affairs; (4) the GSA Office of Communications; (5) the Indian Trust Accounting division; (6) the GSA Office of Emergency Management; (7) administrative support of Congressional District and Senate State offices; and (8) the GSA Board of Contract Appeals.

Administrator and Regional Administrators

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

General Services Administration

OPERATING EXPENSES

Office of Congressional and Intergovernmental Affairs

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

GSA Office of Communications

The GSA Office of Communications is GSA's communications, media relations, and marketing department, with primary responsibility for preparing the agency's message and disseminating information to the press, the public, other Government offices and GSA employees. This office's responsibilities include managing the corporate identity and authorizing the printing of the Government-wide Standard and Optional Forms. In addition to these function which are funded by this account, Operating Expenses, The Office of Communications also has management responsibility for the Office of Citizen Services which is funded by two other accounts: (1) the Policy and Citizen Services appropriation account and the Federal Consumer Information Center Fund.

The Office of Citizen Services provides for citizen-centered activities including leadership and support for electronic government initiatives and for the operation of the official Federal Portal (FirstGov.gov) where citizens can electronically access Federal, State and Local information services. Through it Federal Consumer Information Center (FCIC) program, it maintains close working relationships with more than 40 Federal agencies to identify, develop, promote, and make accessible Federal consumer information to the public. The FCIC produces

and distributes the *Consumer Action Handbook*, and the quarterly *Consumer Information Catalog*. The FCIC also distributes print publications nationwide from the Government Printing Office order fulfillment center in Pueblo, Colorado.

Indian Trust Accounting

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

Emergency Management

In fiscal year 2001, the Office coordinated GSA's provision of more than \$22 million in services, supplies, equipment, and materials as part of the Federal response to 46 natural disasters and 15 emergency declared events.

In the immediate aftermath of the terrorist attacks in New York and at the Pentagon Building in Washington, DC, GSA worked closely with other Federal agencies, state and local government, and the private sector to support disaster response and recovery efforts. This included (but was not limited to) provision of space, furniture, vehicles and supplies for customer agencies; replacement of destroyed telecommunication lines and switches; as well as computers and servers; and provision of equipment and supplies for rescue workers. The estimated value of these services and products has not yet been determined.

General Services Administration

OPERATING EXPENSES

Congressional Support

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

GSA Board of Contract Appeals

The GSA Board of Contract Appeals (GSBCA) was established under the Contract Disputes Act of 1978 as an independent tribunal to hear and decide contract

disputes between Government contractors and GSA. The GSBCA also hears and decides disputes between contractors and other Executive agencies, including the Department of Treasury, the Department of State, the Department of Commerce, and the Department of Education. Additionally, the GSBCA hears and decides claims involving transportation rate determinations, travel and relocation expense claims, and claims for the proceeds of the sale of property of certain Federal civilian employees.

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

**General Services Administration
OPERATING EXPENSES**

BOARD OF CONTRACT APPEALS

Case Workload	FY 2001 Actual	FY 2002 Current	FY 2003 Request	Percent Change
1. Appeals				
a. Cases received	83	120	120	0%
b. Cases closed	99	120	120	0%
c. Cases pending	150	150	150	0%
2. Transportation Rate				
a. Cases received	2	5	5	0%
b. Cases closed	0	5	5	0%
c. Cases pending	2	2	2	0%
3. Travel				
a. Cases received	45	40	40	0%
b. Cases closed	46	40	40	0%
c. Cases pending	14	14	14	0%
4. Relocation				
a. Cases received	127	130	130	0%
b. Cases closed	138	130	130	0%
c. Cases pending	42	42	42	0%
5. Other				
a. Cases received	27	25	25	0%
b. Cases closed	27	25	25	0%
c. Cases pending	10	10	10	0%

General Services Administration

OPERATING EXPENSES

APPROPRIATIONS LANGUAGE

For expenses authorized by law, not otherwise provided for, for Government-wide activities associated with utilization and donation of surplus personal property; disposal of real property; telecommunications, information technology management, and related technology activities; agency-wide policy direction and management, and Board of Contract Appeals; accounting, records management, and other support services incident to adjudication of Indian Tribal Claims by the United States Court of Federal Claims; services as authorized by 5 U.S.C. 3109; and not to exceed \$7,500 for official reception and representation expenses, \$91,010,000, of which \$23,899,000 shall remain available until expended. (Additional authorizing legislation required.)

Explanation of Proposed Language Change

The activities of the proposed new Policy and Citizen Services (P&CS) and Operating Expenses (OE) accounts have in the past been combined under the Policy and Operations appropriation account. OGP's primary mission has been to serve in a policy role for Government-wide programs. In contrast, the programs falling within the Operating Expenses account are those supporting GSA operational programs and its internal management structure. OGP's programs continue to evolve and change and include direct as well as reimbursable activities that are focused on the Government as a whole. For fiscal year 2003, the budget request includes the creation of the Office of Citizen Services, formed to streamline existing functions that are intended to serve the general public. This new office is included in the P&CS account. Due to the inherent differences in the policy and operations programs and the diverse budgetary and accounting requirements needed to properly manage them, we are requesting the separation of the Policy and Operations appropriation account into two appropriations accounts: (1) Policy and Citizen Services; and (2) Operating Expenses.



GENERAL SUPPLY FUND

General Services Administration

GENERAL SUPPLY FUND

MISSION

The General Supply Fund (GSF) business lines represent the largest, most diverse and innovative Federal marketplace in the world, bringing hundreds of thousands of Federal customers together with more than 9,000 contractors. The business lines provide the Federal community with a value-added, trusted source for business, administrative and mission solutions, providing a portal for virtually every commercial product or service an agency might need. With a projected business volume of \$22 billion in fiscal year 2003, the business lines offer more products and services than any commercial enterprise in the world.

The GSF consists of four business lines, as follows: Supply and Procurement, Vehicle Acquisition and Leasing Services, Travel and Transportation, and Personal Property Management. The Supply and Procurement business line will eventually be divided into two distinct business lines, Supply and Commercial Acquisition, to better address the needs of full-service versus self-service customers. A financial infrastructure to support this separation will be implemented during fiscal year 2002. Accordingly, we are unable to reflect this separation in the budget at this time. Operating expenses are recovered in the prices paid by federal customers for services and products.

FY 2003 BUDGET IN SUMMARY

Supply and Procurement

The Supply and Procurement program offers Federal agencies millions of commercial products and an extensive range of technology, financial, environmental, management and administrative services. The Supply and

Procurement program acts as a government-to-government supplier of these goods and services through the Stock, and Special Order programs. Supply and Procurement also provides a conduit for agencies to purchase directly from commercial suppliers through more than 9,000 contracts in the Multiple Award Schedules program, most of which can be accessed through *GSA Advantage!™*, GSA's on-line shopping mall. Supply and Procurement customers are able to choose the level of service and procurement responsibility that is right for their purpose at any given time.

Reacting to changes in customer demand for products distributed through Federal Supply Service (FSS) distribution facilities and depots, FSS consolidated the nationwide distribution network of eight sites into two centers located in Burlington, New Jersey, and Stockton, California. This consolidation required closure of two Distribution Centers in Palmetto, Georgia, and Fort Worth, Texas, and four forward supply points in Franconia, Virginia; Chicago, Illinois; Denver, Colorado; and Auburn, Washington. The forward supply points closed on October 5, 2001. The Fort Worth and Palmetto Distribution Centers closed on November 2 and 16, 2001, respectively. The closures meant the elimination of jobs and reductions-in-force in these facilities. FSS provided transition assistance to these employees, including Congressionally approved voluntary separation incentive payments (buyouts), outplacement assistance and financial planning.

The Supply and Procurement business line projects its operating expenses for fiscal year 2003 to be \$357.2 million which is an increase of \$21.7 million from its fiscal year 2002 operating expenses of \$335.5 million. Additionally, the value of goods sold through

General Services Administration

GENERAL SUPPLY FUND

this business line (excluding the Schedules program), is expected to decrease from \$800.8 million in fiscal year 2002 to \$786.1 million in fiscal year 2003.

Vehicle Acquisition and Leasing Services

The Office of Vehicle Acquisition and Leasing Services provides best value vehicle acquisition and fleet management services. In fiscal year 2001, FSS purchased more than 55,000 vehicles, worth over \$1.1 billion at average prices of 13% to 18% below dealer-invoice prices. FSS cost-effectively manages a worldwide fleet of over 182,000 vehicles and leases them to 75 Federal agencies.

GSA is the Federal Government's mandatory source for purchases of new non-tactical vehicles. Through consolidated and competitive purchasing, this business line offers the Government significant savings on vehicle purchases. Leasing vehicles through GSA is not mandatory, but agencies that participate in this program are provided with comprehensive vehicle leasing services, including a fleet services charge card for fuel and repairs. When vehicles meet specific age and mileage criteria, they are retired from the GSA fleet and sold to the public, and the proceeds are reinvested to sustain a modern, cost-effective vehicle fleet.

Responding to environmental goals, GSA has purchased over 54,000 Alternative Fuel Vehicles (AFVs) for Federal fleets since 1991, nearly 39,000 of which were acquired for GSA Fleet customers. One of the important objectives of this environmental mandate is for the Federal Government to stimulate the market for environmentally friendly alternatives to vehicles that use fossil fuels and foreign energy sources.

This business line is funded through a portion of the price charged agencies for vehicles purchased, and from monthly and per-mile fees for leases. Operating expenses are projected to increase to \$103.3 million, in FY 2003, from the fiscal year 2002 level of \$96.9 million. Total sales/revenue for this business line will increase from \$1.56B in FY 2002 to \$1.67B in FY 2003.

Travel and Transportation

Travel and Transportation programs and services apply aggregate buying power to meet the diverse needs of our customers while controlling costs. Travel services include negotiated airline contracts, travel agency services and travel charge card services. Transportation services include the shipment of parcels, freight and household goods.

In recent years, Federal travel and transportation budgets have been approximately \$24 billion annually. By leveraging this business volume and offering administrative savings to agencies using these programs, this business line competes successfully for federal business and achieves significant savings for the Federal Government in the Airline City Pairs program.

The Travel and Transportation performance goals focus on achieving significant savings on federal travel, reducing Government transportation costs, and increasing customer satisfaction.

Fiscal year 2002 operating expenses are projected at \$6.25 million. For fiscal year 2003, operating expenses for the fully reimbursable travel and transportation services programs are projected at \$6.65 million.

General Services Administration

GENERAL SUPPLY FUND

Personal Property Management

Personal Property Management specializes in comprehensive personal property disposal solutions. Personal property solutions guide agencies through Federal requirements for property disposal, broker property to Federal and State agencies, provide access to an electronic clearinghouse for Federal personal property, and market surplus and reimbursable exchange/sale property to the public.

Performance goals for fiscal year 2003 aim to control costs while maximizing proceeds from the sale of surplus property and increase customer satisfaction. Operating expenses for this business line in fiscal year 2003 are anticipated at \$11.5 million, of which \$1.4 million is furniture reclamation. Personal Property Management operating

expenses in fiscal year 2002 were \$14.1 million with furniture reclamation consisting of \$1.4 million of that amount.

E-Government Initiatives

The Federal Supply Service plays an important role in expanding electronic government (E-Gov), one of the goals in the President's Management Agenda. In FY 2002 and FY 2003, the Federal Supply Service will make \$25 million and \$35 million, respectively, in information technology investments with the net revenues of the General Supply Fund. These investments will build and support systems and programs that will enable citizens to obtain information and services from and conduct business with the Federal Government electronically.

**General Services Administration
GENERAL SUPPLY FUND**

GENERAL SUPPLY FUND				
\$ (Thousands)				
	FY 2001 Actual	FY 2002 Current	FY 2003 Request	FY 03/02 Change
Income				
Supply and Procurement	1,275,915	1,239,833	1,260,890	21,057
Personal Property Management	14,205	14,425	14,177	-248
Travel and Transportation	7,580	6,660	7,155	495
Vehicle Acquisition & Leasing	1,522,062	1,565,715	1,678,550	112,835
E-Government Initiatives	0	0	0	0
Subtotal Income	2,819,762	2,826,633	2,960,772	134,139
Less: Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits) 1/	-18,252	-19,010	-18,940	70
Total Income (excluding accrual for CSRS/FEHB)	2,801,510	2,807,623	2,941,832	134,209
Expense				
Supply and Procurement	1,276,087	1,227,541	1,224,302	-3,240
Personal Property Management	19,274	20,121	16,074	-4,047
Travel and Transportation	8,667	8,646	7,655	-990
Vehicle Acquisition & Leasing	1,421,735	1,426,293	1,528,541	102,248
E-Government Initiatives	0	24,970	35,000	10,030
Subtotal Expense 2/	2,725,763	2,707,571	2,811,572	104,001
Less: Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits)	-18,252	-19,010	-18,940	70
Total Expense (excluding accrual for CSRS/FEHB)	2,707,511	2,688,561	2,792,632	104,071
Net Income from Operations	93,999	119,062	149,200	30,138
Less Reserve/Requirements	75,722	119,062	149,200	30,138
Final Adjusted Profit (Loss)	18,277	0	0	0
Net Outlays	34,253	0	0	0
FTE	3,002	3,049	2,849	-200

1/ CSRS refers to the Civil Service Retirement System benefits and FEHB refers to the Federal Employee Health Benefits program.

2/ The President's Budget reflects \$2,725 million for FY 2001 Actual due to rounding.

**General Services Administration
GENERAL SUPPLY FUND**

GENERAL SUPPLY FUND	
Explanation of Budget Changes	
Obligations	
(\$Thousands)	
FY 2002 Current Level.....	\$3,626,285
Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits)	19,010
Adjusted FY 2002 Current.....	\$3,645,295
Decreases:	
Reduction in Rental Payments to GSA.....	-9,567
Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits)	-70
Increases:	
Business Volumes Adjustments.....	+22,937
Additional Book Value for Vehicle Disposals.....	+52,000
Change in Capital Acquisitions.....	+25,859
Pay Increase.....	+3,997
Increase to Working Capital Fund Payment for Centralized Administrative Support Services.....	+1,641
FY 2003 Subtotal (Includes CSRS/FEHB Accrual).....	\$3,742,092
Less: Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits).....	-18,940
FY 2003 Total (Excludes CSRS/FEHB Accrual).....	\$3,723,152

**General Services Administration
GENERAL SUPPLY FUND**

GENERAL SUPPLY FUND Obligations by Object Class \$(Thousands)				
		FY 2001 Actual	FY 2002 Current	FY 2003 Request
Personnel Compensation:				
11.1	Full-time permanent	160,123	166,205	170,028
11.3	Other than permanent	2,684	2,644	2,705
11.5	Other personnel compensation	<u>7,071</u>	<u>4,912</u>	<u>5,025</u>
11.9	Total personnel compensation	169,877	173,761	177,758
12.1	Civilian personnel benefits	56,450	58,754	58,791
13.0	Benefits for former personnel	7,724	0	0
21.0	Travel and transportation of persons	5,238	5,385	5,498
21.0	Motor pool travel	596	603	615
22.0	Transportation of things	46,864	46,186	47,156
23.1	Rental payments to GSA	48,981	38,865	29,298
23.3	Communications, utilities, and misc. charges	66,832	63,391	61,722
24.0	Printing and reproduction	2,739	2,924	2,985
25.2	Other services	113,417	118,431	124,000
25.3	Purchases of goods/svcs from Gvmt. accounts	58,442	60,875	62,153
26.0	Supplies and materials	2,015,614	2,315,400	2,385,534
31.0	Equipment	652,885	760,586	786,445
42.0	Insurance claims and indemnities	<u>113</u>	<u>134</u>	<u>137</u>
99.9	Subtotal	3,245,774	3,645,295	3,742,092
12.1	Less: Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits)	-18,252	-19,010	-18,940
99.9	Total Obligations	3,227,522	3,626,285	3,723,152



INFORMATION TECHNOLOGY FUND

General Services Administration

INFORMATION TECHNOLOGY FUND

MISSION

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

RESOURCES

FTS' acquisition of commodities, services and operations are financed through the Information Technology (IT) Fund. The Fund was authorized by the Paperwork Reduction Reauthorization Act of 1986 (Public Laws 99-500 and 99-591, section 821(a)(1)). This intra-governmental revolving fund provides telecommunications and information technology resources to Federal agencies on a fee-for-service basis. The Fund also provides for a capital reserve to finance investments and other costs which are one-time or non-recurring in nature, allowing for more stable rates for services. The reserve also funds the development and start-up costs of new services to our customers, new program requirements, and new technologies and recompetition opportunities. The reserve requirements are developed annually by FTS and included in the IT Fund Cost and Capital Requirements Plan. This plan is submitted to OMB for review and approval pursuant to Section 110(a)(1) of the Federal Property and Administrative Services Act of 1949, as amended by Public Law 99-591. The rates charged agencies receiving telecommunications and information technology services are consistent with this plan. In addition, the Interagency Management Council (IMC), which consists of senior executive telecommunications officials from Federal agencies, serves as a Board of Directors for the development, coordination, and oversight of the Federal telecommunications program.

FY 2003 BUDGET IN SUMMARY

The IT Fund finances, on a reimbursable basis, governmentwide telecommunications and information technology services through two business lines: **Network Services** and **Information Technology (IT) Solutions**. Resources supporting these business lines are based on rates charged Federal customers. In FY 2003, the projected total revenue is \$6.5 billion of which 94% of the total FTS reimbursements are projected to flow through to the private sector for payment of telecommunications and IT solutions services. The remaining 6% funds FTS internal operations (5%) and reserve requirements (1%).

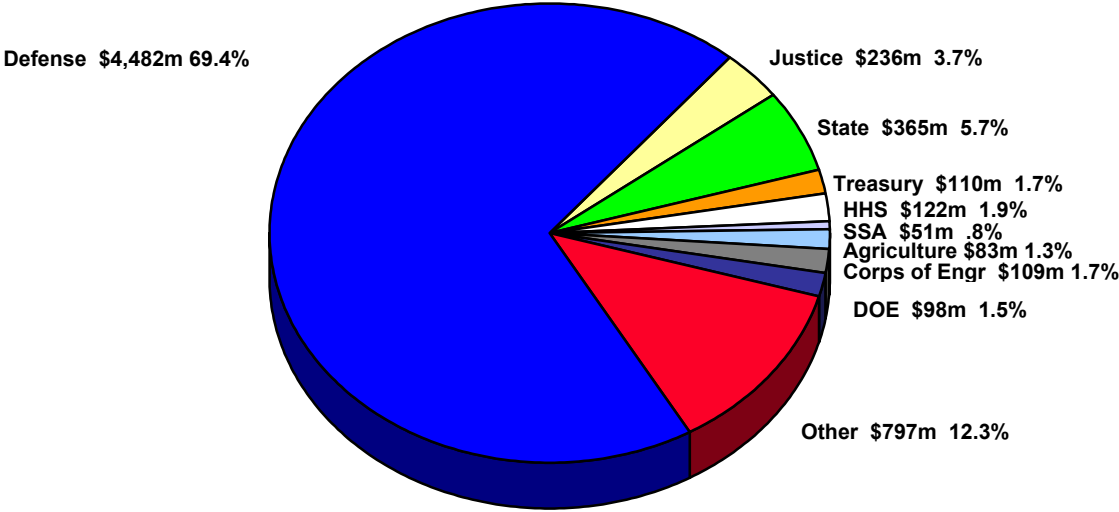
The **Network Services** business line enables FTS to provide Federal customers with end-to-end telecommunications services including global voice, data, and video services supporting both local and long distance government telecommunications users. FTS also provides advanced telecommunications products and services through specialized services contracts. The specialized services contracts currently provide customers with a variety of fully competitive contracts for wireless communications, technical management support services, international calling, wire and cable, satellite equipment and services, and Internet access.

The **IT Solutions** business line helps agencies acquire, manage, integrate and use information technology and protect the security of on-line information.

The FY 2003 budget provides resources for the leadership, new technology, technical expertise and innovative programs that enable other Federal agencies to achieve their planned results in the most efficient and productive way. A breakdown of the projected customer base is shown in Exhibit 1 on the next page.

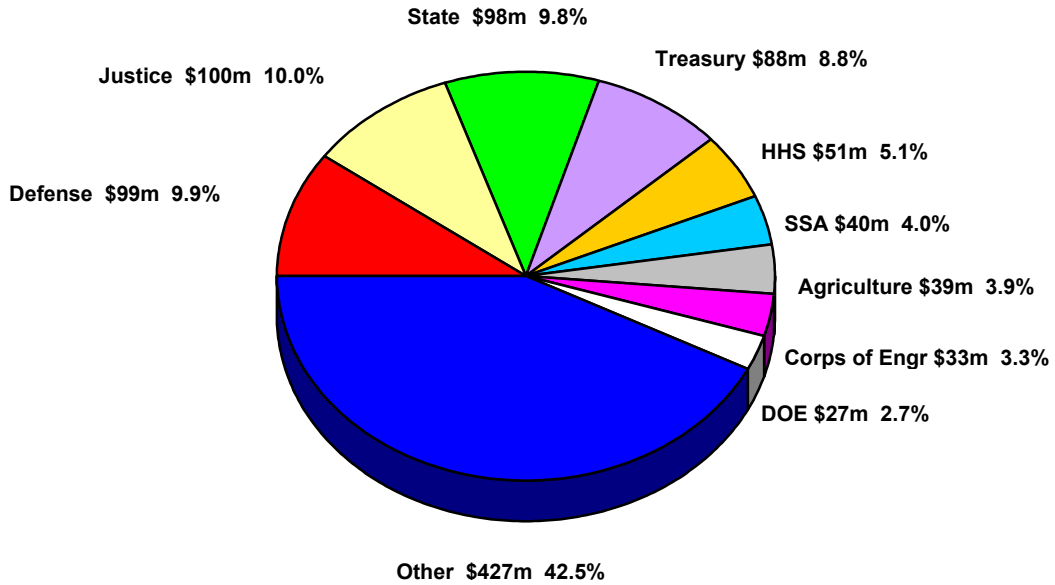
General Services Administration INFORMATION TECHNOLOGY FUND

Exhibit 1. Major Customers of the Information Technology Fund
TOTAL PROJECTED FY 2003 REVENUE = \$6,453M

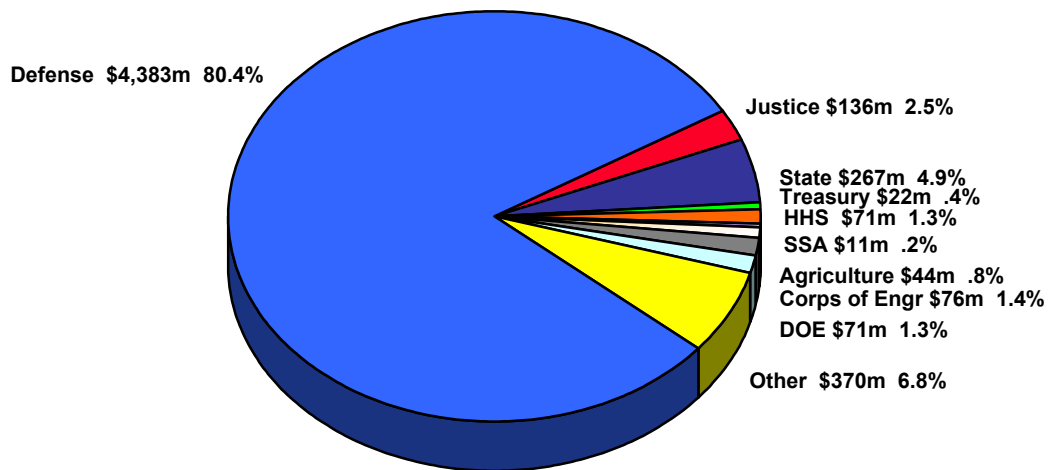


General Services Administration INFORMATION TECHNOLOGY FUND

NETWORK SERVICES
TOTAL PROJECTED FY 2003 REVENUE = \$1,002M



IT SOLUTIONS
TOTAL PROJECTED FY 2003 REVENUE = \$5,451M



General Services Administration INFORMATION TECHNOLOGY FUND

INFORMATION TECHNOLOGY FUND RESULTS OF OPERATIONS \$(Thousands)

	FY 2001 Actual	FY 2002 Current	FY 2003 Request	FY 03/02 Change
Total Revenue	6,228,320	6,395,113	6,517,834	122,721
Less: Intra-fund revenue ^{1/}	<u>-47,492</u>	<u>-63,217</u>	<u>-64,533</u>	<u>1,316</u>
Net Revenue	6,180,828	6,331,896	6,453,301	121,405
Less: Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits) ^{2/}	<u>-9,954</u>	<u>-10,110</u>	<u>-10,712</u>	<u>602</u>
Revenue excluding accrual for CSRS/FEHB	6,170,874	6,321,786	6,442,589	120,803
Total Expense	6,297,556	6,386,628	6,510,834	124,196
Less: Intra-fund expense ^{1/}	<u>47,492</u>	<u>63,217</u>	<u>64,533</u>	<u>1,316</u>
Net Expense	6,250,064	6,323,421	6,446,301	122,880
Less: Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits) ^{2/}	<u>-9,954</u>	<u>-10,110</u>	<u>-10,712</u>	<u>602</u>
Expense excluding accrual for CSRS/FEHB	6,240,110	6,313,311	6,435,589	122,278
Net Operating Results	(69,236)	8,116	7,000	(1,116)
=====	=====	=====	=====	=====
Net Operating Results	(69,236)	8,116	7,000	(1,116)
Less expenses financed from accumulated operating results (retained earnings reserves)	<u>77,134</u>	<u>28,408</u>	<u>13,343</u>	<u>(15,065)</u>
Current Year Operations (excluding reserves)	19,467	36,524	20,343	(16,181)
Analysis of Net Operating Results:				
Contributions to Program Reserves and Working Capital Reserve	29,077	38,854	20,343	(18,511)
Approved/Projected Uses of Program Reserves	(77,134)	(28,408)	(13,343)	15,065
Use of Working Capital Reserve (operations)	<u>(9,610)</u>	<u>(2,330)</u>	<u>0</u>	<u>2,330</u>
Net change to Retained Earnings (reserves)	(57,667)	8,116	7,000	(1,116)
Net Outlays	(12,257)	10,070	0	(10,070)
FTE:	1,518	1,472	1,567	95

^{1/} Under standard accounting practices, when services are provided to customers within the IT Fund, the effects of these transactions are eliminated, for consolidated purposes.

^{2/} CSRS refers to the Civil Service Retirement System benefits and FEHB refers to the Federal Employee Health Benefits program.

General Services Administration INFORMATION TECHNOLOGY FUND

EXPLANATION OF ESTIMATES

The IT Fund FY 2003 total revenue of over \$6.5 billion reflects an increase of almost \$133 million from FY 2002 total revenue. This growth is largely attributed to increased business volume in the IT Solutions business line.

Some revenues are retained as reserves to finance capital investments and program costs that are one-time or non-recurring in nature.

This budget request reflects a \$123.4 million increase in obligations from FY 2002, as shown below. This change results primarily from an increase in projected business volumes. Operating expenses will increase due to employee benefit related costs and inflation. Obligations associated with the use of reserves will decrease primarily because of completion of the FTS2001 transition. Staffing will increase to support regional operations and FTS programs overseas.

INFORMATION TECHNOLOGY FUND	
Explanation of Budget Changes	
Obligations	
\$(Thousands)	
FY 2002 Current Level	\$6,305,361
Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits)	10,110
Adjusted FY 2002 Current Level	\$6,315,471
Decreases:	
Change in Reserve Use	-15,065
Increases:	
Pay Raise, January, 2002.....	9,305
Inflation	5,411
.....	
RENT increase.....	876
Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits)	602
Increase to Working Capital Fund payment for Centralized Administrative Support services.....	1,945
Increase in business volume.....	120,322
FY 2003 Subtotal (Includes CSRS/FEHB Accrual)	\$6,438,867
LESS: Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits)	-10,712
FY 2003 Total (Excludes CSRS/FEHB Accrual)	\$6,428,155

General Services Administration INFORMATION TECHNOLOGY FUND

FUND SOLVENCY

Previously, the IT Fund was experiencing a low cash balance because of increased business volumes and the 30 to 60 day lag time between payments to contractors and cash receipts from customers. As a result of aggressive management actions, the cash balance has improved significantly.

The joint GSA/DOD solutions team, established in August 2000, continues to focus on billing issues and improved communications. Improvements have been made on reducing the number of billings charged back to GSA, increasing the number of electronic billings to DOD, and using GSA web applications to assist

in research and billing information.

Beginning in FY 2002, GSA started billing DOD twice a month for services rendered. This will help reduce the lag time between payments and cash receipts. FTS is also in the process of re-engineering some of its business practices to improve the process of acceptance of customer orders and ensuring accurate billing information is received from customer agencies placing orders with the IT Fund. Other efforts underway by FTS to maintain a healthy cash balance position include reducing discretionary costs, improving Net Operating Results of the Fund, and improving the Working Capital position of the fund to ensure fund solvency.

INFORMATION TECHNOLOGY FUND			
Obligations by Object Class			
\$(Thousands)			
	FY 2001 Actual	FY 2002 Current	FY 2003 Request
Personnel Compensation:			
11.1 Full-time permanent	90,567	109,722	113,149
11.3 Other than full-time permanent	2,299	1,000	1,000
11.5 Other personnel compensation	<u>15,874</u>	<u>10,602</u>	<u>10,602</u>
11.9 Total personnel compensation	108,740	121,324	124,751
12.1 Civilian personnel benefits	33,387	31,488	36,855
13.0 Benefits for former personnel	0	10	10
21.0 Travel and transportation of persons	6,000	5,180	5,290
21.0 Motor pool travel	285	363	370
22.0 Transportation of things	342	307	313
23.1 Rental payments to GSA	14,434	12,721	13,597
23.3 Communications, utilities, and misc. charges	3,903	1,985	2,025
24.0 Printing and reproduction	581	868	887
25.2 Other services	6,959,750	6,029,295	6,142,433
25.3 Purchases of goods and services from Government accounts	94,703	92,829	95,471
26.0 Supplies and materials	3,858	1,678	1,886
31.0 Equipment	43,330	17,423	14,979
99.9 Subtotal	7,269,313	6,315,471	6,438,867
12.1 LESS: Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits)	-9,954	-10,110	-10,712
99.9 Total Obligations	7,259,359	6,305,361	6,428,155

General Services Administration INFORMATION TECHNOLOGY FUND

BUSINESS LINES

FTS provides Federal agencies with information technology, telecommunications products and services through two business lines: **Network Services** and **Information Technology Solutions**.

The **Network Services** business line offers Federal agencies end-to-end telecommunications services. The major programs under the Network Services business line are the FTS2001 program and the Regional Telecommunications Services program.

The **FTS2001 program** provides long-distance telecommunications service that offers the Federal Government low-cost, state-of-the-art, integrated voice, data, and video telecommunications. Services are provided through an eight-year multibillion dollar long-distance contract with business partners Sprint and MCI WorldCom. Complementing the FTS2001 program are specialized services which offer customers the benefits of satellite, wireless, paging, Internet and other services. FTS switched voice rates have decreased from a national average of 27 cents per minute in FY 1988 to 5.8 cents per minute under the FTS2000 program. Under FTS2001, prices began at about 4.5 cents per minute and will drop to less than 1 cent per minute by the end of the contract. Because of these substantial price reductions, revenues for the long-distance program are projected to decline from \$711 million in FY 2001 to \$675 million in FY 2002 and to \$637 million in FY 2003.

The largest FTS2001 offering is switched voice service. Exhibit 2, Switched Voice Service Prices, reflects the history of continually declining FTS long distance voice prices and this trend is expected to continue through out the contract period.

Switched Voice Service Prices

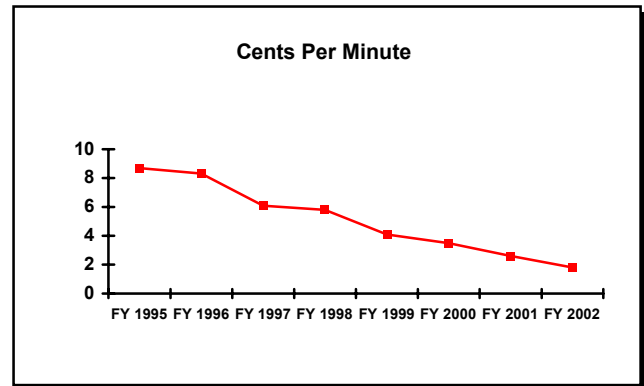


Exhibit 2. FTS Long-Distance Switched Voice prices

The **Regional Telecommunications Services** program provides local voice and data telecommunications to Federal agencies nationwide. In the wake of reforms initiated by the Telecommunications Act of 1996, FTS is pursuing lower prices for local service in major markets through its Metropolitan Area Acquisition (MAA) contracts as well as continuing to provide local telecommunications service to areas not served by the MAA providers. MAA takes advantage of competition to achieve sustained price reductions for local telecommunication services in metropolitan areas. After a forbearance period of at least one year from the date of award of an MAA contract, the Government may execute an option to allow the FTS2001 long-distance vendors to offer optional local services and an option to allow winning MAA vendors in one city to offer local services in another MAA city.

Phase I and II of the MAA contracts were completed in the second quarter of FY 2001 and resulted in a total of 39 contracts, including Washington Interagency Telecommunications System (WITS) 2001. These contracts will provide expanded local telecommunications services to Buffalo, New York City, Chicago, Cincinnati, Cleveland, Los Angeles, San Francisco, Baltimore, Atlanta, Miami, Indianapolis, St. Louis, Minneapolis, Dallas, Denver, Boston, New Orleans, Boise, Albuquerque, Philadelphia, and the Washington metropolitan area.

General Services Administration INFORMATION TECHNOLOGY FUND

Phase III of the program consists of seven additional cities and is expected to be completed by Spring 2002. Three phase III awards have been made in San Antonio, Detroit and Norfolk. To date a total of 44 MAA contracts have been awarded to six industry partners in 24 cities, including WITS2001.

In FY 2000, FTS awarded the eight-year, \$1.4 billion Washington Interagency Telecommunications System (WITS) 2001 contract to Verizon Communications (formerly Bell Atlantic Federal). This contract provides Federal agencies in the Washington, DC area with the broadest range of local telecommunications services and equipment ever combined in a single GSA contract vehicle. In addition to its broad scope, the WITS2001 contract also offers flexibility to user agencies with web-based service offerings, flexible billing options and direct access by agencies to the contractor. WITS2001 allows agencies to tailor their use of the contract to meet their specific ordering and management practices, saves Federal customers the expense of contracting on their own, and frees up resources to focus on other tasks.

A price management mechanism has been incorporated which insures that the contractor's prices to GSA remain at or below the best available prices in the marketplace. WITS2001 serves 70% of the Federal agencies in the Washington, DC metropolitan area. Existing customers of GSA have experienced price reductions of 30% over the existing commercial prices while new customers can expect price reductions of up to 70%.

Revenues for the Local Telecommunications Services program are projected to increase from \$361 million in FY 2001 to \$373 million in FY 2002 and decrease to \$365 million in FY 2003 because of the significant price reductions.

The Regional Telecommunications Services program has undertaken a major initiative to reduce the average monthly line rate. Exhibit 3

shows the actual monthly line rate to date and the projected monthly line rate for FY 2002. The national average monthly line rate for FY 2002 is projected to be \$15.72 which reflects an overall reduction of \$12.98, or more than 45% from the FY 1994 average monthly line rate of \$28.70. The FY 2002 projected rate includes cost reductions resulting from the MAA and WITS2001 awards.

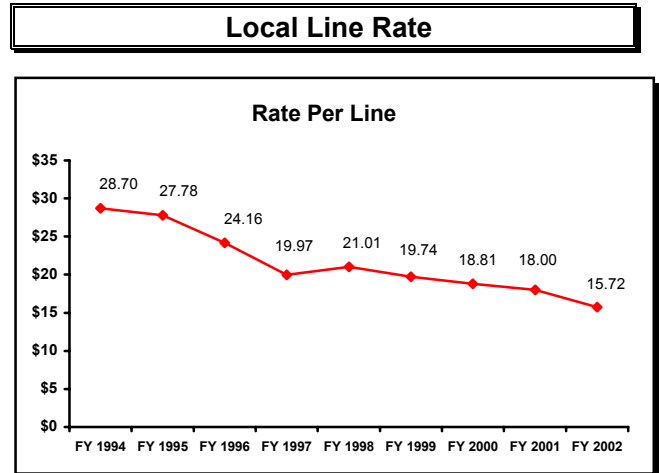


Exhibit 3. Local Line Cost

In FY 2003, FTS will continue to strive to reduce the average monthly line rate. FTS fully expects the rates to continue to decline as additional MAA contracts are implemented.

The **IT Solutions** business line within FTS provides all types of IT products and services, including security solutions, to Federal agencies through contracts with industry. IT Solutions provides a variety of ways for agencies to procure technology—through FTS contracts, through Federal Supply Service Schedules, and through the contracting offices of other Federal agencies with which IT Solutions developed strategic partnering arrangements. Agencies are offered numerous value-added services and options with various levels of support.

All programs under the IT Solutions business line are fully reimbursable. Exhibit 4 on the next page illustrates IT Solutions revenue over eight years.

General Services Administration INFORMATION TECHNOLOGY FUND

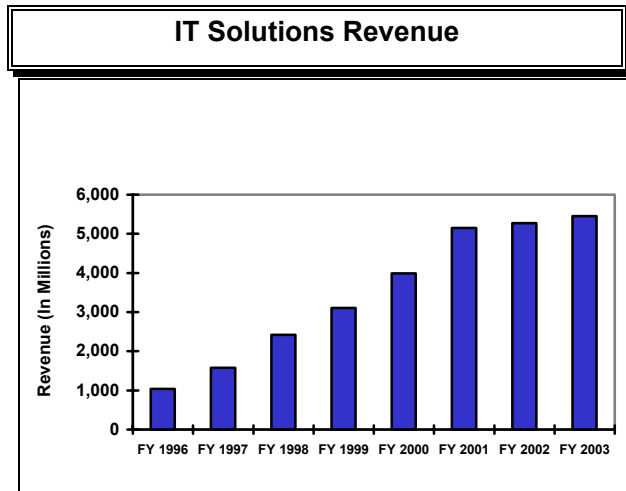


Exhibit 4. IT Solutions Revenue

IT Solutions provides Federal agencies with products and services from a broad range of industry sources and contract options to meet their needs.

There are currently four Solutions Development Centers (SDCs) and 15 Client Support Centers (CSCs) that support FTS clients nationwide. SDCs are responsible for developing, awarding and administering GSA/FTS master contracts, for use by the CSCs. SDCs are also chartered to award and administer task orders, provide acquisition consulting, and/or award a contract or Blanket Purchase Agreement (BPA).

CSCs provide full-service to agencies in an assigned geographic location. CSCs are the sales centers of FTS and provide Federal agencies access to all FTS products and services and offer a value-added acquisition and technical service to determine the best solution for the client's IT needs.

SOLUTIONS DEVELOPMENT CENTERS (SDC)

Federal Computer Acquisition Center (FEDCAC) is a national SDC which delivers full-service management of computer acquisitions worth more than \$100 million and conducts full and open competitions for contracts required by FTS Client Support Centers nationwide. FEDCAC offers the following IT contracts:

- *Seat management* provides Government agencies with a way to acquire managed life

cycle support for their entire distributed computing environment including hardware, software and support services.

- *Virtual Data Services* is a fast, low-cost alternative for obtaining commercial IBM compatible, Unisys, Digital and Honeywell mainframe processing and data center service from experienced contractors.
- *Disaster Recovery* provides reliable, effective, economical computing and communications recovery services to the Federal government and other non-government organizations that process Federal and/or Federally-mandated applications. The computing and communications recovery services are used to test and refine organizations contingency plans and to restore and recover operations in the event of a declared disaster.
- *Millenia* enables FTS to continue meeting the Federal Government's demand for large system integration and development projects by supporting its clients in a timely and cost-effective manner. The contract provides for the acquisition of new and emerging technologies that evolve over the contract life of five years, with one five-year option.
- *Smart Card* is the government's one source for secure interoperability Government ID solutions. This government-wide acquisition contract (GWAC) provides smart card products and services and supports a common, interoperable, multi-application Smart Card program.
- *Access Certificates for Electronic Services (ACES)* facilitate a secure electronic transaction environment where the public can access information and services offered by the Government agencies.

FEDCAC revenues were \$69 million in FY 2001 and are projected to be \$50 million in FY 2002 and \$55 million in FY 2003.

ANSWER is a national SDC located in the Pacific Rim region. It offers efficient, responsive, and professional support for all IT acquisition needs by awarding and managing contracts that address the entire spectrum of IT. It provides several acquisition means for clients to access FTS products and services:

- *Applications 'n Support for Widely-diverse End User Requirements (ANSWER)* is a \$25 billion multiple award/IDIQ contract that

General Services Administration

INFORMATION TECHNOLOGY FUND

provides clients with services and support in requirements and design research; analysis and development; software maintenance; and facilities management including business, scientific, and engineering applications.

- *Safeguard* is a \$6.75 billion multiple award BPA, offering the services and products necessary for strengthening Federal agencies' defenses against cyber attacks and attacks on their IT critical infrastructure.
- *Digital Subscriber Line (DSL)* is a \$300 million multiple award/IDIQ contract that provides government agencies with a means to procure DSL and other broadband services.

Information Technology Acquisition Center (ITAC) is a national SDC that is a cooperative effort between the Southeast Sunbelt and Greater Southwest regions. ITAC awarded the Millenia Lite contract which is a multiple award/IDIQ contract providing information technology services worldwide. The contract is for three years, with seven one-year options and carries a maximum contract value of \$20 billion. The contract has four broadly defined functional areas including IT planning, studies, and assessment; high-end information technology services (HITS); mission support services; and legacy systems migration and new enterprise systems development.

Small Business Solutions Development Center is a national SDC located in the Heartland region which administers contracts for small business for IT and network solutions for government-wide use. This SDC assists Federal agencies in meeting their procurement goals and to assist 8(a) small and disadvantaged businesses with competing in the Federal market.

Client Support Centers (CSC)

Regional IT Solutions refers to the regional sales centers. It provides services that include systems definition and design, business and scientific software services, computer security studies and risk analyses, and access to all of FTS' products and services.

A large part of the regional program is designed to enable Federal agencies to purchase commercial off-the-shelf information technology software, equipment and non-complex services. It offers Federal agencies products and services, plus the "value-added" contracting services support. It focuses on shortest time, lowest cost, and highest quality as a composite procurement approach. The program relies on various contracting solutions: 1) GSA's multiple-award schedules (MAS); 2) government-wide acquisition contracts (GWACs) for specialized buys; and 3) multiple award 8(a) contracts with small businesses. This procurement strategy also affords 8(a) firms an opportunity to develop new business.

Regional IT Solutions FY 2001 revenues were over \$3.8 billion, an increase of almost 35% over FY 2000. Continued growth is expected for FY 2002 and for FY 2003 at \$3.9 billion and \$4.0 billion, respectively.

Federal Systems Integration and Management Center (FEDSIM) is a national CSC that assists agencies in acquiring and using information systems and information technology, including hardware, software, maintenance, training, and analyst support. FEDSIM focuses on large, complex systems integration efforts. FY 2001 revenues were slightly over \$1 billion. This level is expected to continue in both FY 2002 and FY 2003. FEDSIM continued its support to the small business community by obligating almost \$322 million in contracts to small business in FY 2001.

Innovative Business Solutions is a national CSC which develops and deploys innovative new service areas that incorporate the most current technologies and approaches to solving Federal IT problems. Services include assisting Federal agencies in evaluating, designing, and implementing financial and administrative

General Services Administration INFORMATION TECHNOLOGY FUND

systems; providing IT-based solutions to traditional training challenges encountered by Federal agencies worldwide including distance learning, computer-based training, student management systems, courseware delivery systems and knowledge management; providing a full range of value-added smart card services; providing outsourcing solutions for the IT needs of Federal agencies focusing on performance-based contracting; and providing IT solutions to GSA itself. Revenues for FY 2001 were \$56 million and are expected to grow to \$156 million in FY 2002 and to \$162 million in FY 2003. This significant growth in revenues reflects increased contracting support of electronic government (E-gov) IT initiatives.

The **European Business Unit (EBU)** is a national CSC located in GSA's Heartland Region. As the lead organization for acquisition support to U.S. interests in Europe, the EBU specializes in European information technology and network services requirements. This business unit began in the second half of FY 2001 producing revenues of \$37 million. Revenues are expected to increase to \$84 million in FY 2002 and FY 2003.

The **Center for Information Security Services (CISS)** is a national CSC which provides information systems security services to Federal agencies. The CISS employs a staff of government information systems security professionals, offering its customers vulnerability assessments, network engineering, risk analysis and security planning, and other technical services on a fee-for-service basis. FTS has entered into Blanket Purchase Agreements (BPAs) with 27 private sector firms in the field of information assurance and critical infrastructure protection. The BPAs are open to all Federal agencies and offer value-added, end-to-end information assurance solutions. FY 2001 revenues were \$70 million and are expected to grow to \$105 million in FY 2002 and \$112 million in FY 2003.



WORKING CAPITAL FUND

General Services Administration

WORKING CAPITAL FUND

MISSION

The Working Capital Fund (WCF) is a fully reimbursable revolving fund that economically finances administrative support services to GSA and other Federal organizations.

THE BUDGET IN SUMMARY

The total WCF program level for fiscal year 2003 is estimated to be \$329 million with 1,356 full-time equivalent (FTE) positions. The following describes some of the specific services provided through the WCF.

Centralized Administrative Support

Centralized Administrative Support functions represent the largest portion of the WCF. These services are provided to internal GSA customers, and include agency-wide functions such as finance, budget and accounting support, information technology, personnel administration, facilities management, acquisition policy, and legal services. The centralizing of administrative support functions enables us to achieve economies of scale, thereby reducing costs and increasing operational efficiencies, and allows GSA's program areas to focus on and accomplish their goals. These services are provided for GSA Headquarters and the 11 GSA Regional Offices.

Chief Financial Officer

The Office of the Chief Financial Officer (CFO) manages a large part of the Centralized Administrative Support activities of the WCF. This organization provides accounting, budget, financial management, financial systems support and oversight, and audit follow-up and evaluation. The Office of the CFO also provides agency direction and coordination for GSA's strategic planning, performance measurement and competitive sourcing activities. The CFO produces the agency's comprehensive annual reports and

audited financial statements. GSA's audited financial statements have earned unqualified opinions each year (for each of the past fourteen years), a standard unmatched by any other large Federal agency.

Chief Information Officer

The Office of the Chief Information Officer (CIO) is responsible for applying state-of-the-art information technology to achieve GSA's business goals and to support agency programs. The CIO is the principal adviser to the GSA Administrator and to all GSA offices on information technology.

The CIO seeks to ensure the best possible return on GSA's technology investments and is responsible for GSA's information technology (IT), capital planning and investment process. This process strengthens the link between capital planning, IT investment and the agency budget process as well as providing a mechanism for reporting on IT activity agency-wide.

The CIO also provides direction and coordination on the five E-Government projects where GSA is the lead agency, E-Acquisition, Federal Asset Sales, E-Travel, E-Authentication and USA Services.

Chief People Officer

The Office of the Chief People Officer (CPO) provides workforce, organization and workplace solutions for GSA organizations and associates, so they can accomplish GSA's mission and strategic goals. In accordance with Presidential Decision Directive 67 and other Federal Preparedness Circulars, the CPO also manages GSA's role in Federal emergency response, and coordinates Continuity of Operations Planning (COOP) for other Federal agencies and departments. Other Federal agency activities include: (1) issuing, periodic guidance to agencies on training to promote understanding of and compliance with the re-

General Services Administration

WORKING CAPITAL FUND

quirements and objectives of governing directives, in coordination with the Federal Emergency Preparedness Agency; and (2) developing and conducting COOP training that is available to all Federal Executive Branch departments and agencies.

General Counsel

The Office of General Counsel provides legal support to GSA's programs in areas such as contracting, information technology, travel and transportation, real estate, construction, leasing, environmental issues, litigation, personnel and labor relations, equal employment opportunity (EEO), appropriations, finance, the Freedom of Information Act, the Privacy Act, and the Federal Advisory Committee Act. The Office of General Counsel also supports GSA's responses to Congressional inquiries, develops and manages GSA's ethics program, and supports the agency's alternative dispute resolution efforts.

Other Centralized Administrative Support Activities

The **Office of Enterprise Development (OED)** has nationwide responsibility for GSA's small business program. OED focuses on programs, policy and outreach to the small business community and is GSA's advocate for small business. The mission of the OED is to promote and facilitate programs and activities that provide "Access to Opportunity" to small, small disadvantaged, women-owned, HUBZone certified, and service-disabled veteran-owned businesses in GSA contracting nationwide. OED is the lead office in a nationwide network of regional Small Business Centers (SBC). The SBC's provide information, assistance, and counseling to private sector concerns seeking to do business with the Government.

The **Office of Civil Rights (OCR)** is responsible for implementing both the internal and external Civil Rights Programs at GSA. The internal civil rights program ensures equal employment opportunity for all GSA associates and applicants for employment on the basis of sex, race, color, national origin, religion, disability, age (40 and over), and retaliation for protected EEO activity. The internal civil rights program processes EEO complaints of discrimination pursuant to 29 C.F.R. Part 1614. The external civil rights program ensures nondiscrimination on the basis of race, color, sex, age (40 and over), national origin, and disability by recipients of GSA's Federal Financial Assistance and Federally Conducted Programs. Both the internal and external civil rights programs have enforcement and prevention as the cornerstones of their programs.

The Office of Governmentwide Policy's **Office of Acquisition Policy** has agency-wide responsibility for planning, directing, and controlling functions that affect GSA contracting activities. It is responsible for establishing and maintaining GSA acquisition policies, regulations, and procedures through issuance of the General Services Acquisition Manual and other policy documents. It establishes and monitors performance measures for GSA's acquisition system; establishes and administers acquisition quality workforce programs, such as the Contracting Officer Warrant Program and 1102 Occupational Certification Program; and determines non-federal entities' eligibility to use GSA sources of supply.

GSA's **Regional Acquisition Management Staffs (RAM)** are located in the GSA Regional Offices and are responsible for monitoring and reviewing GSA Regional Office contractual and other procurement activities to ensure compliance with applicable procurement statutes, regulations and directives.

General Services Administration

WORKING CAPITAL FUND

Other Reimbursable

These activities provide administrative services for non-GSA clients similar to those described under "Centralized Administrative Support," including accounting, payroll, budget, personnel and procurement. Customers include small agencies and Presidential committees and commissions.

Other Reimbursable activities include the financial transactions for: (1) administrative support for the Inspector General Criminal Investigators Academy provided by the GSA Inspector General; (2) GSA Centralized Charges (a clearing account for agency-wide costs paid by GSA, such as Unemployment Compensation, Workman's Compensation, Postage, FTS 2001 Long Distance Services, Wireless Cell Phone, etc); (3) cost of common information technology infrastructure; and (4) administrative support for the Joint Financial Management Improvement Program (JFMIP).

ACCOMPLISHMENTS

Office of the Chief Financial Officer:

Pegasys: The Pegasys project will replace the core accounting components of GSA's mainframe accounting system, the National Electronic Accounting and Reporting (NEAR) system, with an agency-wide financial management system. Pegasys is an implementation of American Management Systems, Inc.'s (AMS) commercial-off-the-shelf package, Momentum™ Financials. Pegasys will be implemented in 2 phases.

The first phase of implementing Momentum provided funds management capabilities agency-wide for all GSA Services and Staff Offices. The budget execution, purchasing, and project cost accounting modules of Momentum were implemented in June 2000. Since then, GSA has also implemented the planning and credit card modules.

The second phase of implementing Momentum, which began in late fiscal year 2001 and continues into fiscal year 2002, will replace the accounts payable and general ledger processes of the existing mainframe system. These processes will be implemented in Pegasys and integrated with funds management. The general ledger functions will enable Pegasys to become the agency's official financial reporting system and allow GSA to migrate to the U.S. Standard General Ledger (SGL). The second phase is targeted for full implementation by October 2002.

Electronic Processing: Electronic Commerce plays a major role in GSA's payment functions and continues to expand. In fiscal year 2001, 79% of all invoices were paid electronically, 8% more than last year. They account for 89% of the disbursement total, a 6% increase from fiscal year 2000. The percentage of invoices GSA received electronically increased from 12% to 24% in fiscal year 2001.

Payroll System: In fiscal year 2001, GSA provided payroll services for an average of 14,216 GSA employees and 9,794 employees of client agencies at a production support ratio of 800 people payrolled per FTE. The Direct Deposit Program for employee payroll continues to be strongly supported. Approximately 99% of GSA's associates are paid by electronic funds transfer (EFT). Our goal is 100% participation.

Office of the Chief People Officer: The principal objective of this office at the present time is to lead GSA development and implementation of a strategic workforce plan. Specific areas of emphasis include workforce competencies, recruitment, retention, leadership development, learning management, and performance management.

The Office of Enterprise Development: In fiscal year 2001, GSA's contracts with small

General Services Administration WORKING CAPITAL FUND

businesses totaled more than \$4 billion.
This amount included \$393 million for
women-owned small businesses and more

than \$1 billion for minority-owned small
businesses.

Program Levels \$(Thousands)

	FY 2001 Actual	FY 2002 Current	FY 2003 Request	FY 02 – FY 03 Change
Revenue				
Operating Programs:				
Administrative Support	\$161,826	\$167,150	\$182,222	+\$15,072
Other Reimbursable	116,482	147,782	142,103	- 5,679
Subtotal	\$278,308	\$314,932	\$324,325	+\$9,393
Obligations				
Operating Programs:				
Administrative Support	\$162,023	\$167,150	\$182,222	+\$15,072
Other Reimbursable	115,731	147,782	142,103	- 5,679
Subtotal	\$277,754	\$314,932	\$324,325	+\$9,393
Major Equipment Acquisition and Development	<u>632</u>	<u>4,900</u>	<u>4,900</u>	<u>0</u>
Comparable Program (Includes CSRS/FEHB Accrual)	\$278,386	\$319,832	\$329,225	+\$9,393
Less Accrual for Civil Service Retirement and Federal Health Benefits	-7,773	-8,124	-8,360	-236
Total (Excludes CSRS/FEHB Accrual)	\$270,613	\$311,708	\$320,865	+\$9,157
Net Outlays	-\$11,201	0	0	-----
Total Employment	1,313	1,355	1,356	+1

General Services Administration

WORKING CAPITAL FUND

EXPLANATION OF ESTIMATES

The fiscal year 2003 operating program level of \$329,225 reflects a net increase of \$9,393 thousand above the fiscal year 2002 program level of \$319,832 thousand. The net change of \$9,393 thousand provides \$18,578 thousand for increases of: (1) \$4,369 thousand for increased salary costs; (2) \$3,854 thousand for the increased cost of goods and services; (3) \$236 thousand for the increase to the Accrual for Civil Service Retirement and Federal Employee Health Benefits; (4) \$917 thousand for increased rent; (5) \$2,821 thousand to operate and maintain Pegasys; (6) \$525 thousand for Gallup Q-12 Workplace Survey; (7) \$1,950 thousand for GSA Data

Warehouse; (8) \$500 thousand for Security for CFO Systems; (9) \$2,564 thousand for the Learning Management System; (10) \$450 thousand for the GSA Acquisition Symposium; (11) \$250 thousand for the Chief Information Office's Architecture Engineering & Standards Division Staffing; (12) \$142 thousand for Chief People Officer IT Support.

These increases are offset by decreases of \$9,185 thousand consisting of (1) \$80 thousand for reduced operation and maintenance costs of the Comprehensive Human Resources Integrated System (CHRIS); (2) \$4,155 thousand for CHRIS Development; and (3) \$4,950 thousand for Pegasys Development.

General Services Administration WORKING CAPITAL FUND

(In Priority Order)
Fiscal Year 2003
\$(000)

	Internal Reimbursable		Other Reimbursable		Major Equipment Acquisition & Development	Total	
	FTE	\$	FTE	\$	\$	FTE	\$
FY 2002 Operating Program	1,208	\$156,583	142	\$140,657	\$4,900	1,350	\$302,140
CHRIS Increases							
Operations & Maintenance	5	\$3,175				5	\$3,175
Development				\$6,393			\$6,393
Accrual for Civil Service Retirement and Federal Employee Health Benefits		\$7,392		\$732			\$8,124
Adjusted FY 2002 Operating Program	1,213	\$167,150	142	\$147,782	\$4,900	1,355	\$319,832
Decreases:							
CHRIS Operations & Maintenance		-80					-80
CHRIS Development				-4,155			-4,155
Pegasys Development				-4,950			-4,950
Increases:							
Increased pay costs		3,857		512			4,369
Increased cost of goods and services		1,065		2,789			3,854
Increase to Accrual for Civil Service Retirement and Federal Employee Health Benefits		211		25			236
Rent		817		100			917
Pegasys Operation & Maintenance		2,821					2,821
Gallup Q12 Workplace Survey		525					525
GSA Data Warehouse		1,950					1,950
Security for CFO Systems		500					500
Learning Management System	1	2,564				1	2,564
GSA Acquisition Symposium		450					450
Architecture Engineering & Standards Div. Staffing		250					250
CPO IT Support		142					142
FY 2003 Operating Program (Includes CSRS/FEHB Accrual)	1,214	\$182,222	142	\$142,103	\$4,900	1,356	\$329,225
Less Accrual for Civil Service Retirement and Federal Employee Health Benefits		-\$7,603		-\$757			-\$8,360
FY 2003 Total (Excludes CSRS/FEHB Accrual)	1,214	\$174,619	142	\$141,346	\$4,900	1,356	\$320,865

**General Services Administration
WORKING CAPITAL FUND**

Performance Measures for GSA Staff Offices

	FY 2001 Target	FY-2001 Actual	FY2002 Target	FY2003 Target
CFO				
Percentage of invoices paid electronically	76%	79%	80%	81%
Percentage of electronic invoices received	20%	24%	35%	50%
Increase the percentage of collections through Treasury" automated Intra-Governmental Payment and Collection (IPAC) System	88%	88%	89%	91%
CIO				
The number of high risk audit action items that are completed successfully within the 30-day time standard.	N/A	N/A	100%	100%
The percentage of IT investment projects that remain within 10% of the cost and schedule requirements.	N/A	N/A	100%	100%
Percentage of customers who rate the level of service and support provided by the Office of the CIO as highly effective.	N/A	N/A	95%	95%
CPO				
Overall customer satisfaction rating with the recruitment process. (On a 5.0 scale)	3.25	4.00	4.25	4.25
Average number of days from the HRO receipt of request for personnel action to referral.	120 days	60 days	40 days	30 days
Increase usage of Online University.	15%	182%	15%	15%

**General Services Administration
WORKING CAPITAL FUND**

WORKING CAPITAL FUND Obligations by Object Class \$(Thousands)			
	FY 2001 Actual	FY 2002 Current	FY 2003 Request
Personnel Compensation:			
11.1	\$72,121	\$75,633	\$78,344
11.3	1,799	1,908	1,968
11.5	<u>11,384</u>	<u>11,276</u>	<u>11,628</u>
11.9	\$85,304	\$88,817	\$91,940
12.1	41,029	43,972	45,470
13.0	322	357	368
21.0	2,354	2,295	2,443
21.0	24	55	57
22.0	451	457	467
23.1	11,230	12,254	13,171
23.3	25,428	28,088	28,777
24.0	1,770	1,862	1,951
25.2	67,023	85,782	86,942
25.3	27,160	39,322	40,137
26.0	1,274	1,604	1,888
31.0	15,017	14,967	15,614
99.9	\$278,386	\$319,832	\$329,225
12.1	-7,773	-8,124	-8,360
99.9	\$270,613	\$311,708	\$320,865



FORMER PRESIDENTS

General Services Administration

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

BACKGROUND

The appropriation for Allowances and Office Staff for Former Presidents provides for an annual pension and compensation of office staffs and other related operating expenses for each former President pursuant to P.L. 85-745, as amended. The annual pension and cost of franking privileges for the widow of former President Johnson are also funded in this appropriation.

THE BUDGET IN SUMMARY

The fiscal year 2003 budget request allows GSA to carry out the provisions of the Former Presidents Act at a level commensurate with that of the previous fiscal year, plus the additional costs associated with full funding of Civil Service Retirement System (CSRS) and Federal Employee Health Benefit (FEHB) costs on a comparable basis for all years. The fiscal year 2003 request includes the increased cost of pensions, CSRS and FEHB, rent, equipment and related services for the former Presidents.

BUDGET AUTHORITY \$(Thousands)

	FY 2001 Actual	FY 2002 Current	FY 2003 Request	FY 02 - FY 03 Change
Former Presidents	\$2,433	\$3,292	\$3,441	+\$149
Accrual for CSRS/FEHB	-90	-96	-102	-6
Total Budget Authority	\$2,343	\$3,196	\$3,339	+\$143
Net Outlays	\$2,400	\$3,148	\$3,329	+\$181

EXPLANATION OF ESTIMATES

The fiscal year 2003 Budget request reflects a net increase of \$149 thousand above the comparable amount for fiscal year 2002. The net increase of \$149 thousand consists of: (1) a \$6 thousand increase in the CSRS/FEHB accrual; (2) an increase of \$24 thousand for Former President Ford, providing \$4 thousand for increased pension costs, \$2 thousand for increased rent, \$2 thousand for increased costs of goods and services, and \$16 thousand for additional funds required for goods and services; (3) a net decrease of \$24 thousand for Former President Reagan, consisting of \$4 thousand for increased pension costs, \$2 thousand for increased cost of goods and services, and \$7 thousand for additional funds required for goods and services offset by a

reduction of \$37 thousand for fiscal year 2002 funding of moving and initial space alterations costs; (4) a net increase of \$51 thousand for Former President Bush, providing \$4 thousand for increased pension costs, \$5 thousand for increased rent, \$12 thousand for Internet service, \$28 thousand for telephone equipment replacement, \$20 thousand for information technology support, and \$2 thousand for increased cost of goods and services; offset by a reduction of \$20 thousand provided in fiscal year 2002 for computer and related equipment purchases; and (5) a net increase of \$92 thousand for Former President Clinton, providing \$4 thousand for increased pension costs, \$82 thousand for increased rent, and \$6 thousand for increased cost of goods and services.

**General Services Administration
ALLOWANCES AND OFFICE STAFF FOR FORMER
PRESIDENTS**

EXPLANATION OF BUDGET CHANGES IN PRIORITY ORDER APPROPRIATION \$(Thousands)	
Enacted FY 2002 Budget	\$3,196
Accrual for Civil Service Retirement and Federal Employee Health Benefits	96
Adjusted FY 2002 Enacted Budget	\$3,292
Decreases:	
FY 2002 Computer Equipment Upgrade for Former President Bush	-20
FY 2002 Initial Space Alterations for Former President Reagan.....	-37
Other Services decrease to offset pension increase for Former President Carter.....	-4
Increases:	
FY 2003 Pension increase	20
Increase to Accrual for Civil Service Retirement and Federal Employee Health Benefits	6
Increased cost of goods and services	12
Rent increases for Former Presidents.....	89
Additional funds required for goods and services	23
Information Technology Support for Former President Bush	20
Internet Service for Former President Bush	12
Telephone Equipment Replacement for Former President Bush.....	28
FY 2003 Appropriation Request (Includes CSRS/FEHB Accrual)	\$3,441
Less Accrual for Civil Service Retirement and Federal Employee Health Benefits.....	-102
FY 2003 Total (Excludes CSRS/FEHB Accrual)	\$3,339

General Services Administration
ALLOWANCES AND OFFICE STAFF FOR FORMER
PRESIDENTS

OBLIGATIONS BY OBJECT CLASS \$(Thousands)			
	FY 2001 Actual	FY 2002 Current	FY 2003 Request
11.8 Special personnel service payments	<u>402</u>	<u>534</u>	<u>534</u>
11.9 Total personnel compensation	402	534	534
12.1 Civilian personnel benefits	191	241	247
13.0 Benefits for former personnel	776	855	875
21.0 Travel and transportation of persons	70	182	184
23.1 Rental payments to GSA	675	875	964
23.3 Communications, utilities, and misc.	137	177	187
24.0 Printing and reproduction	12	44	51
25.2 Other services	122	226	209
26.0 Supplies and materials	40	70	74
31.0 Equipment	8	88	116
99.9 Comparable Program (Includes CSRS/FEHB Accrual)	2,433	3,292	3,441
12.1 Less Accrual for Civil Service Retirement and Federal Employees Health Benefits	-90	-96	-102
99.9 Total (Excludes CSRS/FEHB Accrual)	2,343	3,196	3,339

GENERAL SERVICES ADMINISTRATION
ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

	FY 2003 REQUEST						
	FORMER PRESIDENTS						
	\$(000)						
	FORD	CARTER	REAGAN	BUSH	CLINTON	WIDOWS	TOTAL
Personnel Compensation.....	96	96	96	96	150	0	534
Personnel Benefits.....	40	6	41	64	96	0	247
Benefits for Former Presidents.....	170	170	170	170	175	20	875
Travel.....	50	2	16	58	58	0	184
Rental Payments to GSA.....	112	102	140	174	436	0	964
Communications, Utilities and Miscellaneous charges							
Telephone.....	25	25	17	14	29	0	110
Postage.....	9	20	10	14	22	2	77
Printing.....	6	5	13	12	15	0	51
Other Services.....	14	67	20	26	82	0	209
Supplies & Materials.....	11	6	21	11	25	0	74
Equipment.....	4	9	3	64	36	0	116
Appropriation Request.....	537	508	547	703	1,124	22	3,441
Less Accrual for CSRS/FEHB.....	-16	0	-17	-29	-40	0	-102
Total	521	508	530	674	1,084	22	3,339



ELECTRONIC GOVERNMENT FUND

General Services Administration ELECTRONIC GOVERNMENT FUND

MISSION

This program will support interagency “electronic government” or “e-gov” initiatives, i.e., projects that will use the Internet or other electronic methods to provide individuals, businesses, and other government agencies with simpler and more timely access to Federal information, benefits, services, and business opportunities. The program will also further the Administration’s implementation of the Government Paperwork Elimination Act (GPEA) of 1998, which calls upon agencies to provide the public with optional use and acceptance of electronic information, services, and signatures, when practicable, by October 2003. E-gov initiatives will eliminate duplicative systems and unify agency information around customers.

The request will lead to savings compared to old system investments and provide a base to build a citizen centric government. E-gov will simplify and unify government systems, and allow the public to have 24-hour access to government information and services. Proposals for funding will be required to meet capital planning guidelines and include adequate documentation to demonstrate a sound business case, attention to security and privacy, and a way to measure performance against planned results. A detailed spending plan including a list of proposed projects will be provided to the Committees on Appropriations.

BUDGET AUTHORITY \$(Thousands)

	FY 2001 Actual	FY 2002 Current	FY 2003 Request	FY 2002 - FY 2003 Change
Direct Program	0	\$5,000	\$45,000	+\$40,000
Total Budget Authority	0	\$5,000	\$45,000	+\$40,000
Net Outlays	0	\$4,500	\$40,850	+\$36,350

EXPLANATION OF ESTIMATES

In fiscal year 2002, \$5,000 thousand was appropriated for the Electronic Government Fund. The fiscal year 2003 budget request reflects an increase of \$40,000 thousand over the amount for fiscal year 2002 for a total of \$45,000 thousand.

**General Services Administration
ELECTRONIC GOVERNMENT FUND**

EXPLANATION OF BUDGET CHANGES APPROPRIATION \$(Thousands)	
FY 2002 Appropriation	\$5,000
Electronic Government Fund	+40,000
FY 2003 Budget Request	\$45,000

OBLIGATIONS BY OBJECT CLASS \$(Thousands)			
	FY 2001 Actual	FY 2002 Current	FY 2003 Request
Personnel Compensation:			
11.1 Full-time permanent	0	0	0
11.3 Other than full-time permanent	0	0	0
11.5 Other personnel compensation	0	0	0
11.9 Total personnel compensation	0	0	0
12.1 Civilian personnel benefits	0	0	0
21.0 Travel and transportation of persons	0	0	0
23.1 Rental payments to GSA	0	0	0
23.3 Communications, utilities and miscellaneous charges	0	0	0
24.0 Printing and reproduction	0	0	0
25.2 Other services	0	5,000	45,000
25.3 Purchases of goods and services from Government Accounts	0	0	0
26.0 Supplies and materials	0	0	0
31.0 Equipment	0	0	0
99.0 Subtotal direct obligations	0	5,000	45,000
99.0 Reimbursable obligations	0	0	0
99.9 Total obligations	0	5,000	45,000



INSPECTOR GENERAL

General Services Administration

OFFICE OF INSPECTOR GENERAL

MISSION

The Office of Inspector General (OIG) was established by the Inspector General Act of 1978 as an independent unit, charged with responsibility for promoting economy, efficiency, and effectiveness and detecting and preventing fraud, waste, and mismanagement in GSA's programs and operations. This is accomplished primarily through a comprehensive, nationwide audit and investigative program covering GSA's internal operations and external contractors.

The OIG's primary operational components consist of the following:

Office of Audits: A multidisciplinary staff of analysts, financial and performance auditors, and technical experts who provide audit coverage of GSA's internal operations and external contractors.

Office of Investigations: An investigative unit that manages a nationwide program to detect and prevent illegal and improper activities involving GSA programs, operations, and personnel.

Office of Counsel: An in-house legal staff that provides advice and assistance to all OIG components, represents the OIG in connection with audits and investigations, and in litigation arising out of or affecting OIG operations, and handles legislative matters.

Office of Administration: A multidisciplinary staff that provides budget, personnel, computer, and other administrative support services.

Internal Evaluation Staff: A staff that directs an in-house assessment program, including field office appraisals, and is responsible for internal affairs reviews of OIG operations.

Role of the OIG

The OIG's mission provides a unique ability to objectively evaluate GSA's operations, and assists the Agency in incorporating the results of those evaluations into GSA's policy-making processes. We will increasingly focus our efforts on assisting the GSA to bring about positive change in the performance, accountability, and integrity of Agency programs and operations that will ultimately provide enhanced benefits to the taxpayers as well as an increase in the public trust. We will assist the GSA in adopting business-like practices, streamlining its organizations, cutting overhead and unnecessary costs, and reengineering its work processes to deliver quality goods and services to its customers. The OIG will also assist the GSA by identifying and mitigating vulnerabilities, particularly those resulting from changes in its methods of doing business and from changing legal and administrative requirements, in an effort to maximize support provided to GSA as it continues to transform.

During FY 2001, we updated and revised our strategic plan and made related changes to performance measures to better align our activities with the Agency and to enhance our performance reporting.

Following are our strategic goals:

Strategic Goal No. 1: Identify opportunities for increased economy and efficiency in Agency programs and operations; assist management by recommending appropriate management improvements; and ensure that GSA programs provide optimum value for the taxpayers.

Strategic Goal No. 2: Protect the integrity of GSA programs and operations by preventing, detecting, and responding to waste and wrongdoing.

General Services Administration

OFFICE OF INSPECTOR GENERAL

Strategic Goal No. 3: Formalize our human capital strategy and align that strategy to better support our mission and goals.

Strategic Goal No. 4: Enhance our organizational performance.

ACTIVITIES

The OIG will accomplish its mission by several methods:

- 1) Conducting independent audits of GSA's programs, systems, and internal operations to identify opportunities for improvement;
- 2) Conducting independent audits of GSA's contractors to ensure GSA and the Federal customers are getting the best value for the taxpayers' dollars;
- 3) Providing consulting, benchmarking, and other proactive initiatives to help the Agency improve its operations;
- 4) Conducting investigations of GSA's programs and operations when circumstances indicate potential fraud, criminal activity, or mismanagement;
- 5) Working with Congress, OMB, and GSA management to identify and implement program improvements by leveraging our knowledge and expertise to evaluate and refine GSA-related legislative, regulatory, and other policy initiatives;
- 6) Working with GSA management and employees to ensure that appropriate internal controls and measures are in place to help optimize the performance of GSA's mission; and
- 7) Working with GSA managers and employees to increase their knowledge and awareness of fraud to help reduce and prevent its occurrence in GSA's programs and operations.

BUDGET IN SUMMARY

The Office of Inspector General request of \$39,587 thousand in direct appropriation supports 302 FTE for FY 2003, and reflects an increase of \$1,351 thousand above the comparable amount of \$38,236 thousand for fiscal year 2002. The increase of \$1,351 thousand consists of: (1) \$1,060 thousand for increased pay costs; (2) \$211 thousand for increased common information technology infrastructure costs; and (3) \$80 thousand for the Civil Service Retirement and Federal Employee Health Benefits accrual.

In FY 2003, the OIG will provide audit and investigative services across the broad spectrum of GSA's activities. We will continue to commit substantial audit resources to program evaluations of GSA's major programs; reviews of GSA's major information systems and related security issues; financial statement and accountability reviews; and statutorily required reviews. We will focus our investigative efforts on detecting and preventing fraudulent activity in GSA's procurement, contracting, property disposal, leasing activities, and identifying program vulnerabilities.

Approximately 91% of the OIG's staff resources will be devoted directly to our audit and investigative efforts; 63% to our audit program; 25% to our investigative efforts; and 3% to the Office of Counsel for direct support of both audits and investigations. The remaining resources are for administrative, personnel, and information technology systems support.

General Services Administration

OFFICE OF INSPECTOR GENERAL

The OIG will continue to seek better ways to provide high-level service to GSA by: identifying and implementing internal steps to improve, eliminate, and reduce our administrative processes; using state-of-the-art computer capabilities; addressing our human capital needs; and focusing on customer service and satisfaction.

KEY FACTORS AFFECTING THE OFFICE OF INSPECTOR GENERAL'S FY 2003 BUDGET REQUEST

BACKGROUND

The OIG has evolved from a predominantly compliance and reactive type of organization to one that addresses systemic issues, performs broader scope GSA program and information systems reviews, provides advice and assistance to management, and focuses on high-impact investigative cases. While not losing sight of our primary mission of protecting against waste, fraud, and abuse, we have altered our focus to be an agent of positive change and help GSA achieve its goals.

Our long-term approach involves many integrated initiatives, such as: improving our methodologies for performing programmatic and other types of reviews and investigations; expanding the types of services we offer our customers; and improving our technical capabilities. We have established a systems audit staff, implemented better strategic and audit planning, improved communications within our own organization and with management, and instituted many other initiatives to better our operations.

Our actions have produced positive results within a short period. For example, our reports to Congress for the past several years have documented many positive changes identified by our audits and implemented by GSA; customer surveys show that our products and services meet

management's needs and add value; and the requests for audit services from management, the Congress, and OMB are increasing. Our audits and investigative efforts have resulted in identifying and mitigating numerous systemic problems and fraud schemes involving GSA's programs and operations. The benefits from our initiatives will continue to grow.

However, rising salary and inflation costs, the expanding range of skills needed by our professional staff, and the enhanced technical environment in which we work, will make it more difficult to accomplish our mission objectives within current funding ceilings. Following are highlights of our office's initiatives and performance measures with related budgetary requirements. We have also delineated some of the impediments that hinder our mission accomplishments and their budget (resource) implications.

INITIATIVES AND RESOURCE DEMANDS Office of Audits

The OIG has become a force for positive change within GSA by repositioning itself to provide more value-added services to our clients. We work with the Agency, on a continuing basis, to develop our own expertise in business lines. This enables us to understand the complex issues and challenges faced by program officials, to undertake evaluations in the context of specific programs, and to facilitate resolution. For several years, we have been assisting GSA in identifying opportunities for improvement through benchmarking and best practice reviews. We are also working with management to improve program data integrity. Our application of team concepts and streamlined operating methods, and our use of advanced technology allow us to expedite the transmission of important information to managers for decision-making. These efforts complement our more traditional responsibilities of safeguarding the

General Services Administration

OFFICE OF INSPECTOR GENERAL

integrity and ensuring accountability of Agency resources and operations.

Our office has been successful in fostering clear lines of communication with all of our stakeholders. We maintain an ongoing dialogue with the Congressional oversight committees and OMB. We work closely and exchange information with GSA managers and personnel. To enhance our understanding of GSA's programs and initiatives and to improve our annual planning process, we have established contacts with GSA officials in each of the major Services and Staff Offices.

In addition to our traditional services in the areas of management and systems control reviews as well as selected reviews of GSA's multi-million dollar contract programs, we will continue to focus our resources on large scale program reviews, consulting services, Information Technology (IT) system reviews, and financial reviews.

1. **Program Reviews:** These reviews produce formal audit reports that provide GSA management with an independent assessment of whether or how well a program is meeting its mission and identify specific areas where program outcomes can be improved. Program reviews have been a staple of our organization for the past several years and we are constantly refining and improving our approaches. We now focus on program goals and results, and how the program officials measure their successes. We provide managers with optional solutions to issues when appropriate. We expect to continue to direct resources to this area.
2. **Consulting Services:** The OIG plays a unique and critical role in providing GSA and the Congress with independent analyses of various reform initiatives. This activity provides managers with a ready source of professional services to

help address specific issues, conduct research, or perform options analysis. These services are performed with a quick response and are advisory in nature. We have been increasingly called upon to serve as consultants through our advisory and best practice reviews, task force participation, and benchmarking studies. Benchmarking and best practice reviews collect information on what the private sector and other Government organizations consider best practices. These reviews help GSA gauge how well it is performing similar services or functions, and identify opportunities for improvement. We fully expect this valuable service will continue at current or enhanced levels for the long term.

3. **Information Technology and Systems Reviews:** Information Technology (IT) in GSA is expanding exponentially and impacts all aspects of business operations. GSA relies on its automated information systems to perform its mission and manage its operations. Many of these systems store sensitive information such as personal employee data and contractors' proprietary information. The Office of Audits faces the challenge of performing the necessary reviews in the areas of IT, systems, and telecommunications. We established an Information Technology Audit Office, in FY 1998, with a staff of 6 FTE. The mission of this organization is to identify the IT workload in GSA, establish an OIG presence in this critical and growing area, and to develop the technical expertise to perform these complex reviews. We expanded the IT Audit Office in FY 2002, and now dedicate 12 FTE to perform IT, and systems review work. However, our capabilities in IT and systems must continue to grow. GSA has an extensive IT universe with over 80 major automated information systems, many smaller systems, and hundreds of local area networks. GSA's IT universe also dic-

General Services Administration

OFFICE OF INSPECTOR GENERAL

tates that we must apply more audit resources to systems development efforts and to security issues associated with operating GSA systems and networks. In addition, the Government Information Security Act of 2000 requires Inspector Generals to conduct independent annual evaluations of their agencies' information security programs. Finally, we must address local, long distance, voice, data, and other issues associated with telecommunications. The fundamental changes IT has brought to the way GSA does business will require a corresponding increase in our technical and other training for existing and new staff associated with this effort. IT applications are fast becoming the mainstay of all Agency business and the entire audit staff needs to develop and enhance technology skills to keep up. Only a few members of the audit staff currently possess sufficient IT knowledge and skills to do this work.

- 4. Financial and Regulatory Requirements:** The passage of the Chief Financial Officers Act in 1990 has had a significant impact on our operations. Even before passage of this Act, the OIG and GSA arranged for the audit of GSA's financial statements by an independent public accounting firm (IPA). However, the time, effort, and expertise required to administer the audit of the financial statements has grown substantially: new legislation and complex accounting and auditing policies must be analyzed; efforts to assist GSA management in working through associated issues have grown; and time needed to address audit issues related to the audit of the Governmentwide consolidated financial statements has increased. Moreover, we see a need for the OIG to evaluate the more detailed workings of GSA's financial activities and perform analyses of its major accounts. While we are very proud that GSA's financial statements have

consistently achieved clean opinions, these approvals are at the higher levels of financial reporting. We believe there are opportunities to enhance the efficiencies of operations and accountability of assets at the other levels of reporting. To this end, we seek to increase the numbers of evaluations of GSA major individual financial accounts and major financial subsystems. In addition, there are new and increasing requirements imposed on our office due to the Government Performance Results Act (GPRA) and other legislation. These issues require that we have sufficient staff with the financial background and expertise to perform the necessary reviews. Although the work accomplished by the IPA and our office fulfills the financial and regulatory requirements imposed upon our office, we do not have the staff necessary to conduct thorough analyses of major GSA accounts, such as the Federal Buildings Fund and the Information Technology Fund. We intend to enlarge our financial audit group, by shifting existing resources, over the next several years to keep up with the increasing demands. As in the information technology area, we must expand our financial and technical systems training and hire new staff to accomplish our goals.

General Services Administration

OFFICE OF INSPECTOR GENERAL

We will continue to offer our traditional audit services in the following areas:

1. **Management Control Reviews:** The Office of Audits will continue to test management controls built into programs and systems to ensure they function as intended and provide reasonable safeguards over assets. We believe control systems are becoming more important in an evolving work environment which calls for fewer supervisors, more decentralization of authority, and more individual empowerment. We will work closely with management to share our expertise in internal controls throughout GSA.
2. **Contract Auditing:** As the central civilian-procuring agency within the Federal Government, GSA annually awards billions of dollars in contracts for goods and services. The OIG will continue to support the contract program. When appropriate, we will audit vendors' records and develop financial information needed by GSA's contracting officers to negotiate favorable pricing arrangements. Even though the number of contract actions is decreasing as GSA moves to implement new initiatives such as extending contracts for longer periods, the dollar volume of the contract program is increasing. We anticipate that for FY 2003, our monetary recoveries will remain consistent with FY 1999 - FY 2001 levels: \$150 – \$200 million in recoveries and cost avoidances.

Office of Investigations

The Office of Investigations is responsible for conducting criminal, civil, and administrative investigations nationwide. It is the OIG's fully accredited Federal law enforcement component and provides expert investigative services to GSA, the Department of Justice, United States Attorneys' offices throughout the country, and other Federal and state agencies. The Office of Investigations will continue to enhance its ability to react to changing crime patterns that threaten GSA programs and operations by such innovative techniques and initiatives as those described below.

1. **Investigative Techniques:** The OIG has been steadily increasing its use of enhanced investigative techniques - body-wires, electronic monitors, and covert video surveillance - in our investigations. Our enhanced ability to present prosecutors, courts, and defendants with audio and videotapes of violations, in many instances, has led to more pleas and cooperation. Our expertise in the use of such electronic surveillance has led to our participation and leadership in multi-agency investigations involving the FBI, Secret Service, Postal Service, and Department of Defense, among others. This success creates new resource demands, physical and monetary, due to added costs of specialized equipment and training of approximately \$20,000 per year. These new demands have returned real dividends in the identification of public corruption schemes, costing taxpayers millions of dollars, crossing Agency and Federal-state jurisdictional lines.
2. **Seizure of Computer Evidence:** The Government's increasing dependence on computers has created new challenges to law enforcement. Seizing computerized evidence is a complex and specialized endeavor. It requires extensive

General Services Administration

OFFICE OF INSPECTOR GENERAL

training and expensive equipment in a constantly changing environment. The Office of Investigations has seen a dramatic rise in its need for trained computer evidence recovery specialists. Previously, we relied on other agencies to perform this function. However, because of the increasing demand for this specialized ability and the need for immediate access to such resources to recover evidence of contract fraud, bribery, extortion, computer systems misuse, and security breaches, we have had to develop our own capabilities. Accordingly, we have launched an effort to train a core group of Seized Computer Evidence Recovery Specialists within our Office of Investigations. To date, we have started to train five special agents as specialists and anticipate beginning training for three additional agents. Our goal is to have all eight special agents trained by 2006. The annual budget to support this program is anticipated to run as high as \$200,000.

3. **Sourcing:** We are constantly working to identify areas within GSA's programs and operations that are vulnerable to fraud. This includes coordinating efforts with our law enforcement counterparts, as well as with Agency and industry representatives. We proactively review GSA's programs and contracts for vulnerabilities or indications of fraud. Approximately 7% of our resources will be spent in this area. At this time, we have targeted electronic fraud and computer related crimes such as computer intrusion, telecommunications fraud, and credit card fraud. We are working closely with GSA management, industry representatives, and other Federal agencies to meet these needs.

4. **Electronic Crimes:** Fraud is more frequently being perpetrated via the use of computers. The Office of Investigations has seen a rise in our investigations of telecommunications fraud utilizing computers and access devices. We are currently engaged in cooperative investigations with the Secret Service and the telecommunications industry involving fraudulent access to Government communications systems, including hackers gaining access to key telecommunications switches. Both GSA and the industry are moving further into the arena of computerized contract awards using electronic signatures and the Internet. As GSA moves deeper into electronic commerce, more crimes will be perpetrated via this medium. We anticipate there will be increased incidents of electronic forgeries and fraudulent data submissions from vendors. Computer manipulation of sales data will become an issue, as many GSA contracts involve rebates or industrial funding fees. Also, credit card frauds are being perpetrated with the use of computers and computerized databases. We are currently performing investigations associated with the fraudulent use of Government issued credit cards, calling cards, identity theft, and use of the Internet to defraud the Government and potential customers. We continue to work closely with other agencies and the industry in these investigations.

IMPEDIMENTS TO MISSION ACCOMPLISHMENT

1. **Staff Development and Training:** The changed business and workforce environments confronting the OIG require that we revise how we do business, re-focus and re-tool our operations, and try to do more with less. The continuing problems with filling vacancies plus the increased demand for computer knowledge, financial management and ac-

General Services Administration

OFFICE OF INSPECTOR GENERAL

counting skills, and the need for specialized investigative skills, has created a pressing need for significant staff development and training.

Office of Audits: We have an extremely urgent need to expand our technological and financial audit capabilities. In addition, we are faced with an aging workforce. Over 90% of our most senior grade managers (GS15s) in the Office of Audits were eligible to retire by the end of FY 2001. Also, over 60% of our second level managers and a growing number of auditors and analysts (GS-14s and below) are either eligible or will be eligible to retire by the end of FY 2002. Because of a decade of low recruitment, we have few staff members ready to backfill these positions. To address this issue, we started hiring at entry level, with some supplemental hiring at the journeyman and supervisory levels. We are experiencing significant difficulty in hiring at both levels because of the current tight job market for people with strong computer science, information systems, and accounting skills; the added requirements imposed on accountants by the American Institute of Certified Public Accountants; and the increasing salary demands of people with needed skills. This forced us to revise our approach. While we continue to hire accounting, computer science, and information systems majors for certain critical needs, we are now hiring most of our audit staff with degrees in general business or liberal arts. However, this has required supplementing their skills with technical training in addition to the entry-level training needed to develop a journeyman auditor. Due to our aging workforce, we are providing more supervisory training for our journeyman staff in anticipation of senior staff losses over the next few years. Accordingly, our training costs for FY 2003 will be extensive to cover technical, developmental, and

supervisory training. Finally, our “on-the-job training” costs continue to grow as we hire new staff. It is expected that our training requirements will continue to increase for the next several years.

To increase efficiency and reduce storage costs, we are implementing an electronic work paper package in all of our audit offices. Between \$50,000 and \$60,000 of our training dollars were required to train all of our staff members in this application.

Office of Investigations: The Office of Investigations has successfully reorganized to zonal offices, shifted to a more streamlined change of command, and reduced the number of managers and Central Office employees. This resulted in management and support FTE's being reallocated to special agent positions in the field offices. However, because of retirements and staff reductions we have been left with a very young and comparatively inexperienced investigative workforce. For example, approximately 30% of our special agents have been in their positions less than two years. Therefore we are faced with having to devote considerable resources to quickly develop these agents.

Additionally, the dramatic increase in the need for agents specifically trained in the seizure and collection of evidence from computer systems has made it necessary to initiate the Seized Computer Evidence Recovery Specialist (SCERS) training program. We have also seen a rise in the need for our agents to assume undercover roles to perform investigations. Undercover operations require highly specialized training, both for the agents involved and for those responsible for managing the investigations and assuring their safety. To meet these needs we are going to expand our undercover training program. We fore-

General Services Administration

OFFICE OF INSPECTOR GENERAL

see the need for increased training expenditures due to these specialized investigative requirements. Aggregate training costs for the Office of Investigations approaches \$1 million per year.

- 2. Travel Costs:** The downsizing and reorganization we have undergone during the past few years has resulted in additional travel to ensure proper audit and investigative coverage. We perform national program reviews and other audits, as well as nationwide investigations, using teams staffed with auditors and investigators from various parts of the country. This inter-regional team approach is necessary to sufficiently staff, train, and provide expertise on our more complex and large projects. The team approach and the need to perform our contract and other work effectively by going to where the work is, has caused a significant increase in our job-related travel. In addition, the increase of hotel and per diem rates, plus the recent practice of travel agencies adding service surcharges ranging up to 10%, will continue to cause a significant increase in our travel costs. We expect these costs to continue to increase in FY 2003 and beyond.

- 3. Other Support Costs**

Increased Salary and Other Support Costs - Having to absorb increases in training and travel costs, as well as pay, and goods and services within current funding ceilings will make it more difficult to both maintain our current level of operations and expand our capabilities to meet the increasing demand for our services. For example, benefit rates for the OIG have increased from 20% in FY 1999 to 23.3% in FY 2001. This represents an increase of approximately \$600,000 within a two-year period. For FY 2003 we anticipate further increases

in our actual benefit rates due to the increased hiring of FERS employees coupled with the retirements of CSRS employees.

Computer Infrastructure Support

Costs: GSA's increased use of the Internet for its daily business transactions and systems applications has resulted in a significant increase in infrastructure traffic. This, in turn has resulted in increases in Local and Wide Area Networks, electronic messaging, maintenance and equipment charges, as well as increases in systems software support and site licensing fees. These increased costs are distributed to GSA's components including the OIG. An additional \$211 is requested for FY 2003 to offset these increased costs.

Staff Relocations: Because of the loss of experienced audit and investigative staff due to retirements and general attrition, we have had to relocate various staff members to different geographic locations. We anticipate additional relocations resulting from the expected future loss of our senior level and managerial staff members.

General Services Administration OFFICE OF INSPECTOR GENERAL

SELECTED OIG PERFORMANCE MEASURES AND GOALS

Following are selected OIG performance measures and goals for the initiatives described above and for the related demand and shift in resource allocations.

Allocation of OIG resources

Allocation of resources to OIG Major components						
	FY2001		FY2002		FY2003	
	\$000	FTE	\$000	FTE	\$000	FTE
Audits	\$19,102	166	\$23,726	183	\$24,544	188
Investigations	8,958	67	9,195	74	9,500	74
Counsel of the IG Internal Evaluation Administration (Office of the IG)	7,824	39	5,315	40	5,543	40
Comparable Direct Program (Includes CSRS/FEHB accrual)	\$35,884	272	\$38,236	297	\$39,587	302
Less Accrual for CSRS/FEHB	-1,753		-1,890		-1,970	
Totals (Excludes CSRS/FEHB accrual)	\$34,131	272	\$36,346	297	\$37,617	302

Note: The OIG allocated resources includes the Accrual for Civil Service Retirement and Federal Employee Health Benefits in all fiscal year for comparability purposes.

Goal # 1 - Refocus the allocation of Office of Audit resources from contract audit issues to more internal GSA program and operational issues. (Strategic Goals 1 and 2)

	FY 1995 Baseline		FY 2001		FY 2002		FY 2003	
	%	(\$Mil)	%	(\$Mil)	%	(\$Mil)	%	(\$Mil)
Contract Audits	50%	\$10.2	24%	\$5.1	23%	\$5.0	20%	\$3.9
Internal Audits	50%	\$10.2	76%	\$16.1	77%	\$16.8	80%	\$15.7

General Services Administration OFFICE OF INSPECTOR GENERAL

Goal # 2 - Shift internal audit resources from reviews that focus on compliance with regulations to reviews that focus on assisting GSA achieve its program goals. (*Strategic Goals 1 and 2*)

	FY 1995 Baseline		FY 2001		FY 2002		FY 2003	
	%	(\$Mil)	%	(\$Mil)	%	(\$Mil)	%	(\$Mil)
Program	40%	\$4.1	44%	\$7.1	41%	\$6.9	43%	\$6.7
Consulting	N/A*		12%	\$1.9	12%	\$2.0	10%	\$1.5
IT Systems	N/A*		14%	\$2.3	14%	\$2.4	15%	\$2.4
Financial	9%	\$.9	10%	\$1.6	11%	\$1.8	12%	\$1.9
Subtotal Noncompliance	49%	\$5.0	80%	\$12.9	78%	\$13.1	80%	\$12.5
Compliance	51%	\$5.2	20%	\$3.2	22%	\$3.7	20%	\$3.1
*Did not exist in FY 1995								

Shift OIG investigative resources to high impact cases. (*Strategic Goal #2*)

The Office of Investigations will direct its investigative resources to issues having the most potential identifiable impact on the efficiency, effectiveness, and integrity of GSA programs and operations. Approximately 80% of our resources will continue to be directed to Class I investigations which include monetary losses over \$250,000, suspensions involving contracts over \$250,000, health and safety issues, employee corruption, and integrity issues involving GS-15s or above. Class II and III investigations are criminal/civil investigations involving the integrity of GSA functions, which do not meet the thresholds defined above.

	FY 2001		FY 2002		FY 2003	
Class I	\$4.3 Mil	80%	\$4.3 Mil	80%	\$4.3 Mil	80%
Class II & III	\$1.1 Mil	20%	\$1.1 Mil	20%	\$1.1 Mil	20%

Increase the percentage of audits that have a positive impact on GSA operations by identifying appropriate management improvements to insure GSA meets its strategic goals and its programs, which will provide optimum value to the American taxpayer. (*Strategic Goal 1*)

Increase the percentage of audits having a positive impact on GSA operations to 70% by 2004.

	FY 2001	FY 2002	FY 2003
Percent of Audits	60%	61%	65%
Cost of Audits for Goal #1	\$10.1 Mil	\$11.1 Mil	\$12.6 Mil

General Services Administration OFFICE OF INSPECTOR GENERAL

Increase the percent of audit reports issued that have a positive impact on protecting the integrity of GSA programs during a period of changing vulnerabilities and changes in Government. (Strategic Goal 2)

	FY 2001	FY 2002	FY 2003
Percent of Audits	49%	49%	60%
Cost of Audits for Goal #2	\$9.3 Mil	\$9.3 Mil	\$11.2 Mil

Improve the quality of our audit products and services, and ensure that they add value to GSA's ability to become a more competitive, effective, and customer responsive organization. (Strategic Goal 3)

Improve the assessments from our customer surveys of the overall quality of our reports so that they reach a level of 4.5 on a scale of 1 to 5 for both contract and internal audits by 2004.				
	FY 1996 Baseline	FY 2001	FY 2002	FY 2003
Contract Audits	3.7	4.4	4.5	4.5
Internal Audits	3.4	4.3	4.4	4.4

Training - Train the audit staff and develop the expertise needed to perform the types of reviews that best serve our clients' needs and allow us to meet our mandated requirements. (Strategic Goals - All)

Increase the percentage of resources devoted to both on-the-job and formal classroom training.				
	FY 2001	FY 2002	FY 2003	
Training Allocation	\$1.2 Mil	\$1.5 Mil	\$1.8 Mil	
Percent of Budget	6%	6.7%	6.8%	

Training - Train inexperienced investigators and develop computer seizure (SCERS) and undercover training. (Strategic Goals - All)

Because of the continuing renewal of the Office of Investigations, we are training a workforce consisting of over 60% inexperienced investigators. To provide the quality products we demand, we will invest approximately 10% of our investigative resources in training. This training includes formal investigative, defensive, and other training related to the performance of our duties. (Dollars in thousands)				
	FY 2001	FY 2002	FY 2003	
Training Allocation	\$700	\$800	\$900	
Percent of Budget	8%	9%	8.6%	

General Services Administration OFFICE OF INSPECTOR GENERAL

Travel - Ensure that the OIG has sufficient travel money available to perform all necessary audit and investigative work and to attend the necessary training to develop our staff. (Strategic Goals - All)

Increase the amount of audit and investigative resources available for necessary travel (operational needs, training, etc.). (Dollars in thousands)			
	FY 2001	FY 2002	FY 2003
Office of Audits	\$1,000	\$1,100	\$1,200
Percent of Budget	4.8%	4.9%	5.2%
Office of Investigations	\$300	\$325	\$335
Percent of Budget	3.4%	3.8%	3.2%

BUDGET AUTHORITY \$(Thousands)

	FY 2001 Actual	FY 2002 Current	FY 2003 Request	FY 02/03 Change
Direct Program				
Basic Program	35,884	38,236	39,587	+1,351
Less Civil Service Retirement and Federal Employee Health Benefits	-1,753	-1,890	-1,970	-80
Total Direct Program	34,131	36,346	37,617	+1,271
Reimbursable Program	0	150	150	0
Net Outlays	34,262	36,232	37,541	+1,309
Employment (FTE)	272	297	302	+5

EXPLANATION OF ESTIMATES

The fiscal year 2003, Office of Inspector General budget request of \$39,587 thousand provides for an increase of \$1,351 thousand over the comparable fiscal year 2002 amount of \$38,236 thousand,; consisting of: (1) \$1,060 thousand for increased pay costs;

(2) \$211 thousand for increased costs of GSA-wide common information technology infrastructure costs; (3) \$80 thousand for the Accrual for Civil Service Retirement and Federal Employee Health Benefits; and (4) an increase of five FTE for the Information Technology Audit Office.

**General Services Administration
OFFICE OF INSPECTOR GENERAL**

EXPLANATION OF BUDGET AUTHORITY CHANGES IN PRIORITY ORDER APPROPRIATION \$(Thousands)	
	\$
Enacted FY 2002 Budget	\$36,346
Accrual for Civil Service Retirement and Federal Employee Health Benefits	1,890
Adjusted FY 2002 Enacted Budget	\$38,236
Pay Increases	1,060
Increased Common Information Technology Infrastructure Costs	211
Information Technology - Audit Office	0
Increase to Accrual for Civil Service Retirement and Federal Employee Health Benefits	80
FY 2003 Appropriation Request (Includes CSRS/FEHB Accrual)	\$39,587
Less Accrual for Civil Service Retirement and Federal Employee Health Benefits	-1,970
FY 2003 Total (Excludes CSRS/FEHB Accrual)	\$37,617

General Services Administration
OFFICE OF INSPECTOR GENERAL

OBLIGATIONS BY OBJECT CLASS				
\$(Thousands)				
		FY 2001	FY 2002	FY 2003
		Actual	Current	Request
Personnel Compensation:				
11.1	Full-time permanent	16,610	18,532	19,230
11.5	Other personnel compensation	3,472	3,053	3,268
11.9	Total personnel compensation	20,082	21,585	22,498
12.1	Civilian personnel benefits	6,561	6,610	6,745
21.0	Travel and transportation of persons	1,172	1,400	1,509
21.0	Motor Pool	100	87	87
22.0	Transportation of things	39	60	60
23.1	Rental payments to GSA	2,597	2,800	2,800
23.3	Communications, utilities and miscellaneous charges	316	300	300
24.0	Printing and reproduction	171	90	90
25.2	Other services	1,109	1,289	1,513
25.3	Purchases of goods and services from Government Accounts	2,533	3,310	3,280
26.0	Supplies and materials	181	205	205
31.0	Equipment	1,023	500	500
99.0	Comparable Direct Program (Includes CSRS/FEHB Accrual)	35,884	38,236	39,587
12.1	Less Accrual for Civil Service Retirement and Federal Employee Health Benefits	-1,753	-1,890	-1,970
99.0	Total (Excludes CSRS/FEHB Accrual)	34,131	36,346	37,617
99.0	Reimbursable obligations	0	150	150
99.9	Total Direct & Reimbursable (Excludes CSRS/FEHB Accrual)	34,131	36,496	37,767

General Services Administration

OFFICE OF INSPECTOR GENERAL

THE FY 2003 PERFORMANCE PLAN

The OIG will increasingly focus its efforts in areas intended to enhance the management and overall performance of GSA and will increasingly align its activities so that they more directly support the strategic goals and business objectives of the GSA. We will allocate approximately 70% of our audit and investigation resources to addressing the significant management challenges and vulnerabilities facing the Agency.

During FY 2001, the OIG revised its strategic plan to more accurately reflect the activities we have performed to help GSA better manage its programs. We revised our strategic goals and performance measures to more effectively reflect the OIG's impact on GSA. Additionally, we added a new strategic goal to more fully integrate our efforts to improve our human resource management and enhance the performance of our own operations.

Strategic Goal No. 1

Identify opportunities for increased economy and efficiency in Agency programs and operations; assist management by recommending appropriate management improvements; and ensure that GSA programs provide optimum value for the taxpayers.

Discussion

GSA is a 14,000 person Agency that acts as a catalyst for over \$60 billion in Federal spending. The Agency oversees Federal buildings, major supply and procurement programs, and a fleet of 150,000 vehicles worldwide, telecommunications systems, child-care facilities, and security and guard service programs. It also provides policy leadership in areas such as acquisition, travel, real property, and other administrative services for the entire Federal sector.

GSA realizes that changes in today's environment require it to be flexible in its business approaches and innovative in developing integrated solutions to longstanding and new challenges. Current Agency goals and initiatives, continuing Government reform, high-risk areas defined by GAO, and management challenges identified by our office remain as areas that must be addressed.

The OIG's audits and investigations assist GSA in its dual roles of policy leadership and provider of space, products, and services to the Federal workforce. At the same time, we intend to ensure that GSA's programs and operations are conducted at an optimal level of efficiency and effectiveness. In this capacity, we will continue to evaluate and bring to GSA's attention serious vulnerabilities and management challenges; further we will make constructive recommendations as to how these concerns can be alleviated. We will devote our resources to areas where focused management attention can bring about greater efficiencies for both GSA and the taxpayers. Through our audits, investigations, advice on legislation, and other services, we will raise to the policy making arena issues that impact the Agency's programs. Lastly, we will work with GSA on key initiatives to promote more effective Government operations.

Anticipated Results

This strategic goal anticipates that changes in focus of OIG operations will accelerate over the next 5 years. This will result in 1) a greater number of evaluations of GSA programs, management structures, and information systems; 2) increased financial accountability and legislatively mandated reviews; 3) a greater degree of cooperation with GSA management in identifying areas for in-depth review; and 4) a substantial amount of savings.

General Services Administration

OFFICE OF INSPECTOR GENERAL

We will perform annual risk assessments of GSA operations to identify the most significant management challenges, high-risk areas, and major opportunities for improvement in programs, operations, and related activities. We will target the most significant issues facing GSA by planning and conducting audits and investigations in those areas. We will continue to work with GSA management on key initiatives through our advisory and consulting services. Finally, we will leverage our expertise by providing comments on legislative and policy initiatives before they become program requirements. In this capacity, we will also work with the Office of Governmentwide Policy by sharing our knowledge, expertise, and experience in assisting GSA meet its central management policy responsibilities.

During FY 2003, the OIG will devote approximately \$12.4 million of its requested resources to accomplish the planned outcomes related to this strategic goal.

Strategic Goal No. 2

Protect the integrity of GSA programs and operations by preventing, detecting, and responding to waste and wrongdoing.

Discussion

One of the OIG's fundamental responsibilities is combating and preventing waste, criminal, and civil wrongdoing in GSA programs and operations. We are committed to using resources to detect and prevent waste, fraud, and other wrongdoing in areas that we have determined to be most susceptible.

The OIG has a special concern that in an era of rapid change and emerging technology, these changes may present unintended increased opportunities for illegal and improper activities. As the evolving technology and the effects of a downsized and aging workforce take hold throughout GSA, the OIG emerges as the primary entity within GSA to assess the impact of this transformation. The OIG is concerned that many of the beneficial attributes of reforms designed to produce economy, efficiency, and increased effectiveness may be offset by new or modified practices that create unintended waste and contribute to increased opportunities for fraud. We believe it is important to assess whether a new initiative increases the potential for fraud, waste, and abuse and if so mitigate the vulnerability early in the process.

As part of a comprehensive initiative, the OIG will direct its efforts to protect the integrity of GSA operations by identifying and assessing vulnerabilities associated with the rapidly changing environment. By coordinating efforts throughout the organization, the OIG will focus its expertise in audits and investigations on those areas in which increased vulnerability to waste, fraud, or other wrongdoing may be anticipated.

Anticipated Results

During FY 2003, as part of a comprehensive initiative, the OIG will direct its efforts to protect the integrity of GSA operations by identifying and assessing vulnerabilities associated with its rapidly changing environment. The OIG intends to take a risk-based approach and focus its expertise in areas most susceptible to fraud, waste, and wrongdoing. We will perform various types of reviews to ensure programs operate within legal and regulatory limits. We will aim our efforts at detecting systematic vulnerabilities. We will

General Services Administration

OFFICE OF INSPECTOR GENERAL

investigate and correct illegal activities to the fullest extent of our abilities and resources. Our investigative resources will concentrate on high-impact cases and we will respond to indications of illegal activities in a direct and timely manner. These areas include procurement integrity, facilities and personnel, management control, asset management, information technology, and financial accountability. We will particularly emphasize the controls over credit cards, security, and emerging technology issues.

The efforts of the OIG will be directed towards reducing the overall level of waste and wrongdoing in GSA; increasing the awareness of GSA managers regarding the prevention of fraud and waste; improving the detection of and response to corruption; and increasing the public trust in GSA's programs and operations.

During FY 2003, the OIG plans to devote approximately \$12.8 million of its requested resources to accomplish strategic goal #2.

Strategic Goal No. 3

Formalize our human capital strategy and align that strategy to better support our mission and goals.

Discussion

Our people are our most important resource. A skilled, focused, flexible, and diverse workforce is essential if we are to continue to improve and provide the services necessary to carry out our mission.

Beginning in the mid-1990s, the OIG realized the need to better align our resources to meet our mission responsibilities. We took numerous actions to redefine our mission, restructure our operations, reduce management layers, redistribute management positions to direct line positions, and to more closely interact with our customers. Our goal was to become

more results-oriented, and better serve GSA, the Congress, and the taxpayer. These actions were consistent with the stated goals of OMB Bulletin 01-07 "Workforce Planning and Restructuring."

Despite these actions, events over the past few years have combined to exacerbate our human capital issues. Specifically, we have had a difficult time hiring, replacing, and retaining qualified staff. Salaries, Federal hiring practices, and stiff competition from the private sector and other Government agencies have impacted our ability to hire people with the necessary skills. Turnover is increasing both at the entry and managerial levels. We are losing our younger staff to other agencies and the private sector, while our older staff is retiring. Now we are faced with the potential loss of over 60% of our senior managers over the next 2-3 years. This has increased our need for managerial and leadership training for mid-level staff to prepare them to assume more senior leadership positions in the organization. In addition, the skills we need to do our work have changed. We have had a difficult time in hiring accountants and information technology specialists.

Major statutes aimed at increasing the fiscal and managerial accountability of Federal agencies have impacted our work and increased our emphasis on financial issues. Also, technology has had a tremendous effect on how the Government conducts business and consequently on how we understand and apply technology in our audits, investigations, and internal management operations.

To meet the challenges ahead, the OIG will formalize its human capital management plan to provide the highly competent professionals necessary to complete our mission and meet future demands. We will incorporate these efforts into our overall work planning, budgeting and evaluation processes. This will include a commitment

General Services Administration

OFFICE OF INSPECTOR GENERAL

to recruit, develop, train, retain, and reward a workforce that possesses the skills required to meet the changing and challenging demands for our services. We will address continuity of operations and skills through succession planning. The OIG will increase its commitment to both technical and managerial training to sustain functional expertise and encourage professional development.

Anticipated Results

Among the initiatives we plan to accomplish are: enhancing our college recruiting program; completing a skills inventory and identification analysis; implementing programs such as a career intern program, and various bonus programs aimed at recruiting and retaining quality staff; streamlining and improving the efficiency of our hiring process; developing the required technical and managerial training programs needed to provide and maintain needed skills; and revising our performance appraisal system to ensure that employee performance is mission related.

During FY 2003, the OIG will devote approximately \$4.1 million of its resources to accomplish this goal.

Strategic Goal No. 4

Enhance our organizational performance.

Discussion

This goal focuses on our work environment and business processes. We believe that this goal will serve two purposes: to make us more efficient in serving our customers and to help attract and retain a world-class workforce in our organization.

Our office's performance should be held to the highest standards. To achieve this, we will continue to emphasize improving the delivery of OIG products and services and

create a more efficient work environment by investing in the office infrastructure, both technological and physical, that supports our strategic goals.

Timely, cost effective, and quality products and services are critical in today's fast paced and changing environment. Our work products must be responsive to Agency and customer needs. Continued improvements in timeliness and operating efficiency will require reassessing existing business processes, employing technology to the extent possible, and improving management and coordination efforts. Further, we must better utilize the power of e-Government to make our products and services more accessible to our customers.

We believe that appropriate and modern technological and physical work environments are important elements in successfully achieving our goals. We also believe that our audit and investigative functions must work closely with our administrative support activities to enhance our ability to meet mission requirements. We will ensure that we have the best possible work environment in several ways.

First, we recognize the benefits of technology in the work environment and we have made great strides in incorporating it into our management approach and processes. We want to continue this progress toward providing reliable, integrated technology to our staff. We will maintain management information systems and networks that enhance our ability to exchange information, both inside and outside the OIG, and to conduct our work and perform analyses in a more secure paperless environment. This will also help us better plan and manage our resources by providing timely and reliable performance information and financial data. Also, providing sufficient, portable technology to the staff will help streamline our processes

General Services Administration

OFFICE OF INSPECTOR GENERAL

and better leverage our limited human capital resources.

Next, we need to make an investment in our physical environment in order to support our human capital strategies. Initiatives in this area will affect where we locate our staff and how it is configured.

Lastly, administrative activities and processes supporting our line operations need to be better integrated and improved. Real-time fiscal information, comprehensive information systems support, and full-range human resource support are essential to improve our operations. It is imperative that we enhance and integrate this infrastructure to support our strategic planning, human capital initiatives, and business goals.

Anticipated Results:

1. Provide our customers with timely, quality OIG products in accordance with the standards established for the different types of audit and investigative reports we produce.

2. Provide comprehensive information technology support and information systems availability necessary for our professional and support staffs to meet their mission requirements.
3. Provide timely and relevant budgetary, administrative, and human resource support to help our managers properly manage their resources and help them meet mission needs.
4. Begin implementation of a nationwide office modernization process, which will enhance the working environment of selected regional and Central Office locations.

During FY 2003, the OIG will devote approximately \$8.3 million of its resources to accomplish this goal.

Following is the OIG's Performance Plan that details the performance measures for each strategic goal. During FY 2001, the OIG revised its strategic plan and related performance measures. A fourth strategic goal related to human capital management was added and the original three goals modified to reflect an enhanced effort to focus resources on the management challenges facing GSA. Consequently, we modified our performance measures. In some instances we consolidated information to present a composite measure in a particular area. In other instances we developed new measures. These changes are outlined in the following charts.

General Services Administration OFFICE OF INSPECTOR GENERAL

OIG Strategic Goal #1: Identify opportunities for increased economy and efficiency in Agency operations; assist management by recommending appropriate management improvements; and ensure that GSA programs provide optimum value for the taxpayers.

The OIG will direct its resources to help GSA achieve its strategic goals and address its management challenges. We consider our past work in GSA, the current Presidential initiatives, GSA's Strategic Plan, and other areas of vulnerability identified by our office, GSA management, or GAO in identifying key program issues. The following issues represent the key management challenges and vulnerabilities that the OIG believes merit attention: protection of Federal facilities and personnel, Information Technology, management controls, asset management (including aging Federal buildings) human capital, procurement activities, financial accountability, and policy and administration.

This measure reflects the proportion of OIG products and services (audit reports, consulting work, advisory reviews, comments on proposals and other efforts) that had an identifiable positive impact on improving Agency performance.

Performance Measure	Performance Indicators		
	FY 2001 Actual	FY 2002 Plan	FY 2003 Plan
Improved GSA performance in: <ul style="list-style-type: none"> ▪ Providing optimum value for the customer agencies and the taxpayers ▪ Responsible asset management ▪ Operational efficiency 			
Performance and advisory audits	55% ¹	60%	65%
Reviews of legislative, policy, and other regulatory initiatives	N/A	60% ²	60%

The performance measures for this FY 2003 budget submission have changed:

(1) We no longer report positive impact in each functional area within GSA; we report one measure, which represents a composite of all areas where our work will have a positive impact on improving GSA operations.

(2) Reviews of legislative policy, and regulatory issues are a new performance measure.

General Services Administration OFFICE OF INSPECTOR GENERAL

OIG Strategic Goal #1: Identify opportunities for increased economy and efficiency in Agency operations; assist management by recommending appropriate management improvements; and ensure that GSA programs provide optimum value for the taxpayers.

<p>This measure reflects OIG management's decision to allocate greater audit resources to major programmatic, control, systems, and consulting efforts, which are aimed at helping GSA management achieve more positive outcomes in their operations. While these types of reviews require significantly more resources, and their immediate impact is not always quantifiable, their long-term benefits offer the potential for significant improvements in GSA performance and benefits to customers and taxpayers. Results from these audit efforts are better reflected in our outcome measures.</p>			
	Performance Indicators		
Performance Measure	FY 2001 Actual (\$000)	FY 2002 Plan (\$000)	FY 2003 Plan (\$000)
<u>OIG Audit Reports:</u>			
Total reports	227	201	217
Avoidances & recoveries	\$148M	\$107M	\$107M
Management decisions	\$104M	\$90M	\$85M
Internal audit reports	70	64	73
Contract audit reports	157	137	144
Resources for Contract Audits	30%	23%	20%
Resources for Internal Audits	70%	77%	80%
Audit resources directed to address the management challenges and other significant vulnerabilities.	Not established ¹	70%	70%

(1) Represents new performance measure.

General Services Administration OFFICE OF INSPECTOR GENERAL

OIG Strategic Goal #2: Protect the integrity of GSA programs and operations by preventing, detecting, and responding to waste and wrongdoing.

The OIG intends to focus its resources and expertise on areas that are susceptible to waste, fraud, and wrongdoing. Our intent is to: increase awareness of the potential for wrongdoing, identify and mitigate program and operational vulnerabilities and control deficiencies, pursue potential wrongdoing to the fullest extent of our ability, and produce a decrease in the overall level of waste and wrongdoing experienced by GSA beyond that which would be expected if this initiative were not undertaken. Our efforts will be directed to areas that our risk-based assessments determined are most susceptible to waste and wrongdoing. These areas include the protection of Federal facilities and personnel, Information Technology, management controls, asset management, procurement activities, and financial accountability. The combined efforts of the Office of Audits and the Office of Investigations will be directed towards the achievement of our outcomes.

The percentages shown for each outcome reflect the proportion of OIG products (audit reports, investigations, awareness initiatives, and other initiatives or evaluations) that have an identifiable positive impact on protecting the integrity of the Agency's programs and operations.

Performance Measure	Performance Indicators		
	FY 2001 Actual	FY2002 Plan	FY2003 Plan
Impacted program integrity in the following areas: <ul style="list-style-type: none"> • Control, compliance, and accountability Issues • Integrity issues 	55% ¹	55% 60%	65% 60%

(1) We no longer report positive impact in each functional area within GSA; we report one measure, which represents a composite of all areas where our work will have a positive impact on improving GSA operations.

General Services Administration OFFICE OF INSPECTOR GENERAL

OIG Strategic Goal #2: Protect the integrity of GSA programs and operations by preventing, detecting, and responding to waste and wrongdoing.

Performance Measure	FY 2001 Actual	FY 2002 Plan	FY 2003 Plan
Number of Criminal Referrals	102	102	102 ³
Number of Civil Referrals	52	21	21
Number of Admin. Referrals	262	258	258
Civil Settlements	13	12	12
Indictments/Information	42	36	36
Successful Criminal Prosecutions	32	34	34
Contractors Suspended/Debarred	94	93	93
Investigative Recoveries	\$40.809M	\$4.500M	\$4.500M
Fraud Awareness Briefings	8	8	8
High Priority Investigations ¹	2	70%	70%

1) This represents the percentage of reports expected to have a positive impact on protecting the integrity of GSA's programs and operations.

(2) We no longer report positive impact in each functional area within GSA; we report one measure, which represents a composite of all areas where our work will have a positive impact on improving GSA operations.

(3) Projected FY 2003 performance for the Office of Investigations is anticipated to be similar to FY 2001 and FY 2002. However, these performance levels actually represent an increase per FTE productivity. Over the past several years, we have not been able to maintain our target FTE investigative staff ceiling levels due to attrition, hiring limitations, and funding limitations. In addition, over 25% of our current field agents have less than two years experience. We also anticipate further losses of experienced managers and special agents over the next 2-3 years. We have been able to maintain our performance levels because we have increased the use of technology by our field special agents, improved our internal management controls, streamlined our internal business processes, and changed our organizational structure to reduce management layers.

General Services Administration OFFICE OF INSPECTOR GENERAL

OIG Strategic Goal #3: Formalize our human capital strategy and align that strategy to better support our mission and goals.

The OIG will formalize a human capital management plan to better support our mission. The purpose of the plan is to ensure that we have a highly qualified workforce focused on our mission and what we have identified key Agency problem areas. As part of our approach, we will identify and use available tools, such as the Career Intern Program, to more effectively recruit and retain staff. For staff development, we will address the critical technical, managerial, and leadership skill needed for continuity and improvement in operations. Additionally, we will ensure that our performance evaluation system provides meaningful feedback and fully recognizes individual and team accomplishments.

Measure	Performance Indicators			
	Standard	FY 2001 Actual	FY 2002 Plan	FY 2003 Plan
Reassess our human capital strategy and identifies specific initiatives that will foster improvement in: <ul style="list-style-type: none"> • Recruitment and retention • Staff development • Employee appraisal and recognition 	Formalize a human capital management plan by end of FY 2002 and implement plan initiatives over the following 4 years	Not established for this year	Develop plan and implement 20% of the initiatives *	Complete 40% of the initiatives identified in the plan *

*Each FY performance report will provide detail on each part of the human capital management plan implemented during that year.

General Services Administration OFFICE OF INSPECTOR GENERAL

OIG Strategic Goal #4: Enhance our organizational performance.

<p>This performance measure reflects how our customers perceive our products and services. Our three main components each use customer surveys to gauge the level of customer satisfaction. The areas that are covered by the surveys are: meeting customer needs, clarity of information provided, relevancy, timeliness, and value added. Activities are evaluated against a “standard” that reflects “expected average performance.”</p>				
	Performance Indicators			
Performance Measure	Performance Standard	FY 2001 Actual	FY 2002 Plan	FY 2003 Plan
Effectiveness - Customer Surveys <ul style="list-style-type: none"> ▪ Audit products ▪ Investigative products ▪ Administrative products and services (internal to the OIG) 	Scale: 1 – 5 (5 high) 4.0 4.0 4.0 ¹	85% Not available ² Not available	85% 85% 85%	90% 90% 90%

(1) Represents a composite score on various OIG products.

(2) Represents a new performance measure.

General Services Administration OFFICE OF INSPECTOR GENERAL

OIG Strategic Goal #4: Enhance our organizational performance.

This performance measure demonstrates the timeliness and effectiveness of our products and services. OIG products and services are evaluated against a standard that reflects “expected average performance.” For example, if a performance standard for completion of a particular type of audit or investigation is 30 days, it means that the average time it will take to complete the review will be 30 days or less. If the target is 65% that means that 65% of the OIG reports will be completed within 30 days. Of the activities listed, the following are noteworthy:

- The Office of Audits establishes two unique performance targets for each type of audit – one measures the days (timeliness) and the other measures the direct work hours (cost effectiveness) it takes to complete an audit project. The performance standards listed below reflect the percentage of time that the office performs audits from beginning to end within the established standards.
- The Office of Investigations has established a standard that reflects a dramatic improvement in the time frame within which they will conduct nearly all of their activities; and
- The Office of Administration, Internal Evaluation Staff, and Office of Counsel to the IG applied standards to reflect the need to improve performance in specific targeted areas.

Performance Measure	Performance Indicators			
	Performance Standard	FY 2001 Actual	FY 2002 Plan	FY 2003 Plan
Efficiency – Timeliness				
Audits and Reviews	Direct hours to perform audits.			
	Based on a unique performance standard for each type of audit.			
▪ Contract		60% ¹	65%	70%
▪ Internal		65% ¹	65%	65%
	Days to perform audits.			
	Based on an unique standard for each type of audit			
▪ Contract		60% ¹	65%	70%
▪ Internal Investigations		65% ¹	65%	65%
	Days to perform different types of investigations.			
	Based on a unique standard for each type of investigation.			

(1) We no longer report positive impact in each functional area within GSA; we report one measure, which represents a composite of all areas where our work will have a positive impact on improving GSA operations.

**General Services Administration
OFFICE OF INSPECTOR GENERAL**

OIG Strategic Goal #4: Enhance our organizational performance.

<u>Performance Plan: Outcome Measures</u>				
Performance Measure	Performance Standard	Performance Indicators		
		FY 2001 Actual	FY 2002 Plan	FY 2003 Plan
FOIA/PA Requests	Days to perform different types of legal, field office reviews, and administrative type activities.	70%	80%	80%
Field Office Appraisals		65%	65%	70%
System Availability		96%	96%	97%
Provide Information Resources		92% ¹	92%	94%
Help Desk Response				
Budget and Management Reports		95%	95%	97%
Procurement Actions		95%	95%	95%
Personnel Actions/Requests		**	95%	95%
Formalize plans for modernizing work environment (physical and technological) and implement initiatives.		Not available	Complete 40% of our initiatives	Complete 50% of our initiatives

**New benchmark and tracking system designed.

(1) We no longer report positive impact in each functional area within GSA; we report one measure, which represents a composite of all areas where our work will have a positive impact on improving GSA operations.

**General Services Administration
OFFICE OF INSPECTOR GENERAL**

<u>Performance Plan: Allocation of OIG Resources</u>												
	Performance Indicators (in thousands)											
Organization	FY 2001		FY2002		FY 2003		FY 2004		FY 2005		FY 2006	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
OIG	34,131	100%	36,346	100%	39,587	100%	39,587	100%	39,587	100%	39,587	100%
Audits	17,998	53%	22,535	62%	24,544	62%	24,544	62%	24,544	62%	24,544	62%
Investigations	8,519	25%	8,723	24%	9,500	24%	9,500	24%	9,500	24%	9,500	24%
Administration	5,632	16%	2,908	8%	3,167	8%	3,167	8%	3,167	8%	3,167	8%
Counsel	977	3%	1,090	3%	1,188	3%	1,188	3%	1,188	3%	1,188	3%
IG Office/Eval.	1,005	3%	1,090	3%	1,188	3%	1,188	3%	1,188	3%	1,188	3%



MISCELLANEOUS ACCOUNTS

General Services Administration
EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT
ADMINISTRATION

\$(Thousands)

	FY 2001 Actual	FY 2002 Current	FY 2003 Request	FY 03/02 Change
Audit Contracts	2,145	2,500	2,500	0
Contract Administration/ Operating Expenses	8,750	11,035	11,475	+440
Subtotal Obligations	10,895	13,535	13,975	+440
Less: Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits)	-481	-484	-496	-12
Total Obligations	10,414	13,051	13,479	+428
Recoveries of Transportation Overcharges (Net)	12,000	14,000	14,000	0
Outlays	10,815	13,051	13,479	+428
Employment (FTE)	70	67	67	0

MISSION

The Expenses of Transportation Audit Contracts and Contract Administration account was established to fund the auditing of transportation carrier billings submitted to the Government. This activity was transferred from the General Accounting Office to GSA in 1975. This account is a permanent, indefinite appropriation which does not require annual Congressional action.

FY 2003 BUDGET IN SUMMARY

Expenses are financed by overcharges recovered from carriers overpaid on transportation bills. Until 1986, Federal agencies were required to pay carrier invoices upon receipt, prior to audit by GSA. Public Law 99-627 of November 7, 1986, granted GSA authority to conduct prepayment audits

and to delegate this authority to Federal agencies upon their request.

The passage of the Travel and Transportation Act of 1998 made the prepayment audit of transportation bills mandatory.

A management plan has been formulated for the transportation audit program by the Office of Transportation and Property Management, emphasizing prepayment audit benefits. Since potential overcharges will be discovered prior to payment, agencies will retain the funds for other transportation activities. Overcharges identified by post payment audits in excess of expenses are returned to the U. S. Treasury.

The Audit Division has been considering launching a number of initiatives designed to augment incoming revenue to support the overall audit program as post payment audit collections diminish. These include

General Services Administration

EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

developing revenue sources to cover the cost of the tariff library, to include administrative work for pre- and post-payment contract auditors to assist them in their audit (copying, etc.), and the use of imaging on CD ROMs to store incoming rate tenders and tariffs to preclude paper storage and expensive space; charging administrative fees to carriers for collection efforts on unpaid overcharges; charging agencies who choose to do prepayment audits themselves a fee for audit training; and establishing Memoranda of Understandings with small agencies with minimal transportation billings to have the Audit Division perform their prepayment audits.

Although the new prepayment audit law took effect in October 2000, considerable post payment audit activity will continue for several

years thereafter. For some modes of transportation, such as household goods shipments, there is a 12- to 18- month backlog of bills to be audited. Moreover, post payment audits will complement prepayment audits during the transition period following implementation and will perform a quality control function. The Audit Division remains the central repository of the agencies' transportation documentation and maintains the comprehensive tariff and tender library required for the audit and legal actions. As stated in the law, certain transactions (such as those for charge cards), as well as certain organizations throughout the Government, may be given waivers by GSA's Office of Governmentwide Policy of the prepayment audit requirement (in favor of continued post payment audit) for reasons of practicality.

General Services Administration
EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT
ADMINISTRATION

Explanation of Budget Changes Obligations \$(Thousands)	
FY 2002 Current Level	13,051
Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits).....	<u>+484</u>
Adjusted FY 2002 Current Level	13,535
Payraise/Annualization.....	+180
Inflation.....	+175
Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits).....	+12
Centralized Administrative Support Increase.....	<u>+73</u>
FY 2003 Budget Request (Includes CSRS/FEHB Accrual)	13,975
Less: Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits).....	-496
FY 2003 Total (Excludes CSRS/FEHB Accrual)	13,479

General Services Administration
EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT
ADMINISTRATION

Obligations by Object Class \$(Thousands)				
		FY 2001 Actual	FY 2002 Current	FY 2003 Request
11.1	Full-time permanent	3,886	3,990	4,143
11.3	Other than full-time permanent	45	47	49
11.5	Other personnel compensation	125	128	133
11.9	Total personnel compensation	4,056	4,165	4,325
12.1	Civilian personnel benefits 1/	1,206	1,229	1,270
21.0	Travel and transportation of persons	77	79	81
22.0	Transportation of Things	1	1	1
23.1	Rental payments to GSA	661	675	689
23.3	Communications, utilities, and misc. charges	44	45	46
24.0	Printing and reproduction	72	74	76
25.2	Other Services	3,520	4,500	3,871
25.3	Purchases of goods/services from Gov't accts	1,155	2,662	3,509
26.0	Supplies and materials	97	99	101
31.0	Equipment	6	6	6
99.9	Subtotal	10,895	13,535	13,975
12.1	Less: Full funding of Federal Employee Retirement Costs (Pension/CSRS and Health/FEHB Benefits)	-481	-484	-496
99.9	Total Obligations	10,414	13,051	13,479

1/ The President's Budget reflects \$2 million for this object class for FY 2002 and FY 2003 due to rounding.

General Services Administration EXPENSES, DISPOSAL

BACKGROUND

Expenses, Disposal of Surplus Real and Related Personal Property is a permanent, indefinite appropriation authorized by section 204(b) of the Federal Property and Administrative Services Act of 1949, as amended. This section was added by P.L. 83-760 (40 U.S.C. 485(b)) of August 31, 1954. The account finances

contractual services of appraisers, auctioneers, and brokers familiar with local markets to accelerate the utilization or sale of surplus real property. It also covers the costs of surveying, advertising, and providing environmental and historic services. Financing is provided from receipts from sales of surplus property and outleasing of Government-owned space.

EXPENSES, DISPOSAL \$(Thousands)

	FY 2001 Actual	FY 2002 Budget	FY 2003 Request	FY 03/02 Change
Direct Program:				
Disposal - Real Property	6,433	7,962	8,140	178
Outleasing - Government-owned Space	226	515	515	-
		-	-	-
Total (Budget Authority)	6,659	8,477	8,655	+178
Reimbursable Program:				
Disposal - Real Property	226	600	600	-
Total (Reimbursable)	226	600	600	-
Net Outlays	7,913	8,307	8,482	+ 175
Employment (FTE)	-	-	-	-

THE BUDGET IN SUMMARY

This appropriation provides for contractual services and supplements in-house real property disposal activities and improved space utilization through outleasing of surplus Government-owned space. This is a permanent, indefinite appropriation which requires no further Congressional action.

An increase of \$178 thousand over the FY 2002 budget level is requested to cover the increased expenses of disposal costs for contractual services due to inflation.

General Services Administration
EXPENSES, DISPOSAL

EXPENSES, DISPOSAL - DIRECT	
Explanation of Budget Changes	
<i>\$(Thousands)</i>	
FY 2002 Budget Level	8,477
Inflation	+ 178
FY 2003 Budget Request	8,655

EXPENSES, DISPOSAL - REIMBURSABLE	
Explanation of Budget Changes	
<i>\$(Thousands)</i>	
FY 2002 Budget Level	600
No change	-
FY 2003 Budget Request	600

General Services Administration
EXPENSES, DISPOSAL

EXPENSES, DISPOSAL - DIRECT Obligation by Object Class \$(Thousands)			
	FY 2001 Actual	FY 2002 Budget	FY 2003 Request
24.0 Printing and reproduction	\$18	\$350	\$350
25.2 Other services	6,641	8,127	8,305
Total Obligations	\$6,659	\$8,477	\$8,655

EXPENSES, DISPOSAL – DIRECT Obligation by Program Activity \$(Thousands)			
	FY 2001 Actual	FY 2002 Budget	FY 2003 Request
Disposal - Real Property:			
a. Appraisers, auctioneers, brokers fees and surveying	\$4,822	\$1,200	\$1,278
b. Advertising	1,045	1,291	1,291
c. Environmental services	481	5,371	5,471
d. Historical preservation services	85	100	100
Outleasing - Government-owned Space:			
a. Appraisers, auctioneers, brokers fees, surveying and advertising	226	515	515
Total Obligations	\$6,659	\$8,477	\$8,655

General Services Administration
EXPENSES, DISPOSAL

EXPENSES, DISPOSAL - REIMBURSABLE Obligation by Object Class <i>\$(Thousands)</i>			
	FY 2001 Actual	FY 2002 Budget	FY 2003 Request
24.0 Printing and reproduction	\$1	\$80	\$80
25.2 Other services	225	520	520
Total Obligations	\$226	\$600	\$600

EXPENSES, DISPOSAL - REIMBURSABLE Obligation by Program Activity <i>\$(Thousands)</i>			
	FY 2001 Actual	FY 2002 Budget	FY 2003 Request
Disposal - Real Property:			
a. Appraisers, auctioneers, brokers fees, surveying and environmental services	\$68	\$450	\$450
b. Advertising	12	100	100
c. Environmental Services	146	50	50
Total Obligations	\$226	\$600	\$600



FEDERAL BUILDINGS FUND

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Budget Overview

Mission

In support of GSA's mission, the Public Buildings Service (PBS) provides its Federal customers quality work environments that enable them to better serve the Public. To fulfill that mission, we provide high-quality real property, asset management, workplace support, acquisition services, facility security, and property disposal services in a timely and cost effective manner. We are continually striving to better serve our Federal agency customers.

Summary

Our vision is to be recognized as the best public real estate organization in the world. This means providing safe, productive, well managed workspace for federal employees in the most efficient and cost effective manner possible. Because housing long term tenants in Government-owned space represents the greatest value for the American taxpayer, good business practice dictates that PBS make every effort to:

- 1) use its resources to keep the Government-owned portion of its inventory in modern condition in order to attract new tenants and retain existing tenants; and
- 2) provide the resources necessary to acquire and construct new Government-owned buildings when it is in the best interest of the Government.

Following this approach will help constrain the growth of leasing costs.

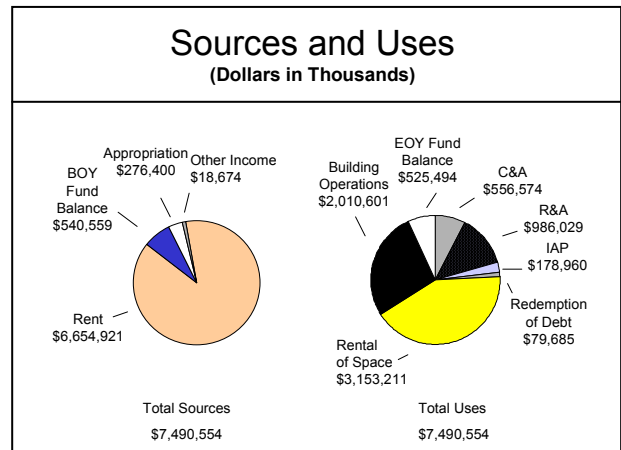
Funding repairs and alterations continues to be the top priority for the Federal Buildings Fund (FBF). Our number one priority is to maintain and improve those properties we have determined we should keep in our inventory -- many of which are historically significant, yet viable and adaptable for use

as modern office space. This budget contains a request of \$986,029 thousand for essential repairs and alterations.

Our request also includes \$556,574 thousand for a new construction program, including \$260,038 thousand for Federal Judiciary projects. Since the FBF revenues are insufficient to provide for the entire new construction program, we are seeking a direct appropriation of \$276,400 thousand.

The following chart (Figure 1) illustrates the sources and uses of funding (including Federal Employment Retirement Costs) proposed for fiscal year 2003.

Figure 1



Full Time Equivalent (FTE)

This budget reflects an FTE workyear level of 7,295 (same level as fiscal year 2002). We will continue to staff the protection activity at 1,423 FTE (1,408 direct and 15 reimbursable) as recommended by the Department of Justice's "Vulnerability Assessment of Federal Facilities" report.

General Services Administration

PUBLIC BUILDINGS SERVICE

FEDERAL BUILDINGS FUND

Inventory

PBS's real estate portfolio is projected to increase by 1.5 percent or 5,082 thousand square feet between fiscal year 2002 and fiscal year 2003.

PBS's owned space is projected to increase by 1,976 thousand square feet, due to the following:

- completion of construction or modernization of courthouses
- completion of Phase II FDA Headquarters

The leased inventory growth of 3,106 thousand square feet includes:

- Federal Emergency Management Agency Headquarters in Washington, DC
- U.S. Customs Building in San Antonio, Texas
- Environmental Protection Agency Building in Northern Virginia.

Responsibility Segments

Immediately following this narrative is Exhibit 1, which divides our fiscal year 2003 budget request into Operations (Government-owned and leased facilities) and Capital (Construction and Acquisition of Facilities and Repairs and Alterations).

In summary, our Fiscal Year 2003 Budget is built around achieving our performance goals, such as: 1) maintaining operating costs in office and similarly serviced space at 12 percent below private sector benchmarks, 2) anticipating future workforce needs, and 3) ensuring the safety and security of our buildings and the federal employees we house by upgrading contract guard requirements and replacing/upgrading building security systems.

Budget Summary Information

The following exhibits provide more information regarding the overall aspects of the FBF:

Exhibit 1 - Responsibility Segments

Exhibit 1A - Schedule of Resources, New Obligational Authority and Fund Balance including Federal Employee Retirement Costs

Exhibit 1B - Schedule of Resources, New Obligational Authority and Fund Balance excluding Federal Employee Retirement Costs

Exhibit 2 - Indefinite Authorities

Exhibit 3 - Schedule of FTE, Obligations, and Net Outlays

Exhibit 4 - Obligations by Object Class

Exhibit 5 - Summary of Total Inventory

Exhibit 6 - Summary of Space Assigned

Exhibit 7 - Appropriation Language and Explanation of Changes in Appropriation Language

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**RESPONSIBILITY SEGMENTS
FY 2003 BUDGET REQUEST
(Dollars in Thousands)**

	OPERATIONS		CAPITAL		TOTAL
	Government-Owned	Government-Leased	Construction & Acquisition	Repairs & Alterations	
Construction and Acquisition	\$0	\$0	\$556,574	\$0	\$556,574
Basic Repairs and Alterations	\$330,606	\$36,734	\$0	\$0	\$367,340
Line Item Repairs and Alterations	\$0	\$0	\$0	\$618,689	\$618,689
Installment Acquisition Payments	\$0	\$0	\$178,960	\$0	\$178,960
Redemption of Debt	\$0	\$0	\$79,685	\$0	\$79,685
Rental of Space	\$0	\$3,153,211	\$0	\$0	\$3,153,211
Building Operations	\$1,489,862	\$300,401	\$94,950	\$125,388	\$2,010,601
o Building Services	\$783,326	\$87,036	\$0	\$0	\$870,362
o Protection	\$254,663	\$125,431	\$0	\$0	\$380,094
o Salary and Administration					
-Staff Support (Excludes Protection)	\$306,197	\$49,088	\$56,925	\$56,925	\$469,135
-Protection Staff	\$32,225	\$5,166	\$0	\$0	\$37,391
o Technical services, space planning	\$0	\$11,016	\$15,004	\$38,140	\$64,160
o Information Technology	\$44,057	\$7,062	\$7,303	\$14,605	\$73,027
o Centralized Services	\$69,394	\$15,602	\$15,718	\$15,718	\$116,432
Reimbursable	\$666,276	\$576	\$113,438	\$98,254	\$878,544
TOTAL	\$2,486,744	\$3,490,922	\$1,023,607	\$842,331	\$7,843,604

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**SCHEDULE OF RESOURCES, NEW OBLIGATIONAL AUTHORITY, AND FUND BALANCE
Including Federal Employee Retirement Costs
FY 2001 - FY 2003
(Dollars in Thousands)**

	FY 2001 Actual	FY 2002 Current	FY 2003 Request
Resources:			
Available from prior year for reauthorization	406,017	628,301	540,559
Columbia Hospital for Women	0	5,992	0
Redemption of Debt	(69,140)	(72,000)	(79,685)
Reprogramming Authority	13,549	5,392	0
Non-Expenditure Transfer	2,050	(8,000)	0
Appropriation	476,523	284,400 ¹	276,400
Revenue from operations:			
Rent	5,703,407 ²	6,065,829 ²	6,617,851 ²
Federal Employee Retirement Costs	[42,263]	[44,010]	[45,441]
Indefinite Authority for Rental of Space	168,353	210,218	[198,666]
Other Indefinite Authorities	16,735	[19,433]	[16,274]
Miscellaneous	24,559	4,300	5,176
Outleasing	16,692	13,307	13,498
SSA/CDC/HCFA Payments	34,455	37,214	37,070
Subtotal, Revenue	<u>[5,964,201]</u>	<u>[6,330,868]</u>	<u>[6,673,595]</u>
Total Resources Available	6,793,200	7,174,953	7,410,869
New Obligational Authority:			
Construction and Acquisition	504,775	674,972	556,574
Repairs and Alterations	681,331 ³	826,676 ⁴	986,029 ⁴
Installment Acquisition Payments	185,369	186,427	178,960
Rental of Space	3,112,207 ³	3,147,368 ³	3,153,211 ⁴
Building Operations	1,683,528 ^{2/3}	1,792,959 ^{2/4}	2,010,601 ^{2/4}
Federal Employee Retirement Costs	[42,263]	[44,010]	[45,441]
Columbia Hospital for Women	<u>0</u>	<u>5,992</u>	<u>0</u>
Total New Obligational Authority	6,167,210	6,634,394	6,885,375
Fund Balance:			
Total Resources Available	6,793,200	7,174,953	7,410,869
Total New Obligational Authority	(6,167,210)	(6,634,394)	(6,885,375)
Prior Year Recoveries	<u>2,311</u>	<u>0</u>	<u>0</u>
Fund Balance (Available for Reauthorization)	628,301	540,559	525,494
Net Budget Authority	256,289	364,142	291,465
Emergency Response Funding (ERF)			
Appropriation (+)	8,600	126,512	0
New Obligational Authority:			
Repairs and Alterations	0	42,700	0
Building Operations	8,600	83,812	0
Fund Balance (including ERF)			
Total Resources Available	6,801,800	7,301,465	7,410,869
Total New Obligational Authority	(6,175,810)	(6,760,906)	(6,885,375)
Prior Year Recoveries	<u>2,311</u>	<u>0</u>	<u>0</u>
Fund Balance (Available for Reauthorization)	628,301	540,559	525,494
Net Budget Authority (including ERF)	264,889	490,654	291,465

¹ Includes an advanced appropriation provided in Public Law 106-554 of \$276,400 thousand.

² Includes Federal Employee Retirement Costs.

³ Includes indefinite authority. See Exhibit 2 for listing of all indefinite authorities.

⁴ Excludes indefinite authority. See Exhibit 2 for listing of all indefinite authorities.

Note: See Exhibit 1B. The exhibit excludes the Federal Employee Retirement Costs.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

SCHEDULE OF RESOURCES, NEW OBLIGATIONAL AUTHORITY, AND FUND BALANCE

Excluding Federal Employee Retirement Costs

FY 2001 - FY 2003

(Dollars in Thousands)

	FY 2001 Actual	FY 2002 Current	FY 2003 Request
Resources:			
Available from prior year for reauthorization	406,017	628,301	540,559
Columbia Hospital for Women	0	5,992	0
Redemption of Debt	(69,140)	(72,000)	(79,685)
Reprogramming Authority	13,549	5,392	0
Non-Expenditure Transfer	2,050	(8,000)	0
Appropriation	476,523	284,400 ¹	276,400
Revenue from operations:			
Rent	5,661,144	6,021,819	6,572,410
Federal Employee Retirement Costs	[----]	[----]	[----]
Indefinite Authority for Rental of Space	168,353	210,218	[198,666]
Other Indefinite Authorities	16,735	[19,433]	[16,274]
Miscellaneous	24,559	4,300	5,176
Outleasing	16,692	13,307	13,498
SSA/CDC/HCFA Payments	34,455	37,214	37,070
Subtotal, Revenue	<u>[5,921,938]</u>	<u>[6,286,858]</u>	<u>[6,628,154]</u>
Total Resources Available	6,750,937	7,130,943	7,365,428
New Obligational Authority:			
Construction and Acquisition	504,775	674,972	556,574
Repairs and Alterations	681,331 ²	826,676 ³	986,029 ³
Installment Acquisition Payments	185,369	186,427	178,960
Rental of Space	3,112,207 ²	3,147,368 ²	3,153,211 ³
Building Operations	1,641,265 ²	1,748,949 ³	1,965,160 ³
Federal Employee Retirement Costs	[----]	[----]	[----]
Columbia Hospital for Women	0	5,992	0
Total New Obligational Authority	<u>6,124,947</u>	<u>6,590,384</u>	<u>6,839,934</u>
Fund Balance:			
Total Resources Available	6,750,937	7,130,943	7,365,428
Total New Obligational Authority	(6,124,947)	(6,590,384)	(6,839,934)
Prior Year Recoveries	<u>2,311</u>	<u>0</u>	<u>0</u>
Fund Balance (Available for Reauthorization)	628,301	540,559	525,494
Net Budget Authority	256,289	364,142	291,465
Emergency Response Funding (ERF)			
Appropriation (+)	8,600	126,512	0
New Obligational Authority:			
Repairs and Alterations	0	42,700	0
Building Operations	8,600	83,812	0
Fund Balance (including ERF)			
Total Resources Available	6,759,537	7,257,455	7,365,428
Total New Obligational Authority	(6,133,547)	(6,716,896)	(6,839,934)
Prior Year Recoveries	<u>2,311</u>	<u>0</u>	<u>0</u>
Fund Balance (Available for Reauthorization)	628,301	540,559	525,494
Net Budget Authority (including ERF)	264,889	490,654	291,465

¹ Includes an advanced appropriation provided in Public Law 106-554 of \$276,400 thousand.

² Includes indefinite authority. See Exhibit 2 for listing of all indefinite authorities.

³ Excludes indefinite authority. See Exhibit 2 for listing of all indefinite authorities.

Note: See Exhibit 1A. The exhibit includes the Federal Employee Retirement Costs.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

EXHIBIT 2

FY 2003 BUDGET
INDEFINITE AUTHORITIES
(Dollars in Thousands)

	FY 2001 ACTUAL	FY 2002 CURRENT	FY 2003 REQUEST
<u>RESOURCES/EXPENDITURES</u>			
Repairs and Alterations (Basic) Pennsylvania Avenue Activities	373	[400]	[400]
Repairs and Alterations (Line-Item)			
Energy	47	[535]	[535]
Recycling	658	[691]	[691]
Historical Outleasing	12,190	[10,000]	[10,000]
Building Operations			
International Trade Center	15,936	[16,790]	[13,534]
Teleworking	<u>558</u>	<u>[1,017]</u>	<u>[1,114]</u>
TOTAL (Excludes Leased Expansion Space)	29,762	[29,433]	[26,274]
Rental of Space			
Leased Expansion Space	168,353	210,218	[198,666]

Bracketed numbers are projections not included in budget totals.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**SCHEDULE OF FTE, OBLIGATIONS, AND NET OUTLAYS
(Dollars in Thousands)**

							Increase/(Decrease) For FY 2003	
	FY 2001 Actual		FY 2002 Current		FY 2003 Request		Change	
	FTE	Obligations	FTE	Obligations	FTE	Obligations	FTE	Obligations
FTE and Obligations: (Excluding Emergency Response Fund)								
1. Construction and Acquisition	-	364,170	-	1,043,213	-	602,920	-	(440,293)
2. Repairs and Alterations	-	622,921	-	934,218	-	1,198,834	-	264,616
3. Design and Construction Services	-	2,764	-	3,255	-	-	-	(3,255)
4. Installment Acquisition Payments	-	189,556	-	193,145	-	178,960	-	(14,185)
5. Construction of Lease Purchase Facilities ¹	-	9,083	-	174,500	-	6,000	-	(168,500)
6. Pennsylvania Avenue Activities								
a) Repair and Alterations		8,693		8,800		4,979		(3,821)
b) Building Operations	-	1,059	-	2,700	-	3,195	-	495
7. Rental of Space	-	2,957,462	-	3,331,747	-	3,200,451	-	(131,296)
8. Building Operations								
a) Cleaning	323	203,280	336	223,587	336	235,783	-	12,196
b) Utilities/Fuel	-	259,345	-	304,145	-	325,696	-	21,551
c) Maintenance	835	209,743	842	245,655	842	256,340	-	10,685
d) Other Building Services	2,968	299,244	2,892	285,050	2,892	291,006	-	5,956
e) Protection	1,145	263,103	1,408	277,565	1,408	411,194	-	133,629
f) Staff Support	1,704	273,425	1,685	273,519	1,685	259,643	-	(13,876)
g) CIO	-	56,983	-	66,327	-	73,027	-	6,700
h) Centralized Services	-	96,372	-	112,471	-	112,471	-	0
i) International Trade Center	-	15,221	-	3,046	-	-	-	(3,046)
j) Columbia Hospital for Women	-	8,001	-	5,992	-	-	-	(5,992)
k) Federal Employee Retirement Costs	-	42,263	-	44,010	-	45,441	-	1,431
Subtotal, Building Operations	6,975	1,726,980	7,163	1,841,367	7,163	2,010,601	-	169,234
9. Reimbursable	200	1,111,300	132	889,911	132	878,544	-	(11,367)
Total FTE/Obligations (Excluding ERF)	7,175	6,993,988	7,295	8,422,856	7,295	8,084,484	-	(338,372)
Emergency Response Funding (ERF):								
1. Repairs and Alterations	-	-	-	42,700	-	-	-	(42,700)
2. Building Operations - Protection	-	7,831	-	84,581	-	-	-	(83,812)
Total FTE and Obligations (including ERF)	7,175	7,001,819	7,295	8,550,137	7,295	8,084,484	-	(465,653)
Less Federal Employee Retirement Costs (FERC) - Building Operations		(42,263)		(44,010)		(45,441)		(1,431)
Total FTE and Obligations (excluding FERC)	7,175	6,959,556	7,295	8,506,127	7,295	8,039,043	-	(467,084)
Net Outlays:		(215,410)		416,419		3,428		(412,991)

¹ FY 2002 obligations include \$157 million for the award of construction contract for the Federal Building, San Francisco, California.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

EXHIBIT 4

**OBLIGATIONS BY OBJECT CLASS
(Dollars in Thousands)**

	FY 2001 Actual	FY 2002 Current	FY 2003 Request
Personnel Compensation:			
11.1 Full-time permanent	410,608	425,721	438,513
11.3 Other than full-time permanent	5,428	5,498	5,631
11.5 Other personnel compensation	16,617	13,048	13,316
11.9 Total personnel compensation	432,653	444,267	457,460
12.1 Civilian personnel benefits	118,213	116,327	119,350
13.0 Benefits for former personnel	22,976	25,069	26,301
21.0 Travel and transportation of persons	16,745	14,672	15,037
21.0 Motor pool travel	5,161	4,917	4,917
22.0 Transportation of things	3,647	4,490	4,483
23.2 Rental payments to others	2,953,776	3,331,747	3,200,451
23.3 Communications, utilities, and misc. charges	325,837	329,553	351,789
24.0 Printing and reproduction	2,848	7,687	7,593
25.1 Advisory and assistance services	346	353	353
25.2 Other services	2,266,676	3,120,068	2,841,630
25.4 Operation and maintenance of facilities	504,474	572,138	692,803
25.7 Operation and maintenance of equipment	44,377	46,361	46,361
26.0 Supplies and materials	64,411	62,197	57,271
31.0 Equipment	26,216	44,715	51,539
32.0 Land and structures	33,372	124,960	47,581
41.0 Grants, subsidies, and contributions	17	255	45
42.0 Insurance claims and indemnities	268	86	86
43.0 Interest and dividends	171,975	172,994	159,434
99.9 Total Obligations (excluding ERF)	6,993,988	8,422,856	8,084,484
Emergency Response Funding (ERF)			
11.1 Full-time permanent	0	13,800	0
21.0 Travel and transportation of persons	0	1,500	0
25.2 Other services	7,831	111,981	0
Subtotal ERF	7,831	127,281	0
Less Federal Employee Retirement Costs (FERC)			
12.1 Civilian personnel benefits	(19,333)	(19,144)	(18,900)
13.0 Benefits for former personnel	(22,930)	(24,866)	(26,541)
Subtotal FERC	(42,263)	(44,010)	(45,441)
99.9 Total Obligations (excluding FERC)	6,959,556	8,506,127	8,039,043

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**SUMMARY OF TOTAL INVENTORY, GOVERNMENT-OWNED AND LEASED SPACE
FY 2001 - FY 2003
(Rentable Square Feet in Thousands)**

TYPE OF SPACE	FY 2001 ACTUAL	CHANGE FROM FY 2000	FY 2002 CURRENT	CHANGE FROM FY 2001	FY 2003 REQUEST	CHANGE FROM FY 2002
Government Owned Space						
Assigned	166,179	264	166,321	142	167,912	1,591
Vacant	17,402	(922)	18,275	873	18,660	385
Total	183,581	(658)	184,596	1,015	186,572	1,976
GSA Leased Space						
Assigned	148,809	2,154	151,357	2,548	154,406	3,049
Vacant	3,023	(429)	2,931	(92)	2,988	57
Total	151,832	1,725	154,288	2,456	157,394	3,106
Government Owned and Leased						
Assigned	314,988	2,418	317,678	2,690	322,318	4,640
Vacant	20,425	(1,351)	21,206	781	21,648	442
Total Space in Inventory	335,413	1,067	338,884	3,471	343,966	5,082
% of Total Space Vacant	6.1%		6.3%		6.3%	
% of Govt-Owned Space Vacant	9.5%		9.9%		10.0%	
% of Leased Space Vacant	2.0%		1.9%		1.9%	

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**SUMMARY OF SPACE ASSIGNED, TOTAL INVENTORY
GOVERNMENT-OWNED AND LEASED SPACE
(Rentable Square Feet in Thousands)
FY 2001 - FY 2003**

AGENCY	FY 2001 ACTUAL	FY 2002 CURRENT	FY 2003 REQUEST	CHANGE FROM FY 2002
Treasury	42,611	43,201	44,339	1,138
Justice	41,833	42,423	42,686	263
U.S. Courts	34,901	35,285	35,940	655
Defense	30,181	29,769	30,013	244
Social Security Administration	25,685	26,187	26,187	-
Interior	14,509	14,656	14,670	14
Health and Human Services	12,578	12,205	13,040	835
All Other Agencies	112,690	113,952	115,443	1,491
Total Space Assigned	314,988	317,678	322,318	4,640

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE**

<p>For an additional amount to be deposited in, and to be used for the purposes of, the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)),</p> <p><u>[\$8,000,000.]</u>√ The revenues and collections deposited into the Fund shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving governmental agencies (including space adjustments and telecommunications relocation expenses) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings, and moving; repair and alteration of federally owned buildings including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; acquisition of options to purchase buildings and sites; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, and any other obligations for public buildings acquired by installment purchase and purchase contract; in the aggregate amount of</p>	<p><u>\$276,400,000.</u></p>
<p><u>[\$6,100,382,000],</u>√ of which: (1)</p> <p><u>[\$386,280,000]</u>√ shall remain available until expended for construction (including funds for sites and expenses and associated design and construction services) of additional projects at the following locations:</p>	<p><u>\$6,885,375,000</u></p> <p><u>\$556,574,000</u></p>

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE**

New Construction:

√ [Alabama:

Mobile, United States Courthouse,
\$11,290,000

Arkansas:

Little Rock, United States Courthouse Annex,
\$5,022,000

California:

Fresno, United States Courthouse,
\$121,225,000

District of Columbia:

Washington, United States Courthouse
Annex, \$6,595,000

Washington, Southeast Federal Center Site
Remediation, \$5,000,000

Florida:

Fort Pierce, United States Courthouse,
\$2,269,000

Miami, United States Courthouse,
\$15,000,000

Orlando, United States Courthouse,
\$4,000,000

Illinois:

Rockford, United States Courthouse,
\$4,933,000

Iowa:

Cedar Rapids, United States Courthouse,
\$9,785,000

Maine:

Jackman, Border Station, \$868,000

Maryland:

Montgomery County, FDA Consolidation,
\$19,060,000

Prince Georges County, National Center for
Environmental Prediction, \$3,000,000

Suitland, United States Census Bureau,
\$2,813,000

Suitland, National Oceanic and Atmospheric
Administration II, \$34,083,000

Arkansas:

Little Rock, United States Courthouse Annex,
\$77,154,000

California:

San Diego, United States Courthouse Annex,
\$23,901,000

District of Columbia:

Washington, Southeast Federal Center Site
Remediation, \$8,972,000

Florida:

Fort Pierce, United States Courthouse,
\$2,744,000

Iowa:

Cedar Rapids, United States Courthouse,
\$5,167,000

Maine:

Jackman, Border Station, \$9,194,000

Maryland:

Montgomery County, FDA Consolidation,
\$5,500,000

Suitland, National Oceanic and Atmospheric
Administration II, \$9,461,000

Suitland, United States Census Bureau,
\$176,919,000

Mississippi:

Jackson, United States Courthouse,
\$7,276,000

Montana:

Raymond, Border Station, \$7,753,000

New York:

Brooklyn, United States Courthouse Annex –
GPO, \$39,500,000

Massena, Border Station, \$1,646,000

New York, U.S. Mission to the United Nations,
\$57,053,000

North Dakota:

Portal, Border Station, \$2,201,000

Oregon:

Eugene, United States Courthouse,
\$77,374,000

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE**

Massachusetts:

Springfield, United States Courthouse,
\$6,473,000

Michigan:

Detroit, Ambassador Bridge Border Station,
\$9,470,000

Mississippi:

Gulfport, United States Courthouse,
\$3,000,000

Jackson, United States Courthouse,
\$6,710,000

Montana:

Raymond, Border Station, \$693,000

New Mexico:

Las Cruces, United States Courthouse,
\$4,110,000

New York:

Brooklyn, United States Courthouse Annex –
GPO, \$3,361,000

Buffalo, United States Courthouse Annex,
\$716,000

Champlain, Border Station, \$500,000

New York, U.S.Mission to the United Nations,
\$4,617,000

Oklahoma:

Norman, NOAA Norman Consolidation
Project, \$8,000,000, to be directly transferred to
the National Oceanic and Atmospheric
Administration

Oregon:

Eugene, United States Courthouse,
\$4,470,000

Pennsylvania:

Erie, United States Courthouse Annex,
\$30,739,000

Tennessee:

Nashville, United States Courthouse
\$14,700,000

Texas:

Del Rio III, Border Station, \$1,869,000

Eagle Pass, Border Station, \$2,256,000

Tennessee:

Nashville, United States Courthouse,
\$7,095,000

Texas:

Austin, United States Courthouse,
\$13,809,000

Utah:

Salt Lake City, United States Courthouse,
\$6,018,000

Washington:

Oroville, Border Station, \$6,572,000

Nationwide:

Judgment Fund Repayment, \$3,012,000

Nonprospectus Construction, \$8,253,000

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE**

El Paso, United States Courthouse,
\$11,193,000
Fort Hancock, Border Station, \$2,183,000
Houston, Federal Bureau of Investigation,
\$6,268,000
Utah:
Salt Lake City, United States Courthouse,
\$3,000,000
Virginia:
Norfolk, United States Courthouse Annex,
\$11,609,000
Nationwide:
Non-prospectus construction, \$5,400,000:]

Provided, That [funding for any project identified above]√ may be exceeded to the extent that savings are effected in other such projects, but not to exceed 10 percent [of the amounts included in an approved prospectus, if required,] √ unless advance [approval is obtained from]√ the Committees on Appropriations of a greater amount: *Provided further*, That all funds for direct construction projects shall expire on September 30, [2003]√, and remain in the Federal Buildings Fund except for funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date; (2) [\$826,676,000]√ shall remain available until expended for repairs and alterations which includes associated design and construction services: *Provided further*, That funds in the Federal Buildings Fund for Repairs and Alterations shall, for prospectus projects, be limited to the amount by project, as follows, except each project may be increased by an amount not to exceed 10 percent unless advance [approval is obtained from]√ the Committees on Appropriations of a greater amount:

each of the foregoing limits of costs on new construction projects

notice is transmitted to

2004

\$986,029,000

notice is transmitted to

Repairs and Alterations:

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE**

Alabama:

Montgomery, Frank M. Johnson, Jr. Federal Building-United States Courthouse, \$4,000,000

California:

Laguna Niguel, Chet Holifield Federal Building, \$11,711,000

San Diego, Edward J. Schwartz Federal Building, United States Courthouse, \$13,070,000

Colorado:

Lakewood, Denver Federal Center Building 67, \$8,484,000

District of Columbia:

Washington, 320 First Street, Federal Building, \$8,260,000

Washington, Internal Revenue Service Main Building, Phase 2, \$20,391,000

Washington, Main Interior Building, \$22,739,000

Washington, Main Justice Building, Phase 3, \$45,974,000

Florida:

Jacksonville, Charles E. Bennett Federal Building, \$23,552,000

Tallahassee, United States Courthouse, \$4,894,000

Illinois:

Chicago, Federal Building, 536 South Clark Street, \$60,073,000

Chicago, Harold Washington Social Security Center, \$13,692,000

Chicago, John C. Kluczynski Federal Building, \$12,725,000

Iowa:

Des Moines, 210 Walnut Street, Federal Building, \$11,992,000

Missouri:

Kansas City, Federal Building, 811 Grand Boulevard, \$1,604,000

St. Louis, Federal Building, 104/105 Goodfellow, \$20,212,000

California:

Los Angeles, Federal Building, 300 North Los Angeles Street, \$93,166,000

San Francisco, Appraisers Building, \$20,283,000

Tecate, Tecate U.S. Border Station, \$5,709,000

Connecticut:

New Haven, Robert N. Gaimo Federal Building, \$18,507,000

District of Columbia:

Federal Office Building 10A Garage, \$5,454,000

Harry S. Truman Building (State), \$29,443,000

Illinois:

Chicago, U.S. Custom House, \$9,000,000

Iowa:

Davenport, Federal Building and U.S. Courthouse, \$12,586,000

Maryland:

Baltimore, Metro West, \$6,162,000

Woodlawn, Operations Building, \$96,905,000

Massachusetts:

Boston, John F. Kennedy Federal Building Plaza, \$3,271,000,

Missouri:

Kansas City, Bannister Federal Complex, Building 1, \$16,130,000

Kansas City, Bannister Federal Complex, Building 2, \$3,148,000

New Hampshire:

Manchester, Norris Cotton Federal Building, \$17,668,000

Portsmouth, Thomas J. McIntyre Federal Building, \$11,149,000

New York:

New York, Jacob K. Javits Federal Building, \$7,568,000

Ohio:

Cleveland, Howard M. Metzenbaum U.S. Courthouse, \$15,212,000

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE**

New Jersey:

Newark, Peter W. Rodino Federal Building,
\$5,295,000

Nevada:

Las Vegas, Foley Federal Building– United
States Courthouse, \$26,978,000

Ohio:

Cleveland, Anthony J. Celebrezze Federal
Building, \$22,986,000

Cleveland, Howard M. Metzenbaum United
States Courthouse, \$27,856,000

Oklahoma:

Muskogee, Federal Building–United States.
Courthouse, \$8,214,000

Oregon:

Portland, Pioneer Courthouse, \$16,629,000

Pennsylvania

Pittsburgh, United States Post Office and
Courthouse, \$12,600,000

Rhode Island:

Providence, U.S. Federal Building and
Courthouse, \$5,039,000

Wisconsin:

Milwaukee, Federal Building – U.S.
Courthouse, \$10,015,000

Nationwide:

Design Program, \$33,657,000

Heating, Ventilation and Air Conditioning
Modernization – Various Buildings, \$6,650,000

Transformers – Various Buildings,
\$15,588,000

Basic Repairs and Alterations, \$351,796,000]:

Pennsylvania:

Pittsburgh, William S. Moorhead Federal
Building, \$68,793,000

Texas:

Dallas, Earle Cabell Federal Building –
Courthouse and Santa Fe Federal Building,
\$16,394,000

Fort Worth, Fritz Garland Lanham Federal
Building, \$15,249,000

Washington:

Seattle, Henry M. Jackson Federal Building,
\$26,832,000

Nationwide:

Chlorofluorocarbons Program, \$8,000,000

Design Program, \$52,527,000

Elevator Program, \$21,533,000

Energy Program, \$8,000,000

Glass Fragmentation Program, \$20,000,000

Terrorism, \$10,000,000

Basic Repairs and Alterations, \$367,340,000:

Provided further, That additional projects for
which prospectuses have been fully approved
may be funded under this category only if
advance [approval is obtained from] the
Committees on Appropriations: Provided
further, That the amounts provided in this or
any prior Act for “Repairs and Alterations” may
be used to fund costs associated with

notice is transmitted to

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE**

implementing security improvements to buildings necessary to meet the minimum standards for security in accordance with current law and in compliance with the reprogramming guidelines of the appropriate Committees of the House and Senate: Provided further, That the difference between the funds appropriated and expended on any projects in this or any prior Act, under the heading "Repairs and Alterations", may be transferred to Basic Repairs and Alterations or used to fund authorized increases in prospectus projects: Provided further, That all funds for repairs and alterations prospectus projects shall expire on September 30, [2003]√ and remain in 2004 the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: Provided further, That the amount provided in this or any prior Act for Basic Repairs and Alterations may be used to pay claims against the Government arising from any projects under the heading "Repairs and Alterations" or used to fund authorized increases in prospectus projects; (3) \$186,427,000√ for installment acquisition \$178,960,000 payments including payments on purchase contracts which shall remain available until expended; (4) \$2,952,050,000√ for rental of \$3,153,211,000 space which shall remain available until expended; and (5) \$1,748,949,000√ for \$2,010,601,000 building operations which shall remain available until expended: *Provided further*, That funds available to the General Services Administration shall not be available for expenses of any construction, repair, alteration and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses for the development of a proposed prospectus:

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE**

Provided further, That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance [approval is obtained from]√ the Committees on _____ notice is transmitted to

Appropriations: *Provided further,* That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(6)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056, shall be available from such revenues and collections: *Provided further,* That revenues and collections and any other sums accruing to this Fund during fiscal year [2002,]√ excluding _____ 2003 reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)) in excess of _____ \$6,885,375,000 [\$6,100,382,000]√ shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts.

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Explanation of Change In Appropriation Language for FY 2003

For fiscal year 2003, the proposed language for the Federal Buildings Fund (FBF) includes changes from previously enacted legislation as follows:

sum (a single line-item amount for a number of projects). We are not recommending a lump-sum appropriation in this budget request.

1. A direct appropriation request of \$276,400 thousand.
2. There are four instances in the appropriation language where the phrase "advance notice is transmitted to" the Committees has been substituted for the phrase "advance approval is obtained from" the Committees. The four instances include language providing authority to escalate Construction and Repairs and Alterations projects by an amount greater than 10 percent, authority to create additional repairs and alterations line-items within funds available, and authority to proceed with emergency repairs. With this change, the Committees will still retain control over projects while permitting GSA to conduct its capital program in a more timely and responsive manner.
3. The proposed language changes the phrase "funding for any project identified above" with "each of the foregoing limits of costs on new construction projects". This phrase is necessary in years when we receive construction projects by individual line item as this is the case with the requested program.
4. With regard to the language authorizing the escalation of new construction line-item projects by not to exceed 10 percent, the phrase "of the amounts included in an approved prospectus, if required,". This phrase is only needed in years when new construction funding is provided in lump-

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Performance Plan

PBS has developed quantitative performance measures that are consistent with the Government Performance and Results Act of 1993, and which support GSA's strategic goals. These goals are:

- Provide Best Value for Customer Agencies and Taxpayers
- Achieve Responsible Asset Management
- Operate Efficiently and Effectively
- Ensure Financial Accountability
- Maintain a World-Class Workforce and World-Class Workplace
- Carry out Social and Environmental Responsibility as a Federal Government Agency

In support of GSA's mission, PBS provides its customers with quality work environments that enable Federal agencies to better serve the public.

While continuing to improve financial results and the satisfaction of customers and tenants, PBS is increasing its focus on providing quality workplaces and expert solutions. Associates will acquire additional skills and expertise in the areas of Business, Customer, and Project Management to enable them to exceed customer expectations.

Immediately following this narrative is Exhibit 8, Matrix of Fiscal Year 2003 Performance Measures. It contains the annual performance goals, measures and budget links for major programs and activities. Some of the key measures are:

- *Tenant Satisfaction Ratings*

PBS, with the help of the Gallup Organization, surveys half of its tenants each year to measure customer satisfaction. See the Building Operations section, Figure 8 for more details.

- *Capital Investment Contribution*

Contribution is simply defined as revenue less operating expenses. It is the amount available for reinvestment in our owned inventory. The estimated goal for fiscal year 2003 is \$1.3 billion or 3.8 percent of the functional replacement value of the owned inventory, estimated for fiscal year 2003 at \$34.5 billion. To accomplish this goal, PBS is employing strategies such as utilizing outleasing opportunities, fully recovering costs for leased space, and reducing non-revenue producing space.

- *Government-owned and Leased Inventory Not Producing Revenue*

PBS plans to accomplish this goal by converting vacant space under alteration into vacant available or assigned space as quickly as possible, utilizing outleasing opportunities, and realigning space assignments within owned buildings to consolidate small portions of vacant space into larger more marketable blocks. Figure 2 shows the percentages of Government-owned non-revenue producing space.

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

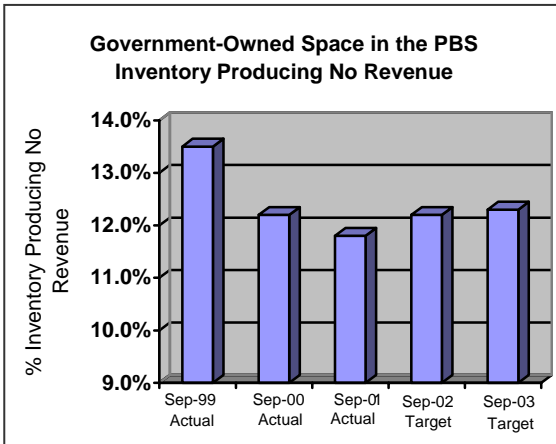


Figure 2

- *Operating Costs Per Rentable Square Foot of Office and Similarly Serviced Space Compared to Private Sector Costs*

PBS has developed several benchmarks to compare our operating costs to those in equivalent private sector buildings. We participate in industry groups, keep abreast of changes and trends in the industry, pursue energy conservation strategies and employ commercial buying practices, all of which keep office building operating costs at below private industry benchmarks.

- *Annual Lease Cost for New Leases Compared to the Private Sector*

Strategies to keep leasing costs at or below market levels include: comparing lease offers with industry benchmarks, using market surveys to comparison shop for best value, and using published market sources to get a better understanding of area markets.

- *Percentage of Repairs and Alterations/New Construction Projects Delivered On Time and Within Budget*

Completing projects on time is essential for accurate income projections. PBS is improving its quality control of project management, improving communication with customers, and limiting project changes to achieve this goal.

PBS seeks to improve the percentage of construction projects completed on schedule to 80% in fiscal year 2003.

- *Percentage Reduction in Energy Usage Since the 1985 Baseline*

To meet the fiscal year 2003 goal of reducing energy usage to 26 percent below the 1985 baseline, PBS is using alternative financing contracts to fund projects that will reduce energy usage and cost.

See the Building Operations section for more details.

Performance Plan Information

The following exhibit provides more information regarding the fiscal year 2003 Performance Plan:

Exhibit 8 - Matrix of Fiscal Year 2003 Performance Measures

**GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

MATRIX OF FISCAL YEAR 2003 PERFORMANCE MEASURES

(1 of 3)

Strategic Goals		
<p align="center">* Provide Best Value for Customer Agencies and Taxpayers</p> <p align="center">* Achieve Responsible Asset Management</p> <p align="center">* Operate Efficiently and Effectively</p> <p align="center">* Ensure Financial Accountability</p> <p align="center">* Maintain a World-class Workforce and a World-class Workplace</p> <p align="center">* Carry out Social, Environmental, and other Responsibilities as a Federal Government Agency</p>		
Responsibility Segment	Performance Measures	Performance Goals
Construction and Acquisition	* Customer satisfaction - tenants in newly constructed buildings	* Achieve a 90 percent tenant satisfaction rating in newly constructed buildings.
	* Construction projects completed within budget	* Reduce the cost escalation rate for new construction projects to 1 percent in both fiscal years 2002 and 2003.
	* Construction projects completed on schedule expressed as a percentage	* Improve the percentage of construction projects completed on schedule to 80 percent in fiscal year 2003.
		Budget Links
		<p>* Building Operations - Staff, administration, and program support includes \$95.0 million for construction related activities.</p> <p>* New Construction - \$553.6 million (excludes judgment fund reimbursement of \$3.0 million).</p>
Responsibility Segment	Performance Measures	Performance Goals
Repairs and Alterations	* Repairs and Alterations Projects completed on schedule	* Improve the percent of repairs and alterations projects completed on schedule to 83 percent in fiscal year 2003.
	* Repairs and Alterations Projects within budget	* Maintain the cost escalation rate for repairs and alterations projects at 1 percent.
	* Facility Condition Index (FCI)	* Establish a baseline FCI and assess the potential for improvement.
		Budget Links
		<p>* Repairs and Alterations - Federal Buildings Fund - \$618.7 million (Line Item)</p> <p>* Basic Repairs and Alterations - \$367.3 million (Non-Line Item)</p> <p>* Building Operations - Staff, administration, and program support includes \$125.4 million for repairs and alterations.</p>

**GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

MATRIX OF FISCAL YEAR 2003 PERFORMANCE MEASURES

(2 of 3)

Responsibility Segment	Performance Measures	Performance Goals
Rental of Space	<ul style="list-style-type: none"> * Cost of leased space relative to market * Recovery of Lease Costs * Customer Satisfaction - tenants in leased space 	<ul style="list-style-type: none"> * Keep the cost for new GSA leased office space at or below each of the four market ranges (categories) being tracked in fiscal year 2003. * Reduce the loss on operating leases to \$14.3 million. * Achieve a customer satisfaction rating in all leases of 85 percent with 86 percent or higher in newly leased space in fiscal year 2003.
		<p style="text-align: center;">Budget Links</p> <ul style="list-style-type: none"> * Rental of Space - \$3,153.2 million (excludes indefinite authority of \$198.7 million). * Rental of Space - The net savings resulting from leasing below market was \$64.2 million in fiscal year 2000. * Building Operations - Building Services in leased space - \$87.0 million. * Building Operations - Protection includes \$125.4 million for security in leased space. * Building Operations - Staff, administration, and program support includes \$87.9 million for leased space.
Responsibility Segment	Performance Measures	Performance Goals
Building Operations	<ul style="list-style-type: none"> * Operating costs in office and similarly serviced space * Customer Satisfaction - tenants * Customer Satisfaction - ordering officials * Energy Consumption * Environmental Assessment * Threat Index * Child Care Utilization 	<ul style="list-style-type: none"> * Maintain operating costs in office and similarly serviced space at 16 percent below private sector benchmarks. * Customer satisfaction level in fiscal year 2003 of 85 percent. * Achieve an annual ordering official satisfaction of 63 percent in FY 2003. * Improve energy reduction in standard facilities from 20 percent below the fiscal year 1985 baseline in fiscal year 2002 to 22 percent below in fiscal year 2003. * Complete the second step, "Environmental Assessment", for estimating the financial liabilities for Government-owned and leased inventory. * Reduce the threat to Federal facilities by 20 percent in fiscal year 2003. * Maintain/increase the number of children of Federal employees who receive care in GSA child care centers.

**GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

MATRIX OF FISCAL YEAR 2003 PERFORMANCE MEASURES

(3 of 3)

Responsibility Segment	Performance Measures	Performance Goals
Building Operations (continued)	* Child Care Center Accreditation	* 90 percent of all eligible child care centers achieve accreditation.
		Budget Links
		<p>* Building Operations - Of the total for Building Services (including cleaning, maintenance, utilities, etc.) - \$870.4 million, the amount for Government-owned space is \$783.3 million.</p> <p>* Building Operations - Of total Protection costs of \$380.1 million, \$254.7 million is for security in Government-owned space.</p> <p>* Building Operations - Of the total staff, administration, and program support - \$760.1 million, \$451.9 million is for Government-owned space.</p>
Responsibility Segment	Performance Measures	Performance Goals
Financial Management	<p>* Non-revenue producing space - Government-owned inventory</p> <p>* Non-revenue producing space - Leased inventory</p> <p>* Contribution available for Capital investment</p> <p>* Potential Revenue</p>	<p>* Absorb the 2.7 million rentable square feet in vacant FSS warehouse space and meet the non-revenue producing space target of 12.3 percent in Government-owned inventory.</p> <p>* Maintain the amount of non-revenue producing space in the leased inventory at 3.0 percent in fiscal year 2002 and fiscal year 2003.</p> <p>* Generate a capital investment contribution of 3.8 percent of the functional replacement value of the owned inventory.</p> <p>* Achieve an overall potential revenue of 89.3 percent in fiscal year 2003.</p>
		Budget Links
		* Rent Revenue \$6,618 million (excludes indefinite authority)

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

**Explanation of Estimates
Construction and Acquisition
of Facilities**

New Obligational Authority
(Dollars in Thousands)

FY 2001 Actual	FY 2002 Current	FY 2003 Request
\$504,775	\$674,972 ¹	\$556,574

¹ \$276,400 thousand was provided in P.L. 106-554 as an advance appropriation and \$8,000 thousand was provided in P.L. 107-67 for transfer to NOAA.

General Program Description

The Public Buildings Service (PBS) surveys the housing needs of its client agencies and the availability of Federal housing in communities nationwide. We recommend construction projects to meet new housing needs, replace antiquated facilities or consolidate agencies with long-term housing requirements.

Construction and ownership 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. PBS may purchase existing facilities and may acquire construction sites through purchase or exchange.

GSA requests \$556,574 thousand in new obligational authority for this program in fiscal year 2003.

Budget Summary

Highlights
<ul style="list-style-type: none"> • \$260,038 thousand for 10 Federal Judiciary projects • \$176,919 thousand for U.S. Census Bureau in Suitland, MD • \$57,053 thousand for U.S. Mission to the United Nations • \$27,366 thousand for five Border Stations • \$9,461 thousand for National Oceanic and Atmospheric Administration II in Suitland, MD • \$8,972 thousand for remediation of the Southeast Federal Center site in Washington, DC • \$8,253 thousand for Nonprospectus Projects • \$5,500 thousand for Food and Drug Administration Consolidation in Montgomery County, MD • \$3,012 thousand for repayment to the Judgment Fund

Figure 3

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Federal Judiciary--\$260,038 thousand

This request of \$260,038 thousand for the courthouse projects.

The goal of the fiscal year 2003 courthouse program is to produce appropriately aesthetic, dignified, and secure courthouses in a cost efficient manner. All new projects meet the building criteria outlined in the U.S. Courts Design Guide.

Between 1991 and 2001, we have spent approximately \$4.5 billion on courthouse construction projects. Approximately \$4.5 billion more is needed over the next ten years for the design and construction of approximately 106 additional courthouse projects.

GSA strives to build designs of lasting quality and dignity. PBS established the "Design Excellence" program in 1993. The program encourages selection of the nation's best private sector architects to design our most important civic buildings. In determining the space requirements and layout of individual buildings, GSA relies on the Courts Design Guide approved by the Judicial Conference.

GSA has a cost benchmarking process for new courthouse construction. Baseline benchmarks, on a cost per square foot basis, are established for Federal courthouses. The baseline benchmarks represent the five space types prevalent in courthouse construction projects: courtroom space, judicial chamber space, U.S. Marshals cellblock space, general office space, and indoor parking. The benchmarking numbers represent the cost of a courthouse project in Washington, DC, in 1999 dollars. It is adjusted to reflect specific conditions that apply to a

particular project such as construction premium costs for seismic conditions and geographic location. Benchmarks promote a uniform courthouse construction program nationwide by providing a method to compare projects regardless of geographic location.

GSA's Courthouse Management Group ensures consistency in courthouse construction and is a single point of responsibility for program efficiency and cost effectiveness.

U.S. Census Bureau--\$176,919 thousand

This request is for additional funds for construction of a new facility for the Department of Commerce, U. S. Census Bureau at the Suitland, Maryland Federal Center.

U.S. Mission to the United Nations--\$57,053 thousand

This request for \$57,053 thousand for construction of a new facility on the existing site. The new facility will fulfill consolidation and expansion needs of the offices and related functions of the U.S. Mission in a more secure and efficient structure.

Border Station Program--\$27,366 thousand

GSA requests \$27,366 thousand for five border station projects on the northern borders.

PBS is responsible for United States inspection facilities on the borders with Mexico and Canada. These facilities are designed to meet the needs of the Federal Inspection Service (FIS) agencies, which include the U.S.

General Services Administration

PUBLIC BUILDINGS SERVICE

FEDERAL BUILDINGS FUND

Customs Service, the Immigration and Naturalization Service, the U.S. Department of Agriculture and the Food and Drug Administration.

PBS operates and maintains 126 owned and leased inspection facilities nationwide. Many of the owned facilities are functionally obsolete and must be replaced.

PBS and the FIS work together to establish a prioritized list of projects three to five years in advance. This project planning and prioritizing methodology, known as the Border Station Capital Project Long Range Plan, uses very specific criteria to establish priority projects. Using this methodology, PBS and the FIS can better plan for future construction and ensure that the current and future operational needs of the FIS are successfully met.

National Oceanic and Atmospheric Administration II--\$9,461 thousand

This request of \$9,461 thousand is for additional design and construction of a 208,271 gross square foot facility for NOAA in Suitland, MD. Unexpected soil conditions and recent enhancements in GSA's construction standards require changes in the design and construction of the planned project with an associated increase in cost.

Southeast Federal Center Site Remediation--\$8,972 thousand

This request of \$8,972 thousand is to complete site remediation work at the Southeast Federal Center 55-acre site in Washington, DC. This funding is for remediation of a 2.7-acre portion of the site previously considered suitable for less expensive bioremediation methods.

Subsequent studies identified a requirement for more extensive remediation.

Nonprospectus Construction Projects--\$8,253 thousand

This program funds small construction projects that are below the prospectus level (\$2,213 thousand).

GSA uses these funds to purchase small parcels of land and construct small buildings such as childcare centers, storage buildings, and ancillary buildings at border stations.

We apply the same stringent return on investment criteria to these small construction projects as is used to justify other capital expenditures.

Food and Drug Administration Consolidation--\$5,500 thousand

The requested funding is for the completion of the construction of the Center for Drug Evaluation and Research Laboratory and Office at White Oak in Montgomery County, MD. This completes the first two phases of a five-phase consolidation project at the White Oak Campus in suburban Maryland.

Repayment to the Judgment Fund--\$3,012 thousand

GSA requests \$3,012 thousand to reimburse the Department of Treasury for a claim made against the Bruce R. Thompson U.S. Courthouse and Federal Building in Reno, NV.

The settlement agreement includes a release of all claims and demands for relief, which arise under the contracts. The U.S. Treasury paid the claim under

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

the terms of the Contract Disputes Act.
PBS does not have the project funds to
reimburse the U.S. Treasury.

Budget Summary Information

The following exhibits provide
information regarding overall aspects of
the Construction and Acquisition of
Facilities program:

Exhibit 9 - Summary of Fiscal Year 2003
Program

Exhibit 10 – Project Descriptions

**GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**CONSTRUCTION AND ACQUISITION OF FACILITIES
SUMMARY OF FY 2003 PROGRAM
(Dollars in Thousands)
IN PRIORITY ORDER**

	<u>ESTIMATED TOTAL PROJECT COST</u>					<u>FY 2003 REQUEST</u>				
	<u>SITE</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&I</u>	<u>TOTAL</u>	<u>SITE</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&I</u>	<u>TOTAL</u>
Executive Agencies:										
Judgment Fund Repayment.....	-	-	3,012	-	3,012	-	-	3,012	-	3,012
Suitland, MD, U.S. Census Bureau.....	-	8,013	167,700	9,219	184,932	-	-	167,700	9,219	176,919
New York, NY, U.S. Mission to UN.....	-	3,394	57,107	4,332	64,833	-	-	53,005	4,048	57,053
Suitland, MD, NOAA II.....	-	3,878 ¹	53,757 ²	3,563	61,198	-	750	8,099	612	9,461
Washington, DC, SEFC Site Remediation.....	-	-	45,707	-	45,707	-	-	8,972	-	8,972
Oroville, WA, BS.....	1,500	1,544	14,686	1,500	19,230	880	712	4,230	750	6,572
Jackman, ME, BS.....	-	868	8,441	753	10,062	-	-	8,441	753	9,194
Raymond, MT, BS.....	-	693	7,175	578	8,446	-	-	7,175	578	7,753
Portal, ND, BS.....	800	1,401	13,487	1,216	16,904	800	1,401	-	-	2,201
Massena, NY, BS.....	100	1,546	11,003	1,300	13,949	100	1,546	-	-	1,646
Montgomery Co., MD, FDA Consolidation.....	5,000	57,054	704,176	27,724	793,954	-	-	5,000	500	5,500
Nonprospectus Program.....	-	-	8,253	-	8,253	-	-	8,253	-	8,253
Subtotal, Executive Agencies.....	7,400	78,391	1,094,504	50,185	1,230,480	1,780 0	4,409 0	273,887	16,460 0	296,536
Subtotal, Federal Judiciary..... (see attached listing)	119,811	88,494	1,095,494	56,725	1,360,524	24,706	42,554	180,747	12,031	260,038
Total, Construction and Acquisition of Facilities Program.....	127,211	166,885	2,189,998	106,910	2,591,004	26,486	46,963	454,634	28,491	556,574

¹Includes \$3,128 thousand funded by Department of Commerce in fiscal year 2000

²Includes \$14,526 thousand funded by Department of Commerce in fiscal year 2001

**GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

EXHIBIT 9

**CONSTRUCTION AND ACQUISITION OF FACILITIES
SUMMARY OF FY 2003 PROGRAM
(Dollars in Thousands)
IN PRIORITY ORDER**

	<u>ESTIMATED TOTAL PROJECT COST</u>					<u>FY 2003 REQUEST</u>				
	<u>SITE</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&I</u>	<u>TOTAL</u>	<u>SITE</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&I</u>	<u>TOTAL</u>
Federal Judiciary:										
Brooklyn, NY, CT Annex-GPO.....	24,824	32,475	391,286	11,981	460,566	-	1,250	36,850	1,400	39,500
Eugene, OR, CT.....	7,500	4,160	73,055	4,319	89,034	-	-	73,055	4,319	77,374
Salt Lake City, UT, CT.....	12,802	7,690	83,602	5,370	109,464	3,246	2,772	-	-	6,018
Little Rock, AR, CT Annex.....	2,821	5,637	70,842	6,312	85,612	-	-	70,842	6,312	77,154
Cedar Rapids, IA, CT.....	9,785	5,167	63,323	4,164	82,439	-	5,167	-	-	5,167
Nashville, TN, CT.....	14,700	7,095	80,931	5,245	107,971	-	7,095	-	-	7,095
Fort Pierce, FL, CT.....	2,269	2,744	26,708	2,693	34,414	-	2,744	-	-	2,744
Jackson, MS, CT.....	6,710	7,276	76,782	5,343	96,111	-	7,276	-	-	7,276
Austin, TX, CT.....	9,000	4,809	47,480	4,151	65,440	9,000	4,809	-	-	13,809
San Diego, CA, CT Annex.....	29,400	11,441	181,485	7,147	229,473	12,460	11,441	-	-	23,901
Subtotal, Federal Judiciary	119,811	88,494	1,095,494	56,725	1,360,524	24,706	42,554	180,747	12,031	260,038

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Construction and Acquisition of Facilities
Project Descriptions**

ARKANSAS

Little Rock - U.S. Courthouse Annex.....\$77,154,000

This project proposes the construction of a 155,317 gross square foot Courthouse Annex (CT Annex), including 55 inside parking spaces, and the renovation of the Post Office-Courthouse (PO-CT) in Little Rock, AR. The addition will meet the ten-year space needs of the Courts and court-related agencies and the site will be able to accommodate the 30-year expansion requirements of the courts. The Judiciary's Five-Year Plan, which reflects construction priorities approved by the Judicial Conference, includes construction funding for the addition and renovation of the PO-CT in Little Rock. This project meets the current U. S. Courts Design Guide (USCDG) Standards.

This project is driven by the Court's projection for additional judgeships within the next 10 years. The Courts have projected a need for two additional district judgeships and one additional magistrate judgeship. Also, four of the five active district judges are or will be eligible for senior status in the ten-year period and will require replacements. These requirements are based on a Long-Range Facility Plan for the Eastern District of Arkansas completed by the Courts in February 1991 and updated specifically for Little Rock in March 1999. The Judiciary's ten-year space requirement will increase almost 100 percent from its current space assignment. The current PO-CT cannot provide this amount of expansion space.

Site acquisition (\$821 thousand) and design (\$2,615 thousand) were funded in fiscal year 1999. Additional site acquisition (\$2,000 thousand) and design (\$3,022 thousand) funding were appropriated in fiscal year 2002. This request is for construction (\$70,842 thousand) and management and inspection (\$6,312 thousand). The estimated total project cost is \$85,612 thousand.

CALIFORNIA

San Diego - U.S. Courthouse Annex.....\$23,901,000

This project proposes additional site funding for the demolition, relocation, and design of a 583,746 gross square foot Courthouse Annex (CT Annex) including 46 inside parking spaces, adjacent to the existing Edward J. Schwartz Federal Building-Courthouse (FB-CT) in San Diego, CA. The CT Annex, in conjunction with the existing FB-CT, will meet the ten-year space requirements of the Courts and court-related agencies and the site will be able to accommodate their 30-year space requirements. The Judiciary's Five-Year Plan, which reflects construction priorities approved by the Judicial Conference, includes site and design funding for a CT Annex in San Diego. This project meets the current USCDG standards.

The CT Annex will include a total of 15 district courtrooms and chambers, Appellate judges chambers, circuit library, pre-trial services, the U.S. Marshals Service and the GSA Field Office. The CT Annex will be constructed for a possible addition of eight district courtrooms and chambers to accommodate the Court's 30-year requirement. Suitable Federal executive agencies will be used as backfill to allow spaces to be converted incrementally to accommodate the Court's growth.

Site (\$15,400 thousand) was funded in fiscal year 1999. In fiscal year 2002, a reprogramming for additional site funds (\$1,540 thousand) is requested. This request is for additional site (\$12,460 thousand) and design (\$11,441 thousand). Construction (\$181,485 thousand) and management and inspection (\$7,147 thousand) will be requested in a future fiscal year. The estimated total project cost is \$229,473 thousand.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Construction and Acquisition of Facilities
Project Descriptions**

DISTRICT OF COLUMBIA

Southeast Federal Center Site Remediation.....\$8,972,000

Funding is requested for environmental remediation at the Southeast Federal Center (SEFC) in order to comply with a consent order issued by the Environmental Protection Agency (EPA). The consent order directs GSA to provide a characterization of current conditions and to remedy those conditions. The consent order was issued by the EPA Administrator pursuant to Section 3013 of the Solid Waste Disposal Act, as amended by the Hazardous and Solid Waste Amendments of 1984, Resource Conservation Recovery Act (RCRA), 42 USC 6934. Signed in July of 1999, the consent Order was issued because the location of the SEFC and its proximity to a substantial minority population makes it part of EPA's Anacostia Initiative and the Environmental Justice Initiative. The purpose of the consent order is the protection of human health and the environment. It requires GSA to implement sampling, analysis, monitoring, and reporting on the site and to take interim measures to prevent or mitigate threats to human health and/or the environment. The consent order also requires a RCRA facility investigation to fully ascertain the nature and extent of any release of hazardous wastes and/or hazardous constituents at or from the site.

Funding was provided in fiscal year 1997 (\$20,000 thousand) and fiscal year 1999 (\$10,000 thousand). An internal budget escalation (\$1,735 thousand) was reprogrammed to the project in fiscal year 2000. Additional construction funding (\$5,000 thousand) was appropriated in fiscal year 2002. This request (\$8,972 thousand) is for additional site remediation work. The estimated total project cost is \$45,707 thousand.

FLORIDA

Fort Pierce - U.S. Courthouse.....\$2,744,000

This project proposes the design of a 111,075 gross square foot Federal Building-Courthouse (FB-CT), including 15 inside parking spaces and 73 outside parking spaces, in Fort Pierce, FL. The FB-CT will be constructed to meet the ten-year space needs of the Courts and court-related agencies and the site will accommodate the 30-year expansion requirements of the Courts. This project meets the current USCDG standards.

The Courts and court-related agencies are currently located in four leased locations in downtown Fort Pierce. The project proposes to consolidate all agencies in the new FB-CT and to provide future expansion needs. In addition, the current leased location compromises the safety of the building occupants as well as the general public, only meeting minimum security, ADA requirements, and fire safety standards. The building does not provide adequate separation of prisoners, employees and judges, security setbacks, or elevators for wheelchair capacity. All leased locations will be extended or terminated to coincide with the occupancy of the new FB-CT.

Site acquisition (\$2,269 thousand) was funded in fiscal year 2002. This request (\$2,744 thousand) is for design. Construction (\$26,708 thousand) and management and inspection (\$2,693 thousand) will be requested in a future fiscal year. The estimated total project cost is \$34,414 thousand.

IOWA

Cedar Rapids - U.S. Courthouse.....\$5,167,000

This project proposes the design of a 254,328 gross square foot Courthouse (CT), including 40 inside parking spaces and 79 outside parking spaces in Cedar Rapids, IA. The CT will be constructed to meet the ten-year space needs of the Courts and court-related agencies and the site will accommodate their 30-year expansion requirements. The Judiciary's Five-Year Plan, which reflects priorities approved by the Judicial Conference, includes a new CT in Cedar Rapids for site and design funding. This project meets the current USCDG standards.

The existing CT, located at 101 First Street, SE, is included on the National Register of Historic Places as part of the Mays Island Historic District and has been maintained in good condition. However, the building is structurally unable to meet the

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Construction and Acquisition of Facilities
Project Descriptions**

IOWA - continued

Cedar Rapids - U.S. Courthouse - continued

U.S. Court Design Guide Standards and does not provide for secure prisoner circulation (sallyport, elevators, corridors, and courtroom holding cells).

Site acquisition (\$9,785 thousand) was funded in fiscal year 2002. This request (\$5,167 thousand) is for design. Construction (\$63,323 thousand) and management and inspection (\$4,164 thousand) will be requested in a future fiscal year. The estimated total project cost is \$82,439 thousand.

MAINE

Jackman - Border Station.....\$9,194,000

This project proposes the construction of a new border station to replace the existing facility in Jackman, ME. The present facility is deteriorated beyond repair and has reached the end of its useful life. The new facility will replace the existing border station that is overcrowded and functionally obsolete. It will be constructed on approximately 2.3 acres of land, using the site of the existing station that will be demolished. Temporary off-site inspection facilities will be used during construction. The existing station is no longer equipped to process the volume of traffic which passes through it, and does not meet the existing or future requirements of the tenant agencies in terms of size, efficiency, and security. In addition to a new main port building, this project will provide for the following ancillary inspection facilities: agency vehicle garage, three primary inspection lanes and booths for non-commercial traffic, two inspection lanes and booths for commercial traffic, a non-commercial secondary inspection with an additional two lanes for non-commercial traffic, an outbound inspection area, and a GSA maintenance facility. The total space of the new complex including the main port building and all ancillary inspection facilities is 35,709 gross square feet. There will be a total of 59 parking spaces, of which 51 are official agency spaces and eight are for visitors.

Currently, the office, storage, locker, lunch, and conference/training space is inadequate to accommodate the projected staff and the new computer system. There are no detention cells. The border station site lacks adequate parking, maneuvering areas and a clear and well-defined traffic pattern for commercial trucks, visitors, and employee parking. There is no secure parking for impounded vehicles.

Design (\$868 thousand) was funded in fiscal year 2002. This request is for construction (\$8,441 thousand) and management and inspection (\$753 thousand). The estimated total project cost is \$10,062 thousand.

MARYLAND

Montgomery County - Food and Drug Administration Consolidation.....\$5,500,000

This project will provide consolidated office and laboratory space for the Food and Drug Administration (FDA) headquarters components at White Oak in Montgomery County, MD. The FDA is currently housed in 48 buildings at 18 locations throughout the Washington, DC, metropolitan area. FDA requires 2.8 million gross square feet of laboratory, office, and support space. FDA is being consolidated in Montgomery County (White Oak) and in Prince George's County, Maryland. The proposed facility at White Oak will provide 2.2 million gross square feet of consolidated office and laboratory space for FDA headquarters. GSA intends to request funding to meet these facility requirements at White Oak on an incremental basis corresponding to the five phases of the planned project. Below is the funding history for this project:

Fiscal Year 1992	\$200,000,000
Fiscal Year 1994	73,921,000
Reprogramming from another construction project	6,000,000
Fiscal Year 1995	45,000,000
Rescission (P.L. 104-19) FY 1995	(228,000,000)

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Construction and Acquisition of Facilities
Project Descriptions**

MARYLAND - continued

Montgomery County - Food and Drug Administration Consolidation - continued

Transfer (Seafood Research Facility) FY 1995	(5,000,000)
Fiscal Year 1996	55,000,000
Fiscal Year 2000	35,000,000
Fiscal Year 2001	92,179,000
Fiscal Year 2002	<u>19,060,000</u>
Total	\$293,160,000

A further breakdown of the \$293,160 thousand is as follows: \$5,000 thousand for site, \$24,751 thousand for design, \$12,366 thousand for project planning, \$239,462 thousand for construction, and \$11,581 thousand for management and inspection.

Prince George's County, MD (\$129,963 thousand)

The Center for Veterinary Medicine (CVM) in Laurel (\$43,842 thousand) and the Center for Food Safety and Applied Nutrition (CFSAN) in College Park (\$86,121 thousand) were funded in fiscal year 1992. The CVM and CFSAN projects have been completed. The CVM project provides 174 thousand gross square feet. The CFSAN project provides 410 thousand gross square feet.

Montgomery County, MD (\$663,991 thousand)

Funding for planning and technical support (\$12,366 thousand) was funded in fiscal year 1992.

Funding for Phase I of this project for the design (\$2,510 thousand) and management and inspection (\$2,082 thousand) of FDA's Center for Drug Evaluation and Research (CDER) laboratory was funded in fiscal year 1996. The construction (\$29,939 thousand) of the 123,500 gross square foot laboratory for CDER and design (\$5,061 thousand) of the CDER office was appropriated in fiscal year 2000. Phase II funding for construction (\$88,021 thousand) and management and inspection (\$4,158 thousand) was provided in fiscal year 2001. Design (\$9,060 thousand) and construction (\$10,000 thousand) of the Center for Devices and Radiological Health (CDRH) Laboratory and Office were funded in fiscal year 2002 appropriations action.

This request is for construction (\$5,000 thousand) and management and inspection (\$500 thousand). The tenants need temporary common areas for functions such as training and conferences, plus the utility service distribution, which will be part of the planned utility service distribution for the entire project. \$3,300 thousand of the \$5,000 thousand construction cost is for the temporary common areas.

Funding in the amount of \$495,295 thousand will be requested for design (\$19,937 thousand), construction (\$459,714 thousand), and management and inspection (\$15,644 thousand) in future fiscal years.

The estimated total project cost includes \$663,991 thousand for the Montgomery County project and \$129,963 thousand for the Prince George's County project. The estimated total project cost for consolidation of FDA is \$793,954 thousand.

Suitland - U.S. Census Bureau.....\$176,919,000

GSA proposes the construction of a new facility totaling 771,040 gross square feet plus a parking garage with 1,592 spaces for the U.S. Census Bureau (Census) in Suitland, MD. The proposed project will house employees of Census, currently located in the Federal Office Building 3 (FOB3). Another new construction or renovation project to further consolidate the U.S. Census at Suitland may be proposed in the future.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Construction and Acquisition of Facilities
Project Descriptions**

MARYLAND - continued

Suitland - U.S. Census Bureau - continued

FOB 3 does not meet current GSA standards for air circulation, fire and life safety, or accessibility for the physically challenged. The building systems are inadequate and present potentially serious fire and life safety issues. The water in the building is not potable, and it has been determined that only a complete replacement of the plumbing systems will rectify the problem.

A reprogramming request for partial design (\$5,200 thousand) from the Repairs and Alterations activity was approved in fiscal year 2001. The balance of design (\$2,813 thousand) for Phase I was funded in fiscal year 2002. This request is for Phase I construction (\$167,700 thousand) and management and inspection (\$9,219 thousand). The estimated total project cost is \$184,932 thousand.

Suitland - National Oceanic and Atmospheric Administration II.....\$9,461,000

GSA requests additional funds for the design and construction of a 208,128 gross square feet facility and a parking garage with 500 spaces for the National Oceanic and Atmospheric Administration (NOAA). Unexpected soil conditions and recent changes in GSA's construction standards require changes in the design and construction of the planned project with an associated increase in cost.

Additional site development and construction costs not included in the original project scope results from soil composition problems and an elevated ground water level not encountered in the development of the Suitland Federal Center over the past 50 years. Consequently, a strengthened foundation system will be provided and excavation operations will be modified, since the soil will not support standard construction equipment. The soil conditions have also made it impractical to implement a fast track phased approach to construction as originally contemplated. The estimated project completion date has been extended by one year to 2005.

Changes in GSA's construction standards have also affected the proposed project. The original prospectus did not include the cost of preventing progressive collapse as related to blast security and seismic safety performance.

The new facility will be constructed at the Government-owned Suitland Federal Center in Suitland. Design (\$3,128 thousand) and construction (\$14,526 thousand) were funded by the Department of Commerce in fiscal years 2000 and 2001, respectively. Funding for additional construction (\$31,132 thousand) and management and inspection (\$2,951 thousand) were provided for in fiscal year 2002 appropriations. This request is for additional design (\$750 thousand), construction (\$8,099 thousand), and management and inspection (\$612 thousand). The estimated total project cost is \$61,198 thousand.

MISSISSIPPI

Jackson - U.S. Courthouse.....\$7,276,000

This project proposes the design of a 357,991 gross square foot CT, including 68 inside parking spaces and 97 outside parking spaces, in Jackson, MS. The CT will accommodate the ten-year space requirements of the Courts and court-related agencies and the site will accommodate the 30-year expansion requirements of the Courts. The existing James Eastland CT (Eastland CT) will be disposed. The Judiciary's Five-Year Plan, which reflects priorities approved by the Judicial Conference, includes site and design funding for a new CT in Jackson. This project meets the current USCDG standards.

Currently, the Eastland CT is only capable of providing 35 percent of the usable square footage programmed for the year 2010. Also, the sizes of the building wings are small in width and lend themselves only to certain functions. Because of the inadequate facilities and expansion space in the Eastland CT, the Courts and court-related agencies presently occupy space in two government-owned buildings and three leased buildings. The Eastland CT also provides inadequate security. There is no separate access or egress for judicial officers or prisoners provided, and there are no secure elevators in the

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Construction and Acquisition of Facilities
Project Descriptions**

MISSISSIPPI - continued

Jackson - U.S. Courthouse - continued

building. Currently, the U.S. Marshals only have one holding cell, which is located across the hall from the District Courts' ceremonial courtroom, and therefore, is not directly contiguous to the courtrooms. In addition, secured parking is not available to the courts.

Site acquisition (\$6,710 thousand) was funded in fiscal year 2002. This request is for design (\$7,276 thousand). Construction (\$76,782 thousand) and management and inspection (\$5,343 thousand) will be requested in a future fiscal year. The estimated total project cost is \$96,111 thousand.

MONTANA

Raymond - Border Station.....\$7,753,000

This project proposes the construction of a new border station in Raymond, MT. The new station will contain 28,998 gross square feet including canopied areas and inside parking for six vehicles. It will provide expanded office, lobby and storage space, three primary inspection lanes, a secondary inspection building able to accommodate commercial buses and private vehicles and a commercial warehouse with two dock spaces. There will also be larger and more secure parking areas including a fenced impoundment lot for seven vehicles, a commercial lot for ten oversize vehicles which includes two spaces for hazardous vehicles, and a visitor/employee lot for 25 vehicles.

The new facility will replace an existing border station, which is overcrowded and functionally obsolete. It will be constructed on approximately ten acres of land. The existing station will be used during construction of the new facilities and will be demolished by its current owner and operator, the Immigration and Naturalization Service. The existing facility is no longer equipped to process the volume of traffic which passes through it and does not meet the existing or future requirements of the tenant agencies in terms of size, efficiency, and security.

Design (\$693 thousand) was funded in fiscal year 2002. This request is for construction (\$7,175 thousand) and management and inspection (\$578 thousand). The estimated total project cost is \$8,446 thousand.

NEW YORK

Brooklyn - U.S. Courthouse Annex-GPO.....\$39,500,000

This project proposes the construction of a CT Annex and the renovation of the General Post Office (GPO) in Brooklyn, NY. The CT Annex will provide 632,377 gross square feet, including 256 inside parking spaces. The adjacent GPO will provide 575,000 gross square feet, including 33 inside parking spaces. When the project is complete, the CT Annex and the GPO will provide space for the District Courts, Bankruptcy Courts, Magistrate Courts and other court-related agencies. The complex will meet the ten-year space needs of the Courts and court-related agencies and the site will accommodate the Court's 30-year expansion requirements.

This project was developed in response to a declaration of a judicial space emergency in the U.S. District Court, Eastern District of New York, by the Judicial Conference of the United States in 1989. The new CT Annex will provide 25 courtrooms and chambers for 16 District and nine Magistrate judges and the GPO will provide seven courtrooms and chambers for seven Bankruptcy judges. Additional funds are required for the design and buildout of eight district courtrooms and chambers in the CT Annex, as authorized by the House Transportation and Infrastructure Committee and the Senate Environment and Public Works Committee, and buildout of 170,000 gross square feet of tenant space for the U.S. Attorneys in the GPO.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Construction and Acquisition of Facilities
Project Descriptions**

NEW YORK - continued

Brooklyn - U.S. Courthouse Annex-GPO - continued

Funding for site (\$24,824 thousand), design (\$30,164 thousand), construction (\$352,286 thousand), and management and inspection (\$10,431 thousand) was provided in fiscal years 1992, 1993, 1994, 1997, and 1999. Additional design (\$1,061 thousand), construction (\$2,150 thousand), and management and inspection (\$150 thousand) were funded in fiscal year 2002. This request is for additional design (\$1,250 thousand), construction (\$36,850 thousand), and management and inspection (\$1,400 thousand). The estimated total project cost is \$460,566 thousand.

Massena – Border Station.....\$1,646,000

This project proposes the acquisition of a site and the design of a new border station in Massena, NY. The new facility will contain 31,767 gross square feet and will provide office, storage and special use space for the inspection agencies. It will also provide space for queuing of commercial vehicles and parking for trucks, buses, and autos. The new facility will replace the existing border station, which does not meet the existing or future requirements of the tenant agencies in terms of size, efficiency, and security. The project consists of a new administration building with primary inspection lanes and canopies for autos, trucks and buses; a new secondary inspection garage for autos; a new secondary cargo inspection warehouse; and a new vehicle maintenance and storage garage.

The existing facility is both functionally and operationally obsolete. The lack of an adequate commercial cargo inspection facility is hampering the safe and secure execution of a major component of the Custom Service's mission. There is also a complete lack of space for truck queuing and parking. This leads to vehicles backing up onto the approach road, causing lengthy delays for all vehicles entering from Canada. The steadily increasing commercial traffic, coupled with wholly inadequate cargo inspection facilities, has created unsafe conditions on the public roadway and bridge that enters the station from Canada.

This request is for site acquisition (\$100 thousand) and design (\$1,546 thousand). Construction (\$11,003 thousand) and management and inspection (\$1,300 thousand) will be requested in a future fiscal year. The estimated total project cost is \$13,949 thousand.

New York - U.S. Mission to the United Nations.....\$57,053,000

This project will construct a new facility on the existing site for the consolidation and expansion of the offices and related functions of the U.S. Mission to the United Nations (USUN). The new facility will consist of 141,307 gross square feet, including ten inside parking spaces for official diplomatic vehicles and will house 292 employees.

The existing site is located at the southwest corner of First Avenue and East 45th Street which is directly across from the United Nations (UN) headquarters building. As part of the expansion, the U.S. Information Agency and the Office of Foreign Missions, both currently in leased locations, will move into the new facility.

The USUN facility is considered a special purpose building, similar in nature to an embassy facility. The USUN, the ambassadors and staff, represent the U.S. Government and its concerns to the UN and the world community. Since 1959, when the existing facility was built, this role has expanded and the current facility is physically and operationally inadequate to accommodate existing personnel and functions. The sharing of many offices and the use of the auditorium for office space has made privacy and security difficult to achieve. There is not enough space to hold diplomatic meetings, receptions, and conferences, especially during the peak multi-month General Assembly session.

Design (\$3,163 thousand) was funded in fiscal year 1999. Funding for additional design (\$231 thousand), demolition (\$4,102 thousand) and management and inspection for demolition (\$284 thousand) were funded in fiscal year 2002. This request is for construction (\$53,005 thousand) and management and inspection (\$4,048 thousand). The estimated total project cost is \$64,833 thousand.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Construction and Acquisition of Facilities
Project Descriptions**

NORTH DAKOTA

Portal - Border Station.....\$2,201,000

This project proposes to expand current border station inspection lanes and provide other expanded border station functions in Portal, ND. The proposed project will replace the undersized main administration building, while addressing current safety, security, circulation, and efficiency deficiencies. The new station, 62,216 gross square feet, will include canopied areas and additional inside and outside parking spaces. It will provide two primary and three secondary vehicle inspection lanes, a secondary inspection building, one primary commercial inspection lane, a three bay secondary commercial dock with an administrative area, and a one bay hazardous materials containment area.

The project will provide for the improvement of an existing border station, which is functionally and operationally obsolete. The current facility is too small and does not meet the Federal Inspection Services current or future requirements. Increases in commercial, private vehicle and pedestrian traffic, since the passage of the North America Free Trade Agreement, has resulted in long waits and unsafe conditions for the employees and the visitors to the port. The additional inspection lanes for both commercial and private vehicles will greatly relieve the current wait times and vehicle queues now being experienced at the port.

This request is for site (\$800 thousand) and for design (\$1,401 thousand). Construction (\$13,487 thousand) and management and inspection (\$1,216 thousand) will be requested in a future fiscal year. The estimated total project cost is \$16,904 thousand.

OREGON

Eugene - U.S. Courthouse.....\$77,374,000

This project proposes the construction of a 270,718 gross square foot CT, including 80 inside parking spaces in Eugene, OR. The proposed new CT will consolidate the U.S. District Court, U.S. Bankruptcy Court and court-related agencies in one location while improving Court security. The new CT will meet the Courts' ten-year requirements while meeting the current USCDG standards.

Two district judges and one magistrate judge are housed in the existing FB-CT, while two bankruptcy judges are located in one leased location. The existing FB-CT provides only one district courtroom and one magistrate courtroom, which does not meet minimum USCDG standards and cannot be enlarged. In order to accommodate the Courts' recent expansion needs, the U.S. Attorneys and U.S. Bankruptcy Court have relocated from the FB-CT to leased space.

The existing building also lacks basic security features such as a secure sallyport and separate corridors to facilitate the safe movement of prisoners throughout the CT. Prisoners must be transported through the public entrance and main hallways shared by judicial officers and the general public. Without a secure sallyport, prisoners are moved from vans at curbside into the FB-CT and through the public lobby. They are then processed in the open space of the U.S. Marshals Service work area. This highly visible movement and processing of prisoners poses grave security risks to the U.S. Marshals, Court attendees, and the public at large. The U.S. Marshals Service has confirmed that the security situation is potentially life threatening.

Funding for site acquisition (\$3,500 thousand) and design (\$3,690 thousand) was appropriated in fiscal year 1999. Funding for additional site acquisition (\$4,000 thousand) and design (\$470 thousand) was appropriated in fiscal year 2002. This request is for construction (\$73,055 thousand) and management and inspection (\$4,319 thousand). The estimated total project cost is \$89,034 thousand.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Construction and Acquisition of Facilities
Project Descriptions**

TENNESSEE

Nashville - U.S. Courthouse.....\$7,095,000

This project proposes the design of a 392,982 gross square foot CT, including 170 inside parking spaces in Nashville, TN. The CT will be constructed to meet the ten-year space needs of the District Court and court-related agencies and the site will accommodate the 30-year expansion requirements of the Courts. The Judiciary’s Five-Year Plan, which reflects priorities approved by the Judicial Conference, includes a new CT in Nashville for site and design funding. This project meets the current USCDG standards.

The U.S. District Court and court-related agencies are currently located in the Estes Kefauver FB-CT and its Annex in downtown Nashville. These buildings do not meet the USCDG standards and do not provide for the necessary security requirements of the Courts. The new CT will provide maximum security and enhance operational efficiency.

Funding for site acquisition (\$14,700 thousand) was appropriated in fiscal year 2002. This request is for design (\$7,095 thousand). Construction (\$80,931 thousand) and management and inspection (\$5,245 thousand) will be requested in a future fiscal year. The estimated total project cost is \$107,971 thousand.

TEXAS

Austin - U.S. Courthouse.....\$13,809,000

This project proposes the site acquisition and design of a CT to be constructed in the Central Business District of Austin, TX. The building will provide 198,531 gross square feet of space, including 55 inside parking spaces. The new building will accommodate the ten-year expansion requirements of the U.S. District Court and court-related agencies. The Judiciary’s Five-Year Plan, which reflects priorities approved by the Judicial Conference includes a new CT in Austin for site and design funding. This project meets the current USCDG standards.

Currently, there are two district courtrooms and two magistrate courtrooms in the existing CT. Court requirements call for an additional three district courtrooms and one additional magistrate courtroom with the existing two district judges slated for senior status within the next four years. The CT cannot accommodate this increased space need nor the security requirements related to judges and prisoner circulation. In addition, as the number of cases and judges increase, the need for clerk’s space for records access and retention grows along with a growth in pretrial and probation activities.

This request is for site (\$9,000 thousand) and design (\$4,809 thousand). Construction (\$47,480 thousand) and management and inspection (\$4,151 thousand) will be requested in a future fiscal year. The estimated total project cost is \$65,440 thousand.

UTAH

Salt Lake City - U.S. Courthouse.....\$6,018,000

This project proposes additional site and design of a 326,412 gross square foot CT, including 44 inside parking spaces and 124 outside parking spaces in Salt Lake City, UT. The CT will be constructed to meet the ten-year space needs of the Courts and court-related agencies and the site will accommodate their 30-year expansion requirements. The Judiciary’s Five-Year Plan, which reflects priorities approved by the Judicial Conference, includes construction funding for a CT in Salt Lake City. This project meets the current USCDG Standards.

The Frank E. Moss CT was constructed in 1905 and is listed on the National Register for Historic Places as a part of the Exchange Place Historic District and has been maintained in good condition. It consists of five stories and a basement and contains 230,395 gross square feet of space. The building’s primary tenants are the U.S. Courts and U.S. Marshals. However, the building is structurally unable to meet the USCDG standards and does not provide for secure prisoner circulation in the sallyport, elevators, corridors and courtroom holding cells.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Construction and Acquisition of Facilities
Project Descriptions**

UTAH - continued

Salt Lake City - U.S. Courthouse - continued

Site acquisition (\$6,556 thousand) and design (\$4,918 thousand) were funded in fiscal year 1997. Additional site (\$3,000 thousand) funding was appropriated in fiscal year 2002. This request is for additional site (\$3,246 thousand) and additional design (\$2,772 thousand). Construction (\$83,602 thousand) and management and inspection (\$5,370 thousand) will be requested in a future fiscal year. The estimated total project cost is \$109,464 thousand.

WASHINGTON

Oroville - Border Station.....\$6,572,000

This project proposes to modify the funded U.S. Border Station to be constructed in Oroville, WA. The approved project in GSA's FY 2000 capital program indicated GSA's plan to construct a shared facility with the Canadian Government. However, the evolving interpretation of the shared border station concept has led to recent proposed changes in site size, configuration, and orientation and additional requirements by the Federal Inspection Agencies. Amendments to the original prospectus include additional site acquisition, a new facility for APHIS, an outbound inspection booth, a hazardous material containment facility, temporary facilities for use during construction. The new facility will provide 71,624 gross square feet and 92 outside parking spaces on a 12-acre site.

It was originally projected that the U.S. stand-alone prospectus cost estimate would be adequate to cover the U.S. costs of a joint/shared facility. These projections were based on GSA's experience with shared border facility pilot projects executed in the late 1980's and early 1990's. Those projections have not proved valid. The amendments driven by the joint/shared facility concept, as well as changing customer agency requirements will require additional funding. These amendments are listed below.

Site acquisition and site development costs have increased due to the acquisition of more valuable waterfront property to the east of the port to accommodate the required east/west orientation. The demolition of the existing APHIS buildings, temporary facilities for displaced APHIS operations, and significant highway realignment increase the cost of site development. The shared concept also requires the use of a dual labor force and subcontractors. Finally, the project has experienced additional escalations due to delays in developing it as a joint/shared facility.

Increased tenant agency requirements also increase the overall project cost. An Outbound Inspection Booth is needed for the periodic inspection of both commercial and non-commercial vehicles. A Hazardous Material Containment Facility is also required for the containment of hazardous spills and the inspection of these types of loads.

The existing border station facilities at Oroville are not large enough to handle the volume of traffic, which it currently must process. Construction of a new border station will alleviate the present overcrowding that exists at the Oroville facility, satisfy long-term space needs of the agencies and ensure an efficient and secure port of entry into the U.S.

Site and design (\$1,452 thousand) was funded in fiscal year 1997. Construction and management and inspection (\$11,206 thousand) were funded in fiscal year 2000. This request (\$6,572 thousand) is for additional site acquisition (\$880 thousand), design (\$712 thousand), construction (\$4,230 thousand), and management and inspection (\$750 thousand). The estimated total project cost is \$19,230 thousand.

NATIONWIDE

Judgment Fund Repayment.....\$3,012,000

Funds are requested to reimburse the Department of Treasury for payment of claims against the Bruce R. Thompson U.S. Courthouse and Federal Building in Reno, NV. This settlement agreement includes a release of all claims and demands for relief which arise under the contract. The Treasury, under the terms of the Contract Disputes Act, paid the claim. Project funds to reimburse the Treasury are no longer available.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Construction and Acquisition of Facilities
Project Descriptions**

NATIONWIDE - continued

Nonprospectus.....\$8,253,000

Funds in the amount of \$8,253 thousand are requested for the development of projects below the \$2,213 thousand prospectus threshold. Nonprospectus funds have been used to erect special purpose storage buildings, border station facilities, depot service and warehouse buildings, and a small courthouse. The funds have also been used to acquire a motor pool, build parking lots, purchase sites, build childcare facilities, and purchase property in conjunction with Presidential National Historic Sites.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Explanation of Estimates
Repairs and Alterations**

New Obligational Authority
(Dollars in Thousands)

	FY 2001 Actual ¹	FY 2002 Current ²	FY 2003 Request ²
Excludes Emergency Response Fund	\$681,331	\$826,676	\$986,029
Includes Emergency Response Fund	\$681,331	\$869,376	\$986,029

¹ Includes Indefinite Authority of \$11,012 thousand.

² Excludes Indefinite Authorities.

General Program Description

The Repairs and Alterations (R&A) program funds work necessary to keep our 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.

- Ensure our continuing ability to house Federal agencies and support their mission requirements; and

The facilities under our stewardship have a replacement value of about \$34.5 billion. The repair and upgrade of these assets is always our top priority. The requested funding is necessary to properly maintain and modernize our buildings, so that we may succeed in our stewardship role and maintain the value of these government assets.

Budget Summary

Highlights
• \$367,340 thousand for Basic Program
• \$87,515 thousand for Limited Scope Program
• \$432,647 thousand for Major Modernization
• \$8,000 thousand for CFC Program
• \$8,000 thousand for Energy Program
• \$20,000 thousand for Glass Fragmentation Program
• \$52,527 thousand for Design Program
• \$10,000 thousand for Terrorism

Figure 4

We request a total of \$986,029 thousand in new obligational authority for fiscal year 2003.

Our top priority is to invest in our existing Government-owned assets to:

- Maintain their economic value;

The R&A program consists of the following categories:

- Basic Program (below prospectus level of \$2,213 thousand)
- Limited Scope Program (prospectus level)
- Major Modernization Projects (prospectus level)
- Chlorofluorocarbons Program
- Energy Program
- Glass Fragmentation Program
- Design Program
- Terrorism

General Services Administration

PUBLIC BUILDINGS SERVICE

FEDERAL BUILDINGS FUND

Basic Program--\$367,340 thousand

The current request for basic repair and alteration work is based on a five year needs assessment of our inventory. We are requesting a funding level of \$367,340 thousand.

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 of \$2,213 thousand for basic repairs, health and life-safety, vacant space recapture, and special programs. The basic program is essential for preserving PBS's capital assets between major reinvestments. PBS's 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.

Limited Scope Program--\$87,515 thousand

Instances occur when it is appropriate to make a major reinvestment in a single building system, before an asset is scheduled for full modernization, in order to preserve the functionality and value of the asset. GSA carefully evaluates the cost-effectiveness of such Limited Scope projects before they are included in our annual Capital Investment Plan. Examples of these limited scope projects include roof replacement, elevator modernization, and repairs to the exterior of a building (particularly where existing conditions pose a safety hazard).

Major Modernization Construction Projects--\$432,647 thousand

The 13 projects in this category are modernization or alteration projects. These include significant repairs intended to replace and upgrade outmoded and deteriorated building systems such as

heating, ventilation, air conditioning, plumbing, electrical, elevators, fire safety, and exterior structure. We require space alterations in some cases to recapture vacant space for planned future occupancy and in other instances to remodel space for existing building tenants.

Chlorofluorocarbons (CFC) Program--\$8,000 thousand

This program achieves three goals:

- Reduce CFC's in the environment.
- Prudently replace older, less efficient CFC chiller systems.
- Reduce operating expenses.

Energy Program--\$8,000 thousand

The Energy Policy Act of 1992 requires Federal agencies to reduce energy usage by 20 percent by fiscal year 2000 from the 1985 base year. Executive Order 12902 stretches this goal and requires agencies to reduce energy consumption by 30 percent by fiscal year 2005 from the 1985 base year. To meet this initiative, projects with significant energy savings such as solar hot water and whole building retrofit are essential.

Glass Fragmentation Program--\$20,000 thousand

Our request of \$20,000 thousand continues installation of window protection recommended by the Department of Justice's "Vulnerability Assessment of Federal Facilities." These funds will provide a minimum-security standard of glass fragment retention for windows in Federal buildings. The methods used will protect employees and visitors from flying glass fragments and reduce damage in the event of an explosion.

General Services Administration

PUBLIC BUILDINGS SERVICE

FEDERAL BUILDINGS FUND

Design Program--\$52,527 thousand

Our request funds the design of 12 proposed projects for major modernization systems replacement, life safety improvement, and recapture of vacant space. The construction phase of these line item projects will be requested in future years.

Terrorism--\$10,000 thousand

This request for \$10,000 thousand will provide additional mandatory equipment related to increased security at federal facilities to combat terrorism.

Asset Investment Strategy

PBS benchmarks its capital reinvestment level in a manner similar to that used by large real estate firms in the private sector. The PBS asset investment strategy is comprised of three main elements:

- Assessment of the Current Portfolio;
- Economic Analysis; and,
- Asset Investment Priorities.

Assessment of the Current Portfolio

The investment strategy is based on a building-by-building analysis of each asset in the PBS inventory. We accomplish this analysis using asset business plans. These plans summarize the operating performance of our buildings, their physical layout, income and expenses, condition and needs, customer satisfaction, and our market and investment strategy for each asset.

The asset business plan also sets forth our strategy for each asset, formulated in light of our tenant agencies' needs and our space profile in any given location. These plans are reviewed and updated continually.

In addition, PBS maintains a program enabling regions, cities, and local planning groups to formally collaborate with PBS and its Federal agency customers as they develop long-term asset plans.

Economic Analysis

After analyzing the asset business plans, our regional offices recommended those projects considered most critical for inclusion in this budget. Each project is subjected to a detailed economic analysis that projects the long-term effect of the investment. All construction estimates are benchmarked against the private sector. We compare the income stream produced by the investment with other projects and with our existing portfolio return to optimize allocation of our investment resources.

Our analysis also includes a projection of likely R&A expenditures for each asset over the life of the projection period, and an estimate of its continuing value to the taxpayer in terms of the comparable market rent our client agencies would be willing to pay.

Each project proposed for funding in fiscal year 2003 was required to yield a return in excess of the Department of the Treasury's 30-year bonds. All project proposals included in the fiscal year 2003 budget request exceed this "hurdle rate" of 6.1 percent by a comfortable margin. They are also consistent with the specific asset investment priorities described below.

Asset Investment Priorities

In addition to Return on Investment, the following criteria are used to set and adjust priorities:

- Protecting the safety and health of tenants and visitors in owned and leased assets.

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

- Maintaining the operational viability of owned assets through day-to-day repairs and maintenance.
- Altering vacant space in owned assets to relocate client agencies from more costly leased space into Government-owned space when available, or to provide expansion space.
- Completing planned modernization of major buildings to support client agencies' missions and to enhance value.

Exhibit 11 - Summary of Fiscal Year 2003 Program

Exhibit 12 – Project Descriptions

Considerations for Long-Term Asset Investment

At both the local and the national levels, PBS's overall strategy accounts for the impact of downsizing occurring within the Federal workforce, the changes in the Federal workplace affecting GSA's real property portfolio, and the types of space and services provided to client agencies. PBS is committed to house as many agencies as we can in Government-owned buildings and to provide modern workplaces required by the Federal workforce.

We excess properties when it is in the best financial interest of the Federal Government. In addition to financial considerations, the impact of social and economic factors on local communities is also a consideration in making long-term asset investment decisions. PBS coordinates its efforts with state and local planning entities and engages the public at large for input and comment. We strive to accommodate the views of all state and local groups while providing safe, healthy, and high-quality workspace for Federal agencies.

Budget Summary Information

The following exhibits provide information regarding the overall aspects of the Repairs and Alterations program:

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

EXHIBIT 11

**REPAIRS AND ALTERATIONS
SUMMARY OF FY 2003 PROGRAM
(Dollars in Thousands)**

	<u>ESTIMATED TOTAL PROJECT COST</u>				<u>FY 2003 REQUEST</u>			
	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&I</u>	<u>TOTAL</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&I</u>	<u>TOTAL</u>
Nonprospectus (Basic) Repairs and Alterations Projects	-	367,340	-	367,340	-	367,340	-	367,340
Limited Scope Projects								
Baltimore, MD, Metro West.....	210	5,180	772	6,162	210	5,180	772	6,162
Chicago, IL, Customhouse.....	664	7,683	653	9,000	664	7,683	653	9,000
Fort Worth, TX, Fritz Garland Lanham FB.....	833	13,765	1,484	16,082	-	13,765	1,484	15,249
Nationwide Elevator Program.....	1,631	18,509	1,393	21,533	1,631	18,509	1,393	21,533
Washington, DC, FOB10A Garage.....	404	4,757	293	5,454	404	4,757	293	5,454
Boston, MA, John F. Kennedy - Federal Building Plaza.....	242	2,859	170	3,271	242	2,859	170	3,271
Kansas City, MO, Bannister Federal Complex Building 1.....	767	14,225	1,138	16,130	767	14,225	1,138	16,130
Kansas City, MO, Bannister Federal Complex, Building 2.....	243	2,641	264	3,148	243	2,641	264	3,148
New York, NY, Jacob K. Javits Federal Building.....	678	6,690	200	7,568	678	6,690	200	7,568
Subtotal, Limited Scope Program	5,672	76,309	6,367	88,348	4,839	76,309	6,367	87,515
Modernization Program								
Washington, DC, Harry S Truman Building (State).....	7,831	110,912	8,875	127,618	-	27,190	2,253	29,443
San Francisco, CA, Appraisers Building.....	3,865	45,113	2,630	51,608	2,318	16,670	1,295	20,283
Cleveland, OH, Howard M. Metzenbaum United States Courthouse.....	3,412	37,925	3,276	44,613	1,111	13,108	993	15,212
Tecate, CA, Tecate US Border.....	1,661	15,789	1,442	18,892	161	4,936	612	5,709
Los Angeles, CA, 300 North Los Angeles Street Federal Building.....	9,084	83,482	6,615	99,181	3,069	83,482	6,615	93,166
Pittsburgh, PA, William S. Moorhead Federal Building.....	3,464	63,033	5,760	72,257	-	63,033	5,760	68,793
Portsmouth, NH, Thomas J. McIntyre Federal Building.....	989	10,224	765	11,978	160	10,224	765	11,149
New Haven, CT, Robert N. Gaimo Federal Building.....	1,283	16,229	1,982	19,494	296	16,229	1,982	18,507
Seattle, WA, Henry M. Jackson Federal Building.....	1,783	24,750	2,027	28,560	55	24,750	2,027	26,832
Davenport, IA, Federal Building & Courthouse.....	1,218	10,876	1,282	13,376	428	10,876	1,282	12,586
Dallas, TX, Earle Cabell FB-CT & Santa Fe FB.....	1,360	14,945	1,449	17,754	-	14,945	1,449	16,394
Woodlawn, MD, Social Security Administration National Headquarters.....	12,203	136,693	11,343	160,239	4,349	84,827	7,729	96,905
Manchester, NH, Norris Cotton Federal Building.....	1,873	15,393	1,265	18,531	1,010	15,393	1,265	17,668
Subtotal, Modernization Program	50,026	585,364	48,711	684,101	12,957	385,663	34,027	432,647
Design Program (see attached listing for specific projects)	69,917	749,132	43,494	862,543	52,527	-	-	52,527
Energy Program (various locations).....	23,748	264,400	17,070	305,218	256	6,956	788	8,000
CFC Program (various locations).....	7,350	700,000	24,290	731,640	256	6,956	788	8,000
Terrorism.....	-	10,000	-	10,000	-	10,000	-	10,000
Glass Fragmentation Program (various locations).....	-	100,000	-	100,000	-	20,000	-	20,000
Total Repairs and Alterations Program	156,713	2,852,545	139,932	3,149,190	70,835	873,224	41,970	986,029

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

EXHIBIT 11

**REPAIRS AND ALTERATIONS
SUMMARY OF FY 2003 DESIGN PROGRAM
(Dollars in Thousands)**

	<u>ESTIMATED TOTAL PROJECT COST</u>				<u>FY 2003 REQUEST</u>			
	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&I</u>	<u>TOTAL</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&I</u>	<u>TOTAL</u>
Baltimore, MD, George H. Fallon Federal Building.....	3,587	34,388	1,578	39,553	2,467	-	-	2,467
Seattle, WA, William Kenzo Nakamura United States Courthouse.....	2,455	34,074	2,365	38,894	2,455	-	-	2,455
Washington, DC, Herbert Clark Hoover Building (Commerce).....	16,600	262,000	7,085	285,685	4,100	-	-	4,100
Washington, DC, GSA-ROB.....	11,160	102,763	8,856	122,779	7,390	-	-	7,390
Hilo, HI, FB-PO.....	605	4,340	509	5,454	605	-	-	605
Auburn, WA, Warehouse.....	1,134	15,402	1,443	17,979	1,134	-	-	1,134
St Paul, MN, Warren E. Burger Federal Building & Courthouse.....	2,591	32,762	2,296	37,649	2,591	-	-	2,591
Lakewood, CO, Building 53.....	4,672	48,060	3,600	56,332	4,672	-	-	4,672
San Francisco, CA, 50 UN Plaza.....	5,550	85,668	4,544	95,762	5,550	-	-	5,550
Columbus,OH, John W. Bricker FB-USCT.....	1,063	10,461	818	12,342	1,063	-	-	1,063
Washington, DC, Eisenhower Executive Office Building.....	7,500	-	-	7,500	7,500	-	-	7,500
Washington, DC GSA Central Office.....	13,000	119,214	10,400	142,614	13,000	-	-	13,000
Total Design Program	69,917	749,132	43,494	862,543	52,527	-	-	52,527

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2003 Construction Phase Project Descriptions**

CALIFORNIA

Los Angeles – Federal Building, 300 North Los Angeles Street\$93,166,000

This project proposes the renovation of the Federal Building, 300 North Los Angeles Street in downtown Los Angeles, CA. The project will extend the service life of the building and raise its performance to an acceptable level of operation. The Federal Building is an eight story stone contemporary style structure constructed in 1965 in downtown Los Angeles for Federal agencies. It has a gross floor area of 1,199,200 square feet with 1,050,232 square feet of rentable space, and 186 inside parking spaces. It presently houses 2,739 personnel from several government agencies.

The building has developed some deficiencies. No significant repairs have been performed on it since its construction and thus it is suffering from deterioration. Its mechanical and electrical systems are considerably past their expected design life, and are too obsolete, deteriorated, and inadequate to meet modern service demands. This project proposes the replacement of damaged exterior marble veneer, refurbishment of the site, upgrading of security systems, strengthening of the structural system, replacement of the fire alarm system, and upgrading of egress stairs and exits. It also includes the upgrading of elevator equipment, cooling and electronic control systems, replacement of ceiling and lighting systems, renovation of interior spaces, bracing of partitions, installation of Americans with Disabilities Act (ADA) compliant restroom and drinking fountain accessibility, and abatement of asbestos and lead paint materials.

Design (\$6,015 thousand) was funded in fiscal year 1994. This request is for additional design (\$3,069 thousand), construction (\$83,482 thousand) and management and inspection (\$6,615 thousand). The estimated total project cost is \$99,181 thousand.

San Francisco – Appraisers Building.....\$20,283,000

This project modifies the originally proposed modernization of the Appraisers Building at 630 Sansome Street in downtown San Francisco, CA due to changes in tenant agency requirements and cost increases attributable to current market conditions.

The Appraisers Building is a 17-story terra cotta and granite office building constructed in 1944. It has a gross floor area of 477,073 square feet, with 415,810 square feet of rental space, and six inside and four outside parking spaces. The building presently houses 510 employees who represent 3 federal government agencies. The Appraisers Building has suffered over the years from deferred maintenance and is showing physical deterioration. No significant repairs have been performed on its major mechanical systems since the building was constructed in 1944 resulting in retaining original systems that are too deteriorated, technically obsolete, and functionally inadequate to meet modern service demands. This project will restore the building to an acceptable level of operating performance and reconfigure space to meet current tenant agency requirements.

Design (\$1,547 thousand) was funded in fiscal year 1995. Construction (\$28,443 thousand), and management and inspection (\$1,335 thousand) were funded in fiscal year 1999. This request is for additional design (\$2,318 thousand), and construction (\$16,670 thousand), and management and inspection (\$1,295 thousand). The estimated total project cost is \$51,608 thousand.

Tecate – Tecate U.S. Border Station.....\$5,709,000

This project proposes to design and construct environmental impact mitigation measures and to modify the original design for the proposed renovation/construction of the Tecate Port of Entry in Tecate, California.

This project is proposed as part of the Tecate port modernization authorized by Congress under the 1988 Southern Border Initiative, which proposes to modernize the port to correct space shortages, upgrade/repair vital mechanical systems and interior space, and correct severe safety and functional deficiencies. This modernization includes the acquisition of 12 acres of land, construction of a 60,108 gross square foot main facility expansion, a 26,250 gross square foot canopied inspection facility including a three-bay truck inspection station and a canopied secondary vehicle

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2003 Construction Phase Project Descriptions**

CALIFORNIA - continued

Tecate – Tecate U.S. Border Station - continued

inspection station, a 40-space parking lot, re-engineering the California State Road 188 vehicular access, and renovating the existing historical main facility.

This modernization project is currently in the design phase undergoing modifications to meet current design standards, following a 5-year delay in design completion because of community opposition, a local congressional delegation review, environmental impact study requirements, and construction funding delays. The Tecate port, constructed in the 1930s, is generally in fair condition. However, no significant repairs have been performed on it since it was built. This has resulted in various physical and safety deficiencies that are impeding critical inspection operations, and the facility is operating at a substandard level.

Site acquisition (\$1,551 thousand), design (\$1,500 thousand), management and inspection (\$830 thousand), and construction (\$9,302 thousand) were funded in fiscal years 1988, 1989 and 1991, and through reprogramming actions. This request is for additional design (\$161 thousand), additional management and inspection (\$612 thousand) and additional construction (\$4,936 thousand). The estimated total project cost is \$18,892 thousand.

CONNECTICUT

New Haven - Robert N. Gaimo Federal Building\$18,507,000

This project proposes to modernize and recapture vacant space at the Robert N. Gaimo Federal Building in downtown New Haven, CT. The Robert N. Gaimo Federal Building is located at 150 Court Street in New Haven, CT, and was constructed in 1977. It is a seven-story modern-style building with a limestone veneer, which provides 191,578 gross square feet of space. There are two basement parking levels providing 85 parking spaces.

GSA will address the building’s deficiencies, including strengthening exterior walls for seismic and wind loading, enlarging windows, renovating lobbies, elevators, and restrooms, accessibility compliance, upgrading the mechanical system, and modernizing the electrical system. GSA will recapture the 29,900 rentable square feet that was vacated by the FBI.

Design (\$987 thousand) was funded in fiscal year 2001. This request is for additional design (\$296 thousand), construction (\$16,229 thousand) and management and inspection (\$1,982 thousand). The estimated total project cost is \$19,494 thousand.

DISTRICT OF COLUMBIA

Federal Office Building 10A Garage\$5,454,000

This project proposes to repair the building foundation and substructure of Federal Office Building 10A. The foundation and substructure provide parking for the Federal Aviation Administration which is headquartered in the 12-story building located at 800 Independence Avenue, SW, Washington, DC.

The building’s foundation has lost its structural integrity. With no action, the rate of deterioration of the structure will accelerate due to nature of corrosion and the poor quality of the original concrete. The increasing pace of deterioration will result in rapidly increasing construction costs. If the project is deferred, risk of major personal injury and personal property liability will increase due to falling concrete.

This design/build request is for design and review (\$404 thousand) design/build construction (\$4,757 thousand), and management and inspection (\$293 thousand). The estimated total project cost is \$5,454 thousand.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2003 Construction Phase Project Descriptions**

DISTRICT OF COLUMBIA- continued

Harry S. Truman Building (State).....\$29,443,000

The General Services Administration (GSA) proposes Phase IV construction of a multi-phased modernization project for the Main State Department Building. The original portion of the State Department Building, the “Old War Building”, was completed in 1938. It was originally constructed for the War Department, and is listed on the National Register of Historic Places. An addition, “New State” was constructed in 1960, completing the building as it stands today. The building contains 2,598,735 gross square feet, and there are 905 inside parking spaces on the site.

Improvements to the State Department Building are required to extend the useful life of the building and bring the facility into compliance with applicable codes, such as fire and life safety. The mechanical and electrical systems are the original equipment dating from the 1940s and are outdated, undersized, and under capacity for current demands. Maintenance of these obsolete systems is labor intensive and results in frequent and prolonged inconvenience to the tenants.

Design funding (\$7,831 thousand) was provided in fiscal years 1991, 1995, and 1996 in the Design and Construction Services activity. Funding for phases I, II and III (\$29,779 thousand, \$10,511 thousand and \$28,775 thousand respectively) were provided in fiscal years 1999, 2000 and 2001 respectively. This request is for construction (\$27,190 thousand) and management and inspection (\$2,253 thousand). The balance of project funding for construction (\$19,363 thousand) and management and inspection (\$1,916 thousand) will be requested in a future fiscal year. The estimated total project cost is \$127,618 thousand.

ILLINOIS

Chicago – U.S. Custom House\$9,000,000

The United States Custom House is located at 610 S. Canal Street in downtown Chicago, Illinois. The building, built in 1932, consists of 273,434 gross square feet, 69 outside parking spaces, and currently houses 538 employees. It is an eleven-story concrete framed office building. The building’s exterior is constructed of limestone panels on the upper floors and granite panels at the base, with punched window openings and cast aluminum spandrel panels separating the vertical bands of limestone. The building is eligible for listing on the National Register of Historic Places.

The building’s original 1932 steel elements, which include the lateral steel straps and shelf angles that support the limestone and granite panels, are in dire need of repair from advanced deterioration and obsolescence. The 70-year old steel elements have corroded and must be replaced. The limestone and granite panels, weighing up to 1,500 pounds each, have begun to separate from the masonry because the steel elements that support the panels have corroded. The portions of the limestone and granite panels that are cracked and spalled are not reliably attached to the façade. The parapet is also cracking and is currently under repair.

This project proposes to replace the building’s original exterior limestone and granite façade to alleviate tenant concerns regarding falling limestone. In 1999, GSA installed a protective canopy along the perimeter of the building and closed the outside daycare playground because of the falling limestone.

This request is for design (\$664 thousand), construction (\$7,683 thousand), and management and inspection (\$653 thousand) . The estimated total project cost is \$9,000 thousand.

IOWA

Davenport – Federal Building & U.S. Courthouse\$12,586,000

This project proposes alterations and a minor building expansion at the Federal Building and U.S. Courthouse, 131 E. 4th Street, Davenport, Iowa. The Federal Building and U.S. Courthouse was constructed in 1933 to serve as the main Post Office in Davenport as well as home to Federal courts and executive agencies in the city. The building consists of three floors above grade and a basement with 20 onsite outside parking spaces. The facility provides 74,237 gross square feet and 67,445 rentable square feet for customer agencies.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2003 Construction Phase Project Descriptions**

IOWA - continued

Davenport – Federal Building & U.S. Courthouse – continued

The alteration project will increase the building size to 78,237 gross and 71,247 rentable square feet. The expansion will provide two new courtrooms, a new vehicle sally port, new holding cells, new judges' chambers, as well as new office space for Probation, U.S. Marshals, and U.S. Attorney. The sprinkler system will be expanded into court areas not presently served. A new Marshal's sally port and separate prisoner elevator will increase security of prisoner handling.

Also included in the project are new chillers, air handling equipment, temperature controls system, and updated electrical, lighting, and communication service.

Design (\$790 thousand) was funded in fiscal year 2001. This request is for additional design (\$428 thousand), construction (\$10,876 thousand) and management and inspection (\$1,282 thousand). The estimated total project cost is \$13,376 thousand.

MARYLAND

Baltimore – Metro West.....\$6,162,000

This project proposes design/build alterations to replace the fire alarm system and associated components at the Metro West Building in Baltimore, Maryland.

The Metro West Building was built in 1980 and is part of the Social Security Headquarters Operation. The Facility consists of two main structures (North Block and South Block), which are connected at the third and fourth floors by a link/skybridge that runs over Mulberry Street. The Metro West Facility ranges in height from 6 to 17 stories and contains 13 exterior towers that house rest rooms, stairs, escalators and elevators. The Social Security Administration is the sole tenant in this facility.

The project proposes the replacement of the existing fire alarm system and associated components. This system will function independently of the Building Automation System (BAS). The BAS is outdated and is at a point where it is difficult to upgrade to meet the needs of the building systems. The manufacturer has discontinued the production of system components making repairs to the fire alarm system virtually impossible. This situation has made the maintenance and operation of the alarm system difficult. Furthermore, the alarm system's integration with the BAS is a risky situation. The replacement of the fire alarm system with a stand-alone self contained system will increase the life safety of the building tenants, reliability and maintainability of the alarm system, and bring it up to code compliance

This design/build request is for design (\$210 thousand), construction (\$5,180 thousand), and management and inspection (\$772 thousand). The estimated total project cost is \$6,162 thousand.

Woodlawn – Operations Building\$96,905,000

This project proposes the modernization of the Social Security Administration National Headquarters Building, the Operations Building, for the Social Security Administration located at 6401 Security Blvd in Woodlawn, MD. The Operations Building is a late-modern 5-story, stone structure, erected in 1957 to house the SSA's main headquarters functions and anchor a campus of operations buildings for the agency in Woodlawn, MD, a suburban area of Baltimore, MD. It has a gross floor area of 1,022,000 square feet with rentable space of 989,365 square feet, and a 3,000-space open parking lot for building tenants and visitors. At 1,022,000 gross square feet in size, the Operations Building is the largest and most prominent of the government-owned structures in the SSA headquarters complex as well as the anchor structure for the campus.

The Operations Building, with 989,365 square feet of rentable space, is a major federal and agency asset. Constructed in 1957, it has not been modernized since then, and thus is physically and technologically obsolete. It is showing deterioration from years of wear and tear and selective maintenance. All of its mechanical systems are original to the building and subsequently are past the end of their design life expectancy. They are too old, worn, and technically and functionally inadequate to meet modern service demands.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2003 Construction Phase Project Descriptions**

MARYLAND – continued

Woodlawn – Operations Building - continued

This project proposes to renovate interior space, upgrade heating, ventilation, and air conditioning (HVAC) systems including the installation of a direct digital control system to conserve energy, renovate the lobbies, and upgrade the ceilings and architectural finishes. It also proposes to replace general lighting, power service, and telecommunication systems, and repair the roof, façade and windows.

Mechanical systems are original to the building, and thus are too technically outdated and physically worn and deteriorated to meet modern service demands. The tenants are modernizing their operations and require space alterations to meet new operational requirements utilizing increased modern technology and current innovations in workplace environments. Current security provisions are inadequate for providing the level of security required by the SSA. Existing systems are too operationally and functionally deficient to provide reliable surveillance and detection services.

Design (\$3,721 thousand) was funded in fiscal year 1996. The Social Security Administration funded additional design (\$3,857 thousand) through a Reimbursable Work Authorization. This request is for additional design (\$4,349 thousand), construction (\$84,827 thousand), and management and inspection (\$7,729 thousand). SSA will provide additional design (\$276 thousand), construction (\$51,866 thousand) and management and inspection (\$3,614 thousand) through another Reimbursable Work Authorization. The estimated total project cost is \$160,239 thousand.

MASSACHUSETTS

Boston – John F. Kennedy Federal Building Plaza\$3,271,000

This project proposes to repair damage on the existing plaza surrounding the John F. Kennedy Federal Building (JFK FB). The JFK FB was constructed in 1967 as an integral part of the Government Center Complex and consists of two 26 story high rise towers and an attached four story low rise structure. The building provides 978,362 gross square feet and 226 inside and 9 outside parking spaces.

The plaza's original bluestone pavers have deteriorated and were badly damaged during the building's modernization. As a temporary measure the surface was topped with bituminous concrete. However, water infiltration from the plaza is leaking into the building's mechanical and electrical rooms. Repairing the plaza will solve this problem and comply with ADA requirements.

This request is for design (\$242 thousand), construction (\$2,859 thousand), and management and inspection (\$170 thousand). The estimated total project cost is \$3,271 thousand.

MISSOURI

Kansas City – Bannister Federal Complex, Building 1.....\$16,130,000

This project proposes to replace the roof at the Bannister Federal Complex, Building 1, 1500 E. Bannister Road, Kansas City, Missouri. The Bannister Complex was primarily constructed in 1942. The facility is made up of ten buildings and consists of approximately 1,403,272 rentable square feet, with the majority being warehouse. Located in South Kansas City, it is an integral part of housing for Federal tenants in the Kansas City area. Building 1 is by far the largest in the complex with approximately 1,064,735 rentable square feet of warehouse and related space. It consists of a subbasement, basement and one ground level. There are approximately 844 employees in the building. Although Building 1 is considered a warehouse building, some of the space has been converted to office space over the years to house tenants at the complex.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2003 Construction Phase Project Descriptions**

MISSOURI - continued

Kansas City - Bannister Federal Complex, Building 1 - continued

GSA proposes a complete roof replacement for the building which consists of: removal of the existing membrane roofing over the building, disposal of the waste materials, replacement of all nailers, flashings, expansion joints, and related features, and installation of a new membrane roof.

This request is for design (\$767 thousand), construction (\$14,225 thousand), and management and inspection (\$1,138 thousand). The estimated total project cost is \$16,130 thousand.

Kansas City - Bannister Federal Complex, Building 2\$3,148,000

This project proposes to update the aging and failing air handler system for Building 2 at the Bannister Complex, Kansas City, Missouri. The Bannister Complex was built in 1942. The entire complex consists of approximately 1,403,272 rentable square feet, with the majority being warehouse. Located in South Kansas City, it is an integral part of housing for Federal tenants in the Kansas City area. Building 2 consists of a basement and two levels above ground and has 251,470 rentable square feet of office space. There are approximately 1,241 employees in the building and sufficient, outside parking spaces for all.

This project consists of the replacement of the air handler system. The current system has duct work original to the building and can no longer sufficiently handle the building without supplemental systems. Customer complaints and fear of complete system failure are increasing. The ductwork and design and layout of the system are original to the building and many of the replaced parts are more than 30 years old. There is a real threat of complete system failure. The current system is no longer sufficient without supplemental systems.

This design/build request is for design (\$243 thousand), construction (\$2,641 thousand), management and inspection (\$264 thousand). The estimated total project cost is \$3,148 thousand.

NEW HAMPSHIRE

Manchester – Norris Cotton Federal Building\$17,668,000

This project proposes to modernize the Norris Cotton Federal Building, located at 275 Chestnut Street, Manchester, NH. This facility, built in 1976, is 9 stories high and provides 177,559 gross square feet and 117,805 rentable square feet for approximately 257 employees. The building has 106 inside parking spaces and 6 outside parking spaces. It is the only Federal building in Manchester and is located within the Central Business District.

The project would provide a new centralized heating, ventilation, and air conditioning system, fire alarm upgrades, elevator upgrades, Energy Management System expansion, lobby modernization, seismic reinforcement, tenant fit-outs, ADA compliance, and electrical system upgrades which includes adding a drop down ceiling to accommodate a new lighting system.

Design (\$863 thousand) was funded in fiscal year 1995. This request is for additional design (\$1,010 thousand), construction (\$15,393 thousand), and management and inspection (\$1,265 thousand). The estimated total project cost is \$18,531 thousand.

Portsmouth – Thomas J. McIntyre Federal Building\$11,149,000

This project proposes to modernize the Thomas J. McIntyre Federal Building, located at 80 Daniel Street in Portsmouth, NH. The Thomas J. McIntyre Federal Building was built in 1967 and provides 108,929 gross square feet of space. This four story brick building is located in the Central Business District of Portsmouth, provides functional space for its tenant agencies, and is an important public facility for the city's residents.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2003 Construction Phase Project Descriptions**

NEW HAMPSHIRE - continued

Portsmouth – Thomas J. McIntyre Federal Building - continued

GSA proposes to modernize deteriorated office space, renovate the lobby, and recapture vacant space. Other components of the project include: asbestos abatement throughout the building, replacement of the roof and windows, extension of the sprinkler system, full seismic upgrades and miscellaneous upgrades to the mechanical and electrical systems. The proposed project will recapture 21,247 rentable square feet of vacant space and collocate an IRS office, currently housed in leased space, with the IRS Northeast Regional Office, already housed in the building.

Design (\$829 thousand) was funded in fiscal year 2000. This request is for additional design (\$160 thousand), construction (\$10,224 thousand), and management and inspection (\$765 thousand). The estimated total project cost is \$11,978 thousand.

NEW YORK

New York – Jacob K. Javits Federal Building _____ \$7,568,000

This project proposes alterations to the Jacob K. Javits Federal Building located at 26 Federal Plaza, New York, NY. The Jacob K. Javits Federal Building, built in 1968, consists of a 47-story Federal Building (FB), an integral annex, and the Court of International Trade (CIT) which is connected to the FB. This building is constructed from steel and glass and provides 2,847,407 gross square feet of office and courtroom space including 293 indoor parking spaces. It houses approximately 10,000 employees and 3,000 visitors per day. This asset is planned for long term retention.

The public spaces (lobby and restrooms) throughout the Jacob K. Javits FB are in poor condition and need to be renovated. The main lobby and restrooms are well over 30 years old and have never been upgraded. These public spaces have deteriorated significantly due to the constant wear and tear caused by the high volume of people. In 1999 the IFMA Customer Satisfaction score for public spaces, including restrooms, was 67%, 2% lower than the prior survey conducted in 1997 and among the lowest rated satisfaction subcategory for this asset.

This request is for design (\$678 thousand), construction (\$6,690 thousand), and management and inspection (\$200 thousand). The estimated total project cost is \$7,568 thousand.

OHIO

Cleveland - Howard M. Metzenbaum U.S. Courthouse.....\$15,212,00

This project proposes to replace the heating, ventilation, and air conditioning (HVAC), plumbing, sprinkler, lighting and power systems throughout the building. The project will restore architecturally significant space, such as lobby areas, historic courtrooms, and the building shell. Finally, the project will prepare tenant space to allow the backfill of approximately 32,400 rentable square feet.

The five-story Metzenbaum Courthouse contains 251,314 gross square feet of space and currently houses 150 employees. The building was completed in 1910 and is located in the heart of Cleveland’s central business district. It is listed in the National Register of Historic Places and is potentially eligible for National Historic Landmark status – the highest level of historic designation in the country.

The fiscal year 2002 project proposed upgrading and repairing the HVAC, plumbing, fire/life safety, lighting and power systems throughout the building. However, during design phase GSA determined the building systems could not be modernized through repairs and upgrades because of the building’s age and lack of investments in the building over the last 100 years. Therefore, this fiscal year 2003 project proposes complete replacement of the HVAC, plumbing, and other significant building systems and will also allow for the backfill of floors four and five.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2003 Construction Phase Project Descriptions**

OHIO - continued

Cleveland - Howard M. Metzenbaum U.S. Courthouse - continued

Design (\$1,545 thousand) was funded in fiscal year 2001. Additional design (\$756 thousand), construction (\$24,817 thousand), and management and inspection (\$2,283 thousand) were funded in fiscal year 2002. This request is for additional design (\$1,111 thousand), construction (\$13,108 thousand), and management and inspection (\$993 thousand). The estimated total project cost is \$44,613 thousand.

PENNSYLVANIA

Pittsburgh – William S. Moorhead Federal Building\$68,793,000

This project proposes to renovate the William S. Moorhead Federal Building located at 1000 Liberty Avenue in Pittsburgh, PA. The proposed project will allow GSA to extend the service life of the building and recapture approximately 80,000 square feet of vacant rentable space. The William S. Moorhead Federal Building is a 27-story modern styled stone structure located at the eastern end of the Pittsburgh Central Business District. It was constructed in 1964 to house the Federal agency functions as it still does today. The building has a floor area of 785,127 gross square feet, with rentable space of 686,951 square feet, and 58 inside and 7 outside parking spaces for building tenants. It presently houses 2,512 occupants representing over 40 different federal agencies

This proposed project will correct environmental concerns, modernize selected building systems, and renovate interior space including the abatement of highly friable asbestos fireproofing on structural steel, floor decks and above-ceiling system components. This project will also upgrade the heating, ventilating, and air conditioning systems, the fire alarm system and interior space; replace fireproofing, obsolete electrical power panels and associated trunk wiring; switch gear and transformers; install Americans with Disabilities standards, and modify the structural system.

Design (\$3,464 thousand) was funded in fiscal year 2001. This request is for construction (\$63,033 thousand), and management and inspection (\$5,760 thousand). The estimated total project cost is \$72,257 thousand.

TEXAS

Dallas – Earle Cabell Federal Building – Courthouse and Santa Fe Federal Building.....\$16,394,000

This project proposes the repair and modernization of the Earle Cabell Federal Building-Courthouse (FB-CT) at 1100 Commerce Street and the Santa Fe Federal Building (FB) at 1114 Commerce Street.

The FB-CT was completed in 1971 and is the largest building in GSA's inventory in Dallas. It contains approximately 1,041,036 gross square feet (GSF) in 16 floors, including the basement, sub-basement, and mechanical penthouse. There are 69 parking spaces in the basement. The FB was completed in 1928, purchased by the Army Corps of Engineers in 1942, and acquired by GSA in 1948. It contains approximately 410,534 GSF in 19 floors, including the basement, attic, and elevator penthouse. It ranks as the second largest building in GSA's owned inventory in Dallas. The FB is divided into base and tower sections, with the base consisting of the basement and floors 1 through 10.

GSA proposes major structural, mechanical, electrical, plumbing, and life safety upgrades to the two largest Federal buildings in Dallas, which are located side-by-side and share common equipment. This modernization will allow continued long-term use of these Government-owned locations in Dallas to house the Courts and other agencies. Improvements include replacing boilers and air handling units, upgrading electrical and air conditioning systems, and installation of an energy management system. The exterior stone and window joints will be resealed and sprinkler heads will be replaced and/or added as necessary. The fire alarm system will be upgraded and restrooms will be renovated to improve access to the disabled.

Design funding (\$1,360 thousand) was provided in fiscal year 2000. This request is for construction (\$14,945 thousand) and management and inspection (\$1,449 thousand). The estimated total project cost is \$17,754 thousand.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2003 Construction Phase Project Descriptions**

TEXAS - continued

Fort Worth – Fritz Garland Lanham Federal Building.....\$15,249,000

The General Services Administration proposes replacement of key building systems in the Fritz Garland Lanham Federal Building in Fort Worth, TX. The Fritz Garland Lanham Federal Building (FB) was constructed in 1966 in downtown Ft. Worth, Texas. It is the “flagship” federal office building in the Fort Worth District, housing the majority of the Federal workforce in the area. The FB has 15 floors, including a basement, and provides a gross area of 752,737 to house 1,988 employees. There are 138 inside parking spaces in the basement and no surface parking associated with the building.

GSA proposes to replace vital building systems that have exceeded their life expectancy and are critical to the safe and efficient operation of the building. The project will include replacement of electrical equipment and switchgear, upgrade the heating, ventilation, and air conditioning (HVAC) system, complete replacement of the fire alarm system, and upgrade of the Air Handling Unit (AHU) system.

The electrical and HVAC equipment has exceeded its life expectancy and replacement parts for the systems are exceedingly difficult to locate. Modern office systems demand more from power systems than 30 years ago when these were developed. Replacement of the switchgear and other electrical components is required to ensure reliable electrical distribution in the future and prevent unscheduled power outages and breakdown of equipment. Numerous deficiencies in the existing fire alarm system compromise the safety of life and property. Disparate building temperatures is the most recurring tenant complaint and would be corrected by this project. Additionally, the tenants have identified and commented on the need for better and more accurate fire protection annunciation.

Design (\$833 thousand) funding was approved in fiscal year 2002. This request is for construction (\$13,765 thousand) and management and inspection (\$1,484 thousand). The estimated total project cost is \$16,082 thousand.

WASHINGTON

Seattle – Henry M. Jackson Federal Building\$26,832,000

This project proposes to repair failing building systems at the Henry M. Jackson Federal Building (JFB). The JFB located within Seattle’s downtown central business district at 915 2nd Avenue is the largest Federal Building and the major federal presence in the Pacific Northwest. The JFB built in 1974, provides 822,855 gross square feet for various agencies within its 38 floors and houses approximately 2,606 employees. The building also provides 46 indoor parking spaces.

The project will strengthen the building structure to comply with seismic codes, upgrade the elevator motor-generators and controls, repair interior spaces, upgrade smoke controls system to comply with fire codes, repair brick plaza, upgrade rest rooms to comply with ADA, and remove abandoned electrical distribution system wiring and replace the inefficient steam mechanical heating system with natural gas.

Design (\$1,728 thousand) was funded in fiscal year 2000 through a reprogramming action. This request is for additional design (\$55 thousand), construction (\$24,750 thousand), and management and inspection (\$2,027 thousand). The estimated total project cost is \$28,560 thousand.

VARIOUS LOCATIONS

Chlorofluorocarbons Program.....\$8,000,000

This design/build program request will provide for projects during fiscal year 2003. This multi-year program is designed to replace or retrofit existing air-conditioning equipment which presently use chlorofluorocarbon (CFC) refrigerants. These CFCs, when vented or lost in the atmosphere, reduce the protective stratospheric ozone layer.

Scientific findings indicate that CFC emissions are depleting the stratospheric ozone layer, which leads to increased and harmful quantities of ultraviolet radiation reaching the Earth’s surface. The Clean Air Act Amendments of 1990 (CAAA), (Public Law 101-549) established a phase-out schedule and yearly reduction percentages for ozone depleting_chemicals.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2003 Construction Phase Project Descriptions**

VARIOUS LOCATIONS - continued

Chlorofluorocarbons Program – continued

The amendment promotes recycling, bans the deliberate venting or releasing of refrigerants during maintenance, service, repair or disposal, restricts emission of refrigerants, and establishes strict control over their use. In February 1992, the phase-out of the more adverse ozone-depleting refrigerants was accelerated from the year 2000, which was established by the CAAA, to the end of 1995.

The estimated total program cost (in thousands) is as follows:

	<u>Design</u>	<u>Construction</u>	<u>M&I</u>	<u>Total</u>
Current Funding	\$1,369	\$100,799	\$ 4,101	\$106,269
FY 2002	\$ 0	\$ 0	\$ 0	\$ 0
FY 2003 Request	\$ 256	\$ 6,956	\$ 788	\$ 8,000
Future Years	<u>\$5,725</u>	<u>\$592,245</u>	<u>\$ 19,401</u>	<u>\$617,371</u>
Total	\$7,350	\$700,000	\$24,290	\$731,640

Energy Program.....\$8,000,000

This request will provide for the implementation of energy retrofit and conservation measures in Government-owned buildings during fiscal year 2003. The projects to be funded will have savings-to-investment ratios greater than one, and will provide reasonable payback periods that average five years.

The Federal Energy Management Improvement Act (Public Law 100-615) requires Federal agencies to reduce energy consumption by 10 percent by the end of fiscal year 1995. Further, the Energy Policy Act of 1992 requires that all federal agencies reduce energy consumption by 20 percent by the year 2000. In addition, Executive Order 13123 requires federal agencies to take actions to reduce energy consumption by 30 percent by the year 2005 and by 35 percent by fiscal year 2010. GSA met both the 10 percent goal in 1995 and the 20 percent goal in 2000. GSA is now pursuing actions towards the fiscal year 2005 goal.

The estimated total program cost (in thousands) is as follows:

	<u>Design</u>	<u>Construction</u>	<u>M&I</u>	<u>Total</u>
Current Funding	\$ 3,619	\$ 82,539	\$ 3,573	\$ 89,731
FY 2002	\$ 0	\$ 0	\$ 0	\$ 0
FY 2003 Request	\$ 256	\$ 6,956	\$ 788	\$ 8,000
Future Years	<u>\$ 19,873</u>	<u>\$174,905</u>	<u>\$ 12,709</u>	<u>\$207,487</u>
Total	\$ 23,748	\$264,400	\$ 17,070	\$305,218

Elevator Program.....\$21,533,000

This project proposes the replacement of existing elevators in the following three locations: J Edgar Hoover Building in Washington, DC; Interior Department Building in Washington, DC; U.S. Post Office Loop Station in Chicago, IL. The proposed project will replace elevators in each location to make them compliant with fire safety codes and the requirements of the ADA.

As a result of recent evaluation reports on elevator systems in these Federal buildings, the General Services Administration (GSA) has determined that the current systems do not provide reliable and timely service to building occupants. Some of these elevators were installed when the buildings were constructed. The proposed project will correct existing problems caused by outdated and unreliable vertical transportation equipment. All of the elevators have components, which have been evaluated as being beyond the end of their useful life.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
FY 2003 Construction Phase Project Descriptions**

VARIOUS LOCATIONS - continued

Elevator Program - continued

This request is for design (\$1,631 thousand), construction (\$18,509 thousand), and management and inspection (\$1,393 thousand). The estimated total project cost is 21,533 thousand.

Glass Fragmentation Program.....\$20,000,000

Executive Order 12977, establishes the need to increase the security measures in Federal facilities with high-volume public contact and high-risk agencies. On June 28, 1995, the DOJ issued security enhancement recommendations in a report entitled "Vulnerability Assessment of Federal Facilities" in which the President directed all executive departments and agencies to implement the recommendations. The report recommended that GSA provide as a minimum standard glass fragment retention for windows in Level IV Federal buildings. Level IV buildings are facilities that have over 450 employees. In addition, the facility likely has more than 150,000 square feet, high-volume public contact, and contains high-risk law enforcement and intelligence agencies.

The application of a polymer film to windows will protect employees and visitors from flying glass fragments and reduce the possibility of damage due to flying glass fragments in the event of an explosion. Some buildings, however, may require alternative systems such as laminated glass, polycarbonate sheeting, blast curtains or fine metal mesh screens.

Terrorism\$10,000,000

This request for \$10,000 thousand will provide for additional mandatory equipment related to increased security at federal facilities to combat terrorism. The equipment includes X-rays, magnetometers, environmental design planters for crime prevention and explosive detection devices, among others to be added as an increased security measure. This added security measure would meet the heightened state of alert for federal facilities.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
Descriptions of Projects Scheduled for FY 2003 Design**

CALIFORNIA

San Francisco – 50 United Nations Plaza Federal Building\$5,550,000

The 50 United Nations Plaza Federal Building is a 7-story neo-classical-styled monumental stone office building located in downtown San Francisco, CA. It has 349,891 gross square feet with 309,703 square feet of rentable space and 1 outside parking space, and is currently occupied by 608 personnel. Built in 1934, the building is in the national historic building register and is a featured structure in the San Francisco National Historic Landmark District.

This project proposes the design of the major modernization of building systems, components, finishes, and features. It includes the repair of interior walls, floors, doors, and ceilings; construction of shear walls and concrete foundations; repair concrete floors, exterior stone masonry, doors, and balustrades; replacement of exterior windows, modification of building accessibility to meet the Americans with Disabilities Act (ADA) standards, and installation of 2 new elevators, repair of 4 existing elevators, and the extension of the freight elevator to the sixth floor.

This request (\$5,550 thousand) is for design. The balance of funding for construction (\$85,668 thousand) and management and inspection (\$4,544 thousand) will be requested in a future fiscal year. The estimated total project cost is \$95,762 thousand.

COLORADO

Lakewood – Denver Federal Center, Building 53\$4,672,000

Building 53 is located at the Denver Federal Center and is part of a federal campus, which encompasses one square mile in Lakewood, Colorado. Built in 1941, Building 53 was originally constructed as a .30 Caliber Shop for the Remington Denver Ordinance Plant. After World War II the building was converted to office space, laboratories, computer rooms, training and conference rooms, warehouse space and a printing facility. The building consists of 352,480 gross square feet with 363 outside parking spaces and currently houses 1,119 employees.

The project proposes a comprehensive modernization project that will give new life to an aging asset and recapture vacant space. The building is sixty years old and has not undergone a building wide modernization since it was built in 1941. GSA proposes to make substantial improvements to building systems through upgrades or replacement of existing equipment and systems. Common area improvements will include renovation of public restrooms and common areas, interior signage upgrades, addition of a new common lecture hall, addition of a new building entry corridor and security station, and new elevator finishes. All areas under construction will be abated for asbestos and PCB containing materials. All tenant areas will receive new floor finishes; wall finishes, ceiling finishes and light fixtures. Existing vacant space will be built out to shell to meet the expansion needs of U.S. Geological Survey, Health and Human Services and Internal Revenue Service.

This request (\$4,672 thousand) is for design. The balance of funding for construction (\$48,060 thousand) and management and inspection (\$3,600 thousand) will be requested in a future fiscal year. The estimated total project cost is \$56,332 thousand.

DISTRICT OF COLUMBIA

Washington DC – Eisenhower Executive Office Building.....\$7,500,000

The Eisenhower Executive Office Building (EEOB) was built in 1888 and is on the National Register of Historic Places. Functioning as the principal support facility within the White House complex, this building contains 691,783 gross square feet along with 46 outside parking spaces.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
Descriptions of Projects Scheduled for FY 2003 Design**

DISTRICT OF COLUMBIA - continued

Washington DC – Eisenhower Executive Office Building - continued

The EEOB, completed in 1888, is the primary office building for the Executive of the President (EOP) housing the Office of the Vice President and agencies that are critical to the support of the EOP. The building has numerous systems deficiencies. It lacks an adequate electrical system and a central Heating Ventilating and Air Conditioning (HVAC) system. In addition, this building is approximately one-third vacant due to significant security concerns along the 14th St. wing.

This request (\$7,500 thousand) is for design. This request will commence design and phasing activities for the project. When overall building modernization needs and a project execution schedule are complete, GSA will forward the balance of project funding requirements for future year budget requests.

Washington DC – GSA Central Office.....\$13,000,000

The General Services Building, a steel-framed, limestone faced structure of seven stories, was constructed in 1917. Located at 18th & F Streets, NW, Washington, DC, the building consists of 741,850 gross square feet with 139 outside parking spaces. The building currently houses 1,853 employees.

GSA proposes full modernization and expansion. The two existing small structures in the courtyards will be demolished to make way for at-grade parking and two eight-floor infill blocks, providing a net gain of approximately 105,000 rentable square feet. Elevator capacity in each wing will be doubled and a central freight elevator will also be added. State-of-the-art mechanical, electrical, telecommunications and security systems would service the building. These include digital control, compliance with industry standards, closed circuit monitoring, and enhanced indoor environments.

This request (\$13,000 thousand) is for design. The balance of funding for construction (\$119,214 thousand) and management and inspection (\$10,400 thousand) will be requested in a future fiscal year. The estimated total project cost is \$142,614 thousand.

Washington DC – GSA Regional Office Building.....\$7,390,000

Built as a warehouse between 1931 and 1935 and converted to office use in the 1950s, the Regional Office Building, located at 7th & D Streets, SW, in Washington, DC, consists of 827,000 gross square feet with 88 inside and 77 outside parking spaces. The building currently houses 2,352 employees.

The project proposes the full modernization of the Regional Office Building, long plagued by the stigma of being a warehouse in extremely poor condition. The proposed modernization would yield a typical floor laid out as though there were two separate buildings, side-by-side, with each standing alone, except that each would share the common, central mechanical plant. The proposal envisions complete removal of the interior construction including all finishes, existing mechanical and electrical distribution, existing toilet rooms, stairs, elevators, etc. Cutting new openings in the concrete floor slabs for two light courts of approximately 3,500 square feet each, as well as openings for new hoistways, new stairs, and new shafts for vertical air distribution will be required.

Design (\$3,770 thousand) for a more limited scoped project was funded in fiscal year 2001. This request (\$7,390 thousand) is for design. The balance of funding for construction (\$102,763 thousand) and management and inspection (\$8,856 thousand) will be requested in a future fiscal year. The estimated total project cost is \$122,779 thousand.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
Descriptions of Projects Scheduled for FY 2003 Design**

DISTRICT OF COLUMBIA - continued

Washington DC – Herbert C. Hoover Building (Commerce)\$4,100,000

The Herbert C. Hoover Building was built in 1932. This building consists of 1,845,142 gross square feet, 13 inside parking spaces, and 201 surface parking spaces. The building is on the National Register of Historic Places and currently houses 4,007 employees.

The project proposes window, structural, mechanical, electrical, and plumbing upgrades, as well as limited tenant alterations to this 69-year old, 7-story historic building. This six-phased modernization will allow the Department of Commerce (DOC) to consolidate operations from leased space and utilize the building much more efficiently. Changes proposed include an infill tower in courtyard one to provide swing space for each phase of the modernization, as well as a long-term housing solution for DOC elements currently located in leased space.

This request (\$4,100 thousand) is for the design of phase one and phase staging. The balance of funding for design (\$12,500 thousand), construction (\$262,000 thousand) and management and inspection (\$7,085 thousand) will be requested in a future fiscal year. The estimated total project cost is \$285,685 thousand.

HAWAII

Hilo – Federal Building and Post Office.....\$605,000

The Federal Building and Post Office (FBPO) at 154 Waiianuenue Avenue, Hilo, HI, is a 84-year old 4-story neo-classical-styled stone office-type building situated on approximately 1/2 acre of land in the Hilo Central Business District (CBD). It has 51,816 gross square feet with 47,402 square feet of rentable space and 28 outside parking spaces for building tenants, and houses 85 personnel. The FBPO was originally built in 1917 as a post office and courthouse, but was converted to and has been used as a federal building and post office since 1936, after an extensive renovation that added 2 additional floors. The building is registered as a national historic structure.

The project consists of the design of repairs and alterations construction of selected mechanical and life-safety systems and interior and exterior finishes in the building. It includes the design for the refurbishment of interior office walls, floors, and ceilings; remodeling of the main lobby, repairing of exterior stone building walls and features, replacement of domestic water supply and building drainage piping, installation of fire alarm and sprinkler systems, removal of lead and asbestos materials, modifications of the structural system, installation of exterior site security lighting and a security boundary fence, and modification of accessibility to meet ADA standards.

This request (\$605 thousand) is for design. The balance of funding for construction (\$4,340 thousand) and management and inspection (\$509 thousand) will be requested in a future fiscal year. The estimated total project cost is \$5,454 thousand.

MARYLAND

Baltimore – George H. Fallon Federal Building.....\$2,467,000

The George H. Fallon Federal Building, built in 1967, at 31 Hopkins Plaza in downtown Baltimore, MD, is a 687,966 gross square feet 20-story modern stone-veneer office building situated on approximately 3/4 acre of land with 280 inside parking spaces for building tenants. It contains 565,234 square feet of rentable space and is currently occupied by 1,400 employees.

The project proposes the modernization of the basement through third floors, and involves approximately 225,000 square feet of rentable space, including the altering and refurbishing of interior finishes, and layout and the installation of window dressing. It will include the replacement of the Heating Ventilation and Air Conditioning (HVAC) system distribution piping

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
Descriptions of Projects Scheduled for FY 2003 Design**

MARYLAND - continued

Baltimore – George H. Fallon Federal Building – continued

and ductwork; and the installation of air handlers, mixing boxes, fans, and energy boxes, and the installation of an energy management system.

The project will also include the removal and/or abatement of asbestos materials impeding repair work, alteration of restroom accessibility to meet ADA requirements, and replacement and/or repair of electrical outlets, switch gears, feed circuits, and bus duct. In addition, the installation of telephone and data outlets, repairing of window weatherproofing and operability, and alteration of smoke-detection, alarm, and sprinkler systems will be included in the project.

Design (\$1,120 thousand) was funded in fiscal year 2000. This request (\$2,467 thousand) is for additional design. The balance of funding for construction (\$34,388 thousand) and management and inspection (\$1,578 thousand) will be requested in a future fiscal year. The estimated total project cost is \$39,553 thousand.

MINNESOTA

St. Paul – Warren E. Burger Federal Building and U.S. Courthouse.....\$2,591,000

The Warren E. Burger Federal Building - U.S. Courthouse, was built in 1966. It is a seven-story building with a garage, basement and penthouse area. The exterior of the building is constructed of reinforced concrete and marble. The building is 431,421 gross square feet, with 84 inside and 19 outside parking spaces, and houses 981 employees.

This project proposes court expansion and reorganization in order to meet the long-term operational needs of the Judiciary. The project will upgrade existing courtrooms, add new courtrooms and judicial chambers, add a dedicated prisoner elevator and sallyport, and increase office space. In addition, the building will undergo the first modernization in 34 years – the project will include asbestos abatement, ADA accessibility, HVAC, mechanical, plumbing, and electrical upgrades. Security will also be improved to support increased Court activity in the building.

This request (\$2,591 thousand) is for design. The balance of funding for construction (\$32,762 thousand) and management and inspection (\$2,296 thousand) will be requested in a future fiscal year. The estimated total project cost is \$37,649 thousand.

OHIO

Columbus – John W. Bricker Federal Building.....\$1,063,000

The John W. Bricker Federal Building, 200 N. High Street in Columbus, Ohio, was built in 1976. This 7-story building has 452,623 gross square feet, including a 502 space-parking garage adjacent to the building.

The project proposes modernizing the existing heating, ventilation and air conditioning (HVAC), electrical, fire alarm, and security systems. The current HVAC system will be updated with new software, new terminals, additional sensors, and system reprogramming. This project will also upgrade public spaces such as the lobby, restrooms and corridors as well as integrate security checkpoints with the existing main lobby design. It will repair deteriorated windows and install laminate blast protection between the glass. Finally, the project allows for the repair of the garage which is showing deterioration in its concrete structure.

This request (\$1,063 thousand) is for design. The balance of funding for construction (\$10,461 thousand) and management and inspection (\$818 thousand) will be requested in a future fiscal year. The estimated total project cost is \$12,342 thousand.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Repairs and Alterations
Descriptions of Projects Scheduled for FY 2003 Design**

WASHINGTON

Seattle – William Kenzo Nakamura U.S. Courthouse.....\$2,455,000

The William Kenzo Nakamura U.S. Courthouse is located within Seattle's downtown central business district at 1010 5th Avenue. The Nakamura Courthouse, built in 1939, is listed on the National Register of Historic Places. It provides 178,386 gross square feet for the U.S. Courts and support agencies within its 10 floors (plus basement) and houses approximately 186 employees. The building has 1 indoor parking space.

The project proposes to renovate, modernize and backfill the historic Nakamura Courthouse to accommodate the consolidation, expansion, and space requirements of the U.S. Court of Appeals and future tenant agencies. It will also upgrade several major building systems to include complete renovation and modernization to meet current codes (UBC, seismic, ADA handicap accessibility, Fire/Life Safety, etc.). Other items requiring repair, replacement, and upgrades are elevator controls, roof, telecom/data/technology, hazardous materials abatement, and exterior closure repair. This project also includes interior space modifications as needed to the existing courthouse to accommodate the U.S. Court of Appeals and other compatible tenants.

This request (\$2,455 thousand) is for design. The balance of funding for construction (\$34,074 thousand) and management and inspection (\$2,365 thousand) will be requested in a future fiscal year. The estimated total project cost is \$38,894 thousand.

Auburn Warehouse Complex.....\$1,134,000

The Auburn Federal Complex is located approximately 25 miles southeast of downtown Seattle. Building 7, part of an eight building warehouse section, was built in the early 1940s. The building has approximately 201,740 gross square feet of space.

This project will convert the vacant warehouse space in Building 7 to office space plus the renovation of one half of the existing Social Security Administration (SSA) TeleService Center to best meet SSA TeleService Center's projected increase in workload. SSA needs to further expand its operation in this prime location. Part of the outleased space will be made available for conversion for SSA use.

With a conversion from warehouse to office use, fire-life safety systems need to be upgraded, replaced or provided as new to meet current code. In addition, many of the major systems need to be provided as new, upgraded or replaced to meet code as part of the conversion from warehouse to office. Some parking enhancements and seismic upgrades will be performed. A loading dock area will be recaptured for a 1,800 square foot glass enclosed reception area and walkway. This will offer an aesthetic focal point to the building, as well as provide for more agency space. Removal of the outleased trucking activities entirely in Building 7 will contribute to the creation of a campus-like setting for tenants.

This request (\$1,134 thousand) is for design. The balance of funding for construction (\$15,402 thousand) and management and inspection (\$1,443 thousand) will be requested in a future fiscal year. The estimated total project cost is \$17,979 thousand.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Explanation of Estimates
Installment Acquisition
Payments**

New Obligational Authority
(Dollars in Thousands)

FY 2001 Actual	FY 2002 Current	FY 2003 Request
\$185,369	\$186,427	\$178,960

General Program Description

The Public Buildings Amendments of 1972 enabled GSA to contract for the construction of a backlog of authorized but unfunded new construction projects. We were granted borrowing authority for a selected number of priority projects; and for a number of these projects we entered into private financing agreements. We later refinanced all projects through the Federal Financing Bank (FFB), since FFB interest rates are lower than private sector rates.

Congress has provided authority on numerous occasions to borrow funds to construct specific federal facilities. While a few of these projects utilized private sector financing, all projects are now financed through the FFB. This program funds payments for interest, including capitalized interest, for facilities constructed under borrowing authority.

Budget Summary

The fiscal year 2003 estimated obligational level is \$178,960 thousand. This reflects a net decrease of \$7,467 thousand from the fiscal year 2002

level. The request reflects:

- A decrease in capitalized interest payments (\$625 thousand), and a decrease in regular interest payments (\$6,842 thousand) as outstanding principal balances decrease. This decrease reflects the fiscal year 2003 completion of interest payments on 10 purchase contract projects.

Budget Summary Information

Exhibit 13 explains budget changes from fiscal year 2002 to fiscal year 2003.

Exhibit 14 reflects obligational levels for borrowing authority for lease purchase projects from fiscal year 2001 to fiscal year 2003.

Exhibit 15 is a list of authorized lease purchase projects.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

INSTALLMENT ACQUISITION PAYMENTS	
Explanation of Budget Changes (Dollars in Thousands)	
FY 2002 Current Level (Obligations)	186,427
Decrease in Capitalized Interest Payments	(625)
Decrease in Interest Payments	(6,842)
FY 2003 Request	178,960

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

CONSTRUCTION OF LEASE PURCHASE FACILITIES
STATUS OF UNOBLIGATED BORROWING AUTHORITY
(Dollars in Thousands)

	FY 2001 ACTUAL	FY 2002 CURRENT	FY 2003 REQUEST	FUTURE YEARS
UNOBLIGATED BALANCE AVAILABLE START-OF-YEAR	230,999	221,972	47,472	41,472
NEW AUTHORITY TO BORROW	--	--	--	--
TOTAL AVAILABILITY	230,999	221,972	47,472	41,472
OBLIGATIONS AGAINST FY 1990 AUTHORITY	(9,083)	(174,500)	(6,000)	(41,472)
PRIOR YEAR RECOVERIES	56	--	--	--
UNOBLIGATED BALANCE AVAILABLE END-OF-YEAR	221,972	47,472	41,472	0

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**CONSTRUCTION OF LEASE PURCHASE FACILITIES
PROJECT LISTING
(Dollars in Thousands)**

	<u>PROJECT START DATE</u>	<u>PROJECT COMPLETION DATE</u>	<u>AUTHORITY TO BORROW</u>
DEVELOPER CONSTRUCTION FINANCING <u>(Project Cost Includes Construction Interest)</u>			
California, Oakland, FB	12/90 (A)	12/94 (A)	194,470 ^{1, 2}
Georgia, Atlanta, CDC	8/93 (A)	12/95 (A)	23,776 ¹
Georgia, Chamblee, CDC/Office	6/90 (A)	5/93 (A)	4,954 ¹
Illinois, Chicago, FB	5/89 (A)	6/91 (A)	156,943 ¹
FFB CONSTRUCTION FINANCING <u>(Project Cost Excludes Construction Interest)</u>			
California, San Francisco, FB	2/02 (E) ³	10/05 (E)	164,608
Florida, Miami, FB	6/92 (A)	8/93 (A)	14,400 ¹
Georgia, Chamblee, CDC/Lab	9/99 (A)	2/02 (E)	25,920
Georgia, Chamblee, IRS	6/93 (A)	11/98 (A)	77,314
Maryland, Woodlawn, HCFA	12/92 (A)	8/95 (A)	119,846 ¹
New York, New York, Foley Square ⁴	3/91 (A)	12/94 (A)	818,416
Tennessee, Memphis, IRS	10/91 (A)	2/96 (A)	<u>111,000</u>
Total Projects - 11			1,711,647 ⁵
(A) ACTUAL			
(E) ESTIMATED			

¹ Project financially complete.

² Includes construction period interest paid to the developer (\$17,095).

³ Design start 8/00 (A)

⁴ Obligations will continue to be incurred to complete work associated with the African Burial Ground.

⁵ \$233,418 thousand in Borrowing Authority lapsed 9/30/99.

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Explanation of Estimates Rental of Space

New Obligational Authority
(Dollars in Thousands)

FY 2001 Estimate	FY 2002 Current	FY 2003 Request
\$3,112,207 ¹	\$3,147,368 ²	\$3,153,211 ³

¹ Includes \$168,353 thousand for Indefinite Authority.

² Includes \$210,218 thousand for Indefinite Authority.

³ Excludes \$198,666 thousand for Indefinite Authority.

General Program Description

GSA leases general-purpose space in privately owned buildings and land for Federal agencies. We lease space when (1) Federal space needs cannot be met in existing Government-owned or leased space; (2) leasing proves to be more cost-effective than constructing or altering a Federal Building; or (3) requirements are too small or the anticipated term of occupancy is too short to warrant construction.

The Rental of Space program funds recurring lease payments, temporary space for Federal employees during major repair and alteration projects, relocations from Federal buildings due to forced moves, and relocations due to health and safety conditions. Expansion space for new or expanded agency programs is provided under GSA's indefinite authority provision.

GSA's Leasing Transformation

When GSA was first given authority to provide space to customer agencies through the Federal Property and Administrative Services Act of 1949,

we met our customers' space requests through Government-owned space.

There were only occasional needs to lease space. Today, leased space accounts for 46 percent of our total space inventory.

In the future, there will still be a need to provide leased space at the best value possible to our customers. However, we are taking steps to repair, renovate, and modernize Federal Buildings to make them more functional and desirable for our customers. This lessens the need for leased space in the future.

Program Requirements

We request New Obligational Authority (NOA) in the amount of \$3,153,211 thousand for fiscal year 2003.

New Obligational Authority Expansions

Expansion space acquired through new obligational authority consists of temporary leases in support of major repair and alteration projects, and relocations from Federal buildings due to forced moves and health and safety conditions. For fiscal year 2003, we project spending \$32,765 thousand for 2,263 thousand square feet of NOA expansion space. The following major projects support our request:

General Services Administration

PUBLIC BUILDINGS SERVICE

FEDERAL BUILDINGS FUND

- Major consolidation of Patent and Trademark Office in Arlington, Virginia
- Major repair and alteration project in the Moorhead Federal Building in Pittsburgh, Pennsylvania
- Consolidation of the United States Secret Service in Los Angeles, California

Indefinite Authority Expansions

Expansion space acquired through the indefinite authority (IA) provision is not included in our NOA request. Appropriation language enacted in fiscal year 1990 permits GSA to increase NOA by an indefinite amount to the extent that agencies provide rental payments to GSA for new expansion space. This includes the part-year cost of the fiscal year in which the space is acquired, and the full-year cost of the first fiscal year thereafter.

For fiscal year 2003, we plan to obligate \$198,666 thousand for 9,207 thousand square feet of expansion space. The amount includes \$135,073 thousand for the full year costs of 5,021 thousand square feet entering the inventory in fiscal year 2002 and \$63,593 thousand for the part-year cost of 4,186 thousand square feet for space entering the inventory in fiscal year 2003.

Inventory

The leased inventory is projected to increase by 2.0 percent from an

estimated 154,288 thousand square feet in fiscal year 2002 to an estimated 157,394 thousand square feet in fiscal year 2003, a net increase of 3,106 thousand square feet of space.

The projected net increase is the result of 6,449 thousand square feet of space estimated to enter the inventory and 3,343 thousand square feet of space estimated to leave the inventory due to cancellations.

The major agencies impacting our space inventory include the Department of Justice, the Department of Treasury and the Department of Commerce.

Delegations Program

Each year we transfer funds to agencies participating in the lease delegation program. Under this program, the delegatee agencies are responsible for lease management as prescribed in the delegation agreements. GSA budgets directly within the FBF for delegated leased buildings. Each year, we transfer funding to each participating agency to make payments to lessors in accordance with the provisions of the delegation agreements. Exhibit 19 reflects the allocation of funding authority for fiscal years 2001 - 2003 to agencies participating in the lease delegation program. In fiscal 2003, the Environmental Protection Agency will no longer be participating in the program and will be housed in Government-owned space. The fiscal year 2003 allocation to other agencies under the Lease Delegation Program is \$217,344 thousand.

Performance Plan

The PBS Rental of Space program supports the goals of the GSA Strategic Plan as described below:

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Provide Best Value for Customer Agencies

In leasing space to our customers, it is our objective to lease space that provides the best value. 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 marginally more productive may be a better value than space at significantly lower costs. For this reason, we have changed our annual performance target to reflect that our new leases of Class A and B space should be at or below the average rental rates of private sector leases in those same categories.

We will continue to focus on customer satisfaction in all leased space. For fiscal year 2003, our goal is to achieve a customer satisfaction rating of 85 percent in all leases and 86 percent in newly leased space.

Operate Efficiently and Effectively

The rents charged by GSA for space in leased space should be set to recover the cost associated with those leases. We plan to examine our pricing structure to recover the full costs of leases and to verify that our billing data is both complete and accurate. We will ensure our staff is knowledgeable of new pricing policies and market conditions to develop the most economically advantageous agreements with customer agencies.

For fiscal year 2003, the goal is to reduce the loss on leases to \$14.3 million.

The following exhibits further highlight the Rental of Space program:

Exhibit 16 shows trends for leased inventory and obligational levels

Exhibit 17 explains budget changes from fiscal years 2002 to 2003

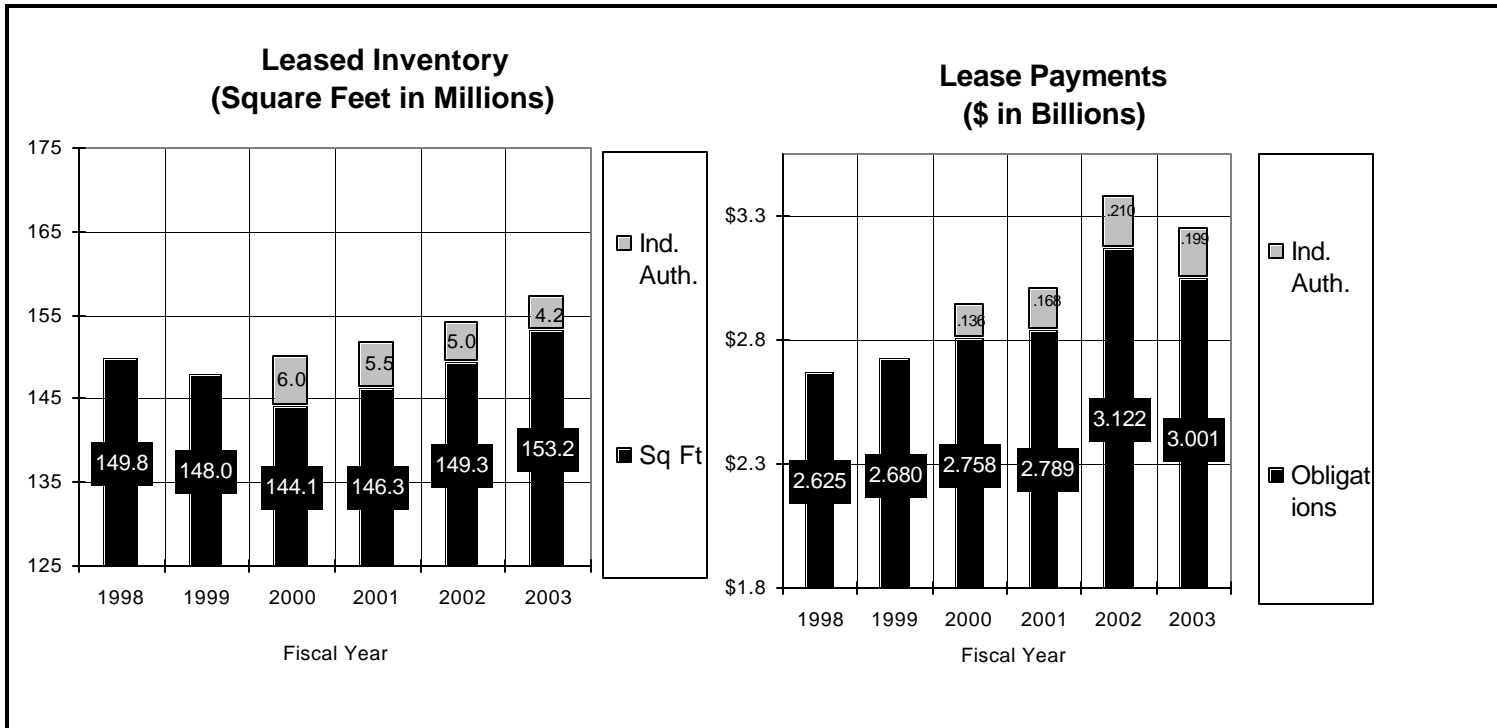
Exhibit 18 shows the changes in Rental of Space for fiscal years 2001 – 2003

Exhibit 19 shows the Delegations program for fiscal years 2001 - 2003

Budget Summary Information

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

Rental of Space



The FY 2003 year-end inventory and obligations will be higher than displayed by the amount of expansion delivered under the indefinite authority provision.

For FY 2000 through FY 2003, the Leased Inventory for indefinite authority represents only new space coming into the inventory.

FY 1998 and 1999 leased inventory and lease payments include indefinite authority delivered.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

RENTAL OF SPACE	
Explanation of Budget Changes (Dollars in Thousands)	
Fiscal Year 2002 New Obligational Authority	\$2,937,150
FY 2001 Unobligated Balance	231,619
Full-Year Cost of FY 2001 Indefinite Authority	112,297
Part-Year Cost of FY 2002 Indefinite Authority	97,921
Projected Unobligated Balance for FY 2002	(47,240)
Fiscal Year 2002 Current Level (Obligations)	3,331,747
Exclusion of the Part-Year Cost of FY 2002 Indefinite Authority	(97,921)
Annualization of FY 2002 Program	(163,742)
Fiscal Year 2003 Base Cost (Obligations)	3,070,084
Rental Increases	85,432
Lump Sum Payments for taxes and lease buyouts	47,622
Cancellations	(35,452)
Expansions (not indefinite authority)	32,765
Fiscal Year 2003 Program Level (Obligations)	\$3,200,451
FY 2003 Program Level funded by:	
FY 2003 New Obligational Authority Request	\$3,153,211 ¹
FY 2003 Program Requirements funded from FY 2002 Unobligated Balance	47,240

¹ Excludes Indefinite Authority of \$198,666 thousand.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**CHANGES IN RENTAL OF SPACE
(Dollars and Square Feet in Thousands)**

	FISCAL YEAR 2001 ACTUAL		FISCAL YEAR 2002 CURRENT		FISCAL YEAR 2003 REQUEST	
	SQ FT	OBLIGATIONS	SQ FT	OBLIGATIONS	SQ FT	OBLIGATIONS
PRIOR YEAR COST	150,107	\$2,894,164	151,832	\$2,957,462	154,288	\$3,331,747
Annualization of Rental Increases	[135,124]	30,377	[144,742]	47,415	[147,725]	48,503
Lump Sum - Real Estate Taxes; Lease Buyouts	-	(66,167)	-	(42,831)	-	(200,970)
Annualization of Lease Cancellations	[-5,682]	(65,274)	[-5,365]	(26,216)	[-4,631]	(25,772)
Annualization of Lease Expansion - Indefinite	[5,952]	49,357	[5,465]	44,045	[5,021]	[37,152]
Lease Expansion acquired in FY 2002	-	-	-	-	[5,021]	(97,921)
Annualization of Lease Expansion - All Other	[1,792]	16,358	[1,625]	13,209	[2,066]	14,497
BASE COST	150,107	\$2,858,815	151,832	\$2,993,085	154,288	\$3,070,084
Current Year Cost of Rental Increases	[144,742]	46,449	[147,725]	83,046	[151,307]	85,432
Lump Sum - Real Estate Taxes; Lease Buyouts	-	42,831	-	169,974 ^{1/}	-	47,622
Current Year Cost of Lease Cancellations	(5,365)	(72,921)	(4,631)	(38,844)	(3,343)	(35,452)
Current Year Cost of Lease Expansion - Indefinite	5,465	68,252	5,021	97,921	4,186	[63,593]
Current Year Cost of Lease Expansion - All Other	1,625	14,036	2,066	26,565	2,263	32,765
CURRENT YEAR COST	151,832	\$2,957,462	154,288	\$3,331,747	157,394	\$3,200,451
Additional Information:						
New Obligational Authority (NOA)		\$2,943,854		\$2,937,150		\$3,153,211
Indefinite Authority for Leased Expansion Space		\$168,353		\$210,218		\$0
TOTAL AUTHORITY		\$3,112,207		\$3,147,368		\$3,153,211
Obligations (-)		\$2,957,462		\$3,331,747		\$3,200,451
Prior Year Balances/Recoveries		\$76,874		\$231,619		\$47,240
Unobligated Balances		\$231,619		\$47,240		\$0

1/ This amount includes funding for the Nassif Condemnation, the FSS Palmetto, GA lease buyout, and \$40,000 thousand for the Department of Transportation's Memorandum of Understanding.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**RENTAL OF SPACE DELEGATIONS INCLUDED IN GSA APPROPRIATIONS
(Dollars in Thousands)**

AGENCY	FY 2001 ACTUAL	FY 2002 CURRENT	FY 2003 REQUEST
Department of Commerce	74,748	77,265	78,302
Department of Defense*	108,382	118,593	137,909
Environmental Protection Agency**	25,677	25,626	1,133
Total	208,807	221,484	217,344

* In FY 2001 several new leases were delegated at the end of the year. The full impact is represented in the FY 2002 projections. Also, a significant increase in the program requirements occurred in FY 2002 - FY 2003 as the result of the terrorist activity that occurred on September 11, 2001.

** EPA has two leases that are expiring at the end of FY 2002; the agency is planning on relocating to Government-owned space. One of these leases has short term renewal option for which funds are budgeted in FY 2003, just in case EPA does not relocate at the end of the lease term and an extension is required

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Explanation of Estimates Building Operations

	New Obligational Authority (Dollars in Thousands)		
	FY 2001 Actual ¹	FY 2002 Current ²	FY 2003 Request ³
Excluding Emergency Response Fund	\$1,683,528	\$1,792,959	\$2,010,601
Including Emergency Response Fund	\$1,692,128	\$1,876,771	\$2,010,601
Without Federal Retirement Change	\$1,649,865	\$1,832,761	\$1,965,160

¹ FY 2001 Emergency Response Fund--\$8,600 thousand. Federal Retirement Change--\$42,263 thousand.

² FY 2002 Emergency Response Fund--\$83,812 thousand. Federal Retirement Change--\$44,010 thousand.

³ Excludes Indefinite Authority. Federal Retirement Change--\$45,441 thousand.

General Program Description

PBS provides services to operate Government-owned facilities and building services in leased space where the terms of the lease do not require the lessor to furnish such services.

Building services provided by PBS for facilities occupied by Federal Government employees include cleaning, protection, maintenance repairs of \$10 thousand or less, payments for utilities and fuels, and grounds maintenance. Other services include real property management, space acquisition and assignment, building inspections and surveys, moving Federal agencies, on-site inspection of building services, and highly specialized contract administration functions.

Budget Summary

Highlights
<ul style="list-style-type: none"> • Building services in 19,994 thousand rentable square feet of new space--\$25,557 thousand • Wageboard and Pay Act Increases--\$17,401 thousand • Utility Rate and Fuel Increases--\$15,207 thousand • Cleaning and maintenance increases for providing services competitive to the private sector--\$12,366 thousand • IT Services changes--\$6,700 thousand • Full cost of pension benefits for CSRS employees--\$16,920 thousand • Post-retirement health benefits for current civilian employees--\$24,560 thousand • Payment to Working Capital Fund for full pension and health benefits--\$3,961 thousand • Glass, Blast, and Progressive Collapse studies-- \$19,200 thousand • Security System Replacements to continue improving federal facilities to meet minimum security standards--\$3,580 thousand • Enhancement of guard services and recurring countermeasure requirements--\$31,788 thousand • Purchase of two communication vans--\$2,100 thousand

Figure 5

General Services Administration

PUBLIC BUILDINGS SERVICE

FEDERAL BUILDINGS FUND

We request \$2,010,601 thousand for the fiscal year 2003 Building Operations budget. This funding provides building services in approximately 270,931 thousand rentable square feet of Government-owned and leased space.

For the 112,088 thousand rentable square feet of office and similarly serviced space that is comparable to the private sector, we developed cost per square foot targets for cleaning, maintenance, and utilities. Of the total request of \$817,819 thousand for cleaning, maintenance and utilities, \$492,066 thousand is based on commercial benchmarks. The balance of \$325,753 thousand accounts for services in buildings with no commercial analogues. We are also is requesting \$15,207 thousand for fiscal year 2003 to meet utility and fuel rate increases.

In Other Building Services, we request \$291,006 thousand for items such as moving, space changes, child care equipment, safety, cafeteria equipment, and operating equipment. Included is \$19,200 thousand for evaluation of buildings relating to glass fragment retention, blast protection and structural hardening.

We request \$417,485 thousand for Protection. This request provides for:

- A perimeter and internal security presence
- Problem-solving assistance in criminal and workplace security incidents
- Maintaining intelligence information related to terrorist and other security threats against facilities
- Facility security planning and implementation.

Included is \$31,788 thousand for increased guard service and \$3,580 thousand for security system replacements and upgrades in support of our efforts to continue improving multi-faceted national security threat reduction capabilities developed after the September terrorists attacks. We also request \$2,100 thousand for the purchase of two mobile communication vans which will be located in different parts of the country for immediate emergency deployment.

In Staff Support, we request \$411,264 thousand to fund budgeted staffing levels and support activities such as building and construction studies, broker services, and the telework program. Included in Staff Support is \$116,432 thousand for Centralized Services and GSA Administrative Support such as Employee Health Services, Workers Compensation, Unemployment Compensation, General Use Printing, General Counsel, Chief Financial Officer, Business Services Centers, and Chief Information Officer.

Also included in Protection and Staff Support is \$45,441 thousand to fund the government share of CSRS employees and cost of post-retirement health benefits for current civilian employees.

We request \$73,027 thousand for Information Technology (IT) support. Our IT investment provides PBS managers with building and project information, inventory and real estate information, security and other critical data for our programs. Our IT budget focuses on linking systems to eliminate redundant data entry and to promote consistent, accurate record keeping.

General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

Achievements

To comply with the Government Performance and Results Act, PBS linked its budget to business performance. PBS focuses on the critical elements of the business and measures performance in these critical areas. In fiscal year 2003, we have set aside \$25,000 thousand for allocation based on achievement of performance goals.

We will increase our annual operating cost per square foot to 16 percent below the private sector. However, our long range performance goal is to maintain operating costs at 12 percent below the private sector. Further increasing the differential between GSA and the private sector will have a negative impact on customer satisfaction. See Figure 6.

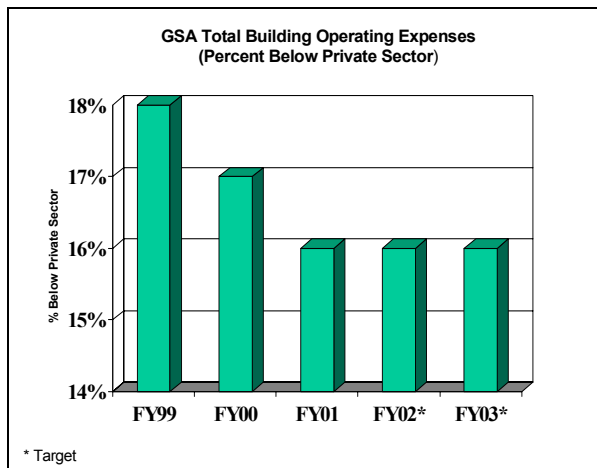


Figure 6

PBS procures utilities and utility services for Federal agencies nationwide. PBS provides area-wide contracts through which agencies obtain utilities and services from regulated utilities. Where the electric industry is deregulated, PBS aggregates Federal energy usage and procures competitive electricity at reduced rates. Our National Center for Utilities Management provides industry expertise

and natural gas supplies to Federal agencies nationwide. These programs have helped PBS to achieve energy reduction goals set by the Energy Policy Act of 1992. See Figure 7.

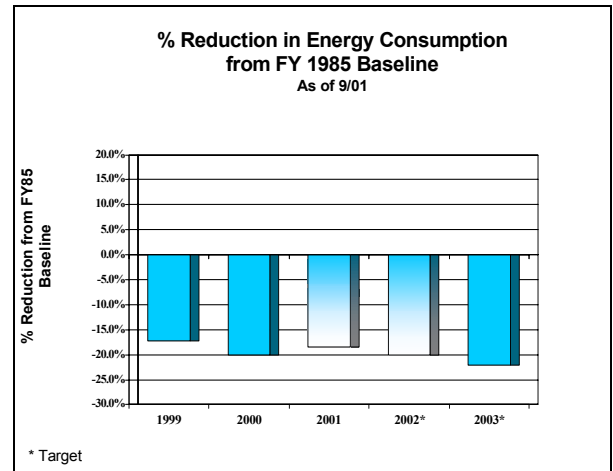


Figure 7

In the past few years, we have generated cost savings on a square foot basis and improved customer service. Our fiscal year 2003 goal is to achieve a customer satisfaction rating of 85 percent. See Figure 8.

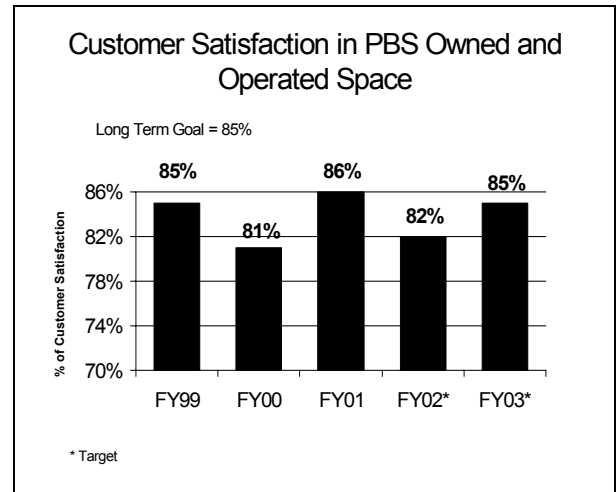


Figure 8

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

Budget Summary Information

The following exhibits provide information regarding overall aspects of the Building Operations program.

Exhibit 20 explains budget changes in the FTE and dollars for Building Operations from fiscal year 2002 to 2003.

Exhibit 21 shows the changes in Building Operations by major function for fiscal years 2002 to 2003.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

BUILDING OPERATIONS		
Explanation of Budget Changes (Dollars In Thousands)		
	FTE	Dollars
Fiscal Year 2002 Enacted	7,163	1,748,949
Emergency Response Fund		83,812
Emergency Response Fund Non-Recurring Items (Travel)		-1,500
Fiscal Year 2002 TOTAL		1,831,261
Building Services in New Space	--	25,557
Part Year Increase for FY 2002 Pay Act (4.6%), Effective January, 2002	--	6,466
Wageboard and Pay Act Increase (2.6%), Effective January, 2003	--	10,935
Increase for Utilities and Fuel Rates	--	15,207
Increase for Cleaning and Maintenance Contract Labor Rates and Benefits	--	12,366
Increase for IT Services	--	6,700
Increase Pension Benefits for CSRS Employees	--	16,920
Increase Post-Retirement Health Benefits	--	24,560
Increase Working Capital Fund Payment for Pension and Health Benefits	--	3,961
Progressive Collapse Studies	--	19,200
Increase for Security System Replacements and Upgrades	--	3,580
Increase for Guard Service	--	31,788
2 Communication Vans	--	2,100
Fiscal Year 2003 Request	7,163	2,010,601

**PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**CHANGES IN BUILDING OPERATIONS
FY 2002 - FY 2003
(Dollars in Thousands)**

	Cleaning	Utilities and Fuels	Main- tenance	Other Building Services	Protection	Staff Support	CIO	TOTAL
FY 2002 Enacted	223,587	304,145	245,655	265,050	278,334	365,851	66,327	1,748,949
Emergency Response Fund					83,812			83,812
Emergency Response Fund Non-Recurring Items					(1,500)			(1,500)
FY 2002 TOTAL	223,587	304,145	245,655	265,050	360,646	365,851	66,327	1,831,261
Building Services in New Space	4,185	6,344	3,988	880	10,160	-	-	25,557
Part-Year Cost of FY 2002 Wageboard and Pay Act Increase (4.6%)	203	-	582	2,219	1,126	2,336	-	6,466
FY 2003 Wageboard and Pay Act Increase (2.6%)	449	-	1,108	3,657	1,794	3,927	-	10,935
Increase for Utilities and Fuel Rates	-	15,207	-	-	-	-	-	15,207
Increase for Cleaning and Maintenance Contract Labor Rates and Benefits	7,359	-	5,007	-	-	-	-	12,366
Increase for IT Services	-	-	-	-	-	-	6,700	6,700
Increase Pension Benefits for CSRS Employees	-	-	-	-	2,465	14,455	-	16,920
Increase Post-Retirement Health Benefits	-	-	-	-	3,826	20,734	-	24,560
Increase Working Capital Fund Payment for Pension and Health Benefits	-	-	-	-	-	3,961	-	3,961
Progressive Collapse Studies	-	-	-	19,200	-	-	-	19,200
Increase for Security System Replacements and Upgrades	-	-	-	-	3,580	-	-	3,580
Increased Guard Service	-	-	-	-	31,788	-	-	31,788
2 Communications Vans	-	-	-	-	2,100	-	-	2,100
FY 2003 REQUEST	235,783	325,696	256,340	291,006	417,485	411,264	73,027	2,010,601

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

**Explanation of Estimates
Reimbursable Program**

General Program Description

In return for Rent, GSA furnishes tenant agencies with space and building services (e.g., cleaning, maintenance, utilities, and protection) commensurate with those offered in the private sector. When requested by a tenant, we also provide building services which exceed commercially equivalent levels on a reimbursable basis. The reimbursable program allows us to be fully responsive to the special needs of our tenants in the Government-owned and leased space that we operate. Reimbursable services include space adjustments, facility security, utilities, large projects, and janitorial services required for above standard levels of operations, as well as administrative support costs associated with providing the service.

GSA is currently funding several large construction projects through reimbursable arrangements. See Figure 9.

	Type ¹	FY 02	FY 03
SSA, NCC Generators, Phase-II, Woodlawn, MD	R	\$ -	\$30,000
World War II Memorial Washington, DC	C	\$ 40,000	\$ 40,000
ATF, Design & Construction Washington, DC	C	\$ 20,817	\$ 20,817
NIH, Design & Construction Washington, DC	C	\$ 12,099	\$ 12,099
Department of Justice, Design & Construction Chala Vista, CA	R	\$ 7,939	\$ 13,125

Figure 9

¹ C – Construction
R – Repairs and Alterations

Budget Summary Information

Exhibit 22 shows budget changes in the reimbursable program from fiscal year 2002 to fiscal year 2003.

**General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND**

REIMBURSABLE PROGRAM		
Explanation of Budget Changes		
(Dollars in Thousands)		
	FTE	Dollars
FY 2002 Current Level	132	\$889,911
Inflation	--	14,827
Workload Increases (+)	--	62,897
Workload Decreases (-)	--	(89,091)
FY 2003 Request	132	\$878,544