

**U.S. GENERAL SERVICES  
ADMINISTRATION**



**FY 2004**

**CONGRESSIONAL  
JUSTIFICATION**



# SUMMARIES

# General Services Administration

## FY 2004 BUDGET SUMMARY AND HIGHLIGHTS

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### INTRODUCTION

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

Over the years we have evolved from a "hands-on" activity that directly provided services based primarily on a prescribed set of standards, to an organization that operates more in-line with private sector practices. Today we are focused on assisting our customers in accomplishing their missions by providing quality space and services at best value, as well as effective management policies and tools.

### **MISSION STATEMENT**

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

To accomplish our mission GSA has adopted a set of values and goals to serve as our guide in order to maintain focus on our agency's mission.

### **Values**

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

### **Strategic Goals**

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

### **President's Management Agenda**

The President's Management Agenda (PMA) defines "good Government" as that which is citizen-centered, results-oriented, and market-based. To assist agencies in achieving this vision, the agenda focuses on the way agencies can manage for results, stressing five key areas: competitive sourcing, expanded electronic government, improved financial performance, strategic management of human capital, and budget and performance integration. GSA is committed to achieving the objectives highlighted in the PMA and has incorporated each of the key areas into our performance plan.

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### **Budget Request and Performance Plan**

At GSA we are building a very disciplined approach to the management and measurement of performance —going beyond what is required by the Government Performance and Results Act. We are bringing the whole agency together and incorporating additional accountability into the management process. Each quarter, we assess the progress each organization is making towards its objectives.

The FY 2004 Budget Request and Performance Plan were prepared together as part of an integrated process. The process starts with the GSA Strategic Plan, particularly the six Strategic Goals.

Each Service and Staff Office developed performance goals to achieve the Strategic Goals. These performance goals each have corresponding performance measures and the budget request is based on the resources needed to achieve the performance goals that, in turn, support our six strategic goals.

A number of themes run through the individual activities and metrics. For example, GSA will help agencies realize the benefits of technology and improve the Federal Government's IT infrastructure by supporting E-Gov initiatives. As outlined in the President's Management Agenda, GSA will enhance the management of our own human, financial, and information resources as well. GSA is embarking on a customer relationship management approach for crosscutting management and program delivery and thus envisions operating as a single agency for mission critical procurement, technology, and property management activities.

In FY 2003 we streamlined and partially consolidated our information technology business lines in the Federal Supply Service and the Federal Technology Service in order to increase taxpayer savings, improve customer service and make it easier for the vendor community to do business with GSA and our Federal customers. We are continuing to pursue property management reform legislation to enable the use of modern property management practices government-wide.

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

### **Program Assessment Rating Tool (PART)**

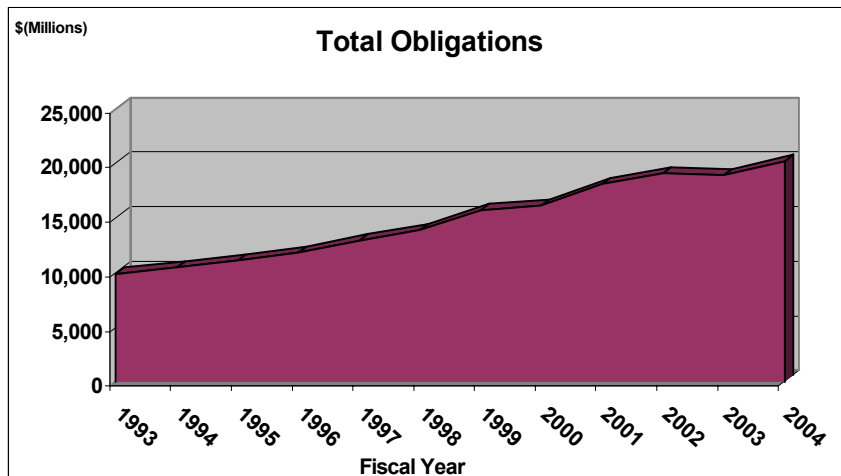
In fiscal year 2002 the Office of Management and Budget and the Public Buildings Service (PBS) and the Federal Supply Service (FSS) conducted five program performance assessments using the PART process. Considerable time and effort was dedicated to develop program effectiveness and accountability ratings. These ratings are included in the President's FY 2004 Budget. The programs assessed were the PBS Asset Management of Federally-Owned Real Property program and the FSS Multiple Award Schedules, Supply Depots and Special Order, Vehicle Acquisition and Vehicle Leasing programs. The major findings of the PART reviews were that these programs need to develop better long-term, measurable goals and develop better annual stretch goals that

## General Services Administration FY 2004 BUDGET SUMMARY AND HIGHLIGHTS

are linked to the achievement of the long-term goals. Further information on the PART reviews may be found in the PBS and FSS justification packages. Additional PART reviews of GSA's programs will be conducted in fiscal years 2003 and 2004.

### FUNDING TOTALS AND SOURCES

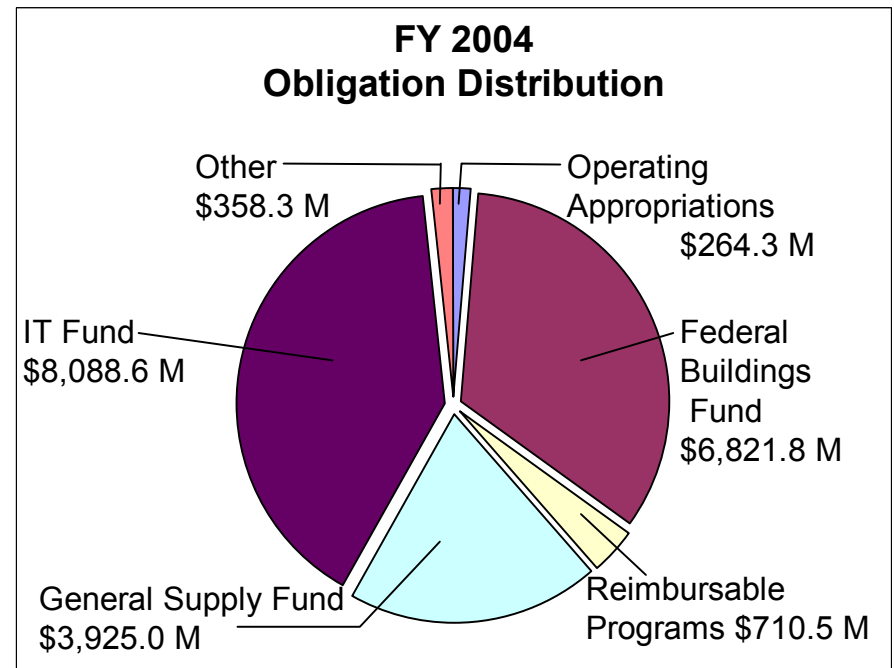
Measured in obligations, GSA's FY 2004 budget request totals approximately \$20.2 billion for programs under agency accounts. Most funds become available to GSA from customers through reimbursements, revolving funds for purchase of goods and services, or as Rent paid for space in GSA-owned and leased buildings.



We are requesting appropriations of \$464 million for GSA direct funded activities, about 2.3% of total funding. The balance of \$19.7 billion is mainly for customer requested work

funded under reimbursements and revolving funds, and the Federal Buildings Fund (FBF) real property program.

The FY 2004 budget request excludes resources related to security services that will be funded by the Department of Homeland Security. Obligations and staffing levels have been adjusted to reflect this change. Budgetary resources (obligations) by fund source are as follows:



The Table on the following page provides a summary of GSA's budget request by appropriation and fund.

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### THE FY 2004 BUDGET IN SUMMARY

\$(In Thousands)

	FY 2002 Actual	FY 2003 Current	FY 2004 Request
<b><u>TOTAL OBLIGATIONS</u></b>			
Operating Accounts - Direct Obligations	\$ 178,160	\$ 241,305	\$ 264,319
Federal Buildings Fund - Direct	6,345,250	7,110,468	6,821,839
Reimbursable Programs	953,254	744,971	710,543
Real Property Relocation	1,856	6,050	6,000
General Supply Fund	3,770,067	3,845,649	3,924,981
Information Technology Fund	8,914,051	7,546,730	8,088,634
Working Capital Fund	301,494	314,238	323,545
Federal Citizen Information Center Fund (Reimb.)	3,252	3,220	3,206
Permanent Indefinite Appropriations	15,193	25,651	25,493
<b>TOTAL OBLIGATIONS, Excluding ERF</b>	<b>\$ 20,482,577</b>	<b>\$ 19,838,282</b>	<b>\$ 20,168,560</b>
Emergency Response Funding (ERF)	\$ 27,734	\$ 24,106	\$ 0
<b>TOTAL OBLIGATIONS, Including ERF</b>	<b>\$ 20,510,311</b>	<b>\$ 19,862,388</b>	<b>\$ 20,168,560</b>

### **REQUIRING APPROPRIATIONS ACTION**

*Operating Appropriations:*

Office of Governmentwide Policy	\$ 59,785	\$ 52,383	\$ 74,031
Operating Expenses, GSA	69,351	88,821	85,083
Electronic Government Fund	3,545	45,000	45,000
Office of Inspector General	36,079	37,331	39,169
Federal Citizen Information Center	6,362	14,431	17,643
Allowances, Former Presidents	3,038	3,339	3,393
<i>Subtotal Budget Authority/Appropriation</i>	<b>\$ 178,160</b>	<b>\$ 241,305</b>	<b>\$ 264,319</b>

*Federal Buildings Fund New Obligational Authority:*

Construction & Acquisition of Facilities	\$ 676,513	\$ 557,159	\$ 400,568
Repairs and Alterations	849,097	1,020,247	1,012,729
Installment Acquisition Payments	186,427	178,960	169,745
Rental of Space	3,134,952	3,441,811	3,388,187
Building Operations	1,475,281	1,526,459	1,608,708
<i>Subtotal FBF New Obligational Authority (Excluding ERF)</i>	<b>\$ 6,322,270</b>	<b>\$ 6,724,636</b>	<b>\$ 6,579,937</b>
<i>Subtotal FBF Budget Authority</i>	22,583	113,744	<b>(162,970)</b>
<i>Subtotal FBF Appropriations</i>	<b>284,400</b>	<b>276,400</b>	<b>217,000</b>

<i>TOTAL, Treasury Appropriation Action (BA/NOA)</i>	<b>6,494,068</b>	<b>6,951,510</b>	<b>6,826,613</b>
<i>Budget Authority</i>	<b>194,381</b>	<b>340,618</b>	<b>83,706</b>
<i>Appropriations</i>	<b>456,198</b>	<b>503,274</b>	<b>463,676</b>

Emergency Response Funding (ERF):

**FBF New Obligational Authority (NOA):**

<i>Repairs and Alterations</i>	46,631	0	0
<i>R&amp;A Transfer of Unobligated Balance</i>	5,209	0	0
<i>Appropriations</i>	51,840	0	0

<b>TOTAL, Treasury Approp. Action (BA/NOA)</b>	<b>6,545,908</b>	<b>6,951,510</b>	<b>6,826,613</b>
<b>Budget Authority</b>	<b>246,221</b>	<b>340,618</b>	<b>83,706</b>
<b>Appropriations</b>	<b>508,038</b>	<b>503,274</b>	<b>463,676</b>

<b>TOTAL, VA/HUD Appropriations Action (BA)</b>	<b>6,362</b>	<b>14,431</b>	<b>17,643</b>
<b>Federal Citizen Information Center (Direct)</b>	<b>6,362</b>	<b>14,431</b>	<b>17,643</b>

## General Services Administration FY 2004 BUDGET SUMMARY AND HIGHLIGHTS

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### BUDGET HIGHLIGHTS

The major focus of the FY 2004 budget request is for resources to provide enhancements in two areas: 1) real property capital investment and 2) electronic government (E-Gov).

#### Operating Programs

GSA's FY 2004 budget request for operating appropriations of \$264.3 million includes small increases for pay and inflation and support of Administration initiatives primarily for E-Government, at approximately \$11.8 million.

#### Electronic Government (E-Gov)

Expanding the scope and level of Federal E-Gov services is one of the five key government-wide initiatives of the President's Management Agenda. GSA's budget request for E-Gov initiatives will lead to savings compared to maintaining old system investments and provide a base to build a citizen-centric government. The FY 2004 budget also provides for enhancements to systems such as GSA Advantage, FirstGov, e-Buy, GSAAuctions and AutoChoice. Highlights include:

- E-Gov Solutions/Citizen Services Infrastructure (CSI): The FY 2004 budget request of \$4.4 million will provide expertise to improve website development and operation and achieve common shared solutions across Federal agencies. Enhancements will be made to several of the existing E-Gov Solutions services.

- Federal Enterprise Architecture (FEA): The FEA will greatly aid the Administration's ability to manage E-Gov projects more effectively and use the budget process to insist on more effective planning of IT investments by government agencies. Through its' standardizing of component IT architecture, the FEA will act as a road map, requiring interoperability and eliminating costly redundancy in future IT investments. The FY2004 budget includes \$2.5 million to expand and implement FEA.
- Integrated Acquisition Environment (IAE): FSS, via the General Supply Fund, will continue to play an important role in expanding electronic government, by providing an additional \$7 million to this E-Gov project in FY 2004. IAE will serve as the access point for various acquisition support services and will provide a set of tools and capabilities that can be leveraged by the acquisition community to conduct business across the government.
- E-Travel Management: The e-Travel initiative underway in the Office of Governmentwide Policy and our partner agencies will establish a standard booking engine as well as a consistent travel and voucher system for the Federal Government. The Travel Management Office will be established to guide the adoption of the e-Travel services, manage enhancements to the system, and complete deployment. The budget includes a request for 5 FTE and \$2.8 million in FY 2004 for this office.

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- XML Registry: Existing E-Gov initiatives can benefit from the sharing of resources and the reuse of data architecture components. The XML Registry will allow agencies to share data, structure, and business processes in order to reduce the promulgation of redundancies. The FY 2004 budget request of \$2.1 million will provide the initial capabilities necessary to operate the registry.

#### **Federal Technology Service**

Through the Federal Technology Service's (FTS) portfolio of Network Services and IT Solutions, GSA delivers Federal agencies the latest in telecommunications and information technology. In FY 2004, the projected revenue of \$8 billion reflects an increase of \$504 million from FY 2003 total revenue. Of that increase 95% is from the fast growing IT Solutions programs.

To deal with the rapidly changing IT and telecommunications environment, FTS has developed new strategies and has acquired new systems. The new strategy framework envisions a marketplace based on FTS value-added systems and processes that deliver superior products, services and solutions to agency customers via an electronic commerce infrastructure. When implemented, the new systems will create significant benefits including web-based access to online project and funding status, and electronic data exchange.

The FY 2004 budget provides resources for improving customer satisfaction and customer awareness, maintaining

effective service delivery and cost management, and ensuring the financial integrity of the IT Fund. Along with these goals, FTS will measure its performance in key areas such as fostering competition, achieving significant savings for customer agencies, providing a well trained workforce, and maintaining FTS' focus on social responsibility

#### **Federal Supply Service**

The Federal Supply Service (FSS) manages a large, diverse and innovative Federal marketplace that brings hundreds of thousands of federal customers together with over 10,000 private sector contractors. FSS serves the federal community as a trusted source for business, administrative, and mission solutions, providing a portal to virtually every commercial product or service an agency might need. FSS leverages the Government's vast buying power to offer Federal agencies access to contracts and other buying arrangements that provide quality services and products at competitive prices. The FY 2004 budget estimate of \$3.1 billion is only a slight increase over FY 2003 levels.

Effective January 1, 2004, the Federal Supply Service will lower the Industrial Funding Fee (IFF) for the Multiple Award Schedules Program from one percent to 0.75 percent. This reduction will save customer agencies over \$50 million in FY 2004.



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FSS is challenged to provide effective customer training so that Federal agencies use FSS programs to their best advantage, control FSS' internal costs, ensure that associates have the education and skills to perform critical acquisition functions, and take measures to deal with the increasing number of associates who will become eligible for retirement during the next five years. To face these challenges, the proposed budget includes resources to fund e-systems, emphasize the use of technology, and implement a Warehouse Management System for supply distribution.

FSS is committed to the Administration's directives on results and performance. FSS uses service-wide performance measures to focus on expanding agency usage of FSS programs, evaluating customer satisfaction, reducing the cost-to-output ratios, ensuring accurate cost and revenue forecasting, and providing Federal agencies with commercial sources which will further the Government's socioeconomic goals. In addition to the service-wide measures, FSS' business lines have measures that gauge the efficiency of their unique operational areas.

### **Public Buildings Service**

The Public Buildings Service (PBS) provides superior workplaces for Federal workers while providing a superior value to the American taxpayer. The FY 2004 budget request for New Obligational Authority (NOA) of \$6.6 billion includes authority for construction, repairs and alterations, building operations, rental of space and other reimbursable services.

To better meet the needs of federal workers with respect to work environment and to address the backlog of building repairs and alterations, PBS has launched a strategy to restructure and transform, over time, our portfolio of owned assets into a portfolio of strong, positive cash flow investments. Performance criteria and diagnostic tools have been established that will allow us to tier existing assets into performers, under-performers and non-performers. This rating process will permit rational decisions as to whether particular assets should be retained or disposed of and provide the means for PBS to better allocate scarce investment dollars.

Adequate repairs and alterations (R&A) funding remains a high priority with GSA. An approximately \$5.6 billion backlog in repairs and alterations has left many assets in poor condition. The Public Buildings Service budget request includes approximately \$1.0 billion for repairs and alterations. Highlights include:

- \$365 million for basic Repairs and Alterations
- \$106 million for limited scope programs
- \$477 million for prospectus Repairs and Alterations
- \$35 million for design
- \$5 million for chlorofluorocarbons program
- \$5 million for energy conservation programs
- \$20 million for glass fragmentation retention program

The PBS budget request will also provide \$400 million for new construction of needed facilities for critical executive agency functions. This includes eight border station projects identified

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by the Border Station Partnership Council (i.e., U. S. Customs Service, Immigration and Naturalization Service, Food and Drug Administration, Animal Plant Health Inspection Service, and GSA) as the highest priority border station needs. Highlights include:

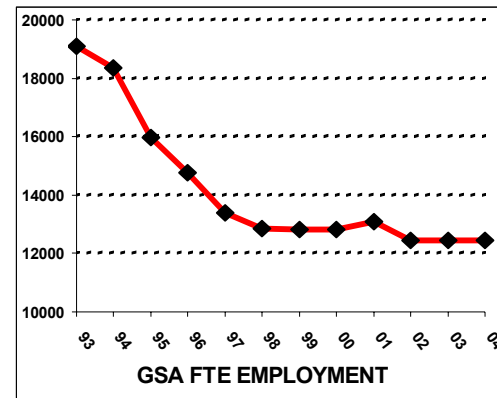
- \$146 million for the U.S. Census Bureau in Suitland, MD
- \$58 million for the FBI in Houston, TX
- \$186 million for eight Border Stations
- \$10 million for non-prospectus construction and acquisition

PBS continually strives to become a better provider of workspace and services for the Federal Government and measures its performance in multiple program areas. Because PBS is a non-mandatory program, it must provide quality space at the optimum value. PBS measures itself against the private sector in many different areas. The cost of cleaning, maintenance, and utility expenses are measured against industry benchmarks. Completing projects on time is essential for customer satisfaction, cost control and revenue flows; therefore, on-time delivery of projects is another area where PBS sets performance measures.

### Employment

The budget supports 12,449 FTE in FY 2004, resulting in a net increase of 1 FTE from FY 2003 projected levels. This change is due to increases in staffing in the appropriated accounts associated with electronic government activities and increased

business volume in IT Solutions, partially offset by reductions in PBS due to competitive sourcing. The following chart shows GSA's FTE employment levels from FY 1993 projected through FY 2004. NOTE: All employment levels (FY 1993 – FY 2004) have been adjusted to reflect security positions transferred to the Department of Homeland Security.



The projected employment levels include the effects of competitive sourcing, primarily in the Public Buildings Service, as shown in the detailed waterfall tables that accompany the individual fund justification packages.

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FY 2004 BUDGET SUMMARY AND HIGHLIGHTS**

**WATERFALL TABLE  
Changes in Appropriated Accounts  
*\$(Thousands)***

	Governmentwide Policy	Operating Expenses	Inspector General	Former Presidents	Electronic Government	Total
<b>FY 2003</b>	<b>\$65,995</b>	<b>\$77,099</b>	<b>\$37,331</b>	<b>\$3,339</b>	<b>\$45,000</b>	<b>\$228,764</b>
Intra-agency Transfer	-13,612	11,722				-1,890 <sup>1</sup>
<b>FY 2003 Adjusted</b>	<b>52,383</b>	<b>88,821</b>	<b>37,331</b>	<b>3,339</b>	<b>45,000</b>	<b>226,874</b>
Reduction for Non-Recurring Cost		-12,082		-69		-12,151
Pay/Pension Increase	624	1,055	729	20		2,428
Increase for Inflation	488	459	158	13		1,118
Increase for Rent Cost	344	88	544	22		998
Increase for Infrastructure Cost	276	334	407			1,017
Increase Centralized Charges	2	119				121
Increase Centralized Administrative Support	266	344				610
E-Gov Solutions Support		4,374				4,374
Functional Transfer from FBF		1571				1,571
E-Travel/Governmentwide Travel Management Office	2,778					2,778
Extensible Markup Language Registry (XML)	2,120					2,120
Federal Enterprise Architecture	2,500					2,500
Government-wide Interagency Council Support	12,250					12,250
Personal Benefits Increase				10		10
Postage Increase for Former President Bush				2		2
Increased Cost of Service Contracts				20		20
Printing Increase for Former President Bush				2		2
Mail Handling Contract				34		34
<b>FY 2004</b>	<b>\$74,031</b>	<b>\$85,083</b>	<b>\$39,169</b>	<b>\$3,393</b>	<b>\$45,000</b>	<b>\$246,676</b>

<sup>1</sup> Transferred to FCIC fund

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**FEDERAL BUILDINGS FUND  
New Obligational Authority**

<b>2004 Construction and Acquisition of Facilities (NOA)</b>	
<i>In Priority Order</i>	
\$(Millions)	
Suitland, MD, U.S. Census Bureau.....	146.451
Jackman, ME, Border Station .....	7.712
Detroit, MI, Ambassador Bridge Border Station .....	25.387
Blaine, WA, Border Station .....	9.812
Del Rio, TX, Border Station .....	23.966
Eagle Pass, TX, Border Station.....	31.980
San Diego, CA, Border Station.....	34.211
McAllen, TX, Border Station.....	17.938
Champlain, NY, Border Station.....	35.031
Houston, TX, FBI.....	58.080
Non-Prospectus Program.....	10.000
<b>TOTAL CONSTRUCTION PROGRAM FY 2004</b>	<b>\$400.568</b>

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**FEDERAL BUILDINGS FUND (Cont'd)**

<b>2004 Repairs and Alterations (NOA) In Priority Order \$(Millions)</b>	
Basic Non-Prospectus R&A Projects.....	<b>\$365.000</b>
Washington, DC (Multiple Buildings), Fire & Life Safety.....	68.188
Washington, DC, 320 First Street .....	7.485
Chicago, IL, Dirksen CT & Kluczynski Federal Building.....	24.056
Springfield, IL, Paul H. Findley FB-CT.....	6.183
Washington, DC, Main Interior Building.....	15.603
Seattle WA, Henry M. Jackson Federal Building .....	6.868
Washington, DC, Federal Office Building 8.....	134.872
Brooklyn, NY, Emanuel Celler CT .....	65.511
Denver, CO, Byron G. Rogers FB-CT .....	48.436
Atlanta, GA, Richard B. Russell Federal Building .....	32.173
Fargo, ND, Federal Building-Post Office .....	5.801
Boston, MA, John W. McCormack PO-CT .....	73.037
Auburn, WA Building 7, Auburn Federal Building.....	18.315
Columbus, OH, John W. Bricker Federal Building .....	10.707
Washington, DC, Eisenhower Executive Office Building.....	65.757
Glass Fragmentation Program.....	20.000
Energy Program.....	5.000
Chlorofluorocarbons Program.....	5.000
Subtotal, R&A Line Item Program .....	<b>\$612.992</b>
<b>TOTAL R&amp;A CONSTRUCTION PROGRAM .....</b>	<b>\$977.992</b>

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**FEDERAL BUILDINGS FUND (Cont'd)**

<b>2004 Repairs and Alterations (NOA)</b>	
<i>In Priority Order</i>	
<b>\$(Millions)</b>	
<b>R&amp;A DESIGN PROGRAM</b>	
Seattle, WA, William K. Nakamura Courthouse .....	0.395
Washington, DC, Herbert C. Hoover Building .....	12.800
Washington, DC, Mary E. Switzer Building.....	0.944
Kansas City, MO, Bolling Federal Building.....	2.773
Des Moines, IA, Federal Building 210 Walnut Street .....	3.588
Portland, OR, Edith Green/Wendall Wyatt Federal Building.....	3.173
Tucson, AZ, James A Walsh FB-CT.....	1.588
San Antonio, TX, PO-CT.....	2.909
St. Louis, MO, Federal Center – Building 102 .....	1.193
Cleveland, OH, Anthony J. Celebrezze Federal Building.....	2.274
New Orleans, LA, Hale Boggs FB-CT .....	2.161
New Orleans, LA, John Minor Wisdom Court of Appeals.....	0.939
<b>TOTAL R&amp;A DESIGN PROGRAM .....</b>	<b>\$34.737</b>
<b>TOTAL REPAIRS AND ALTERATIONS, FY 2004 .....</b>	<b>\$1,012.729</b>

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**WATERFALL TABLE**  
**Changes in Other FBF NOA**  
*\$(Thousands)*

	Installment Acquisition Payments	Rental of Space	Building Operations
<b>FY 2003</b>	<b>\$178,960</b>	<b>\$3,327,672</b>	<b>\$1,526,459</b>
TSA Broker Contract (One-Time)			13,400
<b>FY 2003 Total</b>	<b>\$178,960</b>	<b>\$3,327,672</b>	<b>\$1,539,859</b>
Decrease in Capitalized Interest Payments	-3,216		
Decrease in Interest Payments	-5,999		
Annualization of Remaining FY 2003 Program		-18,996	
Rental Increases		59,829	
Lump Sum Payments for taxes and lease buyouts		44,242	
Lease Cancellations		-41,287	
Lease Expansions (all other)		16,727	
Building Services in New Space			22,286
Increase cost of Supplies, Materials and Service Contract(1.5%)			11,299
Part Year Increase for FY 2003 Pay Act 9 (2.6%) effective January 2003			3,065
Wageboard and Pay Act Increase (2.0%), Effective January 2004			6,383
Increase for Utilities and Fuel Rates			9,771
Increase for Cleaning & Maintenance Contract Labor Rates and Benefits			14,313
Increase for Information Technology Services			6,492
Increase for Cleaning and Maintenance Service Levels			10,211
Decrease to transfer Resources to the Office of Communications			-1,571
Decrease for TSA One-Time services and CIO support Health Benefits			-13,400
<b>FY 2004</b>	<b>\$169,745</b>	<b>\$3,388,187</b>	<b>\$1,608,708</b>

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GSA affects about \$79 billion in financial transactions throughout the Government

### Government Financial Transactions Affected By GSA \$(Thousands)

	FY 2002 Actual	FY 2003 Current	FY 2004 Request
<b>ACTIVITIES UNDER GSA ACCOUNTS:</b>			
Budgeted Obligations	20,501,577	19,844,742	20,147,710
Unobligated Balance of Approved Const/R&A Program	1,399,179	1,209,883	993,200
Subtotal	21,900,756	21,054,625	21,140,910
<b>FUNDS THAT GSA COLLECTS:</b>			
Recoveries of Transportation Overcharges (Net)	12,150	14,000	14,800
Surplus Real Property Sales Proceeds	447,500	421,100	431,500
Surplus Personal Prop Sales Revenue	11,752	12,000	12,000
Outlease of Govt-Owned Space	2,155	2,672	2,672
Energy Rebates and Recycling Receipts	656	656	656
Subtotal	474,213	450,428	461,628
<b>MECHANISMS PUT IN PLACE BY GSA (REVENUES):</b>			
GSA SmartPay (note 1)	7,183	7,900	8,200
Subtotal	7,183	7,900	8,200
<b>MECHANISMS PUT IN PLACE BY GSA (EXPENSES):</b>			
Multiple, Single, Service Schedules (Supply & IT)	21,136,811	22,426,000	23,837,000
Long Distance Telecommunications Services	211,698	335,000	345,297
Purchase of Telecommunications Services (POTS)	3,500	3,500	3,500
IT Integration and Security	2,653	1,157	1,160
Telecommunications Enhancement Contracts	203,179	77,558	79,126
Innovative Business Solutions (note 4)	111	311	311
Freight Transportation Services (HHG and STOS)	154,624	112,372	116,518
GSA SmartPay	22,909,405	25,000,000	26,000,000
Real Estate Schedules	2,000	2,000	2,000
Subtotal	44,623,981	47,957,898	50,384,912
<b>COST AVOIDANCES DUE TO GSA PROGRAMS:</b>			
Real Property Utilization Transfers	137,200	65,600	138,200
Personal Property Utilization/Donations	939,390	850,000	825,000
Real Property Donations	113,100	230,800	91,500
Value of FCIC Pub Svc Media Donations	10,000	12,700	14,400
Subtotal	1,199,690	1,159,100	1,069,100
<b>GSA DELEGATED AUTHORITIES:</b>			
Real Prop. Disposal (DOD) (note 2)	0	2,000,000	2,000,000
Buildings Delegations (note 3)	225,198	216,211	219,886
Supply Schedules - Dept Veterans Affairs	3,500,000	3,500,000	3,500,000
Subtotal	3,725,198	5,716,211	5,719,886
<b>TOTAL GSA-RELATED FINANCIAL TRANSACTIONS</b>	<b>71,931,021</b>	<b>76,346,162</b>	<b>78,784,636</b>

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 difference 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 base 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 amount of agency refunds after the end of the period. FY 2001 refunds totaled \$71.2 million and decreased to \$69.2 million in FY 2002.

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 (Commerce, DOD and EPA) that are responsible for lease management as prescribed in the delegation agreements (usually) single-tenant buildings. Starting in fiscal year 2003, EPA will no longer be housed in leased space.

Note 4: Includes IT Outsourcing, Smart Cards, and FMSSC.



**General Services Administration  
FY 2004 BUDGET SUMMARY AND HIGHLIGHTS**

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**GSA'S GENERAL PROVISIONS**

Brief explanations of proposed GSA general provisions are listed below. Several Title VI General Provisions of special interest to GSA are also shown. Section 629 involving Council funding was deleted because the functions described will be directly funded.

<b>GSA General Provisions</b>	
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.
<b>Title VI General Provisions</b> <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. 628 .....	Provides that current year appropriations for any department or agency that is a Member of the Joint Financial Management Improvement Program (JFMIP), are available to finance an appropriate share of the JFMIP administrative costs, as determined by the JFMIP, but not to exceed \$800,000 including the salary of the Executive Director and staff support.
Sec. 631 .....	Notwithstanding any other provision of law, a woman may breastfeed her child at any location in a Federal building or on Federal property, if the woman and her child are otherwise authorized to be present at the location.

**General Services Administration**  
**FY 2004 BUDGET SUMMARY AND HIGHLIGHTS**

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**OBLIGATIONS SUMMARY**

By Object Classification  
(IN THOUSANDS)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
	ACTUAL	CURRENT	REQUEST
Personnel Compensation:			
11.1 Full-time Permanent	780,687	777,764	789,328
11.3 Other than permanent	11,143	11,134	11,304
11.5 Other personnel compensation	51,102	65,275	67,703
11.8 Special personal service payments	519	534	497
11.9 Total personnel compensation	843,451	854,707	868,832
12.1 Civilian personnel benefits	206,087	199,118	207,912
13.0 Benefits for former personnel	4,882	1,497	1,548
21.0 Travel and transportation of persons	32,077	28,751	29,467
21.0 Motor Pool travel	3,481	2,924	2,891
22.0 Transportation of things	57,526	59,421	60,728
23.1 Rental payments	74,839	77,703	76,731
23.2 Rental payments to others	3,152,689	3,485,495	3,388,187
23.3 Communications, utilities, and misc.	359,171	409,420	428,480
24.0 Printing and reproduction	10,492	12,735	12,682
25.1 Advisory and Assistance Services	281	353	356
25.2 Other services	11,346,563	10,157,394	10,424,094
25.3 Purch. of goods & services from Govt	236,155	251,691	237,396
25.4 Operation & maintenance of facilities	512,951	555,500	589,822
25.5 Research & development contracts	0	0	0
25.7 Operation & maintenance of equipmt	33,191	46,361	46,792
26.0 Supplies and materials	2,595,621	2,655,073	2,706,435
31.0 Equipment	823,354	837,610	858,787
32.0 Lands and structures	40,320	49,348	52,932
33.0 Investments and loans	0	0	0
41.0 Grants, subsidies and contributions	0	45	45
42.0 Insurance claims and indemnities	288	157	159
43.0 Interest and dividends	167,278	159,434	153,435
90.0 Below Reporting Threshold	0	0	0
91.0 Unvouchered	0	0	0
93.0 Limitation on expenses	0	0	0
<b>99.9 Total New Obligations</b>	<b>20,500,697</b>	<b>19,844,737</b>	<b>20,147,711</b>

NOTE: All data exclude the Federal Consumer Information Information Center, financed under the VA/HUD Appropriations Act; these obligations are (\$000): \$9,614 for FY2002, \$17,651 for FY 2003, and \$20,849 for FY 2004.

**General Services Administration  
FY 2004 BUDGET SUMMARY AND HIGHLIGHTS**

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**ACQUISITION WORKFORCE EDUCATION AND TRAINING  
FY 2004 BUDGET DATA**

As prescribed by 41 U.S.C. 433(h), following are funding levels included in the FY 2004 program for education and training of the acquisition workforce.

<b>Organization</b>	<b>Amounts programmed for Acquisition Workforce Education and Training</b>		
	<b>FY 2002 Actual</b>	<b>FY 2003 Current</b>	<b>FY 2004 Request</b>
<b>Federal Supply Service:</b> General Supply Fund	686,484	1,000,000	1,200,000
<b>Federal Technology Service:</b> Information Technology Fund	129,154	115,000	117,000
<b>Public Buildings Service:</b> Federal Buildings Fund	684,117	1,255,000	1,751,000
<b>General Management:</b> Working Capital Fund	12,723	32,000	31,000
<b>Office of Governmentwide Policy:</b> Policy and Operations	9,533	10,000	10,000
Working Capital Fund	10,000	10,000	10,000
<b>Total</b>	1,532,011	2,422,000	3,119,000



# **GOVERNMENTWIDE POLICY**

# General Services Administration

## GOVERNMENTWIDE POLICY

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### MISSION

The Office of Governmentwide Policy's (OGP) mission is to improve management Government-wide. It is responsible for carrying out the policy and regulatory functions assigned to GSA by Congress and the President, and exercises GSA's authority as one of the central management agencies of the Federal Government. OGP's policymaking authority and policy support activities encompass the following areas: (1) Acquisition and Contracting; (2) Electronic Government & Information Technology; (3) Personal Property including Aircraft and Motor Vehicles/Fleet; (4) Real Property and the Workplace; (5) Travel; (6) Transportation and Mail; (7) Committee Management (Federal Advisory Committees); and (8) Regulatory Information Services.

In addition to bringing interagency groups together to collaborate on developing the policies and guidelines for the program areas within its responsibility, OGP facilitates Government-wide reform by providing Federal managers with business-like incentives, tools, and flexibility to manage their assets prudently.

OGP also creates and leads networks of agency representatives who are affected by policymaking in these areas, to collaborate and explore new approaches to address relevant issues as the environment or priorities change. In addition, OGP provides leadership in the use of the Internet and digital technologies in the drive toward a citizen-centric e-Government that bridges the gaps among individuals, businesses, and governments. By creating opportunities for public-private collaboration, OGP encourages better information sharing, and functions as a clearinghouse for the exchange of information on Federal procurement opportunities and information resource management. OGP has also made it a priority to help Federal agencies build a highly skilled and knowledgeable workforce, and encourages innovative solutions toward

more productive work environments. Operating from a central point with access to industry, all other Federal agencies, and other governments, OGP is uniquely positioned to coordinate major Government-wide improvement initiatives.

### STRATEGIC DIRECTION

The strategic direction for OGP in FY 2004 will include a greater emphasis on standardized approaches for E-Gov implementation. These include policy and business case development for new IT investments, which will close performance gaps by leveraging new technologies including web services, XML (eXtensible Markup Language), and broadband services. OGP will also help transition the current E-Gov efforts from development - to deployment - to an integrated way of doing business through consistent policies and regulatory action.

OGP will continue to focus on building an acquisition workforce that is fully trained in compliance with Clinger-Cohen and drive the use of performance-based procurements. OGP will continue promoting better asset management, and effectively training the Federal workforce in IT and acquisition pursuant to the objectives of the President's development of human capital.

Specifically, in FY 2004, as a culmination of OGP's continuing developmental work in electronic government (E-Gov), OGP will play a leadership role to customer agencies by integrating key E-Gov initiatives into the everyday business of Government. For example, the FY 2004 Program reflects OGP's deployment of an Extensible Markup Language (XML) registry, which will encourage collaborative and consistent IT development across Government by allowing Federal agencies to

# General Services Administration

## GOVERNMENTWIDE POLICY

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share resources and reuse data architecture components. XML is critical to the interoperability of systems and a XML registry will provide a consolidated, standardized repository for XML definition, storage, and reuse of data among all Federal agencies and their partners. The XML Registry is one of the critical enablers for electronic government, including the 24 E-Gov initiatives and future IT efforts. The FY 2004 budget includes 2 FTE and \$2.1 million for developing the Government-wide XML registry.

OGP will provide critical support to OMB to continue the development, deployment and on-going management of the Federal Enterprise Architecture (FEA). GSA will provide contract services to the FEA Program Management Office (FEA-PMO) of OMB that will support the operation of the FEA and the Federal Enterprise Architecture Management System (FEAMS), as well as the activities of the CIO Council Architecture and Infrastructure Committee (AIC) and the Solution Architects Working Group (SAWG). The subcommittees of the AIC will serve as vehicles for all Federal agencies to help with the development and institutionalization of the Federal Enterprise Architecture and its integration with agency enterprise architectures. The SAWG provides direct support to E-Gov initiatives and to agencies for the development and implementation of Component Based information systems. The FY 2004 program includes a request in the amount of \$2.5 million to fund this contract support.

In addition, the e-Travel initiative underway in OGP and our partner agencies will establish a standard booking engine as well as a consistent travel and voucher system for the Federal Government. FY 2004 targets include (1) 50 agencies using a Government-wide self-booking engine for travel reservations and (2) 25 agencies deploying a standardized travel and voucher system. A travel management office (TMO) will be established to guide the adoption of the e-Travel services, manage enhancements to the system, and complete deploy-

ment. The budget includes a request for 5 FTE and \$2.8 million in FY 2004 for this office.

The FY 2004 program also reflects OGP's leadership in support of GSA's goal to maintain a world-class workforce and workplace. Under OGP's senior procurement executive designation, we will address the challenge of a GSA acquisition workforce that needs improvement in their core competencies to meet the demands of Clinger-Cohen. For FY 2004, OGP established a target for 60% of GSA's workforce to meet Clinger-Cohen requirements. GSA plans to spend \$3.3 million through the Working Capital Fund (WCF) to fund an Applied Learning Center program for Acquisition Professionals.

The aforementioned examples reflect OGP's commitment to GSA's strategic goals and the objectives of the President's Management Reform agenda. The performance measures and the related resource estimates are indicative of OGP's dedication to initiatives that will strengthen the Federal Government as an efficient, effective, and citizen-centric Government.

Lastly, the FY 2004 program includes \$12,250 thousand for Government-wide interagency council support provided by: (1) the Chief Financial Officers Council in activities such as the Federal Audit Clearinghouse, Joint Financial Management Improvement Program, and Grants Streamlining; (2) the Chief Information Officers Council through Program Management, Capital Planning and Investment Management; and, (3) the Procurement Executives Council in support of Federal Acquisition Management Information System and Acquisition Workforce Development programs. Funding for interagency council support for FY 2003 and prior years has been authorized by Government-wide General Provision, Section 629, which authorized Executive Departments and Agencies to transfer to this account a total amount not to exceed \$17,000 thousand.

# General Services Administration

## GOVERNMENTWIDE POLICY

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### Reimbursable Program

The Office of Governmentwide Policy provides reimbursable services to other Federal agencies in the amount of \$5,000 thousand in support of Government-wide management innovations and initiatives. These activities include Government-wide forums, conferences, and training to address specific issues related to acquisition/procurement, information technology and travel. The FY 2004 program consists of:

(1) \$1,700 thousand for the Federal Procurement Data System, providing for direct reporting of contract award data from e-procurement systems; (2) \$600 thousand for performance-based contracting; (3) \$200 thousand for Federal Advisory Committee support and training; (4) \$1,500 thousand to provide procurement and information technology support and training; and (5) \$1,000 thousand for other miscellaneous reimbursable activities.

# General Services Administration GOVERNMENTWIDE POLICY

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## PERFORMANCE GOALS FY 2002 – FY 2004 \$ (Thousands)

GSA Strategic Goal: Provide Best Value for Customer Agencies and Taxpayers

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY 04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Move Federal agencies to commercial payment processes for mail to promote effective management of mail costs	Business Line								
	Percentage of Federal mail payments made through commercial processes	17%	\$108	20%	\$113	80%	\$153	60%	\$40
Support authentication needs for E-Government initiatives to achieve improved access of Government information and services to citizens	Number of E-Gov initiatives with completed authentication needs assessment	6	\$200	22	\$500	24	\$734	2	\$234
Promote the consistent use of XML for Federal E-Government initiatives to achieve improved electronic services to customers	Number of E-Gov initiatives adopting XML recommendations	3	\$484	5	\$484	12	\$2,639	7	\$2,155



# General Services Administration GOVERNMENTWIDE POLICY

## PERFORMANCE GOALS FY 2002 – FY 2004 \$ (Thousands)

GSA Strategic Goal: Provide Best Value for Customer Agencies and Taxpayers

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY 04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Provide unified and simplified service that delivers a cost effective end-to-end travel system	Business Line								
	Number of travel arrangements fully completed through e-Travel.	N/A	\$372	N/A	\$360	500,000	\$3,173	500,000	\$2,813
Increase the number of agency programs using OGP performance measures	Number of agency programs that use OGP performance measures.	380	\$998	330	\$1,017	350	\$1,076	20	\$59
Total			\$ 2,162		\$ 2,474		\$ 7,775		\$ 5,301

### Strategies/Activities

The new Federal Management Regulation, 41 CFR 102-192, requires agencies to move to commercial postage payment processes no later than October 1, 2003. To help agencies meet this requirement, OGP will lead a working group to develop guidance for agencies on how to move away from the Official Mail Accounting System (OMAS) and toward the use of commercial processes to pay for postage. OGP will also post the guidance on the Mail Policy website, and will continue to work closely with agencies, on a one-on-one basis, to resolve specific issues and to enhance the guidance.

A major challenge facing e-Government is the need to develop a consolidated approach to authentication that eliminates redundant activities. The e-Authentication project is building

common set solutions that can be leveraged across the 24 e-Government initiatives in a streamlined fashion. Core to this project is the creation of an Authentication Gateway to provide efficient, secure authentication services across Government with a single sign-on capability. OGP provides leadership in the Government-wide effort to build a seamless, cost-effective IT infrastructure so Government transactions can be handled on-line in a secure and trusted environment. OGP will be working with other agencies to implement a prototype of the Authentication Gateway, with expanded services scalable across the 24 e-Gov initiatives, and to develop hosting solutions for the gateway.

Emerging e-Government initiatives are being deployed using component based architecture models for economy and interoperability. Existing e-Government systems can also benefit

## General Services Administration GOVERNMENTWIDE POLICY

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from the sharing of resources and reuse of data architecture components. To accomplish this, a critical infrastructure framework for XML (Extensible Markup Language) must be deployed. An XML registry with all Government data elements in one repository will allow agencies to share common data elements and business processes, thus reducing redundant and inoperable data dictionaries. OGP occupies a key role in promoting the use of XML registry to achieve interoperability between disparate agency implementations. In addition to leading Federal agencies through established working groups to address technical issues in achieving e-Government, OGP will provide the guidance to facilitate the adoption and use of XML for Federal e-Government initiatives.

In support of the President's Management Agenda for e-Government, the e-Travel initiative is a travel management practice based on a cost model that reduces capital investment and minimizes transaction costs for the Government. The e-Travel system will provide for a Government-wide standardized web solution for travel services – from reservation to the reimbursement of travel vouchers and prompt reimbursements to vendors via the Internet. OGP is working with key agencies to establish a Government-wide, web-based travel management service that integrates with agency financial, travel card and human resource systems. OGP will also work to create a policy environment based on best practices in the travel management industry including administration, financial management, and information technology. The system is targeted for implementation in FY 2004. Once implemented, OGP will provide the central authority and leadership to guide the adoption of e-Travel services. Subject matter experts will

provide strategies for change management, e-Travel deployment and identification, and promotion of best practices. OGP recognizes the value of identifying and instituting the right performance measures which provide information that allow managers to drive changes and improve overall program performance. Through interagency communication and cooperation, OGP is taking steps to identify opportunities for potential collaboration in promoting the development and use of Government-wide performance measures. OGP plans to continue its efforts to collaborate with interagency teams to identify, develop, and publish Government-wide baseline performance measures for all areas within OGP program responsibility. OGP will coordinate with interagency teams to identify and agree on common reporting elements and integrate performance indicators into Government-wide shared reporting systems. OGP will provide performance measurement training for GSA associates and other agencies when needed, and will facilitate opportunities Government-wide to present and address performance measurements. Other efforts will include working with interagency teams to obtain broader input and develop procedures to collect performance data, and benchmarking private sector practices for comparative purposes.

Examples of OGP systems that reflect performance measures include the Cost Per Person Model and the Productivity Payback Model in Real Property that shift the measurement paradigm from facilities to all aspects of the workplace. Another is the annual Federal Fleet Report, which provides summary information on the Federal motor vehicle fleet, with performance indicators comparing fleet management, such as cost-per-mile, number of vehicles and overall costs.

## General Services Administration GOVERNMENTWIDE POLICY

PERFORMANCE GOALS  
FY 2002 – FY 2004  
\$ (Thousands)

GSA Strategic Goal: Operate Efficiently and Effectively

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY 04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Improve clarity of OGP policies, regulations and guidelines.	Number of significant regulations, guidelines, etc. updated in plain language	202	\$2,848	38	\$3,035	25	\$3,236	-13	\$201
Expand functionality of shared management systems to allow better decision-making.	Number of agency programs that use OGP shared management systems to support decision-making.	378	\$9,229	191	\$8,272	200	\$7,366	9	-\$906
Implement President's Management Agenda for competitive sourcing.	Percentage of OGP FAIR Act inventory directly converted or competitively sourced.	0%	\$150	10%	\$158	10%	\$184	TBD	\$26
<b>Total</b>			<b>\$ 12,227</b>		<b>\$ 11,465</b>		<b>\$ 10,786</b>		<b>\$ 679</b>

### Strategies/Activities

OGP has been in the forefront of the plain language revolution. All OGP policy divisions (Acquisition, Travel and Transportation, Electronic Government and Information Technology) will continue to lead and collaborate with Federal agencies to

address Government-wide issues concerning management of property, technology, and administrative services. OGP's policy formulation process emphasizes collaborative solutions and pro-active input of key stakeholders, including Federal

## General Services Administration GOVERNMENTWIDE POLICY

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agencies and private industries. Working with interagency committees, OGP will continue to solicit input from those stakeholders in the policy formulation process to assure buy-in, and that the regulations reflect recent initiatives and meet the needs of the Federal community.

To promote standard, interoperable electronic exchange of information and enable the Government to conduct business in an efficient manner, OGP works with numerous customer agencies to reach agreement on common requirements for government-wide management information systems. Plans are in place to expand functionality of these systems by retooling and enhancing existing systems, when necessary, based on feedback from customer/agency representatives. By continuously working to improve the usefulness of and incorporate analytical reporting capabilities into current systems, these shared systems will provide cost savings and additional flexibility. Focus groups, surveys, and interagency committee recommendations are the main sources of input and all involve the active participation of the end-users in the design, modification, and maintenance of these systems.

Systems such as the Asset Disposition Management System (ADMS), Federal Aviation Interactive Reporting Systems (FAIRS), Federal Procurement Data System (FPDS), Catalog of Federal Domestic Assistance (CFDA), Government-Wide Acquisition Contracts (GWAC's) database, Excluded Parties List System (EPLS), World Wide Inventory of Real Property (WWI), and the E-grants Posting Module pilot cover programs in acquisition, real property, personal property, and transportation. The flexibility and interconnectivity that are achieved by this kind of collaboration result in the establishment of management controls to promote program accountability and lead to better asset management decisions.

The Office of Acquisition Policy in OGP had identified in the GSA '2000 FAIR Act Inventory' four functions and 38 FTEs for competitive sourcing. The direct conversion of the Federal Acquisition Institute will be completed in FY 2003. Also targeted for completion in FY 2003 is the competitive sourcing of the Federal Procurement Data Center. These results contribute to GSA's target of 10 percent for FY 2003 in support of the President's Management Agenda, and will serve as a model for the rest of OGP.

# General Services Administration GOVERNMENTWIDE POLICY

PERFORMANCE GOALS  
FY 2002 – FY 2004  
\$ (Thousands)

GSA Strategic Goal: Maintain a World-Class Workforce and World-Class Workplace

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY 04	
		Target	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Increase participation at OGP-supported educational venues and activities.	Business Line								
	Number of participants at OGP-supported educational venues and activities.	47,500	\$1,626	38,000	\$1,342	41,000	\$1,367	3,000	\$25
Total			\$ 1,626		\$ 1,342		\$ 1,367		\$ 25

**Strategies/Activities**

OGP is helping to build a Government-wide community of Government administrative services professionals, who are, in turn, leading the Government's efforts to better these services. OGP will continue to develop and facilitate training opportunities for Federal associates that provide for all facets of professional and personal growth. All program areas in OGP provide assistance to customer agencies in establishing career enhancement opportunities and have outreach plans to increase

participation. OGP partners with other governments and educational institutions and develops internet-based training to benefit the Federal community. OGP will also work with other Federal agencies and industry to establish Government-wide professional standards in the acquisition and information technology fields.

# General Services Administration GOVERNMENTWIDE POLICY

PERFORMANCE GOALS  
FY 2002 – FY 2004  
\$ (Thousands)

GSA Strategic Goal: Carry Out Social, Environmental, and Other Responsibilities as a Federal Agency

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY 04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Provide accessible product information to Federal agencies to support Section 508 requirements.	Business Line Number of vendors with templates on Buy Accessible database	320	\$3,500	400	\$1,800	500	\$1,800	100	No change
Work with OPM to increase the percentage of Federal employees that telework	Percentage of Federal employees that telework	4.2%	\$450	5.0%	\$468	6.0%	\$465	+1.0%	-\$3
<b>Total</b>			<b>\$ 3,950</b>		<b>\$ 2,268</b>		<b>\$ 2,265</b>		<b>- \$ 3</b>

### Strategies/Activities

OGP has developed voluntary consensus standards to help Federal agencies comply with Section 508 of the Workforce Investment Act, ensuring that persons with disabilities have access to and use of electronic information and services. OGP will continue to partner with disability groups and industry to inform IT companies of Government 508 procurement requirements. OGP's Buy Accessible Database, linked through a portal hosted by GSA, represents collaboration between GSA and industry to provide Government purchasers with

market research information to make purchasing decisions regarding 508 requirements.

Consistent with the policies and goals issued by the Office of Personnel Management, OGP helps Federal agencies meet their social and environmental responsibilities through the Government-wide Telework program. By providing associates the flexibility to help balance their work and family responsibilities, OGP assists the Federal community obtain higher levels of productivity and morale. OGP continues its review of IT needs for integration of up-to-date technology with the work-

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place and removing barriers that discourage participation in the Telework program.

EXPLANATION OF BUDGET CHANGES IN PRORITY ORDER \$(Thousands)		
	FTE	\$
<b>FY 2003 Congressional Budget</b> .....	<b>290</b>	<b>\$65,995</b>
Transfer Citizen Support Functions to Operating Expenses .....	-55	-13,231
Transfer of Child Care function to Operating Expenses .....		-381
<b>FY 2003 Current Level</b> .....	<b>235</b>	<b>\$52,383</b>
Pay Raise/Annualization.....		624
Increased Inflation Costs .....		488
Increased Rent Costs.....		344
Increased Common Information Technology Infrastructure Costs .....		276
Centralized Charges Increases to OGP .....		2
Centralized Administrative Support .....		266
OGP E-Travel Governmentwide Travel Management Office (TMO) .....	5	2,778
XML Registry .....	2	2,120
Federal Enterprise Architecture.....		2,500
Government-wide Interagency Council Support.....		12,250
<b>FY 2004 Budget Request</b> .....	<b>242</b>	<b>\$74,031</b>

## General Services Administration GOVERNMENTWIDE POLICY

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### BUDGET AUTHORITY \$(Thousands)

	FY 2002 Current	FY 2003 Budget	FY 2004 Request	FY 2003/2004 Change
DIRECT PROGRAM: Budget Authority (BA)	59,785	52,383	74,031	+21,648
TOTAL DIRECT (Obligations)	59,785	52,383	74,031	+21,648
TOTAL REIMBURSABLE	3,315	5,000	5,000	0
TOTAL TRANSFERS (for Management Councils)	17,000	17,000	0	-17,000
NET OUTLAYS	39,946	53,617	70,486	+16,869
EMPLOYMENT (FTE):				
Direct	285	235	242	+7
Reimbursable	0	0	0	0



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<b>OBLIGATIONS BY OBJECT CLASS</b>				
\$(Thousands)				
		<b>FY 2002 Actual</b>	<b>FY 2003 Budget</b>	<b>FY 2004 Request</b>
	Personnel Compensation:			
11.1	Full-time permanent	20,329	16,343	17,665
11.5	Other personnel compensation	3,321	2,375	2,472
11.9	Total personnel compensation	23,650	18,718	20,137
12.1	Civilian personnel benefits	4,418	3,103	3,328
21.0	Travel and transportation of persons	589	390	547
21.0	Motor Pool	9	6	6
22.0	Transportation of things	9	0	0
23.1	Rental payments to GSA	2,429	1,534	1,906
23.3	Communications, utilities and miscellaneous charges	295	397	404
24.0	Printing and reproduction	739	832	846
25.2	Other services	16,277	16,584	35,310
25.3	Purchases of goods and services from Government Accounts	10,650	10,321	11,040
26.0	Supplies and materials	712	208	212
31.0	Equipment	8	290	295
99.0	Subtotal direct obligations	59,785	52,383	74,031
99.0	Reimbursable obligations	20,315	22,000	5,000
99.9	Total Obligations	80,100	74,383	79,031

# General Services Administration GOVERNMENTWIDE POLICY

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## APPROPRIATIONS LANGUAGE

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] \$74,031. (Independent Agencies Appropriations Act, 2003.)

## EXPLANATION OF PROPOSED LANGUAGE CHANGE

The activities of the Office of Governmentwide Policy (OGP) and the Office of Citizen Services and Communications (OCSC) have here-to-fore been combined under the Policy and Citizen Services appropriation account. OGP's primary mission has been to serve in a policy role for Government-wide programs and its direct as well as reimbursable activities are focused on the Government as a whole. In contrast, the programs falling within the OCSC are distinctly service-oriented operational programs that are intended to serve the general public. For fiscal year 2004, the budget request includes the transfer of funding for the Office of Citizen Services and Communications to the Operating Expenses appropriation account. Due to the inherent differences in the OGP and the OCSC operations and programs and the diverse budgetary and accounting requirements needed to properly manage them, we are requesting that the Citizen Services component of the Policy and Citizen Services account be included under the Operating Expenses account. The two appropriation accounts will be: (1) Governmentwide Policy and (2) Operating Expenses.



# **OPERATING EXPENSES**

# General Services Administration

## OPERATING EXPENSES

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### INTRODUCTION

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

### EXPLANATION OF ESTIMATES

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

#### Direct Program

The fiscal year 2004 budget request of \$85,083 thousand reflects a net decrease of \$3,738 thousand over the comparable amount of \$88,821 thousand for fiscal year 2003 (see pages OE-17-19 for additional details). The net change of (\$3,738) thousand reflects an increase of \$4,374 thousand for

E-Gov Solutions Support, a transfer of functions to the Office of Citizen Services and Communications from PBS for \$1,571, and an increase of \$2,399 thousand for other costs. These increases are offset by a decrease of \$12,082 thousand for the protection and maintenance costs for Governors Island and disposal-related studies on Vieques, Puerto Rico.

#### Reimbursable Program

Operating Expenses provides reimbursable services to other Federal agencies in the amount of \$17,100 thousand. These activities include: (1) \$2,400 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; (3) \$2,000 thousand for shared e-Gov services in the Office of Citizen Services to cover agencies' use of content management, customer relationship management, hosting, search, and other related web services; and (4) \$500 thousand for other miscellaneous reimbursable activities.

# General Services Administration

## OPERATING EXPENSES

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### OFFICE OF CITIZEN SERVICES AND COMMUNICATIONS

#### Program Descriptions

The manner in which the U.S. Government provides information and information services to the American people has been transformed to provide a more citizen-centric and results-oriented operation. As part of this effort, the Office of Citizen Services and Communications (OCSC) supports President Bush's management agenda e-Gov initiatives, focusing on providing best value for customer agencies and taxpayers by increasing access to government through a wide variety of channels. These include both the GSA.gov and FirstGov.gov websites.

The Communications element of OCSC will disseminate strategic information and conduct communications events, for topics such as the Administration's expectations for the five e-Gov initiatives assigned to GSA (E-authentication, E-travel, Federal Asset Sales, USA Services, and Integrated Acquisition Environment). These communications activities will cover all audiences (citizens, businesses, governments and Federal agencies, and GSA associates).

As part of the President's Management Agenda, OCSC will continue to improve and enhance the citizen services infrastructure in support of FirstGov.gov website, USA Services, and other citizen-facing e-Gov initiatives. OCSC will also lend expertise to Federal agencies to develop e-Gov best practices, security, standardization and innovative technologies, and achieve common shared solutions for Federal agencies with respect to websites.

Furthermore, OCSC, through the "Government Without Boundaries" project, will assist managers of the 21 "Services

to the Citizens" programs to make and measure sound, high-payoff e-Gov and Homeland Security investments; and assist government organizations and individuals that provide easy-to-use intergovernmental solutions to citizens, businesses and governments.

#### Direction - Strategies/Activities

The Office of Citizen Services (OCSC) provides value to agencies and the public by helping the Federal government become more citizen-centric and results oriented. A governmentwide citizen customer service (CCS) solution, which is under development as the USA services e-Gov initiative, will enable the Federal Government to present a "single face of Government" and serve as a multi-delivery channel for citizens to access agency programs and services, as part of the E-Gov effort. This CCS effort will leverage the Internet to enable citizens to obtain information and transact business, to establish consistent responses to frequently asked questions (FAQ's) across Federal government, and to share information more quickly and conveniently between federal, state, local, and tribal governments.

Additional funding of \$4,374 thousand is requested for:

- Enhanced security – improvements for security infrastructure and audits,
- Website operations – improvements of web page programming, citizen email feedback/queries, systems integration and engineering, and
- Searching services – enhancing the search engine for improved search capabilities and for handling the growing number of Federal agency participants.

## General Services Administration OPERATING EXPENSES

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The CCS features implemented and available for use Governmentwide include: an E-mail Response and Management System, web self-service, phone, fax, and postal mail.

The OCSC also supports the President's E-Gov initiatives through assisting Federal managers in measuring and making sound E-Gov investments within the 21 "Services to the Citizens" business lines. Assistance is also provided to government organizations and individuals to collaborate in providing intergovernmental solutions to citizens, businesses and governments.

The Office of Citizen Services and Communications' (OCSC) Office of Communications researches and analyzes GSA's customers' needs, coordinates GSA marketing strategy, develops agency-wide marketing plans and provides marketing

services for GSA.gov, FirstGov.gov, USA Services and other E-Gov initiatives.

To carry out social, environmental, and other responsibilities as a federal agency, the OCSC ensures that all OCSC products posted to FirstGov and GSA.gov comply with legislative and regulatory requirements for accessibility of information technology products. Through the FirstGov web site, GSA also broadens public awareness of federal government programs and services through an assortment of electronic newsletters.

The industry standard for successful communications efforts is that one-third of communications documents receive positive review in the media, one-third are neutral (i.e. the reporting is purely factual), and one-third are reviewed negatively. Our goal is to meet or exceed that industry standard.

# General Services Administration OPERATING EXPENSES

**PERFORMANCE GOALS  
FY 2002 – FY2004  
\$ (Thousands)**

**GSA Strategic Goal: Provide Best Value for Customer Agencies and Taxpayers  
(\$000)**

Performance Goal		Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY 04	
		Business Line	Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
<b>Office of Citizen Services</b>	Assist Federal government managers in measuring and making good E-Gov investments within the 21 Service to the Citizens business lines of the Federal Government.	Number of new Federal E-Gov activities initiated as a result of a high-payoff study.	N/A	\$0	10	\$1,227	10	\$1,278	0	\$51
		Build a Government-wide Customer Relationship Management system (CRM) to enable the Federal Government to become more citizen-centric and results oriented.	Number of CRM features implemented and available for use Government-wide (E-mail Response and Management System, Web self-service, phone, fax, and postal mail.	N/A	\$0	1	\$5,000	4	\$5,000	3

# General Services Administration OPERATING EXPENSES

**GSA Strategic Goal: Provide Best Value for Customer Agencies and Taxpayers  
(\$000)**

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY 04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
<b>Office of Citizen Services</b> Provide expertise to Federal agencies to develop E-Gov best practices, security, standardization, innovative technologies, and achieve common shared solutions for E-Gov initiatives and Federal government agencies with respect to websites.	Business Line								
	Number of best practices adopted by E-Gov initiatives and Federal government agencies.	10	\$0	10	\$4,200	10	\$4,374	0	\$174
Position GSA as a valuable information resource for all audiences, as well as prime source of products and services for GSA Federal customers and a potential marketplace for businesses.	Percentage of management reforms implemented from the Administrator's Marketing Study.	57%	\$1,125	93%	\$1,267	100%	\$1,328	7%	\$61



# General Services Administration OPERATING EXPENSES

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**Strategic Goal: Carry Out Social, Environmental, and other Responsibilities as a Federal Agency  
(\$000)**

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY 04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
	Business Line								
<b>Office of Citizen Services</b>									
Disseminate strategic information messages to all audiences.	To improve effectiveness of GSA's communications to meet industry standards.	N/A	\$0	1/3 positive 1/3 negative 1/3 neutral	\$1,267	1/2 positive 1/4 negative 1/4 neutral	\$1,327	0	\$60

# General Services Administration

## OPERATING EXPENSES

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### **FEDERAL SUPPLY SERVICE** **PERSONAL PROPERTY MANAGEMENT - Direct**

#### **Program Descriptions**

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

FSS' reimbursable program provides logistics services to other Government agencies via reimbursable support agreements. The principal activity provides personal property disposal services related to seized and forfeited property.

#### **Direction: Strategies/Activities**

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 by 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 personal property and processes transfers of property to Federal agencies and to State and local governments. FEDS is accessible nationwide through the Internet. Achieving responsible asset management is the primary mission of the Personal Property Management Program.

In fiscal year 2002 the utilization program generated \$500 million 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 2003 and 2004 are \$500 million and \$400 million per annum, respectively.

The donation program created \$400 million in savings in fiscal year 2002 by giving surplus usable property to states for donation to public agencies and certain non-profit tax-exempt activities. Estimated savings for fiscal years 2003 and 2004 are \$400 million per annum.

Levels of personal property utilization and donation and their subsequent savings through cost avoidance are dependent upon the volume of property reported available by Federal agencies for reutilization, which becomes eligible for donation. If the amount of excess property and/or its quality are significantly below estimates, the cost avoidance from transfers may be lower than the performance goals.

# General Services Administration OPERATING EXPENSES

Business volume for the utilization and donation of excess and surplus personal property for fiscal year 2002 was \$900 million, with \$900 million projected for fiscal year 2003, and \$800 million projected for fiscal year 2004. As a result of the expansion of authority to use sales proceeds for property replacement (exchange/sale), more agencies are disposing of the higher valued property through sales and utilizing the pro-

ceeds towards new procurements. When this happens, such properties do not go through the utilization and donation phases of the disposal process. However, we anticipate that property of lesser value will be moving through our disposal system, and the overall volume of transactions that impact workload will only be slightly affected.

### Strategic Goal: Achieve Responsible Asset Management (\$000)

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY 04	
		Actual (\$M)	Dollars (\$000)	Target (\$M)	Dollars (\$000)	Target (\$M)	Dollars (\$000)	Target (\$M)	Dollars (\$000)
<b>Personal Property Management</b>									
Maximize cost avoidance through reutilization and donation of excess Federal Personal property.	Value of Surplus Property (\$M)	\$900	\$10,013	\$900	\$10,643	\$800	\$10,951	\$(100)	\$308

# General Services Administration

## OPERATING EXPENSES

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### PUBLIC BUILDINGS SERVICE REAL PROPERTY DISPOSAL

#### **Program Descriptions**

The Public Buildings Service's (PBS) real property disposal 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. These programs utilize and dispose of excess real property by transfer to other Federal agencies, by sale, exchange, or discount conveyance of surplus real property reported to GSA from agencies without their own disposal authority. These programs also provide for the protection and maintenance of excess and surplus property pending its disposition; appraisal of excess and surplus property, necessary environmental and cultural analyses, reuse planning, and real property utilization surveys.

The Real Property Disposal reimbursable program also provides similar services to agencies with their own disposal authorities. These properties do not become a part of the GSA inventory; they remain the property of the landholding agency. GSA is reimbursed for its expenses after the disposal proceeds are returned to the landholding agency.

#### **Direction: Strategies/Activities**

Reengineering the disposal process and the utilization program has produced a significant time and costs savings to our customers and the taxpayers. In fiscal year 2002 Real Prop-

erty Disposal (RPD) disposed of 389 properties. These properties had a total value of \$697.8 million and produced \$427.9 million in proceeds of which \$418.9 million was returned to other federal agencies. GSA retained \$9 million in proceeds from properties covered under the Federal Property Act. Twenty-two properties, worth \$137.2 million were transferred between Federal agencies and 63 properties with a value of \$113.1 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 and disposal of Governor's Island, RPD will provide expert redeployment of approximately \$ \$1.07 billion in surplus or excess Federal real and related property.

GSA has not yet identified all potential properties that could be sold in fiscal year 2004. However, the total receipts from the sale of real property through the Portfolio Restructuring Initiative, the Army Ammunition Divestiture, and the projected increase in properties reported excess from Property Act Reform in FY 2004 is estimated at approximately \$702 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 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.

## General Services Administration OPERATING EXPENSES

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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. RPD calculates the dollars expended in the disposal process from the direct and reimbursable obligations incurred in the Operating Expenses account and the Expenses, Disposal account. 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.

These are the current performance measurement targets for disposal:

FY 2002 Actual	22:1 (\$697.8 million: \$31 million)
FY 2003 Target	18:1 (\$1.07 billion: \$59 million)
FY 2004 Target	18:1 (\$702 million: \$39 million)

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.

# General Services Administration OPERATING EXPENSES

**Strategic Goal: Achieve Responsible Asset Management  
(\$000)**

**Obligations  
Budget Links**

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY 04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
	Business Line								
Real Property Disposal (Direct) Conserve taxpayer investment in real and personal property and optimize the government's return on investment.	Return on Investment	22:1	\$23,905	18:1	\$34,633	18:1	\$22,867	0	\$(11,766)

# General Services Administration

## OPERATING EXPENSES

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### **FEDERAL PUBLIC KEY INFRASTRUCTURE (PKI) STEERING COMMITTEE AND FEDERAL PKI POLICY AUTHORITY/FEDERAL BRIDGE CERTIFICATE AUTHORITY.**

#### **Program Description**

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.

Previously, 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 was designed to allow 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, many of which are not tied together. Under direction from the Chief

Information Officers Council and OMB, GSA is working to develop a common identity policy framework that will describe a centrally managed PKI structure for use by all Federal entities. The framework will direct the convergence of all Federal PKI efforts. While these efforts are underway, the Federal Bridge Certification Authority (FBCA) will continue to operate within the framework as an interoperability mechanism for interface with entities external to the Federal government. The FBCA will also continue to act as a conduit between Federal agencies. The FBCA also establishes standards of assurance for its participating members and enhances interoperability standards among PKI product and services vendors.

### **MANAGEMENT AND ADMINISTRATION**

#### **Program Descriptions**

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

#### **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

# General Services Administration

## OPERATING EXPENSES

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amended, and by other laws. These officials plan, coordinate, and supervise assigned programs in accordance with Central Office goals, objectives, and policies.

### **Office of Congressional and Intergovernmental Affairs**

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

### **Indian Trust Accounting**

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

### **Emergency Management**

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

Presidential Decision Directive 67 assigned GSA the responsibility to ensure that Executive Branch departments and

agencies have the tools needed to comply with Continuity of Operations (COOP) directives and to conduct Government-wide COOP training. GSA is also responsible for selected classified Continuity of Government activities, which include setting standards and establishing procedures for such activities.

### **Executive Secretariat**

This office will continue to enhance GSA's ability to respond quickly and accurately to written inquiries from the public, Members of Congress, and other Government officials. The implementation of a new agency-wide correspondence management system and planned process improvements during fiscal year 2003, will result in improved performance.

### **Congressional Support**

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



# General Services Administration

## OPERATING EXPENSES

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### **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.

### **Direction: Strategies/Activities**

#### **Continuity of Operations Planning (COOP)**

GSA will continue to focus on refining and improving GSA's capability to respond to natural disasters under the Federal Response Plan, and to maintain continuity of essential GSA operations as part of the Federal Continuity of Operations

Planning (COOP) initiative. The key objectives of GSA's three-year enhancement strategy are to enhance national and local planning and testing, improve GSA's ability to meet its obligations under the law, and institutionalize effective and efficient systems and processes.

In fiscal year 2002, GSA focused on Phase I fundamentals. This phase included a review and enhancement of existing COOP plans, establishment of Senior Emergency Response Teams (SERT), issuance of national policy for alternate sites, identification and acquisition of alternate sites that are policy-compliant, enhancement of IT connectivity and backup, establishment of emergency notification and communication systems, and examination of backup regional capabilities. GSA also conducted testing of telephone cascade lists, office-specific drills, and full tabletop exercises in each region and Central Office.

In fiscal year 2003, GSA will focus on Phases II and III, including real-time exercises at the alternate sites, integration of field locations in regional exercises, and full integration of communications, IT and other critical support systems. In fiscal year 2004, GSA will further refine its backup region interoperability, conduct more complex exercises, and participate in the increased level of Government-wide activities that are expected to result from the creation and integration of the Department of Homeland Security.

# General Services Administration OPERATING EXPENSES

**GSA Strategic Goal: Provide Best Value for Customer Agencies and Taxpayers  
(\$000)**

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY 04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
<b>Management &amp; Administration</b>	Business Line								
	Support Government-wide Continuation of Operations (COOP) in accordance with Presidential Decision Directive 67.	50%	\$988	75%	\$1,860	100%	\$1,870	25%	\$10

## General Services Administration OPERATING EXPENSES

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### BUDGET REQUEST

Obligations  
\$(000)

	FY 2002 Actual	FY 2003 Estimate	FY 2004 Request
Salaries and Benefits	30,338	36,810	41,129
Contractual Services	19,433	28,945	22,955
All Other	19,580	23,066	20,999
<b>Subtotal Direct</b>	<b>69,351</b>	<b>88,821</b>	<b>85,083</b>
Reimbursable	5,176	17,100	17,100
<b>Total Obligations</b>	<b>74,527</b>	<b>105,921</b>	<b>102,183</b>

**General Services Administration  
OPERATING EXPENSES**

<b>EXPLANATION OF BUDGET CHANGES IN PRIORITY ORDER APPROPRIATION \$(Thousands)</b>		
	<b>FTE</b>	<b>\$</b>
<b>Current FY 2003 Budget</b> .....	<b>350</b>	<b>77,099</b>
Transfer Office of Citizen Services & Communications (OCSC) from Policy & Citizen Services (P&CS) to Operating Expenses (OE) .....	55	13,231
Transfer Child Care from P&CS to OCSC, OE .....		381
Transfer management of FirstGov website to Federal Citizen Information Center Fund .....	-6	-1,890
<b>Adjusted FY 2003 Budget</b> .....	<b>399</b>	<b>88,821</b>
<b>Decreases:</b>		
Governors Island .....		-8,582
Vieques, Puerto Rico .....		-3,500
<b>Increases:</b>		
Pay Increases .....		1,055
Increased Costs of Goods and Services .....		459
Increased Rent .....		88
Increased Payments to the Working Capital Fund .....		797
Transfer from Public Buildings Service to OCSC, OE .....	11	1,571
E-Gov Solutions Support .....	0	4,374
<b>FY 2004 Budget Request</b> .....	<b>410</b>	<b>85,083</b>

## General Services Administration OPERATING EXPENSES

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### BUDGET AUTHORITY \$(Thousands)

	FY 2002 Actual	FY 2003 Current	FY 2004 Request	FY 2003/2004 Change
<b>Direct Program:</b>				
<b>New Budget Authority</b> .....	69,351	88,821	85,083	-3,738
<b>Prior Year Carryover</b> .....	8,099	0	0	0
<b>Total Obligations – Direct Program</b> .....	77,450	88,821	85,083	-3,738
<b>Reimbursable Program</b> .....	5,176	17,100	17,100	0
<b>Net Outlays</b> .....	75,731	85,096	84,586	-510
<b>Employment (FTE):</b>				
Direct	342	410	410	0
Reimbursable	19	23	23	0

**General Services Administration  
OPERATING EXPENSES**

<b>OBLIGATIONS BY OBJECT CLASS</b> \$(Thousands)			
	<b>FY 2002 Actual</b>	<b>FY 2003 Current</b>	<b>FY 2004 Request</b>
Personnel Compensation:			
11.1 Full-time permanent	\$21,149	\$26,310	\$29,374
11.3 Other than full-time permanent	898	18	19
11.5 Other personnel compensation	3,246	4,237	4,834
<b>11.9 Total personnel compensation</b>	<b>25,293</b>	<b>30,565</b>	<b>34,227</b>
12.1 Civilian personnel benefits	5,045	6,245	6,902
21.0 Travel and transportation of persons	1,479	1,584	1,604
21.0 Motor Pool	110	118	119
22.0 Transportation of things	132	31	31
23.1 Rental payments to GSA	2,724	3,724	3,993
23.3 Communications, utilities and miscellaneous charges	510	1,290	1,324
24.0 Printing and reproduction	171	682	696
25.2 Other services	19,433	28,945	22,955
25.3 Purchases of goods and services from Government Accounts	13,515	13,766	11,353
26.0 Supplies and materials	368	476	483
31.0 Equipment	571	1,395	1,396
<b>99 Comparable Direct Program</b>	<b>\$69,351</b>	<b>\$88,821</b>	<b>\$85,083</b>
99 Reimbursable obligations	\$5,176	\$17,100	\$17,100
<b>99.9 Total Direct &amp; Reimbursable</b>	<b>\$74,527</b>	<b>\$105,921</b>	<b>\$102,183</b>

# General Services Administration

## OPERATING EXPENSES

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### 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; providing citizens with Internet access to Federal information and services; 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, \$85,083,000.

### EXPLANATION OF PROPOSED LANGUAGE CHANGE

The activities of the Office of Governmentwide Policy (OGP) and the Office of Citizen Services and Communications (OCSC) have previously been combined under the Policy and Citizen Services appropriation account. OGP's primary mission has been to serve in a policy role for Government-wide programs and its direct as well as reimbursable activities are focused on the Government as a whole. In contrast, the programs falling within the OCSC are distinctly service-oriented operational programs that are intended to serve the general public. For fiscal year 2004, the budget request includes the transfer of funding for the Office of Citizen Services and Communications to the Operating Expenses appropriation account. Due to the inherent differences in the OGP and the OCSC operations and programs and the diverse budgetary and accounting requirements needed to properly manage them, we are requesting that the Citizen Services component of the Policy and Citizen Services account be included under the Operating Expenses account. The two appropriation accounts will be: (1) Governmentwide Policy and (2) Operating Expenses.



# **GENERAL SUPPLY FUND**



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**Strategic Direction**

The Federal Supply Service (FSS) manages a large, diverse, and innovative Federal marketplace that brings hundreds of thousands of federal customers together with over 10,000 private sector contractors. We serve the federal community as a trusted source for business, administrative, and mission solutions, providing a portal to virtually every commercial product or service an agency might need. FSS programs are designed to meet the needs of federal agencies worldwide. Federal agency needs may range from the traditional such as office services, equipment, furnishings, and supplies to specialized services such as hazardous waste cleanup.

FSS leverages the Government's vast buying power to offer federal agencies access to contracts and other buying arrangements that provide quality services and products at competitive prices. As a result, we help other agencies reduce their own acquisition costs and improve their management of federal personal property assets.

FSS' acquisition and service delivery activities are organized around five business lines which comprise the General Supply Fund (GSF): Commercial Acquisition, Supply, Vehicle Acquisition and Leasing, Personal Property Management, and Travel and Transportation. To support these programs, FSS' FY 2004 budget requests \$1.4 billion in operating expenses.

The FY 2004 resources will be used to fund activities that directly support GSA's strategic goals:

- Provide best value for customer agencies and taxpayers (\$169.0 million);

- Operate efficiently and effectively (\$1.1 billion);
- Ensure financial accountability (\$91.7 million);
- Maintain a world class workforce and world class workplace (\$13.8 million); and
- Carry out social, environmental, and other responsibilities as a federal agency (\$7.6 million).

**Commitment to Results and Performance**

FSS is committed to the Administration's focus on results and performance. In FY 2002, FSS implemented a nationwide performance management system to ensure the organization focused on meeting clearly defined performance standards. In FY 2003, FSS will be cascading service-level measures down through the organization so that each program has a scorecard and associates understand how their work directly contributes to accomplishment of GSA's strategic goals.

FSS is continuously seeking means through which to improve long-term program performance and results. In FY 2002, four programs were analyzed through a joint effort with the Office of Management and Budget (OMB) using the Program Assessment Rating Tool (PART) to find ways in which program effectiveness and accountability can be improved. The programs assessed were the Vehicle Leasing, Vehicle Acquisition, Multiple Awards Schedules and the Supply Depots and Special Order programs.

The major finding of the PART process is that the programs analyzed, need to develop long-term measurable goals (i.e., stretch goals) that require continuous improvement and are aligned with GSA's strategic goals. Through the incorporation of the PART findings in long-term planning and budgeting the

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FSS will strive to increase the efficiency and results of its program activities.

**Key Performance Measures**

FSS' over-arching objective is to make available to its customers the best products and services at the most favorable prices. FSS' service-wide measures focus on gauging customer satisfaction, reducing the cost-to-output ratios, ensuring accurate cost and revenue forecasting and providing federal agencies with commercial sources which will further the Government's socioeconomic goals.

The results for the FSS wide measures referenced above are also broken out by business line so that progress toward goal achievement can be ascertained for key programs. In addition to the service-wide measures, FSS' business lines have measures that gauge the performance of their unique operational areas. FY 2004 targets are included in the charts that follow as well as the performance plan.

**Operational Strategies for Meeting Performance Measure Targets**

FSS uses a variety of strategies to achieve the GSA mission and goals. Examples of key strategies and FY 2004 supporting initiatives are presented below.

Provide competitive solutions, services, and products

The Vehicle Acquisition and Leasing Services business line will continue to consolidate other agencies' vehicles into the GSA Fleet in FY 2004. GSA Fleet services are traditionally 25% less than private industry. Vehicle Acquisition and

Leasing Services will also expand AutoChoice in FY 2004. AutoChoice is an on-line ordering site that enables customers to choose specific vehicle models, compare prices and explore equipment options from major manufacturers. The system calculates the prices for selected vehicles and provides a price summary for Federal customers to select the vehicles that meet agency needs and offer the best value.

Leverage information technology.

During FY 2004, FSS will be enhancing the following major e-commerce systems:

- *GSA Advantage!*. FSS' on-line procurement source which provides access to more than one million products and services;
- e-Buy. A component of *GSA Advantage!* that facilitates the request for submission of quotes for a wide range of commercial services and products that are offered by FSS Federal Supply Schedule contractors; and
- GSAAuctions.gov. This website offers the general public the opportunity to bid electronically on a wide array of Federal assets. The auctions are entirely web-enabled allowing all registered participants to bid on items within established timeframes.

Enhancements to these systems will improve program management and response to customer and taxpayer transactions of FSS programs.

Implement process improvements

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In FY 2004, the Personal Property Management business line will fully implement "GSA XcessXpress", a system that will compress the personal property screening process from 42 to 21 days and enable agencies to move excess property or sell it more expeditiously. GSA XcessXpress allows both excess and surplus property customers to screen property for possible re-use by the Government or purchase by the private sector.

Ensure competitive operating costs

During FY 2003, the Supply business line will complete the relocation of its west coast distribution operation from Stockton, CA to Sharpe Army Depot, CA. FY 2004 will be the first year of operation in the new location. An annual reduction of \$9 million in operating, transportation and space costs is anticipated as a result of this change. These savings will start to be realized in FY 2003 continuing in the out years.

The Supply business line also plans to implement its Warehouse Management System (WMS) a commercial off-the-shelf computer application that automates inventory control and other functions associated with supply distribution. Annual savings resulting from WMS' full implementation should be about \$1.7 million. Both the relocation to Sharpe and the WMS implementation will help to reduce the Supply program's operating costs, improving the financial position of the GSF, allowing the program to breakeven.

In 2004, GSA will receive income for Schedules program contract administration in the amount of 0.75 percent of the Schedules business volume. This is a reduction from the one percent fee that was recovered in 2003 and prior fiscal years and will save customer agencies over \$50 million in 2004.

Customer agencies are able to purchase over 2.4 million items from the Schedules program through GSA Advantage, an on-line electronic catalog system. In FY 2002, the business volume under the schedules program was \$21.6 billion.

**Future Direction**

Providing best value to customers and taxpayers is key to FSS' continued success in the federal market place. The proposed budget includes resources to fund e-systems (e.g., GSA Advantage!, e-Buy, GSAAuctions, and AutoChoice). Developing dependable, user-friendly systems and expanding their capabilities is critical to customer and taxpayer satisfaction with FSS programs. Enhancements will encourage customer use of FSS programs while improving program management and response to customer inquiries, orders, and sales transactions.

FSS' business models emphasize use of technology, and where appropriate, FSS is reducing its reliance on traditional service delivery methods in favor of using e-commerce and commercial partnerships. FSS business lines will help GSA continue to play a critical role in providing support for national defense, natural disaster relief and national emergency assistance activities. Federal agencies have come to rely on FSS for a wide array of administrative support functions.

In December of 2002 the GSA announced its intent to improve its procurement process by combining and realigning certain functions currently carried out by the FSS and Federal Technology Service (FTS). The changes will take effect January 12, 2003 and will enable GSA to efficiently meet the rapidly growing needs of its customer agencies for assistance

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in the procurement of Information Technology (IT) products, services and professional services.

The Federal Supply Service also plays an important role in expanding electronic government (E-Gov), one of the five key elements of the President's Management Agenda. In supporting this goal, the FSS will invest \$44.7 million and \$7

million in 2003 and 2004 respectively in information technology projects within the E-Gov initiative. GSA is the lead agency for three FSS mission-related projects; e-Acquisition, e-Property (Federal Asset Sales), and e-Travel.

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FY 2004 Budget Request/Performance Goals Budget Links (Dollars in Thousands)						
<b>Performance Measure:</b>	<b><u>Supply</u></b>	<b><u>Commercial Acquisition</u></b>	<b><u>Vehicle Acquisition &amp; Leasing</u></b>	<b><u>Personal Property Management</u></b>	<b><u>Travel &amp; Transportation</u></b>	<b><u>Total</u></b>
Growth in federal agency usage of FSS programs	13,738	51,038	2,694	3,120	2,649	73,239
Percent of Customers responding favorably on external survey - service, solutions, price	14,401	56,069	2,767	4,739	1,822	79,798
Number of vehicles consolidated (cumulative)			2,173			2,173
Annual increase in GSA leasing rates compared to the increase in commercial leasing rates caused by inflation.			1,765			1,765
Increase in revenue using GSA/FSS Transportation Program: TMSS					1,248	1,248
Increase in Supply business volume through a new channel - Expanded Direct Delivery (EDD)	6,215					6,215
Reduce Supply percentage mark-up	4,579					4,579
<b>Total (Provide Best Value)</b>	<b>38,933</b>	<b>107,107</b>	<b>9,399</b>	<b>7,859</b>	<b>5,719</b>	<b>169,017</b>

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FY 2004 Budget Request/Performance Goals Budget Links (Dollars in Thousands)						
<b>Performance Measure:</b>	<b><u>Supply</u></b>	<b><u>Commercial Acquisition</u></b>	<b><u>Vehicle Acquisition &amp; Leasing</u></b>	<b><u>Personal Property Management</u></b>	<b><u>Travel &amp; Transportation</u></b>	<b><u>Total</u></b>
Operating cost per \$100 business volume	50,811	21,150	491,690	2,289	963	566,903
Average order fulfillment time	42,534					42,534
Cycle time to process offers and modifications		19,986				19,986
Revenue per FTE					1,169	1,169
Percent change in cost per mile compared to industry inflation			483,478			483,478
Average savings over vehicle manufacturer's invoice prices for seven top-selling vehicle types			3,389			3,389
Number of postings on e-Buy		5,788				5,788
Cycle time for disposal process				2,097		2,097
Percentage of sales done electronically through GSA Auctions				1,127		1,127
<b>Total (Operate Efficiently and Effectively)</b>	<b>93,345</b>	<b>46,924</b>	<b>978,557</b>	<b>5,513</b>	<b>2,132</b>	<b>1,126,471</b>

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FY 2004 Budget Request/Performance Goals Budget Links (Dollars in Thousands)						
<b>Performance Measure:</b>	<b><u>Supply</u></b>	<b><u>Commercial Acquisition</u></b>	<b><u>Vehicle Acquisition &amp; Leasing</u></b>	<b><u>Personal Property Management</u></b>	<b><u>Travel &amp; Transportation</u></b>	<b><u>Total</u></b>
Direct cost as a percent of revenue	15,080	15,169	717	176	63	31,205
Total cost as a percent of revenue	19,468	528	717	176	63	20,952
Planned versus actual cost	18,270	528	717	176	63	19,754
Planned versus actual revenue	18,270	528	717	176	63	19,754
<b>Total (Ensure Financial Accountability)</b>	<b>71,088</b>	<b>16,753</b>	<b>2,868</b>	<b>704</b>	<b>252</b>	<b>91,665</b>

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FY 2004 Budget Request/Performance Goals Budget Links (Dollars in Thousands)						
<b>Performance Measure:</b>	<b><u>Supply</u></b>	<b><u>Commercial Acquisition</u></b>	<b><u>Vehicle Acquisition &amp; Leasing</u></b>	<b><u>Personal Property Management</u></b>	<b><u>Travel &amp; Transportation</u></b>	<b><u>Total</u></b>
Increase grand mean score from annual Gallop survey from 61st to the 75th percentile *	4,299	4,240	3,580	335	219	12,673
Percentage of contracting officer associates meeting Clinger-Cohen requirements in current job		1,200				1,200
<b>Total (Maintain a World Class Workforce)</b>	4,299	5,440	3,580	335	219	13,873

\*Cost allocated based on number of FTE in the given business lines.



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FY 2004 Budget Request/Performance Goals Budget Links (Dollars in Thousands)						
Performance Measure:	<u>Supply</u>	<u>Commercial Acquisition</u>	<u>Vehicle Acquisition &amp; Leasing</u>	<u>Personal Property Management</u>	<u>Travel &amp; Transportation</u>	<u>Total</u>
FSS Total		7,567				7,567
<b>Total (Social Responsibility)</b>	0	7,567	0	0	0	7,567
<b>Total Operating Budget</b>	207,665	187,180	991,015	14,411	8,322	1,408,593

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FY 2004 Budget Request/Performance Goals Budget Links (Dollars in Thousands)						
<b>Other Activities:</b>	<u>Supply</u>	<u>Commercial Acquisition</u>	<u>Vehicle Acquisition &amp; Leasing</u>	<u>Personal Property Management</u>	<u>Travel &amp; Transportation</u>	<u>Total</u>
Cost of Goods Sold	671,660	226,231	647,571	3,128		1,548,590
GSA Corporate Overhead	24,064	22,998	21,232	1,932	1,369	71,595
CSRS and FEHB Benefits	4,423	9,337	6,015	1,541	578	21,894
E-Gov		7,000				7,000
<b>Subtotal</b>	700,147	265,566	674,818	6,601	1,947	1,649,079
<b>Grand Total</b>	907,812	452,746	1,665,833	21,012	10,269	3,057,672

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**GSA Strategic Goal 1:**

***Provide Best Value for Customer Agencies and Taxpayers***

**Strategies and Explanation of Estimates:**

To achieve this strategic goal, FSS must offer federal agencies consistent, efficient and effective access to millions of competitively priced, state-of-the-art services and products that meet federal customer needs. FSS works to continually expand the selection of innovative services and products available to customers and improve its e-systems in ways that transform GSA's interaction with customers and taxpayers. FSS also focuses resources on training customers to use FSS programs to the best advantage and encourage key vendors to participate in FSS programs.

The activities in support of this goal represent about 12 percent of the FSS budget. The FY 2004 budget includes funding for additional resources to address new or currently unmet customer requirements, as well as to fund e-systems (e.g., GSA Advantage!, e-Buy, GSAAuctions and Autochoice). The budget also includes resources to expand customer-training activities for Commercial Acquisition customer agencies.

Seven key performance measures enable FSS to gauge progress in achieving this strategic goal:

- Percentage growth in Federal agency usage of FSS programs
- Percent customers responding favorably on external survey
- Number of vehicles consolidated

- Annual increase in GSA leasing rates compared to the increase in commercial leasing rates caused by inflation
- Increase in revenue using GSA/FSS Transportation program: TMSS
- Increase in Supply business volume through a new supply channel Expanded Direct Delivery (EDD)
- Reduce Supply percentage mark-up

The FSS service-wide business volume target for FY 2004 is \$31.3 billion--a significant increase over the FY 2002 and 2003 targets of \$26.8 billion and \$29.1 billion, respectively. Business volume data on agency usage of FSS programs provides valuable insight into how well FSS is serving each federal agency and the government as a whole. This data enables FSS to identify federal government purchasing trends and analyze and interpret how agencies use FSS programs, aiding in management decisions on improving operations to better meet customer needs.

To gauge customer satisfaction, FSS contracts with a professional, private sector survey organization to conduct separate surveys for each of its key programs. These surveys provide insight into how well FSS programs meet customer needs. Current survey results and FY 2004 and out year targets are outlined in the performance plan. The long-term output target for customer satisfaction surveys is set at the 79<sup>th</sup> percentile. By FY 2007 all business lines will strive to be at or above this level.

Many of the performance measures that focus on best value for customer agencies and taxpayers are business line specific. These measures have long term targets that are specific to a given output of a business line.

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PERFORMANCE GOALS  
FY 2002 - FY 2004  
\$ (Thousands)

GSA Strategic Goal: Provide Best Value for Customer Agencies and Taxpayers

Performance Goal	Performance Measure Business Line	FY 2002		FY 2003		FY 2004		Delta FY03 to FY04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Increase value to the customer; provide creative solutions, innovative services and products.	Growth in federal agency usage of FSS programs	\$ 27,282,000	\$ 65,074	\$ 28,328,000	\$ 70,105	\$31,900,000	\$ 73,240	\$ 3,572,000	\$ 3,135
	Supply <sup>1</sup>	\$ 22,700,000	\$ 15,148	\$ 893,000	\$ 13,045	\$ 916,000	\$ 13,738	\$ 23,000	\$ 693
	Commercial Acquisition <sup>1</sup>	-	42,085	22,800,000	48,975	25,900,000	51,037	3,100,000	2,062
	Vehicle Acquisition & Leasing	2,300,000	2,303	2,300,000	2,012	2,500,000	2,694	200,000	682
	Personal Property Management	982,000	2,522	1,000,000	3,009	1,100,000	3,120	100,000	111
	Travel and Transportation	1,300,000	3,018	1,335,000	3,062	1,484,000	2,649	149,000	-413
<b>Long Term Performance Goals</b>									
Increase customer satisfaction	Percent customers responding favorably on external survey - service, solutions, price		\$ 68,813		\$ 74,142		\$ 79,797		\$ 5,655
	Supply	75%	\$ 15,877	77%	\$ 13,769	78%	\$ 14,401	1%	\$ 632
	Commercial Acquisition	71%	44,753	75%	51,469	76%	56,068	1%	4,599
	Vehicle Acquisition & Leasing	81%	2,211	79%	2,064	79%	2,767	0%	703
	Personal Property Management	73%	3,686	76%	4,518	77%	4,739	1%	221
	Travel and Transportation	72%	2,287	75%	2,322	76%	1,822	1%	-500
Reduce government-wide fleet costs by consolidating vehicles into the GSA fleet	Number of vehicles consolidated (cumulative) Vehicle Acquisition & Leasing	188,133	\$ 1,738	192,202	\$ 1,708	197,000	\$ 2,173	4,798	\$ 466
Maintain customer rates at or below the industry inflation	Annual increase in GSA leasing rates compared to the increase in commercial leasing rates caused by inflation. Vehicle Acquisition & Leasing	1.7% <sup>2</sup>	\$ 1,350	= or < inflation rate	\$ 1,320	= or < inflation rate	\$ 1,765	-	\$ 445
Provide and manage competitive and total transportation services and solutions, at the best value, to enable federal agencies to accomplish their mission.	Increase in revenue using GSA/FSS Transportation program: Transportation Management Services Solution - TMSS Travel and Transportation	-	-	-	-	\$50K	\$ 1,248	-	-
Increase the number of commercial items available through the GSA Supply System	Increase Supply business volume through a new supply channel - Expanded Direct Delivery (EDD) Supply	-	-	\$ 30,000	\$ 5,901	\$ 31,500	\$ 6,215	\$ 1,500	-
Reduce the cost of acquisition and maintain competitive pricing	Reduce Supply percentage mark-up Supply	48.5%	\$ 6,369	47.5%	\$ 4,348	45.0%	\$ 4,579	2.5%	-
<b>Total</b>		-	\$143,344	-	\$157,524	-	\$169,017	-	\$ 9,701

<sup>1</sup> FY02 Target for Supply represents Supply and Commercial Acquisition business lines prior to being split into separate units.

<sup>2</sup> Industry inflation for FY 2002 was 5.25%, actual GSA leasing rate increase was 1.7% which is 3.55% lower than industry inflation

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**GSA Strategic Goal 3:  
*Operate Efficiently and Effectively***

**Strategies and Explanation of Estimates:**

To achieve this strategic goal, FSS' business lines work to reduce operating costs by implementing process improvements and making effective use of information technology.

Activities in support of this goal represent about 80 percent of the FSS budget. The FY 2004 budget includes funding for supply, fleet, and personal property management operations, and for all business lines, program development and process control, management and day-to-day operation of internal and e-commerce systems, business planning, and performance management.

In FY 2004, the Supply program will explore options to increase the number of commercial items available in the Supply system. The initiative is the result of an evolving business model for the Office of Supply, and is an expansion of the vendor direct delivery program already in existence. Improved business processes are also planned for the Commercial Acquisition system e-Buy that will enable the number of postings on e-Buy that are over \$25,000 to increase substantially beyond FY 2004.

Nine key performance measures enable FSS to gauge progress in achieving this strategic goal:

- Operating cost per \$100 business volume
- Average order fulfillment time
- Cycle time to process offers and modifications
- Cycle time for disposal process
- Revenue per FTE
- Percent change in cost per mile compared to industry inflation
- Average savings over vehicle manufacturers' invoice prices for seven top-selling vehicle types
- Number of postings on e-Buy
- Percentage of sales done electronically through GSA Auctions

The FY 2004 FSS service-wide target for "Operating cost per \$100" is \$1.59 – a significant reduction from the FY 2002 actual cost of \$1.76 per \$100 business volume.

The performance plan provides a break out of data on "Operating cost per \$100" allowing progress to be ascertained for the entire organization and for key programs. The remaining eight measures, also presented in the performance plan, are program-specific and gauge important aspects of each business line's efficiency.

# General Services Administration FEDERAL SUPPLY SERVICE GENERAL SUPPLY FUND

PERFORMANCE GOALS  
FY 2002 - FY 2004  
\$ (Thousands)

GSA Strategic Goal: Operate Efficiently and Effectively

Performance Goal	Performance Measure Business Line	FY 2002		FY 2003		FY 2004		Delta FY03 to FY04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Reduce operating cost. Implement and sustain internal business processes that optimize reliable, timely and quality service.	Operating cost per \$100 business volume	\$1.76	\$ 533,143	\$1.73	\$ 535,455	\$1.59	\$ 566,903	\$ (0.14)	\$ 31,448
	Supply <sup>1</sup>	\$ 1.47	\$ 49,346	\$ 24.13	\$ 49,460	\$ 24.03	\$ 50,811	\$ (0.10)	\$ 1,352
	Commercial Acquisition <sup>1</sup>	-	14,908	\$ 0.77	19,835	\$ 0.72	21,150	\$ (0.05)	1,315
	Vehicle Acquisition & Leasing	\$ 4.33	465,974	\$ 4.27	463,102	\$ 4.30	491,690	\$ 0.03	28,588
	Personal Property Management	\$ 2.31	1,955	\$ 2.09	2,153	\$ 2.11	2,289	\$ 0.02	136
	Travel and Transportation	\$ 1.41	961	\$ 1.63	906	\$ 1.58	963	\$ (0.05)	57
	Average order fulfillment time								
	Supply	TBD	\$ 42,627	TBD	\$ 41,953	TBD	\$ 42,534	-	\$ 580
	Cycle time to process offers and modifications (days) <sup>2</sup>								
	Commercial Acquisition - Offers	110	\$ 16,750	120	\$ 19,036	120	\$ 19,986	-	\$ 949
	Commercial Acquisition - Modifications	23	-	30	-	30	-	-	-
	Revenue per FTE								
	Travel and Transportation	\$ 169,620	\$ 1,157	\$ 155,696	\$ 1,100	\$ 159,493	\$ 1,169	3,797	\$ 69
Percent change in cost per mile compared to industry inflation	0.37% < inflation <sup>3</sup>		= or < industry inflation		= or < industry inflation				
Vehicle Acquisition & Leasing		\$ 457,132		\$ 453,730		\$ 483,478	-	\$ 29,748	
<b>Long Term Performance Goals</b>									
Ensure that FSS receives maximum discounts from the manufacturer's invoice price	Average savings over vehicle manufacturer's invoice prices for seven top-selling vehicle								
	Vehicle Acquisition & Leasing	27%	\$ 2,971	= or > 20%	\$ 2,953	= or > 20%	\$ 3,389	-	\$ 436
	Use electronic procurement initiatives to support the Integrated Acquisition initiative under the President's Management Agenda								
	Number of postings on e-Buy <sup>4</sup>	2%	\$ 5,377	20%	\$ 5,444	25%	\$ 5,788	-	\$ 343
Provide the services, expertise and systems that will ensure the timely, effective and efficient disposition of the Federal Government's excess and surplus personal property assets, yielding the greatest return on investment to the taxpayer.	Cycle time for disposal process (days)								
	Personal Property Management	99	\$ 1,850	95	\$ 1,973	92	\$ 2,097	(3)	\$ 124
Percentage of sales done electronically through GSA Auctions									
Personal Property Management	56%	\$ 982	73%	\$ 1,061	77%	\$ 1,127	4%	\$ 67	
<b>Total</b>		-	\$ 1,061,988	-	\$ 1,062,706	-	\$ 1,126,471	-	\$ 63,765

<sup>1</sup> FY02 Target for Supply represents Supply and Commercial Acquisition business lines prior to being split into separate units.

<sup>2</sup> Business operational target, not stretch target. Target is set to maintain an acceptable level of customer service with an appropriate amount of resources

<sup>3</sup> Industry inflation for FY 2002 was 5.25%, actual change in cost per mile for FY 2002 equals 4.88% (5.25% - 4.88% = 0.37%)

<sup>4</sup> Percentage of orders over \$25,000 as reported on Federal Procurement Data System (FPDS) for the most recent fiscal year

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**GSA Strategic Goal 4:  
*Ensure Financial Accountability***

**Strategies and Explanation of Estimates:**

For this strategic goal, FSS strives to minimize the variance between planned and actual program costs and resources. FSS uses statistical forecasting tools and business trend analyses to develop annual cost and revenue forecasts. Monthly financial reports that indicate program costs and receipt of revenues are monitored to ensure expenditures do not exceed available funds. Collectively, FSS' efforts lead to effective financial management of the General Supply Fund.

The activities in support of this goal represent about 6.5 percent of the FSS budget. Key program activities that support this goal include developing the annual budget, individual program financial plans, setting business volume goals, tracking contractor sales, and verifying revenues are submitted to FSS.

Four key performance measures enable FSS to gauge progress in achieving this strategic goal:

- Direct cost as a percentage of revenue
- Total cost as a percentage of revenue
- Planned versus actual cost
- Planned versus actual revenue

These measures help FSS gauge how well the organization is holding the line on costs and whether programs are effectively pricing their services.

For FY 2004, the FSS service-wide target for the measure "direct cost as a percentage of revenue" is 6.99%, and the measure "total cost as a percentage of revenue" has a service wide target of 97%. The two remaining measures for this strategic goal, "planned vs. actual cost" and "planned vs. actual revenue", have FSS wide targets of +/- 3% in FY 2004.

The performance plan also provides business line targets for each of these measures.

**General Services Administration  
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GENERAL SUPPLY FUND**

PERFORMANCE GOALS  
FY 2002 - FY 2004  
\$ (Thousands)

GSA Strategic Goal: Ensure Financial Accountability

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY04		
		Actual	Dollars	Target <sup>1</sup>	Dollars	Target <sup>1</sup>	Dollars	Target	Dollars	
Ensure accurate forecasting and cost management to leverage operations and optimize pricing.	Business Line									
	Direct cost <sup>2</sup> as a percent of revenue	6.93%	\$ 27,202	7.31%	\$ 30,405	6.99%	\$ 31,207	-0.32%	\$ 801	
	Supply <sup>3</sup>	11.37%	\$ 15,016	12.96%	\$ 14,694	12.57%	\$ 15,081	-0.39%	\$ 387	
	Commercial Acquisition <sup>3</sup>	-	11,249	13.32%	14,781	13.20%	15,170	-0.12%	390	
	Vehicle Acquisition & Leasing	2.90%	716	3.85%	698	3.79%	717	0%	18	
	Personal Property Management	64%	163	71%	171	65%	176	-5%	5	
	Travel and Transportation	50%	58	59%	61	61%	63	2%	2	
	Total cost as a percent of revenue	97%	\$ 20,371	97%	\$ 20,413	97%	\$ 20,952	0%	\$ 538	
	Supply <sup>3</sup>	94%	\$ 18,973	100%	\$ 18,969	100%	\$ 19,469	0%	\$ 500	
	Commercial Acquisition <sup>3</sup>	-	460	89%	514	87%	528	-2.07%	14	
	Vehicle Acquisition & Leasing	99%	716	100%	698	100%	717	0%	18	
	Personal Property Management	102%	163	114%	171	111%	176	-2%	5	
	Travel and Transportation	72%	58	82%	61	86%	63	4%	2	
	Planned versus actual cost	7.15%	\$ 19,208	+/- 3%	\$ 19,246	+/- 3%	\$ 19,753	-	\$ 507	
	Supply <sup>3</sup>	7.64%	\$ 17,810	+/- 3%	\$ 17,801	+/- 3%	\$ 18,271	-	\$ 469	
	Commercial Acquisition <sup>3</sup>	-	460	+/- 3%	514	+/- 3%	528	-	14	
	Vehicle Acquisition & Leasing	0.97%	716	+/- 3%	698	+/- 3%	717	-	18	
	Personal Property Management	-7.37%	163	+/- 3%	171	+/- 3%	176	-	5	
	Travel and Transportation	-0.24%	58	+/- 3%	61	+/- 3%	63	-	2	
	Planned versus actual revenue	3.61%	\$ 18,408	+/- 3%	\$ 19,246	+/- 3%	\$ 19,753	-	\$ 507	
	Supply <sup>3</sup>	12.01%	\$ 17,010	+/- 3%	\$ 17,801	+/- 3%	\$ 18,271	-	\$ 469	
	Commercial Acquisition <sup>3</sup>	-	460	+/- 3%	514	+/- 3%	528	-	14	
	Vehicle Acquisition & Leasing	0.14%	716	+/- 3%	698	+/- 3%	717	-	18	
	Personal Property Management	12%	163	+/- 3%	171	+/- 3%	176	-	5	
	Travel and Transportation	18%	58	+/- 3%	61	+/- 3%	63	-	2	
		<b>Total</b>	-	\$ 85,189	-	\$ 89,311	-	\$ 91,665	-	\$ 2,354

<sup>1</sup> Business operational target, not stretch target. Target is set to maintain an acceptable level of performance with an appropriate amount of resources.

<sup>2</sup> Direct Cost are the costs attributable to running the business operations (excluding overhead)

<sup>3</sup> FY02 Target for Supply represents Supply and Commercial Acquisition business lines prior to being split into separate units.



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**GSA Strategic Goal 5:**  
***Maintain a World-Class Workforce and World-Class  
Workplace***

**Strategies and Explanation of Estimates:**

The federal government is finding it a challenge to recruit, retain and motivate highly skilled associates. FSS recognizes how important its associates are to the success of the organization and works to create an engaged and productive workplace and an engaged and broadly skilled workforce. FSS monitors associate engagement and invests in higher education, skill enhancement and professional growth activities for its associates.

This goal represents about one percent of the FSS budget. FSS develops and implements initiatives that encourage associates to pursue higher education and career development opportunities and promote associate engagement in the FSS workplace.

For this strategic goal, FSS is tracking the level of associate engagement within the FSS workplace. The first FSS survey was conducted in FY 2002 resulting in a baseline score of 3.69 across the FSS, which is in the 61<sup>st</sup> percentile compared to other organizations taking the Gallop Survey. FSS anticipates that this score will increase to 3.99 (which is in the 75<sup>th</sup> percentile) in FY 2004 based on Gallup's experience with other organizations that have used the tool. FSS will monitor associate engagement to determine the correlation between engagement scores and business performance in FSS.

Further promoting this strategic goal and the staffing of mission critical positions with qualified associates under the Human Capital Strategic Plan, the Commercial Acquisition business line has long term targets directly related to this initiative. Currently 49.9% of contracting officers in this area meet Clinger-Cohen requirements, by FY 2007 this target is 66% of contracting officers meeting these requirements. Recruitment and replacement of retiring associates with qualified personnel to handle increasing contracting workloads will be the means through which this goal is achieved.

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PERFORMANCE GOALS  
FY 2002 - FY 2004  
\$ (Thousands)

GSA Strategic Goal: Maintain a World-Class Workforce and Worldclass Workplace

Long Term Performance Goals	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Increase FSS associate engagement within the FSS work environment	Business Line								
	Increase grand mean score from annual Gallop Q12 Survey from the 61st to the 75th percentile	61 st	\$ 12,674	70 th	\$ 12,634	75 th	\$ 12,673	>.02	\$ 39
Ensure staffing of mission critical positions under Human Capital Strategic Plan with qualified associates	Percentage of contracting officers meeting Clinger-Cohen requirements in current job Commercial Acquisition	50%	\$ 686	58%	\$ 1,000	60%	\$ 1,200	2%	\$ 200
	<b>Total</b>		\$ 13,360		\$ 13,634		\$ 13,873	>.02	\$ 239

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**GSA Strategic Goal 6:  
*Carry Out Social, Environmental, and Other  
Responsibilities as a Federal Agency***

**Strategies and Explanation of Estimates:**

FSS will accomplish this goal by:

- providing support for national defense, natural disaster relief (e.g., hurricanes, wild fires, and floods) and national emergency assistance;
- by encouraging the purchase of items from non-profit agencies employing people who are blind or severely disabled; and
- by promoting the use of small businesses.

FSS also assists the Federal community in complying with a variety of environmental laws, Executive orders, and other applicable regulations by providing a wide range of environmental products and services that help minimize waste

through the use of recycled content; conserve natural resources by being energy and/or water efficient, and address pollution problems by reducing/eliminating contributing chemical components.

This goal represents about 0.5 percent of the FSS budget. One performance measure is used to gauge FSS progress in achieving this goal.

- Socioeconomic business volume

FSS is reaching out to the small business community and to minority and women-owned businesses to assist their participation in Government contracting, thereby facilitating federal agencies' use of small businesses. In FY 2004, the FSS service-wide target for socioeconomic business volume is 34.88%.

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GENERAL SUPPLY FUND**

PERFORMANCE GOALS  
FY 2002 - FY 2004  
\$ (Thousands)

GSA Strategic Goal: Carry Out Social, Environmental and Other Responsibilities as a Federal Agency

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Increase customer agency support of government-wide socioeconomic goals	Business Line								
	FSS Total (Commercial Acquisition & Supply) <sup>2</sup>	33.73%	\$ 7,493	33% <sup>1</sup>	\$ 7,492	33% <sup>1</sup>	\$ 7,567	-	75
	<b>Total</b>	-	\$ 7,493	-	\$ 7,492	-	\$ 7,567	-	\$ 75

<sup>1</sup> Business operational target, not stretch target. Target is set to maintain an acceptable level of customer service with an appropriate amount of resources.

<sup>2</sup> Additional socioeconomic measures are being developed for other business lines and programs in fiscal year 2003, for implementation in fiscal year 2003 or 2004.

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	FY 2002 Actual	FY 2003 Current	FY 2004 Request	FY 04/03 Change
Income				
Supply	889,991	892,752	916,000	23,248
Commercial Acquisition	454,853	475,576	441,970	-33,605
Vehicle Acquisition & Leasing	1,559,748	1,622,719	1,753,217	130,498
Personal Property Management	15,989	16,446	17,600	1,154
Travel and Transportation	13,390	12,280	12,633	353
E-Government Initiatives	0	0	0	0
Subtotal Income	2,933,971	3,019,773	3,141,421	121,648
Expense <sup>1</sup>				
Supply	888,249	897,172	920,244	23,072
Commercial Acquisition	392,236	423,755	431,515	7,760
Vehicle Acquisition & Leasing	1,467,020	1,536,517	1,668,104	131,587
Personal Property Management	17,774	19,801	20,718	917
Travel and Transportation	9,603	9,545	10,092	546
E-Government Initiatives	3,444	44,767	7,000	-37,767
Subtotal Expense	2,778,327	2,931,558	3,057,673	126,115
Net Income from Operations	155,644	88,215	83,748	-4,467
Less Reserve/Requirements	97,863	86,985	85,983	-1,002
Adjusted Profit (Loss)	57,781	1,229	-2,236	-3,465
CSRS and FEHB Benefits <sup>1</sup>	21,894	21,894	21,894	0
Adjusted Profit (Loss) by Business Line				
Supply	4,563	3	179	176
Commercial Acquisition	73,556	61,157	19,792	-41,365
Vehicle Acquisition & Leasing	880	5,232	5,145	-87
Personal Property Management	-244	-1,814	-1,577	237
Travel and Transportation	4,365	3,313	3,119	-193
E-Government Initiatives	-3,444	-44,767	-7,000	37,767
Final Adjusted Profit (Loss) <sup>2</sup>	79,675	23,123	19,658	-3,465
Net Outlays	-52,805	0	0	0
FTE	2,806	2,839	2,839	0

<sup>1</sup> In accordance with FASAB No. 5 the expense levels above include these amounts for pension/post retirement benefit liabilities.

<sup>2</sup> Final Adjusted Profit (Loss) excluding CSRS and FEHB Benefits

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GENERAL SUPPLY FUND Explanation of Budget Changes Obligations (\$Thousands)	
<b>FY 2003 Program Level</b> .....	<b>3,845,649</b>
Business Volumes Adjustments.....	+56,194
Change in Capital Acquisitions.....	+15,076
Pay Increase.....	+6,849
Increase to Working Capital Fund Payment for Centralized Administrative Support Services.....	+4,049
Reduction in Rental Payments to GSA.....	-2,835
<b>FY 2004 Budget Request</b> .....	<b>3,924,981</b>

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<b>GENERAL SUPPLY FUND</b>			
<b>Obligations by Object Class</b>			
<b>\$(Thousands)</b>			
	<b>FY 2002 Actual</b>	<b>FY 2003 Current</b>	<b>FY 2004 Request</b>
Personnel Compensation:			
11.1 Full-time permanent	165,046	170,162	175,437
11.3 Other than permanent	2,767	2,852	2,941
11.5 Other personnel compensation	<u>7,287</u>	<u>7,514</u>	<u>7,747</u>
11.9 Total personnel compensation	175,100	180,528	186,125
12.1 Civilian personnel benefits	39,189	40,404	41,657
13.0 Benefits for former personnel	3,802	0	0
21.0 Travel and transportation of persons	5,902	6,026	6,153
21.0 Motor pool travel	629	642	655
22.0 Transportation of things	54,480	55,624	56,792
23.1 Rental payments to GSA	39,169	38,140	35,305
23.3 Communications, utilities, and misc. charges	14,091	14,387	14,689
24.0 Printing and reproduction	4,996	5,101	5,208
25.2 Other services	131,399	134,158	136,975
25.3 Purchases of goods/svcs from Gvmt. accounts	67,663	69,083	70,534
26.0 Supplies and materials	2,530,389	2,583,529	2,637,783
31.0 Equipment	703,122	717,888	732,964
42.0 Insurance claims and indemnities	<u>136</u>	<u>139</u>	<u>141</u>
Total Obligations	3,770,067	3,845,649	3,924,981



# **INFORMATION TECHNOLOGY FUND**



# General Services Administration

## INFORMATION TECHNOLOGY FUND

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### STRATEGIC DIRECTION

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

FTS' acquisition and service delivery activities are organized around four business units: Long Distance, Regional Telecommunications Services, Regional IT Solutions and National IT Solutions. To support these programs, FTS' FY 2004 budget requests \$310.8 million in operating expenses.

The FY 2004 resources will be used to fund activities that directly support GSA's strategic goals:

- Provide best value for customer agencies and taxpayers (\$158.0 million);
- Operate efficiently and effectively (\$108.5 million)
- Ensure financial accountability (\$24.9 million)
- Maintain a world class workforce and world class workplace (\$15.2 million); and
- Carry out social, environmental, and other responsibilities as a federal agency (\$4.3 million)

### Commitment to Results and Performance

FTS fully embraces the Administration's performance management agenda and works toward continuous performance improvement. FTS plans to refine its strategy and approach on how best to measure savings, cost avoidances and overall effectiveness of its programs over the next year.

FTS will standardize its methodology for assigning resources to performance goals in order to establish a clear relationship between program operating expenses and desired program outcomes. FTS implements a performance management system to ensure that each organization and regional entity is focused on meeting clearly defined performance standards which contribute to the overall accomplishment of FTS goals and GSA's goals.

### Operational Strategies for Achieving Performance Goals

To ensure that FTS is positioned to sustain and enhance its contributions to the Federal community, FTS employs three overarching strategies. These strategies are integrated into the management and operations of its business units, help guide us in meeting the challenges and issues of today and tomorrow, and ensure our success in supporting GSA-wide goals and objectives.

#### **Focus on being customer-centric**

This strategy involves providing innovative solutions and customized services to meet the IT and telecommunications needs of customers. FTS offers customers a full range of contracting vehicles, comprehensive service offerings, and "one-stop" shopping. It provides fully competed contracts, competitive pricing, technology problem resolution, and interoperability. FTS' strategy is customer driven with a focus on delivering superior customer service, understanding and meeting customers' needs, and helping them find the best technology solutions so they can better serve their constituencies.

#### **Focus on being employee-centric**

FTS recognizes that associates are its most valuable asset. FTS strives to hire and retain employees that are highly trained in the areas of acquisition, telecommunications, and IT. They are a critical link in FTS' endeavors to achieve customer satisfaction and the

## General Services Administration INFORMATION TECHNOLOGY FUND

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effective procurement of technology. To create a culture where all associates and the organization can succeed, FTS is implementing initiatives which will provide a highly skilled workforce with superior technical knowledge and expertise to assist customers in meeting their goals.

### **Maintain dynamic relationships with its stakeholders and industry partners**

FTS will continue its efforts to keep Congress and the Office of Management and Budget (OMB) informed of its initiatives and critical related issues. This continuing dialogue will also help cross-cutting technology issues that affect all agencies and departments and will provide an informed network to coordinate and resolve issues.

FTS goals and measures follow the “Balanced Scorecard Approach” by considering four perspectives: a customer perspective, a financial perspective, an internal business perspective, and an innovation and learning perspective. Specifically, they focus on customer service and customer satisfaction, employee development, relationships with stakeholders and private sector service providers, acquisition cycle times, financing, and cost management. In summary, the goals and measures ensure FTS’ continued emphasis on results-oriented management and operations.

### Future Direction

Over the last several years, FTS has experienced extraordinary revenue growth; however, initially this growth had had a negative impact upon FTS systems infrastructure and financial condition. In FY 2002, FTS began an enterprise transformation focusing on business process re-engineering, effective and efficient service

delivery models, and greater efficiency in operations which continue in the opportunity for lower costs and more competitive rates.

As technology rapidly evolves, changing workspace needs and a converging IT and telecommunications environment requires FTS to evolve its business model beyond traditional service into a new business model that offers a great variety of products and services, and a greater flexibility in terms of product and service packaging. Planning is underway for the next generation of FTS programs that will support GSA’s stated mission to “help federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies.” The FTS Next Generation Strategy (NGS) framework envisions a marketplace based on FTS value-added systems and processes that deliver superior products, services and solutions to agency customers via an electronic commerce infrastructure. While the NGS will build upon existing plans and initiatives underway within FTS, it is based upon an overarching set of FTS validated program wide principles: to maximize customer choice, maintain robust and continuous competition, leverage the government’s buying power, obtain balance between quality and price, facilitate “just-in-time” solutions, minimize transition impacts, and ensure that doing business with FTS is easy from a customer and industry perspective. The first phase of the comprehensive NGS initiative will begin in FY 2003.

A vital part of the FTS strategy is to make it more efficient, more customer-centric, and better aligned with GSA’s strategy for marketing IT Solutions products and services to the rest of the Federal government. In August 2002, FTS awarded a task order to develop the Third Generation System (3GS) which is designed to replace the existing business systems used by FTS national and regional programs to process contracts and task orders, manage client projects, and administer the thousands of staff-hours of support FTS provides to Federal agencies. The 3GS will be

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implemented with an integrated COTS solution and is designed to provide FTS a fully functioning business system to facilitate FTS' business unit expansion for both the regional and national programs. FTS Federal clients will realize significant benefits from 3GS, including web-based access to on-line project and funding status, and electronic data exchange.

In recent years there has been a convergence between IT services and other expert services and management tools, available from the Federal Supply Service (FSS) and FTS. Today many if not most goods and services provided by GSA have an IT aspect. GSA believed that the FSS and the FTS resources supporting technology and expert services could be better leveraged for our customers. In January 2002, GSA engaged a consulting firm to conduct a study of FSS and FTS operations related to information technology contract offerings and to identify opportunities to enhance GSA's ability to provide best value solutions in IT procurements. The study concluded that although GSA essentially had the right mix of products and services necessary to serve Federal customers, there are opportunities to improve service to customers and reduce costs. The findings of the study included the following recommendations:

- a. Improve organizational focus by combining certain functional areas carried out separately in the FSS and the FTS, including market research, marketing, customer account planning and management, sales, service delivery and contract development and maintenance
- b. Leverage GSA's experience and success in providing assisted procurement service when acquiring IT services which will enable GSA to meet increasing customer agency requirements in this area
- c. Rationalize and reduce the number of IT contract vehicles offered by GSA, as necessary, to eliminate non-value adding overlaps and extra costs of IT suppliers, while providing the level of customer choice required; and
- d. Strengthen GSA's customer relationship management process to achieve better customer service.

In July 2002, teams comprised of FSS and FTS executives and managers were established and tasked with addressing the study recommendations. Implementation of these recommendations was effective January 2003.

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FY 2004 Budget Request/Performance Goals Budget Links (Dollars in Thousands)					
<b>Performance Measure:</b>	<b><u>Long Distance</u></b>	<b><u>Regional Telecom</u></b>	<b><u>Regional IT</u></b>	<b><u>National IT</u></b>	<b><u>Total</u></b>
Percent of satisfied customers as indicated on annual customer survey	18,093	26,195	44,501	27,759	116,548
Number of identified opportunities and achieved customer partnerships	926	9,942	7,305	2,655	20,828
Percent Task and Delivery Orders to Fair Opportunity			5,845	4,547	10,392
Cumulative Cost Savings below Commercial Discounted Services	2,058				2,058
Cumulative Cost Savings in Major Metropolitan Areas		8,140			8,140
<b>Total (Provide Best Value)</b>	21,077	44,277	57,651	34,961	157,966

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FY 2004 Budget Request/Performance Goals Budget Links (Dollars in Thousands)					
<b>Performance Measure:</b>	<b><u>Long Distance</u></b>	<b><u>Regional Telecom</u></b>	<b><u>Regional IT</u></b>	<b><u>National IT</u></b>	<b><u>Total</u></b>
Percent of Dollar Savings between Independent Government Cost Estimates (IGCE) and Award Amounts			20,004	16,303	36,307
Percent Negotiated Award Dates for Services and commodities that are met or bettered			16,423	13,642	30,065
Average number of days to complete contract modifications	16,241	13,756			29,997
Number of Total Service Lines supported by FTS		8,536			8,536
Percent of time negotiated completion dates for local network services are met or bettered		3,567			3,567
<b>Total (Operate Efficiently and Effectively)</b>	16,241	25,859	36,427	29,945	108,472

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FY 2004 Budget Request/Performance Goals Budget Links (Dollars in Thousands)					
<b>Performance Measure:</b>	<b><u>Long Distance</u></b>	<b><u>Regional Telecom</u></b>	<b><u>Regional IT</u></b>	<b><u>National IT</u></b>	<b><u>Total</u></b>
Net Operating Result	1,000	1,633	2,608	1,153	6,394
Percent of Growth in Revenue	3,009	2,216	3,438	1,822	10,485
Direct Operating Expenses as a Percent of Gross Margin	1,504	1,051	1,719	481	4,755
Contribution Index	1,132	526	888	672	3,218
<b>Total (Ensure Financial Accountability)</b>	6,645	5,426	8,653	4,128	24,852

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FY 2004 Budget Request/Performance Goals Budget Links (Dollars in Thousands)					
<b>Performance Measure:</b>	<b><u>Long Distance</u></b>	<b><u>Regional Telecom</u></b>	<b><u>Regional IT</u></b>	<b><u>National IT</u></b>	<b><u>Total</u></b>
Number of Annually updated IDP's	1,204	1,304	1,888	410	4,806
Average number of associate training hours completed in mission critical areas	1,927	970	2,218	2,655	7,770
Grand Mean Score from Annual Q12 Survey	404	928	1,048	267	2,647
<b>Total (Maintain a World-Class Workplace)</b>	3,535	3,202	5,154	3,332	15,223

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FY 2004 Budget Request/Performance Goals Budget Links (Dollars in Thousands)					
<b>Performance Measure:</b>	<b><u>Long Distance</u></b>	<b><u>Regional Telecom</u></b>	<b><u>Regional IT</u></b>	<b><u>National IT</u></b>	<b><u>Total</u></b>
Percent Procurements with Small Businesses	1,501	2,655		122	4,278
<b>Total (Social Responsibility)</b>	1,501	2,655	0	122	4,278
<b>Total Operating Budget</b>	48,999	81,419	107,885	72,488	310,791



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FY 2004 Budget Request/Performance Goals Budget Links (Dollars in Thousands)					
<b>Other Activities:</b>	<b><u>Long Distance</u></b>	<b><u>Regional Telecom</u></b>	<b><u>Regional IT</u></b>	<b><u>National IT</u></b>	<b><u>Total</u></b>
Cost of Goods Sold	528,024	344,143	5,016,417	1,693,768	7,582,352
GSA Corporate Overhead	2,456	9,808	24,330	6,552	43,146
Reserve Expense	2,298	2,399	2,266	3,382	10,345
<b>Subtotal</b>	<b>532,778</b>	<b>356,350</b>	<b>5,043,013</b>	<b>1,703,702</b>	<b>7,635,843</b>
<b>Grand Total</b>	<b>581,777</b>	<b>437,769</b>	<b>5,150,898</b>	<b>1,776,190</b>	<b>7,946,634</b>

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### FY 2004 STRATEGIC GOALS

#### **Strategic Goal 1: Provide best value to customer agencies and taxpayers.**

FTS' overall approach of seeking the highest quality solutions to satisfy Federal agencies' needs is a critical strategy which is integrated into the management and operations of its business units. Using the following specific goals and measurable outcomes, FTS will continue to be an honest broker by collaborating with the government and contractor community to find the best way to meet customer needs quickly and obtain the best value.

**Increased customer satisfaction.** FTS will satisfy our customers and agency partners in meeting their technology and telecommunications needs by using independent surveys to determine the rate of satisfaction. In FY 2002, FTS commissioned Dougherty and Associates, Inc. and JD Power and Associates (DAI/JDPA) to perform a quantitative study of Federal customers and non-Federal customers to evaluate and benchmark satisfaction with FTS products and services. The survey sampled a sufficient number of customers for each of the FTS business units to develop statistically valid customer satisfaction results. The percentage of customers responding favorably on the survey reflects the value Federal agencies ascribe to FTS and its business units in providing goods and services with the desired quality at favorable prices.

FTS plans to conduct annual surveys which are designed to assess program quality, timeliness, reliability, cost and technical capabilities and cooperation. Surveys will be strategically focused to collect data concerning customer requirements and service expectations, target and address areas designated for improvement and help identify best practices which could be shared to other business units in order to improve overall performance.

**Increased customer awareness.** To accomplish FTS' goal of being customer-centric, FTS' Office of Sales and Customer Action Teams (CATs) focus on specific customer agencies, including researching each agency's IT and telecommunications purchasing strategies, agency IT and telecommunications challenges and significant near and long-term IT and telecommunications requirements. This strategy results in intelligence which enables FTS to develop customized solutions that best support the agencies' needs. Once an agency's IT and telecommunications requirements have been identified, the CATs employ GSA's customer relationship management strategy to develop opportunity plans that enable GSA to approach customer agencies with specific solutions that immediately decrease the agency's cost of procurement, schedule, risk, as well as increase the agency's effectiveness in meeting its missions. In FY 2004, we are planning to identify 250 opportunities and achieve 75 partnerships. In the long-term, the CAT strategy allows customer agencies to focus on performing core objectives rather than performing acquisition and contract-related functions. The repeatable processes and aggregation of requirements that FTS offers to its customers lower costs to FTS, its customers, industry partners and the taxpayers.

**Increased competition.** As an executive agent, GSA is authorized to award and administer task and delivery order contracts on behalf of Federal agencies. FTS implements a market awareness program for industry partners where all contract awardees are provided a fair opportunity to be considered for award to ensure best quality, price, and/or schedule for Federal customers. FTS will continue to foster competition by increasing and maximizing the number of task and delivery orders where all contract holders are afforded a fair opportunity. This includes issuing draft solicitations to generate more industry partner interest and feedback. All task and delivery orders will not be subject to fair opportunity, however, since some contracting actions will likely require the use of urgency, unique source, logical follow-on, or minimum guarantee exceptions.

## General Services Administration INFORMATION TECHNOLOGY FUND

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***Provide acquisition savings.*** FTS is committed to providing timely and effective service delivery and is dedicated to assisting customers in achieving significant savings in the acquisition of products and services. FTS' FTS2001 contracts and Metropolitan Area Acquisitions (MAAs) foster competition to lower prices, maximize choice of industry partners and offerings, and continuously compare telecommunications pricing against industry benchmarks to guarantee maximum savings to Federal customers. FTS switched voice rates have decreased from a national average of 27 cents per minute in FY 1988 and will drop to less than 1 cent per minute by the end of the existing contracts with Sprint and MCI WorldCom, while MAA customers have experienced price reductions of 30% over the existing commercial prices.

In addition, providing contracts that utilize and leverage the government's buying power by aggregating agency requirements is key to FTS in maintaining its competitive prices. Customers save substantial procurement costs by acquiring IT and telecommunications services through pre-awarded FTS contracts rather than developing and awarding agency specific contracts. Client agencies that use FTS minimize the Federal cost of acquisition and avoid lengthy procurement procedures.

The FY 2004 budget request includes \$158.0 million in operating expenses in order for FTS to support this GSA goal. FTS' core business is the reselling of industry solutions that are obtained through the award and administration of contracts with industry partners. Significant revenue growth over the years indicates that FTS is the preferred provider of technology services and demonstrates customer satisfaction with the quality, prices and value add that FTS has to offer. FTS fully recognizes that our existence is reliant on our ability in continually providing leading edge technologies to customers in the most effective and efficient way. Resources requested will enable FTS to continue awarding and implementing contracts that utilize the leverage of the government's buying power, provide the "cradle to grave" support that allow agencies to concentrate on core missions, identify and develop innovative solutions which customers can choose from at various levels of support at favorable prices, and deliver superior customer service which is key to FTS' continued success.

## General Services Administration INFORMATION TECHNOLOGY FUND

PERFORMANCE GOALS  
FY 2002 - FY 2004  
\$ (Thousands)

GSA Strategic Goal: Provide Best Value for Customer Agencies and Taxpayers.

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Customer Satisfaction with FTS products and services, delivery reliability	Business Line								
	Percentage of satisfied customers as indicated on annual customer survey			75%		77%			
	Long Distance	71.6%	\$15,248	73.1%	\$17,940	74.6%	\$18,093		\$153
	Regional Telecom	72.0%	\$21,954	73.5%	\$24,846	75.0%	\$26,195		\$1,349
	Regional IT	75.4%	\$37,178	76.9%	\$42,858	78.4%	\$44,501		\$1,643
	National IT	73.3%	\$24,056	74.8%	\$27,714	76.3%	\$27,759		\$45
Customer Awareness of FTS capabilities, products and services	Number of identified opportunities and achieved customer partnerships.	Not measured in FY 02		Not measured in FY 03		250 opp. 75 wins			
	Long Distance						\$926		\$926
	Regional Telecom						\$9,942		\$9,942
	Regional IT						\$7,305		\$7,305
	National IT						\$2,655		\$2,655
Competitive Environment. Foster Competition	% Task and Delivery Orders Subject to Fair Opportunity			≥80%		≥80%			
	Regional IT	70%	\$2,861	≥80%	\$4,167	≥80%	\$5,845		\$1,678
	National IT	70%	\$2,588	≥80%	\$4,097	≥80%	\$4,547		\$450

## General Services Administration INFORMATION TECHNOLOGY FUND

FY 2002 - FY 2004  
\$ (Thousands)

GSA Strategic Goal: Provide Best Value for Customer Agencies and Taxpayers.

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Assist Customers in Achieving Significant Savings in the Acquisition of Products and Services	Business Line								
	Estimated cost savings due to FTS 2001 use and pricing for domestic outbound switched voice service					Measure restated in FY 2004 - see following measure			
	Long Distance	\$32.8M	\$1,456	\$206M	\$1,670				(\$1,670)
Assist Customers in Achieving Significant Savings in the Acquisition of Products and Services	Cumulative Cost Savings below Commercial Discounted Services								
	Dedicated Transmission Service			\$171M		\$171M			
	Frame Relay Service			\$142M		\$142M			
	Asynchronous Transfer Mode Service			\$42M		\$42M			
	Internet Protocol Service			\$2M		\$2M			
	Switched Voice Service	\$32.8M		\$187M		\$187M			
	Long Distance						\$2,058		\$2,058
Assist customers in achieving significant savings in the Acquisition of Products and Services	Cumulative Cost Savings in Major Metropolitan Areas								
	Regional Telecom	\$33.5M	\$7,016	\$46M	\$8,220	\$82M	\$8,140		(\$80)
	Total		\$112,357		\$131,512		\$157,966		\$26,454

## General Services Administration INFORMATION TECHNOLOGY FUND

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### **Strategic Goal 2: Operate efficiently and effectively**

FTS exercises increased organizational, business unit and regional program effectiveness and efficiency in offering and delivering goods and services at the least cost to the government by implementing process improvements and continuing to control cost in order to provide competitive prices and fee structures that reflect those operational cost efficiencies. The following strategies help FTS support the GSA wide goal.

**Effective service delivery.** FTS strives to improve its service delivery by continually implementing business process re-engineering initiatives including identifying a common business model suitable for all its business units and more closely aligning its service delivery strategies with commercial practices. These strategies result in improved business execution decisions and quality customer support that provide best value to Federal agencies.

Key to this goal is increased timeliness. For FTS customers, the speed with which we can deliver contract services is as highly valued as our competitive prices. Reducing the time it takes to issue task and delivery orders allow FTS to meet or better customer expectations and result in higher customer satisfaction. Satisfied customers and repeat customers are our greatest source of marketing, thereby increasing revenue. FTS plans to develop and implement internal business processes aimed at further expediting the contract award process which results in additional savings to the government.

**Ensure competitive prices.** FTS is committed to maximizing cost savings for Federal agencies and taxpayers by obtaining the best price for customer agencies. Whether it's prices paid to industry partners or rates/fees charged customers, FTS ensures that customers receive the best value for their money. FTS' contract

vehicles and contracting procedures promote competition which reduce prices paid to industry partners. The Independent Government Cost Estimates (IGCE), which is a Government-prepared estimate of the probable cost of a proposed procurement, serves as the initial benchmark against which all proposals are measured and is used during negotiations to obtain the best price for customers. This strategy maximizes cost savings for Federal customers and taxpayers.

In addition, FTS' pricing methodologies for its value-add support facilitates effective business planning and decision making strategies which increases effectiveness and efficiency of its operations by relating inflow (margins) to the controllable outflow of the managers (program expenditures).

There are two primary elements in providing value-added products and services to Federal customers -- cost of product and cost of delivering product. Operating expenses reflect the cost of delivering product to Federal customers. These costs are recovered by establishing rates/fees. Cost management of the cost of delivering product is critical in assessing the organizational process improvements and greater efficiency in operations. FTS will continue to exercise cost control plus ensure cost efficiency of operations in order to provide competitive prices to customers and to provide fees that reflect those operational cost efficiencies.

The FY 2004 budget request includes \$108.5 million in operating expenses in order for FTS to support this GSA goal. FTS' effective service delivery model relies largely on its highly skilled workforce. The technical knowledge and expertise that FTS associates possess enables FTS to find the best way to meet customer needs quickly and cost-effectively. A highly skilled workforce effects optimum customer satisfaction and effective procurement technology, thereby maximizing service to Federal agencies and results in the greatest advantage to the Government. In addition,

## **General Services Administration INFORMATION TECHNOLOGY FUND**

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FTS' IT Solutions concept of operations is based on distinct service delivery and solutions development centers of expertise which provide the same products and services with the same level of service at the same price to all clients, regardless of their geographic locations. This strategy helps agencies achieve savings in acquiring and using information technology. Resources requested will enable FTS to aggressively take advantage of acquisition reform in order to bring new or enhanced services to the marketplace as rapidly and cost effectively as possible, provide customized acquisition support and innovative solutions for all IT needs, develop and implement business plans, including marketing plans, to ensure the success of new contracts, and constantly look for better ways to provide state-of-the-art IT and telecommunications services to customers.

## General Services Administration INFORMATION TECHNOLOGY FUND

PERFORMANCE GOALS  
FY 2002 - FY 2004  
\$ (Thousands)

GSA Strategic Goal: Operate Efficiently and Effectively

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Assist customers in Achieving Significant Savings in the Acquisition of Products and Services	Business Line								
	% of Dollar Savings between Independent Government Cost Estimates (IGCE) and Award Amounts								
	Regional IT	6.3%	\$15,434	>6%	\$18,663	>7%	\$20,004		\$1,341
	National IT	6.3%	\$13,296	>6%	\$14,995	>7%	\$16,303		\$1,308
Improve the Acquisition Processes and Methods to Reduce time to Awards	% Negotiated Award Dates for Services and commodities that are met or bettered								
	Regional IT	91%	\$9,640	>90%	\$11,807	>93%	\$16,423		\$4,616
	National IT	91%	\$8,357	>90%	\$10,070	>93%	\$13,642		\$3,572
Provide Timely and Effective Service Delivery	Average number of days to complete contract modifications								
	FTS 2001 Crossover	35 days 38 days		36 days 54 days		32 days 49 days			
	Long Distance		\$10,899		\$15,866		\$16,241		\$375
Provide Timely and Effective Service Delivery	Average number of days to complete contract modifications								
	Regional Telecom	43 days	\$8,783	60 days	\$10,778	45 days	\$13,756		\$2,978



## General Services Administration INFORMATION TECHNOLOGY FUND

PERFORMANCE GOALS  
FY 2002 - FY 2004  
\$ (Thousands)

GSA Strategic Goal: Operate Efficiently and Effectively

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Provide Timely and Effective Service Delivery	Business Line								
	Number of days from MAA order placement to service delivery.	43 days		60 days		Measure eliminated in FY 04			
	Implementation Progress % Completed	88%		100%					
	Regional Telecom		\$7,875		\$8,634				(\$8,634)
Provide competitive prices to customers for local and long distance services	Price per minute for domestic outbound switched voice service			1.9-2.1 cents		Measure eliminated in FY 04			
	Long Distance	2.3 cents	\$1,263		\$1,694				(\$1,694)
Provide competitive prices to customers for local and long distance services	Continue downward trend in the average line rate for local service					Measure eliminated in FY 04			
	Regional Telecom		\$15.84	\$5,917	\$14.80/ \$15.10	\$5,921			(\$5,921)

## General Services Administration INFORMATION TECHNOLOGY FUND

PERFORMANCE GOALS  
FY 2002 - FY 2004  
\$ (Thousands)

GSA Strategic Goal: Operate Efficiently and Effectively

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Cost Savings/Cost Avoidance	Business Line								
	Number of Total Service Lines supported by FTS					746,800 lines			
	Regional Telecom	Not measured in FY 02		Not measured in FY 03			\$8,536		\$8,536
Improve the Acquisition Processes and Methods to Reduce time to Awards	% of time negotiated completion dates for Local network services are met or bettered								
	Regional Telecom	Not measured in FY 02		85%	\$4,450	90%	\$3,567		(\$883)
	Total		\$81,464		\$102,878		\$108,472		\$5,594

## General Services Administration INFORMATION TECHNOLOGY FUND

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### **Strategic Goal 3: Ensure financial accountability**

Financial performance is key to FTS' organizational effectiveness. Sound financial management practices permit management to effectively analyze programs, and ensure a system of accountability that focuses the organization on sound business decisions. Financial performance measures are used to assess the liquidity/solvency, financial operations and financial position of the Information Technology Fund. These measures provide fundamental information about the operating activities of the organization and are used to monitor, control and revise the operations to meet FTS' strategic goals.

FTS financial performance is measured in terms of revenue growth, operating expenses, net operating results and contribution index. Significant revenue growth over the years indicates that FTS is the preferred provider of IT products and services. It also demonstrates customer satisfaction with the quality, prices, and value that FTS has to offer.

Net operating results (NOR) is an efficiency measure of the use of resources in providing goods and services to Federal customers. This measure reflects the management control of operating costs, reserve expenditures, pricing/fee structure, and revenue forecasting capabilities. NOR allows FTS to contribute toward maintaining a sufficient level of retained earnings (reserves) which are necessary to operate the Fund and addresses investment in new initiatives that offer potential in terms of new services and cost savings to client. Subsequently, funds accumulated in retained earnings (reserves) allow FTS to manage its resources in a fiscally responsible manner and stabilizes prices to customers which permit them to better forecast their budget needs.

Contribution index represents the ratio of gross margin to the total operating expenses and measures the organization's ability to fully recover its cost of delivering product. It allows for the best allocation of resources and controls spending, as set by the target, resulting in stable and competitive prices to customers.

For FTS, improving the financial condition of the Information Technology (IT) Fund is a primary goal. FTS strives to accomplish this goal through effective forecasting and pricing and timely reporting, both internal and external. Financial controls are established within the program operations to ensure the accuracy, timeliness, and completion of financial data as well as ensuring compliance with all statutes, rules and regulations. All organizational units within FTS have a specific role in the financial system of internal controls.

The FY 2004 budget request includes \$24.9 million in operating expenses in order for FTS to support this GSA goal. Resources requested will enable FTS to develop effective forecasting, pricing, and monitoring strategies which are critical in assessing the organizational process improvements and efficiency in operations. Accurate financial information results in opportunity for lower rates charged customers.

## General Services Administration INFORMATION TECHNOLOGY FUND

PERFORMANCE GOALS  
FY 2002 - FY 2004  
\$ (Thousands)

GSA Strategic Goal: Ensure Financial Accountability

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY04	
	Business Line	Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Improve the financial condition and solvency of the Information Technology Fund	Revenue	\$7.12B		\$7.47B		Measure eliminated in FY 04			
	Long Distance	\$ .51B	\$730	\$ .55B	\$749				(\$749)
	Regional Telecom	\$ .45B	\$2,028	\$ .45B	\$3,214				(\$3,214)
	Regional IT	\$4.72B	\$3,553	\$4.82B	\$5,017				(\$5,017)
	National IT	\$1.44B	\$1,856	\$1.65B	\$2,414				(\$2,414)
Improve the financial condition and solvency of the Information Technology Fund	Retained Earnings	\$183,951		\$198,912 +/- 2.5%		Measure eliminated in FY 04			
	Long Distance	N/A	\$615	N/A	\$606				(\$606)
	Regional Telecom	N/A	\$1,017	N/A	\$1,652				(\$1,652)
	Regional IT	N/A	\$1,528	N/A	\$2,093				(\$2,093)
	National IT	N/A	\$591	N/A	\$633				(\$633)
Improve the financial condition and solvency of the Information Technology Fund	Net Operating Result	\$22,262		\$14,961 +/- 2.5%		\$24,812 +/- 2.5%			
	Long Distance	\$38,372	\$681	\$1,006	\$689	\$2,222	\$1,000		\$311
	Regional Telecom	\$19,764	\$1,356	\$1,988	\$2,155	\$4,321	\$1,633		(\$522)
	Regional IT	\$12,886	\$2,202	\$8,975	\$3,086	\$15,290	\$2,608		(\$478)
	National IT	(\$48,760)	\$1,187	\$2,992	\$1,192	\$2,979	\$1,153		(\$39)

## General Services Administration INFORMATION TECHNOLOGY FUND

PERFORMANCE GOALS  
FY 2002 - FY 2004  
\$ (Thousands)

GSA Strategic Goal: Ensure Financial Accountability

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Improve the financial condition and solvency of the Information Technology Fund	Business Line								
	Percent of growth in Revenue	Not measured in FY 02		Not measured in FY 03		7.18%			
	Long Distance					5.4%	\$3,009		\$3,009
	Regional Telecom					-0.9%	\$2,216		\$2,216
	Regional IT					7.1%	\$3,438		\$3,438
	National IT					8.1%	\$1,822		\$1,822
Improve the financial condition and solvency of the Information Technology Fund	Direct Operating Expenses as a percent of Gross Margin	(Shown as an efficiency measure in FY 02)		(Shown as an efficiency measure in FY 03)		48%			
	Long Distance	46%	\$4,808	41%	\$5,280	41%	\$1,504		(3,776)
	Regional Telecom	41%	\$7,000	49%	\$7,851	48%	\$1,051		(6,800)
	Regional IT	47%	\$8,780	47%	\$11,324	44%	\$1,719		(9,605)
	National IT	66%	\$4,182	59%	\$5,206	59%	\$481		(4,725)
Improve the financial condition and solvency of the Information Technology Fund	Contribution Index	Not measured in FY 02		Not measured in FY 03		1.1			
	Long Distance					1.1	\$1,132		1,132
	Regional Telecom					1.1	\$526		526
	Regional IT					1.1	\$888		888
	National IT					1.1	\$672		672
	Total		\$42,114		\$53,161		\$24,852		(28,309)

## General Services Administration INFORMATION TECHNOLOGY FUND

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### **Strategic Goal 4: Maintain a world-class workforce and world-class workplace**

The average age of FTS associates as of September 2002 is 47.3 years. This represents a challenge to management because FTS stands to lose a significant amount of corporate knowledge as employees retire. Using the following strategies, FTS is seeking to build and leverage our “intellectual capital” so that we can continue to provide effective and efficient service to our customers.

**Training.** FTS is committed to recruiting, hiring, developing and retaining associates with the strategic competencies for mission critical occupations. FTS will ensure its associates are trained in the mission critical areas of acquisition, technology, business and project management, and learning opportunities are aligned with individual skill levels, program requirements, and specific organizational priorities of the future.

In addition, individual development plans (IDPs) will enable FTS associates to improve performance in their work assignments, prepare them to take on increased responsibilities and broaden their capabilities in support of the organization's mission statement. Advance knowledge, skills and job experience are key to an efficient and effective workforce in delivering and fulfilling Federal agencies' needs at best value.

**Q12 Survey.** In FY 2002, GSA administered the Gallup Organization's Q12 survey, for the first time, to all its associates from across the country. The survey consists of twelve questions which is used to provide information on how “engaged” GSA's workforce is. The Q12 process zeroes in on GSA's goal to maintain a World-Class Workforce and a World-Class Workplace. Ultimately, GSA's strategic goals will be supported if its associates are engaged – that is if they know what is expected of them at work, if they have the materials and equipment needed to do their work

right, if they are recognized for doing good work, and if they have the opportunity to develop, to learn, and grow. The FTS grand mean score from this survey was 3.72, which is the 64<sup>th</sup> percentile of the Gallup Q12 database. Gallup has determined that organizations that achieve a grand mean score of 3.86 or above (75<sup>th</sup> percentile) are considered “World Class” workplaces.

FTS will communicate Q12 results to each of its work unit, utilizing the Gallup organizations' recommendations for facilitation, communication and follow up. Each unit will develop its internal goals to address its areas for improvement. Annual Action Plans will be developed and implemented. Managers identified as Q12 Champions will provide guidance in the work unit's development of Action Plans, as well as in leadership training classes. Overall workforce development goals include emphasis on training, development, and resolving skill gaps. Each associate, along with the supervisor, will develop an Individual Development plan on an annual basis. The plan will address formal training and education as well as other development opportunities such as rotational assignments. As FTS becomes more familiar with the Q12 process, the organization will utilize the data provided by the survey, to identify and improve those areas where associates need to be more engaged. In addition, the development of the FTS Human Capital Action Plan for the GSA Human Capital Strategic Plan, and the President's Management Agenda, will develop further human capital strategies and goals, resulting in an increase of workforce engagement.

The FY 2004 budget request includes \$15.2 million in operating expenses in order for FTS to support this GSA goal. Resources requested will enable FTS to replace retiring associates, recruit and maintain personnel skilled in mission critical areas and provide associates with the state-of-the-art equipment and workplace environments. This creates a culture where employees thrive, improve performance and broaden their capabilities in support of the

**General Services Administration  
INFORMATION TECHNOLOGY FUND**

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mission. A highly skilled workforce is critical to FTS to provide superior customer service.

## General Services Administration INFORMATION TECHNOLOGY FUND

PERFORMANCE GOALS  
FY 2002 - FY 2004  
\$ (Thousands)

GSA Strategic Goal: Maintain A World-Class Workplace.

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY04	
		Target	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Maintain a Workforce that is Trained and Capable of Meeting Critical Mission Requirements	Business Line								
	Percent of IDP's updated annually	Not measured in FY 02		Not measured in FY 03					
	Long Distance					100%	\$1,204		\$1,204
	Regional Telecom					100%	\$1,304		\$1,304
	Regional IT					100%	\$1,888		\$1,888
	National IT					100%	\$410		\$410
Maintain a Workforce that is Trained in Mission Critical Skills and Competencies.	Average number of associate training hours completed in mission critical areas	Not measured in FY 02		Not measured in FY 03		60 hours			
	Long Distance					N/A	\$1,927		\$1,927
	Regional Telecom					N/A	\$970		\$970
	Regional IT					N/A	\$2,218		\$2,218
	National IT					N/A	\$2,655		\$2,655
Maintain a World-Class Workforce and Word-Class Workplace	Rank in the 75th percentile in the Gallup Q12 survey	64		70		75			
	Long Distance		\$341		\$385		\$404		\$19
	Regional Telecom		\$842		\$884		\$928		\$44
	Regional IT		\$950		\$998		\$1,048		\$50
	National IT		\$241		\$253		\$267		\$14
	Total		\$2,374		\$2,520		\$15,223		\$12,703



## **General Services Administration INFORMATION TECHNOLOGY FUND**

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### **Strategic Goal 5: Carry out social, environmental, and other responsibilities as a Federal government agency**

FTS continues to exercise its social responsibility by achieving and maintaining an appropriate level of procurements with small business. The FY 2004 budget request includes \$4.3 million in operating expenses in order for FTS to support this GSA goal. Resources requested will enable FTS to actively participate in various efforts to publicize contract opportunities for the purpose of

increasing opportunities for small business concerns. As a result of these efforts, small businesses should receive an equitable portion of Federal procurement dollars spent annually for goods and services by FTS.

# General Services Administration INFORMATION TECHNOLOGY FUND

PERFORMANCE GOALS  
FY 2002 - FY 2004  
\$ (Thousands)

GSA Strategic Goal: Carry Out Social, Environmental, and Other Responsibilities as a Federal Agency.

Performance Goal	Performance Measure	FY 2002		FY 2003		FY 2004		Delta FY03 to FY04	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Achieve and Maintain an appropriate level of Procurements with Small Businesses as a % of Prime Contracts	% Procurements with Small Businesses	SB 37.1% SDB 17.5% WOB 7% HubZone .1% SDV .1%		SB 31.0% SDB 13.0% WOB 5.0% HubZone 3.0% SDV 3.0%		SB 31.0% SDB 13.0% WOB 5.0% HubZone 3.0% SDV 3.0%			
	Long Distance	N/A	\$1,458	N/A	\$1,835	N/A	\$1,501		(\$334)
	Regional Telecom	N/A	\$714	N/A	\$987	N/A	\$2,655		\$1,668
	Regional IT	N/A	\$1,345	N/A	\$2,114	N/A	\$0		(\$2,114)
	National IT	N/A	\$1,105	N/A	\$1,592	N/A	\$122		(\$1,470)
	<b>Total</b>			<b>\$4,622</b>		<b>\$6,528</b>		<b>\$4,278</b>	

Legend:

SB = Small Business

SDB = Small and Disadvantaged Business

WOB = Women-owned Business

HubZone = Historically Underutilized Business Zone

SDV = Service Disabled Veterans

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INFORMATION TECHNOLOGY FUND**

**RESULTS OF OPERATIONS  
\$(Thousands)**

	<b>FY 2002 Actual</b>	<b>FY 2003 Current</b>	<b>FY 2004 Request</b>	<b>FY 04/03 Change</b>
<b>Total Revenue</b>	7,124,160	7,467,605	7,971,446	503,841
<b>Less: Intra-fund revenue 1/</b>	<u>33,303</u>	<u>37,338</u>	<u>39,857</u>	<u>2,519</u>
<b>Net Revenue</b>	7,090,857	7,430,267	7,931,589	501,322
<b>Total Expense</b>	7,101,898	7,452,644	7,946,634	493,990
<b>Less: Intra-fund expense 1/</b>	<u>33,303</u>	<u>37,338</u>	<u>39,857</u>	<u>2,519</u>
<b>Net Expense</b>	7,068,595	7,415,306	7,906,777	491,471
<b>Net Operating Results</b>	22,262	14,961	24,812	9,851
<b>Net Operating Results</b>	22,262	14,961	24,812	9,851
<b>Less expenses financed from     accumulated operating results     (retained earnings reserves)</b>	<u>15,183</u>	<u>13,400</u>	<u>10,345</u>	<u>(3,055)</u>
<b>Current Year Operations (excluding reserves)</b>	37,445	28,361	35,157	6,796
<b>Analysis of Net Operating Results:</b>				
<b>Contributions to Program Reserves and     Working Capital Reserve</b>	81,838	30,814	39,860	9,046
<b>Approved/Projected Uses of Program     Reserves</b>	(14,174)	(9,799)	(6,695)	3,104
<b>Use of Working Capital Reserve     (operations)</b>	<u>(45,402)</u>	<u>(6,054)</u>	<u>(8,353)</u>	<u>(2,299)</u>
<b>Net change to Retained Earnings (reserves)</b>	22,262	14,961	24,812	9,851
<b>Net Outlays</b>	(149,110)	(19,121)	(26,889)	(7,768)
<b>FTE:</b>	1,509	1,567	1,612	45

1/ Under standard accounting practices, when commodities services are provided by organizational units within the IT Fund, the effect of the intra-fund transactions are eliminated, for consolidated purposes.

**General Services Administration  
INFORMATION TECHNOLOGY FUND**

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INFORMATION TECHNOLOGY FUND Explanation of Budget Changes Obligations \$(Thousands)	
<b>FY 2003 Current Level.....</b>	<b>\$7,546,730</b>
Pay Raise, January, 2003.....	5,929
Inflation .....	8,703
RENT increase.....	599
Increase in business volume.....	526,624
<b>Increases:</b>	
Change in Reserve Use	49
<b>FY 2004 Total .....</b>	<b>\$8,088,634</b>

**General Services Administration  
INFORMATION TECHNOLOGY FUND**

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<b>INFORMATION TECHNOLOGY FUND</b>			
<b>Obligations by Object Class</b>			
<b>\$(Thousands)</b>			
	<b>FY 2002 Estimate</b>	<b>FY 2003 Current</b>	<b>FY 2004 Request</b>
Personnel Compensation:			
11.1 Full-time permanent	95,807	104,344	108,726
11.3 Other than full-time permanent	2,357	1,552	1,617
11.5 Other personnel compensation	<u>16,160</u>	<u>24,337</u>	<u>25,350</u>
<b>11.9 Total personnel compensation</b>	<b>114,324</b>	<b>130,233</b>	<b>135,693</b>
12.1 Civilian personnel benefits	24,636	27,138	27,607
13.0 Benefits for former personnel	124	126	128
21.0 Travel and transportation of persons	4,549	4,805	4,892
21.0 Motor pool travel	292	367	374
22.0 Transportation of things	160	163	166
23.1 Rental payments to GSA	14,172	15,549	16,148
23.3 Communications, utilities, and misc. charges	3,027	2,933	2,986
24.0 Printing and reproduction	370	667	679
25.2 Other services	8,609,278	7,224,251	7,753,605
25.3 Purchases of goods and services from Government accounts	83,510	93,251	97,167
26.0 Supplies and materials	1,566	1,768	1,800
31.0 Equipment	58,043	45,479	47,389
<b>99.9 Total Obligations</b>	<b>8,914,051</b>	<b>7,546,730</b>	<b>8,088,634</b>



# **FORMER PRESIDENTS**

# General Services Administration

## ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

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### 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 2004 budget request allows GSA to carry out the provisions of the Former Presidents Act at a level commensurate with that of the previous fiscal year. The fiscal year 2004 request includes the increased cost of pensions, rent, postage, printing, and service contracts for the former Presidents.

### BUDGET AUTHORITY \$(Thousands)

	FY 2002 Actual	FY 2003 Current	FY 2004 Request	FY 03 - FY 04 Change
Former Presidents	\$3,038	\$3,339	\$3,393	+\$54
Net Outlays	\$3,003	\$3,329	\$3,390	+\$61

### EXPLANATION OF ESTIMATES

The fiscal year 2004 Budget request reflects a net increase of \$54 thousand above the amount for fiscal year 2003. The net increase of \$54 thousand consists of: (1) an increase of \$14 thousand for Former President Ford, providing \$4 thousand for increased pension costs, \$8 thousand for increased rent, and \$2 thousand for increased costs of goods and services; (2) an increase of \$11 thousand for Former President Reagan, consisting of \$4 thousand for increased pension costs, \$5 thousand for increased rent, and \$2 thousand for increased cost of goods and services; (3) a net increase of \$14 thousand for Former President Bush, providing \$4 thousand for increased pension costs, \$10 thousand for in-

creased personnel benefits, \$2 thousand for increased postage, \$2 thousand for increased printing costs, \$20 thousand for the increased cost of service contracts, and \$4 thousand for increased cost of goods and services, offset by a reduction of \$28 thousand provided in fiscal year 2003 for telephone equipment replacement; and (4) a net increase of \$15 thousand for Former President Clinton, providing \$4 thousand for increased pension costs, \$9 thousand for increased rent, \$5 thousand for increased cost of goods and services, and \$34 thousand for a Mail Handling Contract offset by a reduction of \$37 thousand due to the reduction in the annual rate of staff compensation from \$150,000 to \$96,000.

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

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EXPLANATION OF BUDGET CHANGES IN PRIORITY ORDER APPROPRIATION \$(Thousands)	
<b>Enacted FY 2003 Budget .....</b>	<b>\$3,339</b>
<b>Decreases:</b>	
Personnel Compensation for Former President Clinton.....	-37
Telephone equipment replacement for Former President Bush.....	-28
Decrease to offset pension increase for Former President Carter .....	-4
<b>Increases:</b>	
FY 2004 Pension increase .....	20
Increased cost of goods and services .....	13
Increased Personnel Benefits for Former President Bush .....	10
Rent increases for Former Presidents.....	22
Postage for Former President Bush .....	2
Mail Handling Contract for Former President Bush.....	34
Increased Cost of Service Contracts for Former President Bush.....	20
Printing for Former President Bush .....	2
<b>FY 2004 Appropriation Request .....</b>	<b>\$3,393</b>



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

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<b>OBLIGATIONS BY OBJECT CLASS</b> \$(Thousands)			
	<b>FY 2002 Actual</b>	<b>FY 2003 Current</b>	<b>FY 2004 Request</b>
11.8	<u>519</u>	<u>534</u>	<u>497</u>
11.9	519	534	497
12.1	150	162	172
13.0	851	880	900
21.0	116	150	150
23.1	872	964	986
23.3	210	228	231
24.0	33	41	43
25.2	198	242	303
26.0	52	64	65
31.0	37	74	46
99.9	3,038	3,339	3,393

**GENERAL SERVICES ADMINISTRATION**  
**ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS**

	<b>FY 2004 REQUEST</b>						
	<b>FORMER PRESIDENTS</b>						
	<b>\$(000)</b>						
	FORD	CARTER	REAGAN	BUSH	CLINTON	WIDOWS	TOTAL
Personnel Compensation.....	96	96	96	96	113	0	497
Personnel Benefits.....	24	6	34	52	56	0	172
Benefits for Former Presidents.....	175	175	175	175	180	20	900
Travel.....	50	2	2	55	41	0	150
Rental Payments to GSA.....	120	102	145	174	445		986
Communications, Utilities and Miscellaneous charges							
Telephone.....	20	25	26	14	72	0	157
Postage.....	18	20	10	14	10	2	74
Printing.....	4	5	12	14	8	0	43
Other Services.....	10	62	26	67	138	0	303
Supplies & Materials.....	16	6	13	13	17	0	65
Equipment.....	2	9	2	14	19	0	46
<b>Total Obligations.....</b>	<b>535</b>	<b>508</b>	<b>541</b>	<b>688</b>	<b>1,099</b>	<b>22</b>	<b>3,393</b>



# **INSPECTOR GENERAL**

# General Services Administration

## OFFICE OF INSPECTOR GENERAL

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### 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, information systems, and performance auditors who provide audit coverage of GSA's internal operations and external contractors.

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

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

**Office of Administration:** A multidisciplinary staff that provides budgetary, human resources, information technology, facilities, space and other administrative support services.

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

### Role of the OIG

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

Following are our strategic goals:

**Strategic Goal No. 1:** Enhance the performance of GSA and ensure optimum value for the taxpayer.

**Strategic Goal No. 2:** Protect the integrity of GSA programs and operations.

**Strategic Goal No. 3:** Implement an efficient and effective human capital strategy.

**Strategic Goal No. 4:** Enhance our organizational performance.

# General Services Administration

## OFFICE OF INSPECTOR GENERAL

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### ACTIVITIES

The OIG will accomplish its mission by several methods:

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

### **BUDGET IN SUMMARY**

The Office of Inspector General's appropriation request of \$39,169 thousand supports 298 FTE for FY 2004. This request reflects a net increase of \$1,838 thousand over the comparable amount of \$37,331 thousand

requested for FY 2003. This request covers increases of: (1) \$729 thousand for increased pay costs; (2) \$158 thousand for increased cost of goods and services; (3) \$407 thousand for increased information technology infrastructure costs; (4) \$544 thousand for increased rent costs.

In FY 2004, the OIG will continue to provide audit and investigative services across the broad spectrum of GSA's activities. We will continue to commit substantial audit resources to program evaluations of GSA's major programs; reviews of GSA's major information systems and related security issues; financial statement and accountability reviews; and statutorily required reviews. We will focus our investigative efforts on detecting and preventing fraudulent activity in GSA's procurement, property disposal, and leasing activities, and identifying program vulnerabilities.

Approximately 91% of the OIG's staff resources will be devoted directly to our audit and investigative efforts; 62% to our audit program; 24% to our investigative efforts; and 5% 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.

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.

# General Services Administration

## OFFICE OF INSPECTOR GENERAL

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### KEY FACTORS AFFECTING THE OFFICE OF INSPECTOR GENERAL'S FY 2004 BUDGET REQUEST

#### BACKGROUND

The OIG has a two-fold mission, to protect against waste, fraud, and abuse, and to be an agent of positive change in helping GSA to achieve its goals.

Our long-term approach to achieving our mission involves initiatives, such as: improving our methodologies for performing programmatic and other types of reviews and investigations; expanding the types of services we offer our customers; and improving our technical capabilities. We have increased the size of our financial and information system audit staffs, implemented better strategic and audit planning, created network communications within our own organization and with management, and instituted many other initiatives to better our operations.

Our actions have produced positive results. For example, our reports to Congress have documented many positive changes identified by our program reviews and implemented by GSA. In addition, customer surveys show that our products and services meet management's needs and add value; and the requests for audit services from management, the Congress, and OMB are increasing. Our audits and investigative efforts have resulted in identifying and mitigating systemic problems and fraud schemes involving GSA's programs and operations. The benefits from our initiatives continue to grow.

Following are highlights of our office's initiatives and performance measures with related budgetary requirements. We have also delineated some of the impediments that hinder our mission accomplishments and their budget implications.

### 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 GSA's 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.

Currently we are in the process of reorganizing the Office of Audits. This restructuring will enable us to enhance our expertise in all areas of GSA, so we can better identify and address the most significant issues and vulnerabilities facing the Agency.

For several years, we have been assisting GSA in identifying opportunities for improvement through benchmarking and best practice reviews. We are also working with management to improve program data integrity. Our application of team concepts and streamlined operating methods, and our use of advanced technology allow us to expedite the transmission of important information to managers for decision-making.

These efforts complement our more traditional responsibilities of safeguarding the integrity and ensuring accountability of Agency resources and operations.

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

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## OFFICE OF INSPECTOR GENERAL

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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, 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. Information Technology and Systems Reviews:** Information Technology in GSA is expanding exponentially and influences all aspects of business operations. GSA relies on its automated information systems to perform its mission and manage its operations. Many of these systems store sensitive information such as personal employee data and contractors' proprietary information. The Office of Audits faces the challenge of performing the necessary reviews in the areas of IT, systems, and telecommunications. In FY 1998, we established an Information Technology Audit Office with a staff of six FTE. The mission of this organization is to identify the IT workload in GSA, establish an OIG presence in

this critical and growing area, and to develop the technical expertise to perform these complex reviews. We expanded the IT Audit Office in FY 2002, and now dedicate 15 FTE to perform IT and systems review work. However, our capabilities in IT and systems must continue to grow. GSA has an extensive IT universe with over 80 major automated information systems, many smaller systems, and hundreds of local area networks. GSA's IT universe also dictates that we must apply more audit resources to systems development efforts and to security issues associated with operating GSA systems and networks. In addition, the Government Information Security Act of 2000 requires Inspectors General to conduct independent annual evaluations of their agencies' information security programs. Finally, we must address local, long distance, voice, data, and other issues associated with telecommunications. The fundamental changes IT has brought to the way GSA does business will require a corresponding increase in our technical and other training for existing and new staff associated with this effort. IT applications are fast becoming the mainstay of all Agency business and the entire audit staff needs to develop and enhance technology skills to keep up. Only a few members of the audit staff currently possess sufficient IT knowledge and skills to do this work.

- 3. Financial and Regulatory Requirements:** The passage of the Chief Financial Officers Act in 1990 has had a significant impact on our operations. Even before passage of this Act, the OIG and GSA arranged for the audit of GSA's financial statements by an independent public accounting firm (IPA). However, the time, effort, and expertise required to administer the audit of the financial statements has grown substantially: new

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legislation and complex accounting and auditing policies must be analyzed; efforts to assist GSA management in working through associated issues have grown; and time needed to address audit issues related to the audit of the Government-wide consolidated financial statements has increased. Moreover, we see a need for the OIG to evaluate the more detailed workings of GSA's financial activities and perform analyses of its major accounts. While we are very proud that GSA's financial statements have consistently achieved clean opinions, these approvals are at the higher levels of financial reporting.

We believe there are opportunities to enhance the efficiencies of operations and accountability of assets at the other levels of reporting. To this end, we seek to increase the numbers of evaluations of GSA major individual financial accounts and major financial subsystems. In addition, there are new and increasing requirements imposed on our office due to the Government Performance Results Act (GPRA) and other legislation. These issues require that we have sufficient staff with the financial background and expertise to perform the necessary reviews. Although the work accomplished by the IPA and our office fulfills the financial and regulatory requirements imposed upon us, 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 staffing to accomplish our goals. We will continue to offer our traditional audit services in the following areas:

1. **Management Control Reviews:** The Office of Audits will continue to test management controls built into programs and systems to ensure they function as intended and provide reasonable safeguards over assets. We believe control systems are becoming more important in an evolving work environment which calls for fewer supervisors, more decentralization of authority, and more individual empowerment. We will work closely with management to share our expertise in internal controls throughout GSA.
2. **Contract Auditing:** As the central civilian procuring agency within the Federal Government, GSA annually awards billions of dollars in contracts for goods and services. The OIG will continue to support the contract program. When appropriate, we will audit vendors' records and develop financial information needed by GSA's contracting officers to negotiate favorable pricing arrangements on contract awards and to help administer existing contracts.

As GSA moves to implement new procurement initiatives, we will continue dedicating approximately 25% of our resources to contracting officers support in evaluating claims submitted in GSA's construction program. Over the past two years, our audits have evaluated over \$157 million in proposed costs and have resulted in over \$47 million in monetary avoidances. We expect this trend to continue. In FY 2003, we intend to work with GSA's Federal Supply Service to increase the number of pre-award audits of Multiple Award Schedule (MAS) vendors. The MAS program, which awards commercial item contracts for Federal agencies, is valued at approximately \$16 billion. These audits will help contracting officers negotiate



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## OFFICE OF INSPECTOR GENERAL

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fair and reasonable pricing on selected MAS awards and will assist FSS in accomplishing its best value performance measure.

We intend to devote our limited contract audit resources to GSA's material contract actions. As a result we anticipate that for FY 2004 our monetary recoveries will remain consistent with FY 1999–FY 2002 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:

**Investigative Techniques:** The OIG continues the use of enhanced investigative techniques - body-wires, electronic monitors, and covert video surveillance - in its investigations. This 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 for 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.

1. **Seizure of Computer Evidence:** 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 trained five special agents as Seized Computer Evidence Recovery Specialists. We need to train an additional seven agents due to attrition and promotions. The initial necessary equipment for the program has been purchased. However, two additional systems and equipment upgrades are still needed. Our goal is to have eight special agents trained by 2004. The annual budget to support this program, which includes training, investigative equipment, and specialized investigative field support will cost approximately \$100,000.
2. **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 10% of our resources will be spent in this

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## OFFICE OF INSPECTOR GENERAL

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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.

- 3. 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 telecommunication 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. OIG cases using advanced investigative techniques and computer based fraud detection methods have resulted in several successful prosecutions of individuals abusing government credit cards. We are currently involved in several ongoing 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 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 attracting highly qualified staff, plus the increased demand for computer knowledge, financial management and accounting skills, and the need for specialized investigative skills, has created a pressing need for significant staff development and training.

**Office of Audits:** We have an extremely urgent need to expand our technological audit capabilities. In addition, we are still faced with an aging workforce. Approximately 67% of our most senior grade managers (GS 15) in the Office of Audits are eligible to retire by the end of FY 2003. In addition, 35% of our second level managers and a growing number of auditors and analysts (GS 14 and below) are either eligible to retire or will be eligible to retire by the end of FY 2003. 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 several years ago, with some supplemental hiring at the journeyman and supervisory levels. After experiencing initial difficulties in hiring, modification to our approach, current job market conditions, and new government initiatives, have made it easier for us to attract a talented pool of entry-level staff.

Nevertheless, we are still having difficulties in hiring certain types of skills such as accountants; and highly qualified IT

# General Services Administration

## OFFICE OF INSPECTOR GENERAL

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professionals at the journeyman level. This is due to the added training requirements imposed on the accountants by the American Institute of Certified Public Accountants; and the increasing salary demands of people with needed skills.

To address this issue, we have implemented a new career intern program to enhance our entry level hiring, including offering the Student Loan Repayment Program, where appropriate.

The entry level training requirements of this program coupled with our technical training requirements for our staff is significant. We are also providing more supervisory training for our journeyman staff in anticipation of senior staff losses over the next few years. Accordingly training costs for FY 2004 will be extensive to cover technical, developmental and supervisory training. Finally our on-the-job training requirements will continue to increase for the next several years.

To increase the efficiency and reduce storage costs, we are implementing an electronic work paper package in all of our audit offices. Approximately \$50,000-\$60,000 of our annual training dollars are required to initially train all of our staff members and maintain their expertise in the application.

**Office of Investigations:** The Office of Investigations has successfully reorganized to zonal offices, shifted to a more streamlined chain of command, and reduced the number of managers and Central Office employees. This resulted in management and support FTE 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. 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 continue 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 foresee the need for increased training expenditures due to these specialized investigative requirements.

- 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 2004 and beyond.

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### 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. The average benefits rate in object class 12 has increased almost 23% between FY 1999 and FY 2003. For FY 2004 we anticipate further increases in our actual benefit rates due to the increased hiring of FERS employees coupled with the retirements of CSRS employees.

**Increased Rent Costs:** Our FY 2004 request of \$3,581 thousand provides an additional \$544 thousand above the FY 2003 rent cost of \$3,037 thousand. This increase includes the costs associated with the Public Building Service re-measurement program. In FY 2002, PBS began to re-measure its regional and Central Office space to comply with ANSI/BOMA space measurement standards. This trend will encompass all Federally owned space, and will result in increased total square footage billed for re-measured space assignments, which will translate into substantial increases in rent costs.

Failure to receive these funds for rent will have an effect equivalent to a reduction in direct appropriations. Absorbing the rent cost will restrict our ability to meet the increasing demands for reviews of GSA's major management information and financial systems. Also, we will have to curtail: (1) planned electronic surveillance, undercover, and computer evidence seizure training for our investigative staff; (2) IT security audit and financial audit training for our

auditors; and (3) IT LAN and computer support training for our internal IT staff.

#### 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 network 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 fee.

**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.

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## 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						
	FY2002 Actual		FY2003 Current		FY2004 Request	
	\$000	FTE	\$000	FTE	\$000	FTE
Direct Program:						
Audits	\$20,324	166	\$23,215	186	\$24,358	186
Investigations	9,672	65	8,916	74	9,355	74
Counsel to the IG, Internal Evaluation, Administration	6,083	42	5,200	38	5,456	38
<b>Total Direct Program</b>	<b>\$36,079</b>	<b>273</b>	<b>\$37,331</b>	<b>298</b>	<b>\$39,169</b>	<b>298</b>

The following table reflects the planned reallocation of Office of Audit resources from contract audit issues to more internal GSA program and operational issues. (*Strategic Goals 1 and 2*)

	FY 2002		FY 2003		FY 2004	
	%	(\$Mil)	%	(\$Mil)	%	(\$Mil)
Contract Audits	30%	\$6.1	25%	\$5.8	25%	\$6.1
Internal Audits	70%	\$14.2	75%	\$17.4	75%	\$18.3

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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 2002		FY 2003		FY 2004	
	%	(\$Mil)	%	(\$Mil)	%	(\$Mil)
Program	41%	\$5.8	44%	\$7.7	45%	\$8.2
Administration	12%	\$1.7	6%	\$1	2%	\$0.4
IT Systems	14%	\$2.0	12%	\$2.1	13%	\$2.4
Financial	11%	\$1.6	12%	\$2.1	12%	\$2.2
Subtotal Non-compliance	78%	\$11.1	74%	\$12.9	72%	\$13.2
Compliance	22%	\$3.1	26%	\$4.5	28%	\$5.1
Total	100%	\$14.2	100%	\$17.4	100%	\$18.3

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

<p>The Office of Investigations will direct its investigative resources to issues having the potential identifiable impact on the efficiency, effectiveness, and integrity of GSA programs and operations. Approximately 70% 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.</p>						
	FY 2002		FY 2003		FY 2004	
Class I	\$6.8 Mil	70%	\$6.2 Mil	70%	\$6.5 Mil	70%
Class II & III	\$2.9 Mil	30%	\$2.7 Mil	30%	\$2.8 Mil	30%

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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 2005.			
	FY 2002	FY 2003	FY 2004
Percent of Audits	71% <sup>(1)</sup>	65%	65%
Cost of Audits for Goal #1	\$11.1 Mil*	\$15.6 Mil**	\$16.1 Mil**

\* Includes non-compliance internal audits.

\*\* Includes all preaward contract audits plus all non-compliance type internal audits.

<sup>(1)</sup> Our goal for FY 2002, FY 2003 and FY 2004 is 65%. Actual performance in FY 2002 was 71%.

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

	FY 2002	FY 2003	FY 2004
Percent of Audits	90% <sup>(1)</sup>	60%	65%
Cost of Audits for Goal #2	\$9.2 Mil*	\$4.7 Mil **	\$5.3 Mil **

\* Includes all types of contract audits plus compliance type internal audits.

\*\* Includes only post award type contract audits and compliance type internal audits.

<sup>(1)</sup> Our goal for FY 2002 was 49%, while actual performance was 90%. For FY 2003 and FY 2004 the goal has been increased to 60% and 65% respectively.

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 4*)

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 2002	FY 2003	FY 2004
Contract Audits	4.7	4.5	4.5
Internal Audits	4.4	4.4	4.5

<sup>(1)</sup> Our goal for FY 2002 was 4.5. Actual performance was 4.7. Our intent is to consistently receive ratings of 4.5 or higher on all audits.

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**BUDGET AUTHORITY  
\$(Thousands)**

	<b>FY 2002 Actual</b>	<b>FY 2003 Current</b>	<b>FY 2004 Request</b>	<b>FY 03/04 Change</b>
<b>Direct Program:</b>	36,079	37,331	39,139	1,838
<b>Reimbursable Program:</b>	0	450	450	
<b>Net Outlays</b>	35,741	37,255	38,942	1,687
<b>Employment (FTE)</b>				
<b>Direct</b>	273	298	298	0
<b>Reimbursable</b>	0	0	0	0

**EXPLANATION OF ESTIMATES**

The Office of Inspector General's appropriation request of \$39,169 thousand supports 298 FTE for FY 2004. This request reflects a net increase of \$ 1,838 thousand over the comparable amount of \$37,331 thousand requested for FY 2003. This request covers increases of: (1) \$729 thousand for increased pay costs; (2) \$158 thousand for increased cost of goods and services; (3) \$407 thousand for increased information technology infrastructure costs; (4) \$544 thousand for increased rent costs

<b>EXPLANATION OF BUDGET AUTHORITY CHANGES IN PRIORITY ORDER APPROPRIATION \$(Thousands)</b>		
	<b>FTE</b>	<b>\$</b>
<b>Enacted FY 2003 Budget</b>	<b>298</b>	<b>\$37,331</b>
Pay Increases		729
Increased Cost of Goods and Services		158
<b>FY 2004 Base</b>	<b>298</b>	<b>\$38,218</b>
Increased Infrastructure Costs		407
Increased Rent Cost		544
<b>FY 2004 Appropriation Request</b>	<b>298</b>	<b>\$39,169</b>



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	FY 2002 Actual	FY 2003 Current	FY 2004 Request	
Personnel Compensation:				
11.1	Full-time permanent	18,971	18,753	19,172
11.5	Other personnel compensation	1,984	3,087	3,147
<b>11.9</b>	<b>Total personnel compensation</b>	<b>20,955</b>	<b>21,840</b>	<b>22,319</b>
12.1	Civilian personnel benefits	5,068	5,115	5,218
21.0	Travel and transportation of persons	1,215	1,600	1,600
21.0	Motor Pool	165	90	90
22.0	Transportation of things	25	60	60
23.1	Rental payments to GSA	2,829	3,037	3,581
23.3	Communications, utilities and miscellaneous charges	319	300	300
24.0	Printing and reproduction	132	90	90
25.2	Other services	424	1,414	1,679
25.3	Purchases of goods and services from Government Accounts	4,125	3,280	3,687
26.0	Supplies and materials	184	205	205
31.0	Equipment	638	300	340
<b>99.0</b>	<b>Total</b>	<b>36,079</b>	<b>37,331</b>	<b>39,169</b>
99.0	Reimbursable obligations	0	450	450
<b>99.9</b>	<b>Total Direct &amp; Reimbursable</b>	<b>36,079</b>	<b>37,781</b>	<b>39,619</b>

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### **THE FY 2004 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.

The OIG revised its strategic plan to more accurately reflect the activities we are performing to help GSA better manage its programs. We revised our strategic goals and performance measures to more effectively reflect the OIG's impact on GSA.

Additionally, we added a new strategic goal to fully integrate our efforts to improve our human resource management and enhance the performance of our own operations.

### **Strategic Goal No. 1**

Enhance the performance of GSA and ensure optimum value for the taxpayer.

### **Discussion**

GSA is a 14,000 person Agency that spends \$20.2 billion annually but influences over \$60 billion in Federal spending. It oversees Federal buildings, major supply and procurement programs, and a fleet of 150,000 vehicles worldwide, telecommunications systems, and child-care facilities. It also provides policy leadership in areas such as acquisition, travel, real property, and other administrative services for the entire Federal sector.

GSA realizes that changes in today's environment require it to be flexible in its business approaches and innovative in developing integrated solutions to longstanding and new challenges. Current

Agency goals and initiatives, continuing Government reform, high-risk areas defined by GAO, and management challenges identified by our office remain areas that must be addressed.

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

### ***Anticipated Results***

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

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

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related activities. We will target the most significant issues facing GSA by planning and conducting audits and investigations in those areas. We will continue to work with GSA management on key initiatives. Finally, we will leverage our expertise by providing comments on legislative and policy initiatives before they become program requirements. In this capacity, we will also work with the Office of Governmentwide Policy by sharing our knowledge, expertise, and experience in assisting GSA meet its central management policy responsibilities.

During FY 2004, the OIG will devote approximately \$17.1 million of its requested resources to accomplish the planned outcomes related to this strategic goal.

### **Strategic Goal No. 2**

Protect the integrity of GSA programs and operations.

#### **Discussion**

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

The OIG has a special concern that in an era of rapid change and emerging technology, these changes may present unintended increased opportunities for illegal and improper activities. As the evolving technology and the effects of a downsized and aging workforce take hold throughout GSA, the OIG emerges as the primary entity within GSA to assess the impact of this transformation. The OIG is concerned that many of the beneficial attributes of reforms designed to produce economy, efficiency, and increased

effectiveness may be offset by new or modified practices that create unintended waste and contribute to increased opportunities for fraud. We believe it is important to assess whether a new initiative increases the potential for fraud, waste, and abuse and if so, mitigate these vulnerabilities early in the process.

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

#### ***Anticipated Results***

During FY 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 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

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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 2004, the OIG plans to devote approximately \$12.3 million of its requested resources to accomplish this strategic goal.

### **Strategic Goal No. 3**

Implement an efficient and effective human capital strategy.

#### **Discussion**

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

Beginning in the mid-1990s, the OIG realized the need to better align our resources to meet our mission responsibilities. We took numerous actions to redefine our mission, restructure our operations, reduce management layers, redistribute management positions to direct line positions, and to more closely interact with our 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. We are faced with the potential loss of over 67% 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. In addition, 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 implement its human capital management strategy to provide the highly competent professionals necessary to complete our mission and meet future demands. We will incorporate these efforts into our overall work planning, budgeting and evaluation processes. This will include a commitment to recruit, develop, train, retain, and reward a workforce that possesses the skills required to meet the changing and challenging demands for our services. We will address continuity of operations and skills through succession planning. The OIG will increase its commitment to both technical and managerial training to sustain functional expertise and encourage professional development.

#### ***Anticipated Results***

Among the initiatives we plan to accomplish are: enhancing our college recruiting program; completing a skills inventory and identification analysis; implementing

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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 2004, the OIG will devote approximately \$4.6 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 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

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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 their 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 2004, the OIG will devote approximately \$5.2 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 2002, 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.

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**OIG Strategic Goal #1: Enhance the performance of GSA and ensure optimum value for the taxpayer.**

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: Information Technology, management controls, asset management (including aging Federal buildings), human capital, procurement activities, financial accountability, and policy and administration.

The following table 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 of the following GSA goals (1) providing optimum value for the customer agencies and the taxpayers, (2) responsible asset management, and (3) operational efficiency

Performance Measure	Performance Indicators		
	FY 2002 Actual	FY 2003 Current	FY 2004 Request
Performance audits	71%	65%	65%
Reviews of legislative/regulatory or policy initiatives	50% <sup>1</sup>	55%	60%

<sup>1</sup>. Reviews of legislative/regulatory or policy initiatives are a new performance measure.

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**OIG Strategic Goal #1: Enhance the performance of GSA and ensure optimum value for the taxpayer.**

These output measures for the Office of Audits reflect our projected accomplishments in support of our goals to help improve performance, and protect the integrity of GSA programs and operations and to ensure optimum value for the taxpayer. This measure reflects OIG management's decision to allocate greater audit resources to major programmatic, control, systems, and other efforts which are aimed at helping GSA management achieve more positive outcomes in their operations. While these types of reviews require significantly more resources, and their immediate impact is not always quantifiable, their long-term benefits offer the potential for significant improvements in GSA performance and benefits to customers and taxpayers. Results from these audit efforts are based on actual reports issued and the resulting recommended avoidances, recoveries and resolved management decisions.

Performance Measure	Performance Indicators		
	FY 2002 Actual (\$000)	FY 2003 Current (\$000)	FY 2004 Request (\$000)
<b><u>OIG Audit Reports:</u></b>			
Total reports	159	221	220
Internal audits and program reviews	65	75	74
Contract audit reports	94	146	146
Value of Results			
Avoidances & recoveries	\$226M	\$156M	\$163M
Management decisions	\$226M	\$108M	\$120M



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**OIG Strategic Goal #2: Protect the integrity of GSA programs and operation.**

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. We measure positive impact of internal audits based on input we receive from GSA managers on our customer surveys. On contract audit we measure positive impact based on the actual savings resulting from the audit as evidenced by our assessment of the price negotiation memorandum prepared by the GSA contracting officer.

Performance Measure	Performance Indicators		
	FY 2002 Actual	FY 2003 Current	FY 2004 Request
Impacted program integrity in the following areas: <ul style="list-style-type: none"> <li>• Control, compliance, and accountability Issues</li> <li>• Integrity issues</li> </ul>	90% 60%	60% 60%	65% 60%

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**OIG Strategic Goal #2: Protect the integrity of GSA programs and operation.**

Performance Measure	FY 2002 Actual	FY 2003 Current	FY 2004 Request
Number of Criminal Referrals	126	102	102 <sup>2</sup>
Number of Civil Referrals	21	21	21
Number of Admin. Referrals	302	258	258
Civil Settlements	5	12	6
Indictments/Information	41	36	36
Successful Criminal Prosecutions	50	34	34
Contractors Suspended/Debarred	107	93	93
Investigative Recoveries	\$19.795M	\$4.500M	\$4.500M
Fraud Awareness Briefings	38	8	8
High Priority Investigations <sup>1</sup>	74%	70%	70%

<sup>1</sup>. This represents the percentage of high priority investigations expected to have a positive impact on protecting the integrity of GSA's programs and operations.

<sup>2</sup>. Projected FY 2004 performance for the Office of Investigations is anticipated to be similar to FY 2002 and FY 2003. 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.

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**OIG Strategic Goal #3: Implement an efficient and effective human capital strategy.**

The OIG will implement a human capital management strategy to better support our mission. The purpose of the strategy is to ensure that we have a highly qualified workforce focused on our mission and 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 skills needed for continuity and improvement in operations. Additionally, we will ensure that our performance evaluation system provides meaningful feedback and fully recognizes individual and team accomplishments.

Measure	Performance Indicators			
	Standard	FY 2002 Actual	FY 2003 Current	FY 2004 Request
Reassess our human capital strategy and identify specific initiatives that will foster improvement in: <ul style="list-style-type: none"> <li>• Recruitment and retention</li> <li>• Staff development</li> <li>• Employee appraisal and recognition</li> </ul>	Formalize a human capital management plan by end of FY 2002 and implement plan initiatives over the following 4 years	Develop plan and implement 20% of the initiatives *	Complete 40% of the initiatives identified in the plan *	Complete 20% 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.

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**OIG Strategic Goal #4: Enhance our organizational performance.**

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.”

Performance Measure	Performance Indicators			
	Performance Standard	FY 2002 Actual	FY 2003 Current	FY 2004 Request
Effectiveness - Customer Surveys	Scale: 1 – 5 (5 high)			
▪ Audit products	4.0	94% <sup>(2)</sup>	90%	90%
▪ Administrative products and services (internal to the OIG)	4.0 <sup>1</sup>	85%	90%	90%

<sup>(1)</sup> Represents a composite score on various OIG products.

<sup>(2)</sup> Our goal for FY 2002 was 85%. Actual performance was 94%. For FY 2003 we increased the goal to 90%

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**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.

Performance Measure	Performance Indicators			
	Performance Standard	FY 2002 Actual	FY 2003 Current	FY 2004 Request
Efficiency – Timeliness				
<b>Audits and Reviews</b>	Direct hours to perform audits.	Percentage of audits that meet unique performance standards.		
	Based on a unique performance standard for each type of audit.			
• Contract		54%	60%	62%
• Internal		73%	65%	67%
	Days to perform audits.			
	Based on an unique standard for each type of audit			
• Contract		36%	55%	60%
• Internal		61%	60%	62%

These goals represent the Office of Audits for different types of contract and internal audits. We perform preaward MAS, preaward cost or pricing and claims audits among others. Similarly, we perform internal audits, program compliance, management control reviews and many others. We have identified different performance standards in terms of days and hours for each type of audit.

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**OIG Strategic Goal #4: Enhance our organizational performance.**

Performance Indicators				
Performance Measure	Performance Standard	FY 2002 Actual	FY 2003 Current	FY 2004 Request
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;				
		Percentage of investigations that meet unique performance standards.		
<b>Investigations</b>	Days to perform different types of investigations.			
	Based on a unique standard for each type of investigation.			
• Fraud/Other Crime		87%	75%	75%
• Suspensions/Debarments		95%	80%	80%
• Administrative		92%	80%	80%

## General Services Administration OFFICE OF INSPECTOR GENERAL

Performance Measure	Performance Indicators			
	Performance Standard	FY 2002 Actual	FY 2003 Current	FY 2004 Request
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.				
		Percentage of investigations that meet unique performance standards.		
FOIA/PA Requests	Days to perform different types of legal, field office reviews, and administrative type activities	84%	85%	90%
Field Office Appraisals		65%	65%	70%
System Availability		96%	96%	97%
Provide Information Resources		92%	92%	94%
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 80% of our initiatives

\*\*New benchmark and tracking system designed.

Each of the performance measures listed have performance stands in terms of days to complete. The performance indicator show actual time we met our standards in FY 2002

**General Services Administration  
OFFICE OF INSPECTOR GENERAL**

<b><u>Performance Plan: Allocation of OIG Resources</u></b>												
	<b>Performance Indicators (in thousands)</b>											
Organization	FY2002		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
OIG	36,079	100%	37,331	100%	39,169	100%	39,169	100%	39,169	100%	39,169	100%
Audits	20,324	56%	23,215	62%	24,358	62%	24,358	62%	24,358	62%	24,358	62%
Investigations	9,672	27%	8,916	24%	9,355	24%	9,355	24%	9,355	24%	9,355	24%
Administration	3,479	9%	2,960	8%	3,106	8%	3,106	8%	3,106	8%	3,106	8%
Counsel	1,302	4%	1,120	3%	1,175	3%	1,175	3%	1,175	3%	1,175	3%
IG Office/Eval.	1,302	4%	1,120	3%	1,175	3%	1,175	3%	1,175	3%	1,175	3%





# **WORKING CAPITAL FUND**

# General Services Administration

## WORKING CAPITAL FUND

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### INTRODUCTION

In support of the President's Management Agenda and government-wide management initiatives, GSA developed the following 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 worldclass workplace, and carry out social, environmental, and other responsibilities as a federal agency.

These goals support GSA's mission statement "We help federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies."

The Working Capital Fund (WCF) is a fully reimbursable revolving fund that finances the full range of administrative support services to GSA and select services to other Federal organizations. The agency-level management activities funded through the WCF include the: Chief Financial Office (CFO), Chief People Office (CPO), Chief Information Office (CIO), the Office of General Counsel, the Office of Enterprise Development, the Office of Civil Rights, as well as agency acquisition policy support and regional functions including acquisition management and small business contracting assistance. The total WCF program level for fiscal year 2004 is estimated to be \$324 million with 1,344 full-time equivalent (FTE) positions. The following describes some of the specific services provided through the WCF. Centralized Administrative Support (CAS) represents the largest portion of the WCF, at roughly 55% of total obligations. The CAS functions are provided to internal GSA customers and include agency-wide functions such as finance, budget and accounting support,

information technology, personnel administration, facilities management, acquisition policy, and legal services. Centralizing administrative support functions has enabled GSA to achieve economies of scale, reducing costs and increasing operational efficiencies, and allowed GSA's program areas to focus on and accomplish their goals.

The strategic directions presented focus on future initiatives for improving services to meet the needs of both internal and external customers and achieving the criteria for success under the President's Management Agenda.

Technological innovations are key to improving financial management and human resource management. Over the next few years, GSA will face challenges in managing productivity and costs to provide affordable services, and the Staff Offices must continue to improve customer satisfaction, enhance employee and organizational effectiveness, and improve financial performance.

### PROGRAM DESCRIPTIONS

#### **Internal Centralized Administrative Support (CAS)**

##### **Chief Financial Officer (CFO)**

The Office of the Chief Financial Officer's (CFO) goal is to fully support the General Services Administration (GSA) in its delivery of products and services, by providing timely and accurate financial information, and effective financial management systems.

# General Services Administration

## WORKING CAPITAL FUND

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The overarching strategy of the Office of the CFO is to improve the quality of cost and performance data, increase the use of electronic methods of transaction processing to improve efficiency and reduce errors, and improve communications both internally and externally to deliver value-added financial services. The CFO will standardize financial reporting to meet customer needs and to provide improved financial accountability. Some of the key performance goals are to:

- Reduce delinquent Federal receivables,
- Issue financial reports in a timely manner,
- Meet all requirements to maintain a clean opinion on financial statements including compliance with OMB requirements for accountability reporting,
- Have no internal control material weaknesses,
- Eliminate reportable conditions for financial and non-financial components identified in the auditor's management letter, and
- Provide strong leadership on budget and performance integration.

The CFO will provide productive and responsive financial management systems by developing an enterprise financial management architecture that manages lifecycle performance of new and existing systems, and building systems in accordance with this architecture. To support attainment of these goals, the CFO is recruiting, retaining, and developing a professional workforce.

### **Chief People Officer (CPO)**

During fiscal year 2004, the Office of the Chief People Officer (CPO) will continue its focus of refining and implementing GSA's Human Capital Strategic Plan in support of the

agencywide strategic plan and the President's Management Agenda. Within GSA's strategic plan, the CPO is leading efforts to maintain a worldclass workforce and worldclass workplace, which has been identified as one of the six agencywide strategic goals. Specifically, the CPO will work to achieve its goals by focusing efforts on enhancing our leadership competencies, working to reduce the skills gaps that exist within GSA's mission critical occupations, improving our automated human resources and administrative systems, and ensuring our readiness to respond to emergency situations, to name only a few items of focus. Additional functionality and customers will continue to be added to the agency's Comprehensive Human Resources Integrated System (CHRIS), which provides a complete range of Human Resource services and information. During this fiscal year, the CPO will continue to review its internal operations to ensure that it is operating as the most efficient organization under the President's competitive sourcing initiatives. The ability to respond to and provide guidance throughout the agency in response to these competitive sourcing requirements is a major challenge for the CPO.

### **Chief Information Officer (CIO)**

The Office of the Chief Information Officer (CIO) developed in fiscal year 2002 a GSA IT Strategic Plan to guide the agency's IT effort over the next five years. There are four IT strategies identified in the IT strategic plan that will give IT managers a yardstick to measure achievement and overall IT success. These strategies include: improving GSA's business processes and customer focus; creating a secure IT environment; optimizing IT investments using portfolio management, shared services and enterprise architecture; and maintaining a world-class workforce.

## General Services Administration WORKING CAPITAL FUND

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Since fiscal year 2002, the CIO has actively worked on implementing the President's Management Agenda's (PMA). The CIO leads GSA's internal activities with respect to the PMA's government-wide initiative "Expanding Electronic Government." Additionally, the CIO manages the five GSA-led governmentwide e-Gov initiatives. Our role will continue for both of these efforts in fiscal years 2003 and 2004.

Our fiscal year 2004 Performance Plan provides the foundation for leveraging information technology (IT) to improve business performance and results for all of GSA. The CIO has refined its fiscal year 2002 performance measures to have a more enterprise-wide focus to support the agency's IT strategic direction. Six CIO goals and 28 measures of success are included in the fiscal year 2004 performance plan and align with three of the GSA Strategic Goals: operate efficiently and effectively, achieve responsible asset management and maintain a world class workforce and workplace. These fiscal year 2004 goals and measures have specific stretch targets for fiscal years 2003 and 2004 that are intended to migrate the CIO and GSA from an operationally-driven organization to a customer-focused organization that uses information to target, reach and serve its customers better.

### **Other Centralized Administrative Support Offices**

The **Office of General Counsel (OGC)** 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.

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 for 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. In fiscal year 2001, GSA's contracts with small 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.

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

# General Services Administration

## WORKING CAPITAL FUND

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enforcement and prevention as the cornerstones of their programs.

In addition to its governmentwide policy role, the Office of Governmentwide Policy's **Office of Acquisition Policy** has agency-wide responsibility for planning, directing, and 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.

### Other Reimbursable

Other Reimbursable activities provide services to both GSA and non-GSA clients.

Services to **GSA clients** include processing the financial transactions for 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); cost

of common information technology infrastructure; administrative support for the Joint Financial Management Improvement Program (JFMIP); and Enterprise Infrastructure Operations.

Support of **non-GSA clients** includes providing administrative services similar to those described under "Centralized Administrative Support," including accounting, payroll, budget, personnel and procurement. Customers include small agencies and Presidential committees and commissions.

Other non-GSA services include processing financial transactions for administrative support for the Inspector General Criminal Investigators Academy, provided by the GSA Inspector General.

GSA will also provide **e-Payroll services** for other Federal agencies, on a reimbursable basis. OPM has recently finalized agreements with two teams, the Defense Finance and Accounting Service and General Services Administration, and the Agriculture Department's National Finance Center and the Interior Department's Federal Personnel Payroll system, to provide payroll services to the entire federal government. Together, they will consolidate the current 22 payroll systems that provide service to approximately 1.9 million civilian employees into four remaining payroll systems under the e-Payroll project. GSA plans to service approximately 50,000 government employees by the end of FY 2004. Revenue and costs for this new activity have not been developed as of yet.

**General Services Administration  
WORKING CAPITAL FUND**

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**BUDGET REQUEST**

Obligations  
\$(000)

	<b>FY 2002 Actual</b>	<b>FY 2003 Estimate</b>	<b>FY 2004 Request</b>
Internal Centralized Administrative Support (CAS)			
Salaries and Benefits	\$97,929	\$100,220	\$108,594
Contractual Services	\$47,712	\$47,156	\$46,238
All Other	\$18,952	\$20,254	\$21,799
Subtotal CAS	<b>\$164,593</b>	<b>\$167,630</b>	<b>\$176,631</b>
Other Reimbursable	\$136,663	\$139,108	\$142,614
Major Equipment Acquisition & Development	\$238	\$7,500	\$4,300
<b>Total Obligations</b>	<b>\$301,494</b>	<b>\$314,238</b>	<b>\$323,545</b>

**General Services Administration  
WORKING CAPITAL FUND**

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	FY 2002 Actual	FY 2003 Budget	FY 2004 Request	FY 03 – FY 04 Change
<b>Revenue</b>				
Operating Programs:				
Administrative Support	\$164,593	\$167,630	\$176,631	+\$9,001
Other Reimbursable	136,663	139,108	142,614	3,506
<b>Subtotal</b>	<b>\$301,256</b>	<b>\$306,738</b>	<b>\$319,245</b>	<b>+\$12,507</b>
<b>Obligations</b>				
Operating Programs:				
Administrative Support	\$164,593	\$167,630	\$176,631	+\$9,001
Other Reimbursable	136,663	139,108	142,614	3,506
<b>Subtotal</b>	<b>\$301,256</b>	<b>\$306,738</b>	<b>\$319,245</b>	<b>+\$12,507</b>
Major Equipment Acquisition and Development	<u>238</u>	<u>7,500</u>	<u>4,300</u>	<u>-3,200</u>
<b>Total</b>	<b>\$301,494</b>	<b>\$314,238</b>	<b>\$323,545</b>	<b>+\$9,307</b>
<b>Net Outlays</b>	0	0	0	-----
<b>Total Employment</b>	1,310	1,343	1,344	+1

## General Services Administration WORKING CAPITAL FUND

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### Explanation of Estimates:

The fiscal year 2004 operating program level of \$323,545 reflects a net increase of \$9,307 thousand above the fiscal year 2003 program level of \$314,238 thousand. The net change of \$9,307 thousand provides \$18,794 thousand for increases of: (1) \$2,715 thousand for increased salary costs; (2) \$6,384 thousand for the increased cost of goods and services due to inflation; (3) \$787 thousand for increased Centralized Charges payable from the Centralized Administrative Support Program (CAS); (4) \$2,607 thousand for increased Enterprise Infrastructure costs; (5) \$495 thousand for increased Pegasys operation

and maintenance costs; (6) \$116 thousand to provide an additional FTE for the Office of General Counsel; (7) \$66 thousand for operation support for the Office of Civil Rights; (8) \$200 thousand for the Advanced Leadership Development Program; (9) \$309 thousand for CPO Information Technology Support; (10) \$1,000 thousand for infrastructure upgrades for COOP; (11) \$790 thousand for the Leadership Institute; and (12) \$3,325 thousand for the Applied Learning Center.

These increases are offset by decreases of \$9,487 thousand related to one-time financial systems development.



## General Services Administration WORKING CAPITAL FUND

	Centralized Administrative Support		Other Reimbursable		Major Equipment Acquisition & Development	Total	
	FTE	\$	FTE	\$	\$	FTE	\$
<b>FY 2003 Operating Program</b>	1,199	\$ 168,738	140	\$ 141,346	\$ 7,500	1,339	\$ 317,584
<b>Increases:</b>							
Emergency Management Staffing		250					250
Performance Improvement	4	568				4	568
Mail Operations Services		178					178
GSAjobs		337					337
Financial Systems Development							
<b>Decreases:</b>							
CHRIS O&M and Development		-2,441		-2,238			-4,679
<b>Adjusted FY 2003 Operating Program</b>	1,203	\$ 167,630	140	\$ 139,108	\$ 7,500	1,343	\$ 314,238
Pay Raise/Annualized		2,413		302			\$ 2,715
All Other Inflation		3,844		2,540			\$ 6,384
<b>FY 2004 Base</b>	1,203	173,887	140	141,950	7,500	1,343	\$ 323,337
<b>FY 2004 Initiatives</b>							
<b>Increases:</b>							
Centralized Charges increase to staff offices		787					787
Enterprise Infrastructure increase		771		1,836			2,607
Pegasys Operation & Maintenance		495					495
One FTE for Office of General Counsel	1	116				1	116
Operational Support - Civil Rights		66					66
Advanced Leadership Development Program		200					200
CPO IT Support		309					309
Infrastructure Upgrades for COOP				1,000			1,000
The Leadership Institute -Centralized Charges				790			790
Applied Learning Center - Centralized Charges				3,325			3,325
<b>Decreases:</b>							
Financial Systems Development				-6,287	-3,200		-9,487
<b>Fiscal Year 2004 Total Request</b>	1,204	176,631	140	142,614	4,300	1,344	\$ 323,545

**General Services Administration  
WORKING CAPITAL FUND**

<b>OBLIGATIONS BY OBJECT CLASS \$(Thousands)</b>			
	<b>FY 2002 Estimate</b>	<b>FY 2003 Current</b>	<b>FY 2004 Request</b>
Personnel Compensation:			
11.1 Full-time permanent	\$74,504	\$78,495	\$78,390
11.3 Other than full-time permanent	1,501	1,968	2,012
11.5 Other personnel compensation	<u>11,498</u>	<u>11,650</u>	<u>11,980</u>
<b>11.9 Total personnel compensation</b>	<b>87,503</b>	<b>92,113</b>	<b>92,382</b>
12.1 Civilian personnel benefits	34,542	36,564	37,343
13.0 Benefits for former personnel	56	371	389
21.0 Travel and transportation of persons	2,683	2,420	2,439
21.0 Motor Pool	29	72	18
22.0 Transportation of things	312	443	544
23.1 Rental payments to GSA	11,190	13,171	13,216
23.3 Communications, utilities and miscellaneous charges	26,575	28,741	28,582
24.0 Printing and reproduction	1,490	1,929	1,627
25.2 Other services	84,549	82,501	90,199
25.3 Purchases of goods and services from Government Accounts	37,562	39,492	39,622
26.0 Supplies and materials	1,346	2,341	1,628
31.0 Equipment	13,657	14,080	15,556
<b>99.0 Total Working Capital Fund</b>	<b>\$301,494</b>	<b>\$314,238</b>	<b>\$323,545</b>



# **ELECTRONIC GOVERNMENT FUND**

# General Services Administration ELECTRONIC GOVERNMENT FUND

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## 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 2002 Actual	FY 2003 Current	FY 2004 Request	FY 2003/FY 2004 Change
<b>Direct Program:</b>				
<b>New Budget Authority</b>	\$3,545	\$45,000	\$45,000	0
<b>Prior Year Carryover</b>	0	1,455	0	-1,455
<b>Total Budget Authority</b>	\$3,545	\$46,455	\$45,000	-1,455
<b>Net Outlays</b>	\$1,272	\$40,850	\$40,850	0

## EXPLANATION OF ESTIMATES

In fiscal year 2002, \$5,000 thousand was appropriated for the Electronic Government Fund. The fiscal year 2003 budget request provided for an increase of \$40,000 thousand over the amount for fiscal year 2002 for a total of \$45,000 thousand. The fiscal year 2004 budget request remains constant at the fiscal year 2003 level of \$45,000 thousand.

**General Services Administration  
ELECTRONIC GOVERNMENT FUND**

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<b>EXPLANATION OF BUDGET CHANGES APPROPRIATION \$(Thousands)</b>	
<b>FY 2003 Appropriation</b> .....	<b>\$45,000</b>
Electronic Government Fund .....	+0
<b>FY 2004 Budget Request</b> .....	<b>\$45,000</b>

<b>OBLIGATIONS BY OBJECT CLASS \$(Thousands)</b>			
	<b>FY 2002 Actual</b>	<b>FY 2003 Current</b>	<b>FY 2004 Request</b>
Personnel Compensation:			
11.1 Full-time permanent	82	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	82	0	0
12.1 Civilian personnel benefits	12	0	0
21.0 Travel and transportation of persons	7	0	0
23.1 Rental payments to GSA	0	0	0
23.3 Communications, utilities and miscellaneous charges	0	0	0
24.0 Printing and reproduction	0	0	0
25.1 Commercial Service Contracts	2,544	45,000	45,000
25.2 Other Services	900		
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	3,545	45,000	45,000
99.0 Reimbursable obligations	0	0	0
99.9 Total obligations	3,545	45,000	45,000



# MISCELLANEOUS ACCOUNTS

**General Services Administration**  
**EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT**  
**ADMINISTRATION**

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**FEDERAL SUPPLY SERVICE**  
**\$(Thousands)**

	<b>FY 2002 Actual</b>	<b>FY 2003 Current</b>	<b>FY 2004 Request</b>	<b>FY 04/03 Change</b>
<b>Obligations:</b>				
Audit Contracts	2,945	3,000	3,000	-
Contract Administration/ Operating Expenses	8,181	10,479	11,361	+882
<b>Total Obligations</b>	<b>11,126</b>	<b>13,479</b>	<b>14,361</b>	<b>+882</b>
<b>Net Outlays</b>	<b>10,127</b>	<b>13,479</b>	<b>14,361</b>	<b>+882</b>
<b>Employment (FTE)</b>	<b>70</b>	<b>71</b>	<b>71</b>	<b>-</b>

**General Services Administration**  
**EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT**  
**ADMINISTRATION**

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**Obligations**  
**(Dollars in Thousands)**

	<b>FY 2002 Actual</b>	<b>FY 2003 Current</b>	<b>FY 2004 Budget</b>
Obligations Categories:			
Salaries and Benefits	5,139	5,235	5,342
Contractual Services	3,455	3,743	4,438
All Other	2,532	4,501	4,581
<b>Total</b>	<b>\$11,126</b>	<b>\$13,479</b>	<b>\$14,361</b>

**STRATEGIC DIRECTION**

The Expenses of Transportation Audit Contracts and Contract Administration account was established to fund the auditing of transportation carrier billings submitted to the Government. It uses audit contractors to examine the government's air passenger, freight and household goods transportation billings

to identify and seek recovery of incorrect billings and overpayments for the Federal government. The account is a permanent, indefinite appropriation that does not require annual Congressional action.



**General Services Administration**  
**EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT**  
**ADMINISTRATION**

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**FY 2004 PERFORMANCE PLAN AND STRATEGIC GOALS**

**Strategic Goal 3: Operate Efficiently and Effectively**

**Strategic Goal Summary**

Performance Goal	Performance Measure	FY 2002 Actual	FY 2003 Current	Pay/ Inflation	Program Changes	FY 2004 Request
Operate Efficiently and Effectively	Audit costs as a percentage of audit collections	58.9%	63.3%			68.9%
	Gross Collections	\$16,112	\$16,056			\$16,000
	Budget Link					
	Audit Program Costs	\$9,491	\$10,164	\$348	\$520	\$11,032

In addition to this key performance measure that assesses the post payment audit program, the Audit Division also measures the value of its prepayment audit program that identifies potential overcharges prior to payment. This measure compares the transportation dollars saved Governmentwide due to the prepay audit program with the Governmentwide

cost of the prepay audit program. In fiscal year 2002 the Government saved \$22.8 million and invested \$584,000, which equates to prepay audit costs being 2.6% of prepay audit dollars saved. The corresponding estimate for fiscal year 2003 and fiscal year 2004 is 2.3%.

# General Services Administration

## EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

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### Strategies/Activities

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. The Office of Transportation has formulated a management plan for the transportation audit program, 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 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 owed to GSA; charging agencies who choose to do prepayment audits themselves a fee for audit training; and establishing Memoranda of Understanding with small agencies with

minimal transportation billings to have the Audit Division perform their prepayment audits.

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.

An additional \$520 thousand is requested to develop the Transportation Management Services Solution (TMSS), a transportation management system that will create a state-of-the-art transportation solution for the customer, seamlessly integrating all transportation functions. TMSS will offer customers an unprecedented, web-based, end-to-end system to handle all of their transportation management needs, from rate and routing through carrier booking, bill of lading generation, prepay audit, payment, and dispute resolution. In order to operate more efficiently and effectively, the Audit Division will continue to improve the overcharge collections process while reducing internal costs. The impact of these efficiencies due to TMSS are expected to be seen in fiscal year 2005 in terms of additional collections and reduced costs. This should, in turn, reduce the performance measure comparing audit costs to audit collections by at least a few percentage points from its projected 68.9% in fiscal year 2004. A continued downward trend in this measure is expected over the next several years. Although agencies are shifting to prepayment audits, post pay audits will continue for a number

**General Services Administration**  
**EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT**  
**ADMINISTRATION**

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of reasons outlined in the prepay audit legislation. Recently, post pay audit collections have become more difficult due to an increasing proportion of transportation payments being made by the government charge card. The Audit Division is establishing agreements with the banks and card companies and will collaborate with finance offices to facilitate post pay audit collection. The implementation of TMSS will allow the

Audit Division to realize resource savings through increased automation. TMSS will provide the Audit Division electronic access to carrier rates, shipment information, and payment records for both pre and post payment audits. Once this initiative is completed, overcharge collections are expected to remain in the range of \$10 to \$15 million with a 5% reduction in audit operating costs.

**Other Activities**

<b>Activity</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Current</b>	<b>Pay/ Inflation</b>	<b>Program Changes</b>	<b>FY 2004 Request</b>
FSS Support Costs	739	2,403	0	0	2,403
Centralized Administrative Services	467	475	7	0	482
Centralized Charges	252	257	4	0	261
CIO Infrastructure Support	177	180	3	0	183
<b>Subtotal</b>	<b>\$1,635</b>	<b>\$3,315</b>	<b>\$14</b>	<b>\$0</b>	<b>\$3,329</b>

**General Services Administration**  
**EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT**  
**ADMINISTRATION**

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**Explanation of Changes**

The fiscal year 2004 budget request reflects increases to cover the increased costs of goods and services, higher Federal salaries, increased rent, and increased costs

associated with the tariff library. The request also includes additional funding to develop the Transportation Management Services Solution (TMSS).

<b>Explanation of Budget Changes</b>	
<b>\$(Thousands)</b>	
<b>FY 2003 Current Level</b> .....	13,479
Pay Raise, January, 2003.....	+107
Increased Costs of Goods and Services.....	+125
Increased Rent.....	+12
Increased Costs Associated with the Tariff Library.....	+118
Transportation Management Services Solution (TMSS).....	+520
<b>FY 2004 Budget Request</b> .....	14,361

**General Services Administration**  
**EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT**  
**ADMINISTRATION**

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Obligations by Object Class \$(Thousands)				
		FY 2002 Actual	FY 2003 Current	FY 2004 Request
11.1	Full-time permanent	4,146	4,223	4,310
11.3	Other than full-time permanent	12	12	12
11.5	Other personnel compensation	196	200	204
11.9	Total personnel compensation	4,354	4,435	4,526
12.1	Civilian personnel benefits	785	800	816
21.0	Travel and transportation of persons	69	81	82
22.0	Transportation of Things	3	3	3
23.1	Rental payments to GSA	610	643	655
23.3	Communications, utilities, and misc. charges	41	46	47
24.0	Printing and reproduction	104	112	114
25.2	Other Services	3,455	3,743	4,438
25.3	Purchases of goods/services from Gov't accts	1,600	3,509	3,571
26.0	Supplies and materials	99	101	103
31.0	Equipment	6	6	6
99.9	Total Obligations	11,126	13,479	14,361

**General Services Administration  
PUBLIC BUILDINGS SERVICE  
EXPENSES, DISPOSAL**

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**Program Description**

Expenses, Disposal of Surplus and Real and Related Personal Property is a permanent, indefinite appropriation authorized by section 204 (b) of the Federal Property and Administrative Services Act of 1949, as amended. This section was added by P.L. 83-760 (40 U.S.C. 485(b)) of August 31, 1954. 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. In addition, the above services are provided on a reimbursable basis for the Department of Defense non-base closure properties. Financing is provided from receipts from sales of surplus property and outleasing of Government-owned space.

<b>FY 2002 - FY 2004 Obligations (Direct)</b>			
<b>\$(Thousands)</b>			
	<b>FY 2002 Actual</b>	<b>FY 2003 Current</b>	<b>FY 2004 Estimate</b>
<b>Obligations Categories:</b>			
Salaries and Benefits	0	0	0
Contractual Services	4,018	11,822	10,782
All Other	49	350	350
<b>Total Obligations</b>	<b>\$4,067</b>	<b>\$12,172</b>	<b>\$11,132</b>
Outlays	\$4,401	\$11,928	\$10,909
Employment (FTE)	0	0	0

<b>FY 2002 - FY 2004 Obligations (Reimbursable)</b>			
<b>\$(Thousands)</b>			
	<b>FY 2002 Actual</b>	<b>FY 2003 Current</b>	<b>FY 2004 Estimate</b>
<b>Obligations Categories:</b>			
Salaries and Benefits	0	0	0
Contractual Services	316	520	520
All Other	4	80	80
<b>Total</b>	<b>\$320</b>	<b>\$600</b>	<b>\$600</b>

**General Services Administration  
PUBLIC BUILDINGS SERVICE  
EXPENSES, DISPOSAL**

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<b>Explanation of Budget Changes (Direct)</b>		
<b>\$(Thousands)</b>		
	<u><b>FTE</b></u>	<u><b>\$</b></u>
<b>FY 2003 at Control .....</b>	0	<b>8,655</b>
Reapportionment for Increased Contractual Services		<b>3,517</b>
<b>FY 2003 Budget .....</b>	0	<b>12,172</b>
Inflation.....		+182
<b>FY 2004 at Control .....</b>	0	<b>12,354</b>
Decrease in Contractual Services.....		-1,222
<b>FY 2004 Budget Request.....</b>	0	<b>11,132</b>

<b>Explanation of Budget Changes (Reimbursable)</b>		
<b>\$(Thousands)</b>		
	<u><b>FTE</b></u>	<u><b>\$</b></u>
<b>FY 2003 Budget .....</b>	0	<b>600</b>
No Change		0
<b>FY 2004 Budget Request.....</b>	0	<b>600</b>

**General Services Administration  
PUBLIC BUILDINGS SERVICE  
EXPENSES, DISPOSAL**

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<b>Obligations by Object Class (Direct)</b>			
<b>\$ (Thousands)</b>			
	<b>FY 2002 Actual</b>	<b>FY 2003 Current</b>	<b>FY 2004 Request</b>
24.0 Printing and reproduction	49	350	350
25.2 Other Services	4,018	11,822	10,782
Total Obligations	4,067	12,172	11,132

<b>Obligations by Program Activity (Direct)</b>			
<b>\$ (Thousands)</b>			
	<b>FY 2002 Actual</b>	<b>FY 2003 Current</b>	<b>FY 2004 Request</b>
<b>Disposal - Real Property:</b>			
a. Appraisers, auctioneers, brokers fees, surveying	3,396	3,086	3,017
b. Advertising	384	3,000	2,000
c. Environmental Services	58	5,471	5,500
d. Historical Preservation	0	100	100
<b>Outleasing - Government-owned Space:</b>			
a. Appraisers, auctioneers, brokers fees, surveying, advertising	0	515	515
b. Advertising	229	0	0
Total Obligations	4,067	12,172	11,132



**General Services Administration  
PUBLIC BUILDINGS SERVICE  
EXPENSES, DISPOSAL**

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<b>Obligations by Object Class (Reimbursable)</b>			
<b>\$ (Thousands)</b>			
	<b>FY 2002 Actual</b>	<b>FY 2003 Current</b>	<b>FY 2004 Request</b>
24.0 Printing and reproduction	4	80	80
25.2 Other Services	316	520	520
Total Obligations	320	600	600

<b>Obligations by Program Activity (Reimbursable)</b>			
<b>\$ (Thousands)</b>			
	<b>FY 2002 Actual</b>	<b>FY 2003 Current</b>	<b>FY 2004 Request</b>
Disposal - Real Property:			
a. Appraisers, auctioneers, brokers fees, surveying	88	250	250
b. Advertising	19	50	50
c. Environmental Services	197	300	300
d. Historical Preservation	16		
Total Obligations	320	600	600



# **FEDERAL BUILDINGS FUND**

**Public Buildings Service  
FY 2004 Congressional Justification**

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# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Strategic Direction

The Public Buildings Service (PBS) seeks to provide superior workplaces for federal workers while providing a superior value for the American taxpayer. PBS is a large and complex organization with a broad range of responsibilities. Accordingly, its goals and related plans, measures and budgets are both expansive in scope and diverse in nature.

The PBS fiscal year 2004 Budget Request has been prepared to support the mission of PBS while seeking to accomplish the strategic goals of the General Services Administration (GSA). The financial resources requested in the fiscal year 2004 budget are identified with each performance goal, with discrete funding amounts associated with PBS-specific annual performance measures. Full funding of the fiscal year 2004 budget request will enable PBS to focus on the most effective use of the resources of the Federal Buildings Fund in three principal areas – Asset Management, Human Capital, and Operations.

### **Provide Best Value to Customer Agencies and Taxpayers**

The new construction program addresses federal space requirements that cannot be readily met with buildings available in the private sector – predominately courthouses, border stations, and federal agencies with

unique requirements. The Federal Inspection Agencies employ multi-year planning to develop new facility requirements that support their programs. Our budget request includes border stations and other types of specialized facilities that reflect the priorities of our tenant agencies.

The new construction program is reflective of the needs identified by the Border Station Partnership Council's (BSPC) five-year priority capital requirements plan. The BSPC consists of the U.S. Customs Service, the Immigration and Naturalization Service, the U.S. Department of Agriculture-Animal and Plant Health Inspection Service, GSA and the Food and Drug Administration.

### **Achieve Responsible Asset Management**

PBS will continue to strive to obtain the resources necessary to resolve the approximately \$5.6 billion backlog of building maintenance and repair work. This remains one of PBS's biggest financial challenges. To address that challenge, PBS has launched the *PBS Strategy for Restructuring and Reinvesting in the Owned Inventory*. This strategy will restructure and transform, over time, our portfolio of owned assets into a portfolio of strong, positive cash flow investments that can provide a first-class work environment for our clients and also carry

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Strategic Direction

the cost of their own maintenance. We have established performance criteria, developed diagnostics, and tiered our assets into three classes -- performers, under-performers and non-performers. The non-performers will be disposed of; the under-performers placed on a watch list and referred to a newly constituted Workout Task Force for remediation -- treatment intended to make them performers. The performers will continue to merit reinvestment dollars. This strategy provides the means for PBS to better allocate scarce reinvestment dollars.

The Property Reform Bill that GSA is sponsoring is the first comprehensive revision of the 1949 legislation that created the agency, and would give PBS the modern asset management tools and operating latitude it needs to accomplish its mission, including the ability to enter into public-private partnerships. At present, in the absence of sufficient funds, many of our old buildings are partially occupied, energy inefficient, and undesirable to our agency clients. These buildings continue to deteriorate, even though they are often in good locations and vibrant markets where continuing and sustainable federal demand exists. Except under special circumstances, we have limited means to refurbish them to their highest and best use. For example, a shopping center/office building development may be the highest and best use for land where an obsolete warehouse building sits. Absent enabling legislation, GSA is limited

to funding for repairs to the warehouse. If the property reform bill is enacted, GSA will be able to contribute such an asset to a partnership -- probably in the form of a long-term ground lease -- with a private developer who can then provide the capital and development expertise necessary for the project. On completion, the government will have first option to lease space in the building.

Everyone will benefit -- our federal tenants in the form of a first-class workplace, our developer partner in the form of a solid investment, the community in the way of urban redevelopment and possible increased real estate tax base, and the federal government in the form of a higher performing asset aligned to current government space needs. All of these efforts will further the GSA strategic goal of accomplishing responsible asset management.

### **Maintain a World Class Workplace and Workforce**

The key to aligning the PBS workforce to the future direction of the organization is investment in human capital. PBS associates are its greatest resource and it is increasingly important that every associate has the right training and skills to do their job. PBS needs to ensure that its workforce can meet the needs of its customers today and that associates possess the skill competencies needed to succeed in the future -- project management, acquisition, and financial management

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Strategic Direction

skills, as well as leadership and business acumen. This can be accomplished, in part, by providing challenging, flexible and diverse career paths with sufficient incentives to retain a high quality workforce.

### Operations

In the operations area, PBS will work on advancing the GSA goals of providing best value for customers, efficient and effective operations, and financial responsibility. Actions to be taken include: reinvigorating customer service, reducing the threat to federal buildings and employees, launching a coherent realty services program, increasing disposal capacity, developing a master plan for systematic, responsible asset management, and improving financial discipline.

PBS's real property management and related activities are financed through the Federal Buildings Fund (FBF). The FBF is an intragovernmental revolving fund that receives income from user charges set at commercially comparable rates, collected from customer agencies occupying GSA-controlled space. This request is organized and justified in the order of the five FBF responsibility segments that are consistent with the fiscal year 2004 PBS Performance Plan. These segments are briefly described below:

### PBS Building Operations

This segment describes building operating costs related to cleaning, maintenance, utilities, protection, staff support and associated measures.

### PBS Rental of Space

This segment describes the leasing of space to house tenants that cannot be accommodated in PBS's owned inventory and associated measures related to cost, cost recovery and customer satisfaction.

### PBS Construction and Acquisition of Facilities

This segment describes efforts related to the acquisition of new space through construction or purchase and measures related to the cost effective and efficient delivery of new space buildings.

### PBS Repairs and Alterations

This segment describes efforts related to the repairs and alterations of space, infrastructure rehabilitation and measures related to the impact on the Federal Buildings Fund.

### PBS Financial Management

This segment describes income sources to the FBF, the ability of the fund to generate a contribution for capital investment, and associated measures.

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Strategic Direction

### **Results of OMB's Program Assessment - Asset Management of Federally-Owned Real Property**

In fiscal year 2002, OMB evaluated PBS's asset management of Federally-owned real property using the Program Assessment Rating Tool (PART). The results of that analysis indicate that PBS displays solid management of Federally-owned property by holding its senior managers and associates accountable for performance. PBS has solid annual performance measures, many of which are based on private sector benchmarks. In addition, PBS met the majority of its annual performance targets for asset management of Federally-owned property in fiscal years 2001 and 2002.

An overall weighted PART score of only 58% also indicates, however, the need for PBS to develop and strengthen a longer-term vision for managing Federally-owned real property. In response to these findings, PBS will:

- ✓ Develop long-term, measurable goals that assess the performance of the program.
- ✓ Develop annual stretch goals that are linked to the achievement of long-term goals.
- ✓ Continue efforts to assess the condition (financial and physical) of existing inventory and to restructure the real estate portfolio to consist primarily of income-producing properties.

PBS has developed two new measures to assess improved asset management and utilization, both of which will be reflective of PBS's success with its strategy to focus limited resources on performing assets:

Percentage of government-owned assets achieving positive Funds From Operations - PBS's annual goal is to have 87% of the inventory earning a positive FFO by the end of fiscal year 2004, with a long-term goal of 96% by the end of fiscal year 2007.

Percentage of government-owned assets with a Return on Investment of at least 6% - PBS's annual goal is to have 68% of the inventory earning at least a 6% return on investment by fiscal year 2004, with a long-term goal of 86% by the end of fiscal year 2007.

The findings of the PART analysis underscore the need for PBS's strategy for restructuring and reinvesting in the owned inventory. The fiscal year 2004 Repairs and Alterations budget is aligned with this strategy, whereby PBS is optimizing scarce reinvestment dollars by focusing on financially viable properties.

The Exhibit immediately following details the dollar links to the FBF Budget Activities by Responsibility Segment and associated Performance Goals.



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

**FY 2004 Budget Request/Performance Goals  
Budget Links  
(Dollars in thousands)**

<b>Performance Goal by Responsibility Segment:</b>	<b><u>Construction &amp; Acquisition</u></b>	<b><u>Repairs and Alterations</u></b>	<b><u>Rental of Space</u></b>	<b><u>Building Operations</u></b>	<b><u>Installment Acq. Pmts.</u></b>	<b><u>Total by Perf Goal</u></b>
Construction Projects on Schedule	376,303	-	-	32,065	-	408,368
Percent of Escalations Construction Projects	24,265	-	-	32,065	-	56,330
Customer Satisfaction - New buildings	-	-	-	-	-	-
New Buildings LEED Certified	-	-	-	-	-	-
<b>Construction and Acquisition</b>	<b>400,568</b>	<b>-</b>	<b>-</b>	<b>64,130</b>	<b>-</b>	<b>464,698</b>
R&A Projects on Schedule	-	537,862	-	32,065	-	569,927
Percent of Escalations R&A Projects	-	31,679	-	32,065	-	63,744
Reduce Environmental Risks	-	73,188	-	9,823	-	83,011
<b>Repairs and Alterations</b>	<b>-</b>	<b>642,729</b>	<b>-</b>	<b>73,953</b>	<b>-</b>	<b>716,682</b>
New Leased Space Below Market	-	-	319,651	55,577	-	375,228
Customer Satisfaction - Leased	-	-	-	-	-	-
Customer Satisfaction - Realty Services	-	-	-	-	-	-
Productivity - Realty Services	-	-	-	-	-	-
<b>Rental of Space</b>	<b>-</b>	<b>-</b>	<b>319,651</b>	<b>55,577</b>	<b>-</b>	<b>375,228</b>

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

**FY 2004 Budget Request/Performance Goals  
Budget Links  
(Dollars in thousands)**

<b>Performance Goal by Responsibility Segment:</b>	<b><u>Construction &amp; Acquisition</u></b>	<b><u>Repairs and Alterations</u></b>	<b><u>Rental of Space</u></b>	<b><u>Building Operations</u></b>	<b><u>Installment Acq. Pmts.</u></b>	<b><u>Total by Perf Goal</u></b>
Customer Satisfaction - Ordering Official	-	-	-	-	-	-
Customer Satisfaction - Tenants Owned Space	-	-	-	-	-	-
Cleaning Costs in Office Space	-	-	-	248,635	-	248,635
Maintenance Costs in Office Space	-	-	-	286,079	-	286,079
Utility Costs in Office Space	-	-	-	342,448	-	342,448
% reduction in energy consumption	-	5,000	-	3,561	-	8,561
Gallup Q-12 Survey Results	-	-	-	-	-	-
<b>Building Operations</b>	-	<b>5,000</b>	-	<b>880,723</b>	-	<b>885,723</b>
Potential Revenue	-	365,000	-	4,116	-	369,116
Funds from Operations	-	-	-	74,797	-	74,797
% of Non-Revenue Producing Space	-	-	-	-	-	-
Return on Investment	-	-	-	-	-	-
% of Gov't Owned Assets with Positive FFO	-	-	-	-	-	-
<b>Financial Management</b>	-	<b>365,000</b>	-	<b>78,913</b>	-	<b>443,913</b>

**General Services Administration  
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FEDERAL BUILDINGS FUND**

**FY 2004 Budget Request/Performance Goals  
Budget Links  
(Dollars in thousands)**

Performance Goal by Responsibility Segment:	<u>Construction &amp; Acquisition</u>	<u>Repairs and Alterations</u>	<u>Rental of Space</u>	<u>Building Operations</u>	<u>Installment Acq. Pmts.</u>	<u>Total by Perf Goal</u>
<b>Subtotal - Budget Links to Goals</b>	<b>400,568</b>	<b>1,012,729</b>	<b>319,651</b>	<b>1,153,296</b>	<b>-</b>	<b>2,886,244</b>
Non-discretionary activities	-	-	3,371,460	105,865	169,745	3,647,070
Not assigned to measures	-	-	-	349,547	-	349,547
<b>FY 2004 NOA Request</b>	<b>400,568</b>	<b>1,012,729</b>	<b>3,691,111</b> 1/	<b>1,608,708</b>	<b>169,745</b>	<b>6,882,861</b>
LEED - Leadership in Energy and Environmental Design		1/ FY 2004 NOA	<b>3,388,187</b>			
FFO - Funds from Operations		Indefinite Authority	<u>302,924</u>			
			3,691,111			

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## FY 2004 Performance Plan By Responsibility Segment

### **Responsibility Segment: Construction and Acquisition**

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

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.

The construction program of special purpose and unique facilities provides customers with quality workspace that has been built specifically for their individual requirements. PBS has a commitment to project and relationship management in order to provide facilities that maximize customers' productivity.

The Construction and Acquisition of Facilities program links Budget to Performance Measures with goals for the timely completion of construction projects (On Schedule), certification by Leadership in Energy and Environmental Design (LEED), minimizing cost overruns (On Budget),

and meeting customer needs. With the increased emphasis on performance measurement, PBS is focused on improving construction project management with more accurate project plans and cost estimates. PBS concentrates on the financial aspects of prospectus projects in order to operate efficiently and effectively and provide best value to the taxpayer.

PBS manages the capital program within the budgets provided by Congress. Projects are considered to be within budget until PBS escalates or requests a reprogramming/additional appropriation that raises the project cost above the original appropriation amount. For fiscal year 2004, our performance goal is to reduce escalations to 3 percent of the total construction budget.

PBS has made considerable improvements in the execution of its construction program with significant decreases in delays. The PBS strategy for meeting the project schedule includes improving contact and communication with customers for their changing needs and customer satisfaction. We will limit project changes that cause delays by obtaining up-front commitments from client agencies on scope, schedules, and costs. For fiscal year 2004, our performance goal is to complete 84 percent of the projects on time.

PBS achieves and maintains a high level of customer satisfaction with tenants in newly constructed buildings by providing quality products and services at competitive prices, while achieving significant savings

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## FY 2004 Performance Plan By Responsibility Segment

for Federal agencies and providing best value. For fiscal year 2004, our performance goal is a 90 percent tenant satisfaction rate in newly constructed buildings.

For fiscal year 2004, our performance goal is to have 100 percent of the newly constructed buildings LEED certified. LEED is a self-assessing system designed for rating new and existing commercial, institutional and high-rise residential buildings. It evaluates environmental performance from a “whole building” perspective over a building’s life cycle, and provides a definitive standard for what constitutes a green building.

New Obligational Authority in the amount of \$400,568 thousand is requested for fiscal year 2004. New Construction projects include \$146,451 thousand for construction of the second U.S. Census Bureau facility at the Suitland, Maryland Federal Center and \$58,080 thousand for construction of a new facility for the Federal Bureau of Investigation’s field office in Houston, TX.

PBS requests \$186,037 thousand for eight new U.S. Border Stations. 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 agencies, which include the U.S. Customs Service, the Immigration and Naturalization Service, the U.S. Department of Agriculture, and the Food and Drug Administration. Improved security of borders is a major homeland security initiative.

PBS requests \$10,000 thousand for the Nonprospectus Construction Program. This program funds small construction projects that are below the prospectus level of \$2,290 thousand. PBS uses these funds to purchase small parcels of land and to construct small buildings such as childcare centers, storage buildings, and ancillary buildings at border stations.

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

**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Construction and Acquisition of Facilities**

**GSA Strategic Goal: Operate Efficiently and Effectively**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 △
			03	04	
Reduce the cost escalation rate for construction projects to 3%.	Percent of Escalations on Construction Projects	7.0%	4%	3%	-1%
<b>Budget Links</b>					
<b>Total</b>		<b>\$56,332</b>	<b>\$60,108</b>	<b>\$56,330</b>	<b>(\$3,778)</b>
<i>New Construction</i>		\$26,514	\$28,629	\$24,265	(\$4,364)
<i>Building Operations</i>		\$29,818	\$31,479	\$32,065	\$586
<b>Strategies</b>					
Improve contact and communication with customers for their changing needs and customer satisfaction. Major emphasis on meeting the project schedule.					
Limit project changes that cause delays and increase costs by obtaining up-front commitments from client agencies on scope, schedules, and costs.					

General Services Administration  
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PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)

PBS Responsibility Segment: Construction and Acquisition of Facilities

GSA Strategic Goal: Operate Efficiently and Effectively

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 △
			03	04	
Improve the percentage of construction projects on schedule to 84%.	Construction Projects On Schedule	78%	80%	84%	4%
<b>Budget Links</b>					
<i>Total</i>		<b>\$679,817</b>	<b>\$560,008</b>	<b>\$408,368</b>	<b>(\$151,640)</b>
<i>New Construction</i>		\$649,999	\$528,530	\$376,303	(\$152,227)
<i>Building Operations</i>		\$29,818	\$31,478	\$32,065	\$587
<b>Strategies</b>					
Improve contact and communication with customers.					

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

**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Construction and Acquisition of Facilities**

**GSA Strategic Goal: Provide Best Value for Customer Agencies and Taxpayers**

Annual FY 2004 Performance Goal	Performance Measure	Targets			03-04
		02	03	04	▲
Maintain a 90% tenant satisfaction rating in newly constructed buildings.	Customer Satisfaction - Tenants in Newly Constructed Buildings	90%	90%	90%	0%
<b>Budget Links</b>					
Data not presently available.					
<b>Strategies</b>					
Utilize customer satisfaction action plan training at the field and regional office levels to target problem areas within individual buildings and discuss tactics that can be employed to improve scores.					
Encourage building managers and project managers whose buildings have high customer satisfaction scores to share those business practices that have helped attain these high scores with other managers nationwide.					
Use focus groups, at the building level, to better understand what is needed to improve customer satisfaction.					



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

**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Construction and Acquisition of Facilities**

**GSA Strategic Goal: Operate Efficiently and Effectively**

Annual FY 2004 Performance Goal	Performance Measure	Targets			03-04
		02	03	04	△
All new buildings to be "LEED" certified	LEED Certified Buildings	Project Initiated	100% of new projects	100% of new projects	0%
<b>Budget Links</b>					
None					
<b>Strategies</b>					
Adopt LEED certification standards developed by the U.S. Green Building Council (USGBC). These standards rate a building's design and efficiency in terms of site, water use, energy consumption, material use and indoor environmental quality.					
Register new buildings for LEED certification with the USGBC at start of project.					
Design building with LEED certification as an objective. Document construction process to assemble data required for USGBC submission.					

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

**CONSTRUCTION AND ACQUISITION OF FACILITIES  
SUMMARY OF FY 2004 PROGRAM  
(Dollars in Thousands)  
IN PRIORITY ORDER**

	<u>ESTIMATED TOTAL PROJECT COST</u>					<u>FY 2004 REQUEST</u>				
	<u>SITE</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&amp;I</u>	<u>TOTAL</u>	<u>SITE</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&amp;I</u>	<u>TOTAL</u>
Suitland, MD, U.S. Census Bureau.....	-	8,187	138,672	7,779	154,638	-	-	138,672	7,779	146,451
Jackman, ME, BS.....	500	1,595	14,234	1,445	17,774	-	-	6,267	1,445	7,712
Detroit, MI, Ambassador Bridge, BS.....	7,531	1,939	23,535	1,852	34,857	-	-	23,535	1,852	25,387
Blaine, WA, BS.....	7,060	2,752	29,446	2,672	41,930	7,060	2,752	-	-	9,812
Del Rio, TX, BS.....	-	1,869	21,640	2,326	25,835	-	-	21,640	2,326	23,966
Eagle Pass, TX, BS.....	-	2,256	28,735	3,245	34,236	-	-	28,735	3,245	31,980
San Diego, CA, BS.....	25,630	8,581	128,450	6,109	168,770	25,630	8,581	-	-	34,211
McAllen, TX, BS.....	-	2,375	13,872	1,691	17,938	-	2,375	13,872	1,691	17,938
Champlain, NY, BS.....	409	3,391	32,512	2,519	38,831	-	-	32,512	2,519	35,031
Houston, TX, FBI.....	2,737	3,531	54,672	3,408	64,348	-	-	54,672	3,408	58,080
Nonprospectus Program.....	-	-	10,000	-	10,000	-	-	10,000	-	10,000
<b>Total, Construction and Acquisition of Facilities Program.....</b>	<b>43,867</b>	<b>36,476</b>	<b>495,768</b>	<b>33,046</b>	<b>609,157</b>	<b>32,690</b>	<b>13,708</b>	<b>329,905</b>	<b>24,265</b>	<b>400,568</b>

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Construction and Acquisition of Facilities Project Descriptions

### CALIFORNIA

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**San Diego – Border Station.....\$34,211,000**

The General Services Administration proposes the reconfiguration and expansion of the San Ysidro Port of Entry in San Diego County, CA, to accommodate increasing traffic volumes, correct safety deficiencies, and provide adequate conditions for agencies to conduct their inspection mission as mandated by Congress. The project will expand the port of entry by 17.5 acres to consolidate government ownership of the site. The new facility will provide a total of 205,000 gross square feet and 400 to 500 outside parking spaces.

Work involves demolition of this port of entry (POE), including the primary and secondary inspection areas, headhouses, and agency office spaces. Reconstruction work includes the widening of the northbound lanes, installation of up to 50 northbound primary inspection booths, construction of a new headhouse with a secondary inspection area with overhead canopies, and construction of new administrative office space for the inspection agencies. In addition, a new southbound inspection facility will be constructed; this facility is anticipated to be a smaller version of a northbound facility, complete with primary and secondary inspection facilities and agency office space.

This POE into the United States is the busiest land port of entry in the world, accommodating approximately 50,000 vehicles and 18,000 pedestrians per day through the facility. The northbound vehicle wait-times at the Port are routinely 45 minutes and can reach up to two hours in length during peak traffic times.

The existing POE is insufficient in both space and design to handle the increasing pedestrian and vehicular traffic moving through this facility. Consequently, it has come under increased stress and is no longer able to fully support the operational needs of the tenant inspection agencies. Despite several major renovation projects, the interior space layout of the main building is problematic and illogical. In addition, the 30-year-old structures do not comply with current seismic codes and safety codes.

This request is for site (\$25,630 thousand) and design (\$8,581 thousand). Construction (\$128,450 thousand) and management and inspection (\$6,109

thousand) will be requested in a future fiscal year. The estimated total project cost is \$168,770 thousand.

### MAINE

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**Jackman – Border Station.....\$7,712,000**

The General Services Administration requests additional funding for the U.S. Border Station to be constructed in Jackman, ME. The events of September 11, 2001, have greatly impacted the missions, operations and space requirements of U.S. Inspection Agencies at border crossings.

The present facility at Jackman, ME 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 6.3 acres of land, using the site of the existing station that will be demolished, infill of a portion of the existing government owned site plus land to be acquired. 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.

The events of September 11, 2001, have caused U.S. Inspection agencies to shift their mission focus on increased counter terrorism efforts. These increased efforts have significantly altered the agencies' operational and functional space requirements at border crossings. In particular, the U.S. Department of Agriculture, Animal Plant Health Inspection Service (APHIS) now has a requirement for a significantly larger program at the Jackman port of entry. The original project included only a small office/lab operation for APHIS. Since the events of September 11, 2001, APHIS' requirements now include a much larger laboratory facility, two commercial inspection bays; a kennel; an incinerator and trash area, and office and storage areas to accommodate a staff of eight employees. Moreover, APHIS' increased space needs at this location will severely impact the project site, which at 2.3 acres, is already undersized and severely constrained. As a result of this extremely constrained site, the cost of site preparation and associated work increased.

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Construction and Acquisition of Facilities Project Descriptions

### MAINE - continued

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#### Jackman – Border Station - continued

In addition to the APHIS requirements, the Immigration and Naturalization Service and U.S. Customs program has also expanded to include an additional outbound inspection lane, the expansion of the commercial inspection facility from four bays to eight, an additional agency vehicle garage plus more office areas to accommodate a larger than anticipated staff.

The original project scope was funded as follows: design (\$868 thousand) was appropriated in fiscal year 2002 and construction (\$7,967 thousand) is pending fiscal year 2003 appropriation action. Because of the change in scope required and to the keep the proposed project on schedule to meet client mission requirements, additional site acquisition (\$500 thousand) and design (\$727 thousand) funds are also pending fiscal year 2003 appropriation. This request is for the balance of construction (\$6,267 thousand) and management and inspection (\$1,445 thousand). The estimated total project cost is \$17,774 thousand.

### MARYLAND

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#### Suitland – U.S. Census Bureau.....\$146,451,000

The General Services Administration proposes to construct a second facility for the Department of Commerce, Bureau of the Census (Census) located at the Suitland Federal Center (SFC) in Suitland, MD and to demolish the Federal Office Building 4 (FOB 4) and the Federal Office Building 3 (FOB 3). The proposed second building at the SFC will total 730,000 gross square feet and house an 864-space structured parking garage to complete the Census consolidation plan. The proposed project represents phase two of an overall plan to provide a new headquarters facility for Census employees, currently located in FOB 3, FOB 4, Suitland Federal Center 2 (SFC 2), and various leased locations near Suitland.

The FOB 4 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. Similar problems exist in SFC 2 and FOB 3.

Construction is the most expeditious and cost-effective solution to housing the Census. Construction of a new facility to house Census employees currently located in FOB 4 will provide relief from building contamination and other workplace problems, before the next Decennial Census in 2010. Construction will also eliminate the need for leased swing space associated with a renovation, thereby reducing the cost of the project.

Funding for design (\$8,187 thousand) was transferred from Census in fiscal year 2002 as part of the cost of the first building project. This request is for construction (\$138,672 thousand) and management and inspection (\$7,779 thousand). The estimated total project cost is \$154,638 thousand.

### MICHIGAN

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#### Detroit – Ambassador Bridge Border Station.....\$25,387,000

The General Services Administration proposes the expansion of the Ambassador Bridge Cargo Inspection Facility, Detroit, MI. The facility is 27,276 gross square feet with 75 commercial truck spaces and house 40 employees. GSA proposes to acquire ten acres of land, renovate the existing building and construct a 23,500 gross square foot addition, and increase parking. This project will expand the facility to 50,776 gross square feet and provide a total of 80 employee parking spaces and 150 commercial truck parking spaces.

The facility is the busiest commercial border crossing in North America. The border station processes over 7,000 trucks per day, although the border station was originally designed to accommodate only 2,000 trucks per day. This occurs

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Construction and Acquisition of Facilities Project Descriptions

### **MICHIGAN - continued**

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#### **Detroit – Ambassador Bridge Border Station – continued**

from a combination of insufficient traffic lanes, poor stacking, inadequate truck parking, too few inspection booths and overloaded custom broker facilities. The extremely long processing times are causing the compound to experience gridlock.

Site acquisition (\$7,531 thousand) and design (\$1,939 thousand) were funded in fiscal year 2002. This request is for construction (\$23,535 thousand) and management and inspection (\$1,852 thousand). The estimated total project cost is \$34,857 thousand.

### **NEW YORK**

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#### **Champlain – Border Station.....\$35,031,000**

The General Services Administration proposes the modernization and expansion of the border station in Champlain, NY. The existing facility, which is over 30 years old, is functionally obsolete and can no longer safely process the current high volume of traffic. The new facility will expand over 25 acres adjacent to the existing facility and provide 72,612 gross square feet and provide 510 outside parking spaces.

GSA proposes the expansion of the existing facility. The major components of the project include: a new, relocated and expanded commercial vehicle queuing, parking and inspection area on portions of currently owned land and on land to be acquired along the western edge of the existing border station; eight new primary cargo inspection lanes with booths and canopies for commercial traffic; a new secondary inspection warehouse and office building for commercial cargo and Infrastructure for the customs brokers' prefab offices; a new cargo x-ray facility; the enclosure of five secondary auto inspection bays; the relocation and construction of a new export control building; range and vehicle impound area, each with small service buildings.

This station ranks sixth nationwide in the number of commercial vehicles inspected. The proposed project will alleviate the current situation in which truck traffic routinely backs up three to five miles into Canada, creating severe traffic hazards and significant air pollution. The rapid growth in commercial truck and bus traffic has created unsafe conditions on the highway that enters the station from Canada.

Design (\$500 thousand) was funded in fiscal year 2000 through TEA-21 Legislation. Design (\$2,800 thousand) was transferred from Department of Transportation (PL 106-345) in fiscal year 2001. Site (\$409 thousand) and additional design (\$91 thousand) was appropriated in fiscal year 2002. This request is for construction (\$32,512 thousand) and management and inspection (\$2,519 thousand). The total estimated project cost is \$38,831 thousand.

### **TEXAS**

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#### **Del Rio - Border Station.....\$23,966,000**

The General Services Administration proposes the construction of Phase III of the Border Station located in Del Rio, TX. This will expand the building to an 110,560 gross square foot (gsf) facility. This expansion includes a 22,594 gsf main administration building; eight primary and 24 secondary vehicle inspection lanes; a 2,479 gsf secondary inspection building; four primary commercial inspection lanes; 15 additional import dock spaces; exit control facilities; line release facilities; 3,038 gsf of kennel space and 744 gsf narcotics storage vault.

Currently, the main administration building at this port is 34 years old and has never benefited from significant renovation. The tenant's space needs have increased and can no longer be accommodated by this building. Also, the building has experienced significant storm damage due to the tropical storm, Charley, in August 1998. Expansion requirements along with storm damage require replacement of this structure. The additional lanes and pedestrian processing area will reduce wait times for crossing the border and allow for the introduction of new technology that facilitates cross border movement. Traffic in this area steadily increasing, making necessary the additional lanes and facilities proposed.

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Construction and Acquisition of Facilities Project Descriptions

### TEXAS - continued

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#### Del Rio - Border Station – continued

Design (\$1,869 thousand) was funded in fiscal year 2002. This request is for construction (\$21,640 thousand) and management and inspection (\$2,326 thousand). The estimated total project cost is \$25,835 thousand.

#### Eagle Pass – Border Station.....\$31,980,000

The General Services Administration proposes the construction of a border station facility in Eagle Pass, TX, to replace temporary border station inspection lanes, a temporary import dock, and other temporary border station functions. The new facility will provide a total of 153,950 gross square feet and 130 outside parking spaces.

Construction of a second bridge was recently completed between the cities of Eagle Pass, TX, and Piedras Negras, Coahuila. Permanent Government-owned facilities are needed at the new bridge to replace the temporary facilities currently provided by the city of Eagle Pass. Truck traffic that currently travels through downtown Eagle Pass will be rerouted to the new bridge. The temporary facilities are inadequate to handle the increased volume of traffic. This second crossing will help alleviate traffic congestion in the downtown areas of both cities as well as enable the Federal Inspection Service agencies to process the three types of traffic more quickly. The Immigration and Naturalization Service will soon implement its Entry/Exit Program, and the new border station may be used in conjunction with this initiative.

Design (\$2,256 thousand) was appropriated in fiscal year 2002. This request is for construction (\$28,735 thousand) and management and inspection (\$3,245 thousand). The estimated total project cost is \$34,236 thousand.

#### Houston – Federal Bureau of Investigation.....\$58,080,000

The General Services Administration proposes construction of a 394,750 gross square foot (gsf) facility, including 345 inside and 50 outside secured parking

spaces, and 400 code required additional surface parking spaces, for the Federal Bureau of Investigation's (FBI) Field Office, Houston, TX.

The existing FBI leased office building has a long history of structural problems and inadequate floor loading capacity for the operational needs of the FBI. It has glass curtain wall construction, does not provide sufficient setback from adjacent surrounding streets, and does not feature progressive collapse prevention design or construction. The central open atrium of the existing leased building is inefficient and is highly restrictive as to layout and space utilization potential. These current lease location issues cannot be resolved sufficiently to meet current FBI security and blast protection needs, nor does the building lend itself to efficient layout or utilization of space.

The new facility meets current standards for federal construction along with the most current standards of the FBI. In addition, the Automotive and Radio Maintenance Facility will be housed on the same property with the main building, which will increase efficiency in operations.

Site (\$2,737 thousand) and design (\$3,531 thousand) was appropriated in fiscal year 2002. This request is for construction (\$54,672 thousand) and management and inspection (\$3,408 thousand). The estimated total project cost is \$64,348 thousand.

#### McAllen –Border Station.....\$17,938,000

The General Services Administration proposes the design and construction of the Anzalduas Border Station, McAllen, TX, which will provide 64,785 gross square feet and 162 outside parking spaces. The proposed project is for construction of permanent border station facilities to support the Anzalduas Bridge. The proposed border station will include an administration building; non-commercial inspection facilities, including for primary northbound lanes for private vehicles, a dedicated lane for northbound buses, 12 lanes for secondary inspection, and headhouse; an export dock with associated offices; a kennel; and associated site work and paving.

The proposed border station will relieve border congestion, particularly at Hidalgo and also at Pharr, and is needed to assist the Federal Inspection Service (FIS)

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Construction and Acquisition of Facilities Project Descriptions

### TEXAS - continued

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#### McAllen – Border Station - continued

agencies in fulfilling their mission. The border station will be strategically located, allowing a significant portion of the international traffic to flow into the U.S. without encountering the growing congestion occurring on the Reynosa urban street system.

The passage of The North American Free Trade Agreement (NAFTA) has contributed to making the McAllen/Hidalgo/Mission area one of the fastest growing areas in the country, thus increasing traffic along the U.S./Mexico border. Additionally, Reynosa is one of the most successful cities along the northern Mexico frontier in attracting new Maquiladora plants. The existing Hidalgo-Reynosa International Crossing is now heavily congested on any average business day, with regular users of the bridge expressing concern about increasing delays and inconvenience. Maintaining the status quo will result in further congestion at the border.

The Anzalduas crossing will be strategically located to the west of Reynosa, allowing a significant portion of the international traffic to flow into the U.S. without encountering the growing congestion occurring on the Reynosa urban street system. Furthermore, tighter immigration policies and increased drug enforcement policies have contributed to the workload increases at all existing ports of entry. The proposed Anzalduas Border Station will relieve border congestion, particularly at Hidalgo and also at Pharr, and is needed to assist the FIS agencies in fulfilling their missions. Additionally, the Presidential Permit donating the site stipulates that the border station be operational by 2005.

This request is for design (\$2,375 thousand), construction (\$13,872 thousand), and management and inspection (\$1,691 thousand). The estimated total project cost is \$17,938 thousand.

### WASHINGTON

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#### Blaine – Border Station.....\$9,812,000

The General Services Administration (GSA) proposes to replace the Border Station in Blaine, WA that was originally built in 1976. The port operates as a non-commercial 24 hour a day, seven day a week port processing automobile, recreational vehicles, bicycles and pedestrians.

The existing port is functionally and operationally obsolete. The facility is too small and does not meet Immigration and Naturalization Service, U.S. Customs Service, U.S. Department of Agriculture, and Animal Plant Health Inspection Service-Plant Protection and Quarantine current or future requirements in terms of size, efficiency, safety or security. Overcrowding in the inspection area and in the lobby areas impose serious safety hazards for travelers and the inspection officers.

The facility does not meet current building codes, has obsolescent mechanical, electrical, and fire and life safety systems. The Port of Entry lacks adequate parking, maneuvering areas and a clear and well-defined traffic pattern for visitors, and employee parking. There is no secure parking for impounded vehicles. Also, there are no detention cells. The lack of a secured location is hampering the safe execution of a major component of the USCS mission.

This request is for site (\$7,060 thousand) and design (\$2,752 thousand). Construction (\$29,446 thousand) and management and inspection (\$ 2,672 thousand) will be requested in a future fiscal year. The estimated total project cost is \$41,930 thousand.

### NATIONWIDE

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#### Nonprospectus Construction.....\$10,000,000

Funds in the amount of \$10,000 thousand are requested for the development of projects below the \$2,290 thousand prospectus threshold. Nonprospectus funds

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

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**Construction and Acquisition of Facilities  
Project Descriptions**

**NATIONWIDE – continued**

**Nonprospectus Construction - continued**

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

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## FY 2004 Performance Plan By Responsibility Segment

### Responsibility Segment: Repairs and Alterations

Repairs and Alterations include Basic (below prospectus threshold of \$2,290 thousand) and Major (above prospectus threshold) Repairs and Alterations. The Basic program utilizes performance data in the budget planning and allocation processes to reduce Non-Revenue Producing Space and to dedicate investment dollars to buildings according to their highest and best use. By investing in buildings using return on investment criteria, PBS is creating a portfolio of financially self-supporting assets while simultaneously meeting client agency space requirements.

The Major Repairs and Alterations (R&A) program funds modernization and space alteration projects and repairs to existing buildings. Repairs include significant repairs intended to replace and upgrade outmoded and deteriorated building systems such as heating, ventilation, air conditioning, plumbing, electrical, and elevators; improve fire safety, exterior structures, health, environmental and other special program needs.

Potential investments are ranked through a decision-making methodology that evaluates project objectives and alternatives with attention to the GSA strategic goals.

Completing projects on time is essential for customer satisfaction, cost control and income optimization. PBS's goal is to increase the percentage of projects completed

on time to 84% in fiscal year 2004. By concentrating on the financial aspects of prospectus projects, PBS helps to ensure that it is completing projects on time and that taxpayers are getting the best value. The percentage of projects on schedule performance measure targets improved quality control of project management through better planning. Project changes that cause delays can be limited by obtaining up-front commitments from client agencies on scope, schedules, and costs.

Repair and alteration projects are considered within budget until PBS escalates, or requests a reprogramming/additional appropriation that raises total project cost above the original appropriation amount. PBS's goal is to reduce the cost escalation rate for repair and alteration projects to 1%, ensuring best value for the taxpayer. In order to accomplish this goal, PBS will limit project changes that cause delays and increase costs by obtaining up-front commitments from client agencies on scope, schedules, and costs.

PBS is committed to providing consistent levels of quality space and services that meet the mission-related needs and expectations of client agencies housed in owned capital assets. 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.

PBS strives to maintain tenant continuity by keeping our building inventory in the proper state of repair. Modern buildings enable PBS to charge market-comparable

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## FY 2004 Performance Plan By Responsibility Segment

rental rates sufficient to permit needed reinvestment in these assets over their life cycles.

Best value to the taxpayer is also demonstrated by PBS's commitments to house as many agencies as possible in Government-owned buildings and to provide modern workplaces for the Federal workforce. In addition to financial considerations, the impact of social and economic factors on local communities is also a consideration in making long-term 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 workspaces for Federal agencies. When it is in the best financial interest of the Federal Government not to maintain an asset, we make arrangements to dispose of the property.

PBS is responsible for providing workplaces that are environmentally healthy, safe, and in compliance with federal, state, and local environmental and safety laws and regulations. The Environmental Risk Index goal measures environmental risks in selected federal facilities. All PBS properties must address routine, recurring environmental and safety issues such as unsafe drinking water, underground storage tank leakage, stack emissions, asbestos contamination, lead-based paint and client agency activities. Through the process of identifying and prioritizing environmental risks, PBS will ensure that budgets for major repair and

alteration projects include sufficient funds to remediate environmental risks.

PBS requests \$1,012,729 thousand in new obligational authority for fiscal year 2004 categorized as follows:

- Basic Program (below prospectus level threshold of \$2,290 thousand) - \$365,000 thousand
- Limited Scope Program (prospectus level) - \$105,912 thousand
- Full Scope R&A (prospectus level) - \$477,080 thousand
- Chlorofluorocarbons Program - \$5,000 thousand
- Energy Program - \$5,000 thousand
- Glass Fragmentation Program – \$20,000 thousand
- Design Program - \$34,737 thousand

### Basic Program

The basic program is designed to ensure operational continuity of assets in GSA's portfolio. The basic program includes work in buildings below the prospectus threshold of \$2,290 thousand for basic repairs, health and life safety, vacant space recapture, and other 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.

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## FY 2004 Performance Plan By Responsibility Segment

### Limited Scope Program

For fiscal year 2004, this program consists of four major reinvestments in building systems to preserve the functionality and value of the buildings. PBS carefully evaluates the cost-effectiveness of these Limited Scope projects before they are included in our annual Capital Investment Plan. These limited scope projects include fire and life safety system replacement, HVAC and chiller replacement, and of repairs to exteriors causing safety hazards.

### Full Scope R&A

The Full Scope R&A Program consists of 11 modernization or alteration projects. Space alterations are made in some cases to recapture vacant space for planned future occupancy and in other instances to remodel space for existing building tenants. These reinvestments are required to keep building systems and technologies current.

### Chlorofluorocarbons (CFC) Program

PBS requests \$5,000 thousand for the CFC program. Investment in the CFC Program is required to advance the three program goals:

1. Reduce CFCs in the environment.
2. Prudently replace older, less efficient CFC chiller systems.
3. Reduce operating expenses.

### Energy Program

Executive Order 12902 amends the Energy Policy Act of 1992 and requires Federal agencies to reduce energy consumption by 30 percent by fiscal year 2005 from the 1985 base year. To meet this initiative, PBS must invest in projects with significant energy savings. This request will provide \$5,000 thousand for the implementation of energy retrofit and conservation measures in Government-owned buildings during fiscal year 2004. The projects to be funded will have savings-to-investment ratios greater than one, and will provide reasonable payback periods that average five years.

### Glass Fragmentation Program

The Glass Fragmentation Program will allow continued installation of window protection recommended by the Department of Justice's "Vulnerability Assessment of Federal Facilities." Funding 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. To achieve this measure PBS plans to request \$20,000 thousand to reduce threats to federal facilities.

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

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**FY 2004 Performance Plan By Responsibility Segment**

**Design Program**

The Design Program will fund designs for 12 proposed projects for major modernization, system replacement, life safety improvement, and the recapture of vacant space. The construction phase of these line item projects will be requested in future years.

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

**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Repairs and Alterations**

**GSA Strategic Goal: Operate Efficiently and Effectively**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 △
			03	04	
Improve the percentage of repair and alteration projects on schedule to 84% in FY 2004.	Repair and Alteration Projects On Schedule	87%	83%	84%	1%
<b>Budget Links</b>					
<b>Total</b>		<b>\$467,184</b>	<b>\$575,461</b>	<b>\$569,927</b>	<b>(\$5,534)</b>
<i>Repairs and Alterations</i>		<i>\$437,366</i>	<i>\$543,982</i>	<i>\$537,862</i>	<i>(\$6,120)</i>
<i>Building Operations</i>		<i>\$29,818</i>	<i>\$31,479</i>	<i>\$32,065</i>	<i>\$586</i>
<b>Strategies</b>					
Implement a web-based program to streamline GSA's building evaluation reports to improve operational efficiency by linking this program to GSA's work tracking system, IRIS (Inventory Reporting Information System) to eliminate double entry and improve data accuracy.					
Improve contact and communication with customers.					
Utilize in-house and contract repairs and alterations expertise to conduct project reviews.					

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

**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Repairs and Alterations**

**GSA Strategic Goal: Achieve Responsible Asset Management**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 △
			03	04	
Maintain the cost escalation rate for repair and alteration projects at 1%.	Percent of Escalations on Repair and Alteration Projects	3%	1%	1%	0%
<b>Budget Links</b>					
<b>Total</b>		<b>\$58,553</b>	<b>\$70,480</b>	<b>\$63,744</b>	<b>(\$6,736)</b>
<i>Repairs and Alterations</i>		\$28,735	\$39,001	\$31,679	(\$7,322)
<i>Building Operations</i>		\$29,818	\$31,479	\$32,065	\$586
<b>Strategies</b>					
Improve contact and communication with customers for their changing needs and customer satisfaction, with major emphasis on meeting the project schedule.					
Limit project changes that cause delays and increase costs by obtaining up-front commitments from client agencies on scope, schedules, and costs.					
Utilize in-house and contract repairs and alterations expertise to conduct project reviews.					

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

**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Repairs and Alterations**

**GSA Strategic Goal: Carry Out Social, Environmental, and Other Responsibilities as a Federal Government Agency**

Annual FY 2004 Performance Goal	Performance Measure	Targets			03-04
		02	03	04	△
Reduce environmental risks in selected federal facilities	Environmental Risk Index	---	Set Baseline	3%	n/a
<b>Budget Link</b>					
<b>Total</b>		<b>\$39,425</b>	<b>\$71,605</b>	<b>\$83,011</b>	<b>\$11,406</b>
<i>Repairs and Alterations</i>		\$29,829	\$61,924	\$73,188	\$11,264
<i>Building Operations</i>		\$9,596	\$9,681	\$9,823	\$142
<b>Strategies</b>					
Develop and implement an Environmental Risk Index that includes risk assessment/assignment criteria and definitions.					
Identify and prioritize environmental risks.					
Ensure that budgets for major repair and alteration projects include sufficient funds to remediate environmental risks.					

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

**REPAIRS AND ALTERATIONS  
SUMMARY OF FY 2004 PROGRAM  
(Dollars in Thousands)  
IN PRIORITY ORDER**

	<u>ESTIMATED TOTAL PROJECT COST</u>				<u>FY 2004 REQUEST</u>			
	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&amp;I</u>	<u>TOTAL</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&amp;I</u>	<u>TOTAL</u>
<b>Nonprospectus (Basic) Repairs and Alterations Program</b>	-	<b>365,000</b>	-	<b>365,000</b>	-	<b>365,000</b>	-	<b>365,000</b>
<b>Limited Scope Program</b>								
Washington, DC, (Multiple Buildings), Fire & Life Safety.....	6,109	56,930	5,149	68,188	6,109	56,930	5,149	68,188
Washington, DC, 320 First Street.....	1,265	13,846	634	15,745	543	6,631	311	7,485
Chicago, IL, Dirksen CT & Kluczynski Federal Building.....	1,614	20,980	1,462	24,056	1,614	20,980	1,462	24,056
Springfield, IL, Paul H. Findley FB-CT.....	539	5,661	522	6,722	-	5,661	522	6,183
<b>Subtotal, Limited Scope Program</b>	<b>9,527</b>	<b>97,417</b>	<b>7,767</b>	<b>114,711</b>	<b>8,266</b>	<b>90,202</b>	<b>7,444</b>	<b>105,912</b>
<b>Full Scope Repairs and Alterations</b>								
Washington, DC, Main Interior Building.....	10,772	190,265	19,228	220,265	2,792	11,786	1,025	15,603
Seattle, WA, Henry M. Jackson Federal Building.....	2,429	30,473	2,526	35,428	646	5,723	499	6,868
Washington, DC, Federal Office Building 8.....	10,062	126,080	6,491	142,633	2,301	126,080	6,491	134,872
Brooklyn, NY, Emanuel Celler CT.....	3,791	61,046	4,465	69,302	-	61,046	4,465	65,511
Denver, CO, Byron G. Rogers FB-CT.....	4,155	44,008	3,961	52,124	467	44,008	3,961	48,436
Atlanta, GA, Richard B. Russell Federal Building.....	2,917	29,586	2,587	35,090	-	29,586	2,587	32,173
Fargo, ND, Federal Building-Post Office.....	520	5,201	416	6,137	184	5,201	416	5,801
Boston, MA, John W. McCormack PO-CT.....	5,338	67,107	5,930	78,375	-	67,107	5,930	73,037
Auburn, WA, Building 7, Auburn Federal Building.....	1,134	16,943	1,372	19,449	-	16,943	1,372	18,315
Columbus, OH, John W. Bricker Federal Building.....	1,063	9,960	747	11,770	-	9,960	747	10,707
Washington, DC, Eisenhower Executive Office Building.....	7,500	63,531	3,900	74,931	-	63,531	2,226	65,757
<b>Subtotal, Full Scope Repairs and Alterations</b>	<b>49,681</b>	<b>644,200</b>	<b>51,623</b>	<b>745,504</b>	<b>6,390</b>	<b>440,971</b>	<b>29,719</b>	<b>477,080</b>
<b>Design Program</b> (see attached listing for specific projects).....	<b>59,066</b>	<b>754,331</b>	<b>50,876</b>	<b>864,273</b>	<b>34,737</b>	-	-	<b>34,737</b>
<b>Special Emphasis Programs</b>								
Glass Fragmentation Program.....	-	100,000	-	100,000	-	20,000	-	20,000
Energy Program (various locations).....	23,748	264,400	17,070	305,218	256	3,956	788	5,000
Chlorofluorocarbons Program (various locations) (Design/Build).....	7,350	700,000	24,290	731,640	256	3,956	788	5,000
<b>Subtotal, Special Emphasis Programs</b>	<b>31,098</b>	<b>1,064,400</b>	<b>41,360</b>	<b>1,136,858</b>	<b>512</b>	<b>27,912</b>	<b>1,576</b>	<b>30,000</b>
<b>Total Repairs and Alterations Program</b>	<b>149,372</b>	<b>2,925,348</b>	<b>151,626</b>	<b>3,226,346</b>	<b>49,905</b>	<b>924,085</b>	<b>38,739</b>	<b>1,012,729</b>



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

**REPAIRS AND ALTERATIONS  
SUMMARY OF FY 2004 DESIGN PROGRAM  
(Dollars in Thousands)  
IN PRIORITY ORDER**

	<u>ESTIMATED TOTAL PROJECT COST</u>				<u>FY 2004 REQUEST</u>			
	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&amp;I</u>	<u>TOTAL</u>	<u>DESIGN</u>	<u>CONSTRUCTION</u>	<u>M&amp;I</u>	<u>TOTAL</u>
<b>Design Program</b>								
Seattle, WA, William K. Nakamura CT.....	2,850	37,000	2,500	42,350	395	-	-	395
Washington, DC, Herbert C. Hoover Building.....	16,900	262,000	7,085	285,985	12,800	-	-	12,800
Washington, DC, Mary E. Switzer Building.....	8,720	94,448	6,835	110,003	944	-	-	944
Kansas City, MO, Bolling Federal Building.....	12,771	170,154	16,658	199,583	2,773	-	-	2,773
Des Moines, IA, Federal Building 210 Walnut Street.....	3,588	42,000	3,445	49,033	3,588	-	-	3,588
Portland, OR, Edith Green/Wendall Wyatt Federal Building.....	3,173	41,156	3,180	47,509	3,173	-	-	3,173
Tucson, AZ, James A. Walsh FB-CT.....	1,588	13,744	1,430	16,762	1,588	-	-	1,588
San Antonio, TX, PO-CT.....	2,909	28,744	3,494	35,147	2,909	-	-	2,909
St. Louis, MO, Federal Center - Building 102.....	1,193	11,000	1,024	13,217	1,193	-	-	1,193
Cleveland, OH, Anthony J. Celebrezze Federal Building.....	2,274	26,772	2,160	31,206	2,274	-	-	2,274
New Orleans, LA, Hale Boggs FB-CT.....	2,161	20,525	2,032	24,718	2,161	-	-	2,161
New Orleans, LA, John Minor Wisdom Court of Appeals.....	939	6,788	1,033	8,760	939	-	-	939
<b>Total Design Program</b>	<b>59,066</b>	<b>754,331</b>	<b>50,876</b>	<b>864,273</b>	<b>34,737</b>	<b>-</b>	<b>-</b>	<b>34,737</b>

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Repairs and Alterations FY 2004 Construction Phase Project Descriptions

### COLORADO

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#### Denver – Byron G. Rogers Federal Building – Courthouse.....\$48,436,000

The General Services Administration (GSA) proposes the modernization of the Byron G. Rogers U.S. Courthouse at 1961 Stout Street in Denver, CO for the U.S. District and Circuit Courts, and the U.S. Marshals, presently housed in the building. The project proposes alterations to the courthouse to improve mechanical systems and workspace operational performance and installation of seismic resistant connections and upgrading of the security system. Also, the project proposes the refurbishing of elevators and the installation of a freight elevator; strengthening part of the 4<sup>th</sup> floor structure to accommodate the library, upgrading of the electrical system components; improvement of the buildings exteriors; and the construction of a tunnel access in the court's sub-basement.

Asbestos and lead paint materials would pose a serious health risk to construction workers of this project and therefore must be removed prior to construction start. Court accessibility does not comply with the Americans With Disabilities Act standards. Fire alarm and sprinkler systems do not comply with current codes and are too inadequate to protect tenants in case of fire. Several building component connections are insufficient to resist material collapse during expected seismic activity. The building lacks emergency power for emergency systems operation.

Mechanical, electrical, and plumbing systems are outmoded, deteriorated, functionally inadequate from years of deferred maintenance and aging and require major repairs and/or replacement to provide for acceptable building operational performance. Prisoner circulation system is severely inadequate to meet court security standards. The building lacks a sally port to receive prisoners. Existing space is too operationally, functionally, and fashionably outdated to adequately meet tenants' modern workspace requirements, and consequently require alterations to meet tenants' needs.

Design (\$3,688 thousand) was appropriated in fiscal year 2002. This request is for additional design (\$467 thousand), construction (\$44,008 thousand), and management and inspection (\$3,961 thousand). The estimated total project cost is \$52,124 thousand.

### DISTRICT OF COLUMBIA

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#### 320 First Street.....\$7,485,000

The General Services Administration proposes additional funding for the 320 First Street Building in Washington, DC. The original project intended to replace all windows in the building; however, historic preservation concerns have turned the project from a replacement into a renovation. This prospectus proposes to renovate, including blast mitigation, the building's windows, replace HVAC system components and replace an existing chiller. Built as the headquarters of the Acacia Mutual Insurance Company in 1928, the Home Owners' Loan Corporation Building, located at 320 First Street, NW, Washington, DC, consists of 280,338 gross square feet (244,471 rentable square feet) with 39 outdoor parking spaces. This historic building currently houses employees of the Federal Bureau of Prisons and is used as the agency's national headquarters.

This project proposes to renovate the building's existing windows, which includes removal of widow caulking and lead based paint and installing interior blast resistant storm windows. An existing chiller will be replaced, including the installation of pumps and piping as needed to support the new chiller. The project will also replace poorly functioning HVAC system components.

The HVAC system components have exceeded their useful lives and are performing poorly. During times of peak load requirements, the cooling system must run for 20 hours per day to approach the GSA minimum air quality requirements, resulting in an extremely excessive use of energy. In addition, the long operating durations cause premature wear and tear on the building's mechanical systems. Replacing the components will preserve the existing HVAC system and associated supporting systems. Replacing system components will require some asbestos removal, temporary duct work, and a temporary air handling unit during the construction period.

Design (\$722 thousand), construction (\$7,215 thousand) and management and inspection (\$323 thousand) were funded for the original project in fiscal year 2002. This request is for the balance of the new project: design (\$543 thousand), construction (\$6,631 thousand) and management and inspection (\$311 thousand). The estimated total project cost is \$15,745 thousand.

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

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**Repairs and Alterations  
FY 2004 Construction Phase Project Descriptions**

**DISTRICT OF COLUMBIA - continued**

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**Federal Office Building 8.....\$134,872,000**

The General Services Administration proposes to renovate the Federal Office Building 8 located at 2nd & C Streets, SW, in Washington, DC. This project will renovate the entire existing structure, creating office space in a building that was designed for, and used as, research laboratories for the Food and Drug Administration.

The building systems, such as the electrical, plumbing and heating, ventilation and air conditioning are outdated and functionally obsolete. Upgrading these systems will improve building's operations, energy efficiency, and employee productivity.

The building does not include the necessary fire and life safety requirements currently demanded by code. Therefore, elevators and stairwells will be added to aide egress in the event of an emergency. A fire alarm and suppression system will be installed to comply with the Uniform Federal Accessibility Standards and the Americans With Disabilities Act.

Design (\$7,761 thousand) was appropriated in fiscal year 2002. This request is for additional design (\$2,301 thousand), construction (\$126,080 thousand), and management and inspection (\$6,491 thousand). The estimated total project cost is \$142,633 thousand.

**Eisenhower Executive Office Building.....\$65,757,000**

The General Services Administration (GSA) proposes to modernize the 17<sup>th</sup> Street portion of the Eisenhower Executive Office Building (EEOB) located at Pennsylvania Avenue and 17<sup>th</sup> Street, Washington, DC. GSA will renovate 191,000 gross square feet of space to house the Executive Office of the President (EOP). The primary mission of this proposed project is to enhance the level of protection of the EEOB occupants against potential explosive or ballistic threats, and to mitigate unsafe and unreliable conditions associated with certain building systems.

The EEOB was completed 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. The building currently houses approximately 1,494 employees of the Executive Office of the President, Office of the Vice President, Department of the Treasury, Department of Defense, and other agencies supporting the White House.

The major emphasis of this proposed project is to secure the 17th Street portion of the EEOB, currently unoccupied, against potential explosive threats. The mitigation measures toward security enhancements include replacement of existing windows with blast and ballistic resistant windows where needed, and structural upgrades for hardening of the mansard roof. Installing the high-security windows will require the removal of the 17th St. wing's window air conditioning units, so a central air-conditioning system will be installed for this wing. The mechanical work includes installation of air-handling units in the offices, associated piping system and new chillers.

The project also includes replacement of electrical distribution system, switchgear and transformers in this wing. The interior work will be performed to restore affected areas associated with the demolition of existing systems and installation of new distribution systems and equipment. Hazardous material abatement and containment will be performed where necessary. A utility vault in the North courtyard of the EEOB will be constructed to house new electrical switchgear, transformers, and chiller equipment that will service the 17th Street wing. The new service from the North court vault will be distributed via the basement and designated spaces on the fifth floor. GSA plans to utilize existing vertical chases to extend utilities services between floors.

In fiscal year 2002, the Emergency Response Fund provided \$1,674 thousand for this project. Design (\$7,500 thousand) is pending fiscal year 2003 appropriation action. This request is for the construction phase (\$63,531 thousand) and the balance required for management and inspection (\$2,226 thousand). The estimated total project cost is \$74,931 thousand.

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

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**Repairs and Alterations  
FY 2004 Construction Phase Project Descriptions**

**DISTRICT OF COLUMBIA - continued**

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**Fire and Life Safety (Multiple Buildings).....\$68,188,000**

The General Services Administration proposes to renovate and/or replace fire and life safety systems in selected buildings in the Washington, DC area. These buildings are deficient in protecting personnel and property due to inadequate or non-functioning fire alarm, sprinkler and/or communications systems.

The project involves two types of life safety improvements. The first is providing complete automatic sprinkler systems in the following buildings: Wilbur J. Cohen, Forrestal, DOE Germantown, and Theodore Roosevelt. These buildings are required to have a complete sprinkler system in accordance with Nationally recognized building codes and GSA requirements. Sprinkler protection is the most economical and effective method to protect building occupants and the property in the event of a fire.

The second part of the project involves replacing the fire alarm systems in the following buildings: Wilbur J. Cohen and Forrestal. The replacement of the fire alarm and sprinkler system in the Forrestal building requires replacing the existing ceiling structure and lighting. The existing ceiling is a snap-in metal pan ceiling system, with lighting fixtures integrated into the system. Installing a fire alarm system would be very difficult with this type of system, therefore, a new ceiling and lighting structure will take place to accommodate the installation of the new alarm system. The fire alarm systems in these buildings do not meet model building codes or GSA requirements. They cannot be upgraded, as they are antiquated and no longer being supported by their manufacturers. Also they do not have an emergency communication component in the system. The new fire alarm systems will have voice communication so that agencies can use this system for other types of emergencies.

This request is for design (\$6,109 thousand), construction (\$56,930 thousand) and management and inspection (\$5,149 thousand). The estimated total project cost is \$68,188 thousand.

**Main Interior Building.....\$15,603,000**

The General Services Administration proposes to modernize the Department of the Interior's (DOI) main headquarters building located at 1849 C Street, NW, Washington, DC. The Main Interior Building, constructed in 1936 and listed on the National Register of Historic Places, is a seven-story, steel framed, fireproof structure constructed of granite and limestone. The building consists of a central spine with six transverse sections spaced evenly along either side of the spine. A windowless mechanical floor is located between the fifth and sixth floors. The building currently houses nine out of the eleven DOI bureaus, over 2,500 employees.

This project proposes a six-phase modernization in the Main Interior Building. The electrical, HVAC and plumbing systems will be replaced. A new sprinkler system will be installed and the fire alarm system upgraded to be compatible with the new sprinkler system. Additional stairways will be constructed to provide adequate egress in the event of an emergency. The restroom fixtures and finishes will be improved. The restrooms will be made handicapped accessible.

A new security system will be installed to focus on perimeter intrusion detection, entry access control and security-sensitive interior spaces. Exterior work such as pointing, cleaning and window improvements will be conducted, using historic preservation procedures. Blast resistant windows will be installed on the office side of the existing windows. The building's historically significant spaces and finishes will be restored and preserved, consistent with GSA and Historic Preservation policies and procedures.

The proposed modernization will improve building systems to conform to current health and safety standards, provide quality workspace, restore interior finishes and surfaces, waterproof the perimeter foundation and renovate historical features. Asbestos containing material and lead-based paint will be abated where disturbed. Historically significant features will be preserved and restored. The project also has the goal of obtaining a Leadership in Energy and Environmental Design designation.

Design (\$5,764 thousand) was funded in fiscal year 1994. Phase 1 (\$29,214 thousand) was funded in fiscal year 2000 (includes \$2,216 thousand for design).

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Repairs and Alterations FY 2004 Construction Phase Project Descriptions

### DISTRICT OF COLUMBIA - continued

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#### Main Interior Building – continued

Phase 2 (\$22,739 thousand) was funded in fiscal year 2002 (includes \$1,200 thousand for management and inspection). The project has been rescoped and shortfalls exist in Phase 1 and Phase 2. This request is for partial design (\$2,792 thousand) and the balance of Phase 2 construction (\$11,786 thousand) and management and inspection (\$1,025 thousand). The balance of funding for construction (\$129,942 thousand) and management and inspection (\$17,003 thousand) will be requested in future fiscal years. The total estimated project cost is \$220,265 thousand.

### GEORGIA

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#### Atlanta - Richard B. Russell Federal Building.....\$32,173,000

The General Services Administration proposes alterations to the Richard B. Russell Building in Atlanta, GA that will provide for space alterations for the Magistrate Court and the U.S. Marshals Service. The building was constructed in 1979 to house office tenants in the downtown Atlanta market. The building contains 1,282,033 gross square feet and is 27 stories tall. Thirty outside and 387 inside parking spaces are provided. The building population is currently 1,578 federal employees, but the number of tenants will increase as vacant space is occupied.

This project includes modernizing the outdated building systems. The fire alarm system is outdated and needs to be replaced to bring it up to code. Plaza leaks need to be repaired. Asbestos abatement is required to prevent any possible health hazard. Many of the major components and systems are original to the building and have reached the end of their useful life, including elevator control system, electrical service, heating, ventilation and air conditioning system, and generator.

Design (\$2,917 thousand) was funded in fiscal year 2002. This request is for construction (\$29,586 thousand) and management and inspection (\$2,587 thousand). The estimated total project cost is \$35,090 thousand.

### ILLINOIS

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#### Chicago – Everett M. Dirksen Courthouse & John C. Kluczynski Federal Building.....\$24,056,000

The General Services Administration proposes repairs to curtainwall systems of the 38-year old Everett M. Dirksen Courthouse and the 27-year old John C. Kluczynski Federal Building, part of the Federal office complex in Chicago's Central downtown "Loop." This project proposes repairs to the original curtainwall systems, replacement of deteriorated glass-to-metal and metal-to-metal building joint seals, installation of a proper weep system to drain water from the curtainwall system, and modifications to the glass lights to improve blast resistance and improve thermal efficiency.

Replacing the monolithic glass on floors one through seven of these high-rise government office buildings will improve blast resistance to the curtainwall and provide greater security to the Federal community. The safety of approximately 6,000 Federal employees, visitors and pedestrians are at risk from falling glass associated with the failing curtainwall systems. The buildings' original steel and glass curtainwall systems are in need of repair. The glass to metal sealant joints on the exterior and interior have deteriorated, causing air and water infiltration. Exterior expansion joints are also in need of repair.

This request (\$1,614 thousand) is for design, construction (\$20,980 thousand), and management and inspection (\$1,462 thousand). The estimated total project cost is \$24,056 thousand.

#### Springfield – Paul H. Findley Federal Building and U.S. Courthouse.....\$6,183,000

The Paul H. Findley Federal Building was constructed in 1930. It contains 142,886 gross square feet, with one inside and 44 outside parking spaces. The building is listed on the National Register of Historic Places, and houses 129 employees. It is the only federal building in Springfield, IL.

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Repairs and Alterations FY 2004 Construction Phase Project Descriptions

### ILLINOIS - continued

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#### Springfield – Paul H. Findley Federal Building and U.S. Courthouse – continued

The General Services Administration proposes the replacement of the existing failing and inefficient heating, ventilation and air conditioning system in order to improve the basic level of functionality in the building.

Design (\$539 thousand) was appropriated in fiscal year 2002. This request is for construction (\$5,661 thousand), and management and inspection (\$522 thousand). The estimated total project cost is \$6,722 thousand.

### MASSACHUSETTS

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#### Boston - John W. McCormack Post Office and U.S. Courthouse.....\$73,037,000

The General Services Administration proposes to modernize the John W. McCormack Post Office and Courthouse (PO-CT) located at Five Post Office Square in Boston, MA. The John W. McCormack PO-CT is a 22-story structure with steel frame construction and granite and masonry facing. It was constructed in 1932 and is currently eligible for inclusion on the National Register. This building is located in the premiere location in all of Boston, the heart of the "Financial District" and currently houses over 900 Federal and State employees. This project will provide extensive space alterations to accommodate a change in occupancy and to modernize deteriorated office space. The project will remove asbestos insulation throughout the building, bring building egress conditions to satisfy current code requirements, provide for space alterations for the entire building that will modernize deteriorated office space, perform exterior and minor seismic work, upgrade the heating, ventilation and air conditioning and fire alarm system, and improve outdated and expensive-to-operate electrical systems. Other major components of the project will include replacement of all single-pane windows with energy efficient units, and installation of exterior envelope insulation, which will dramatically reduce heating and air conditioning utility costs. The building will also be upgraded to meet current handicapped accessibility requirements.

Design (\$5,338 thousand) was funded in fiscal year 2002. This request is for construction (\$67,107 thousand) and management and inspection (\$5,930 thousand). The estimated total project cost is \$78,375 thousand.

### NEW YORK

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#### Brooklyn – Emanuel Celler Courthouse.....\$65,511,000

The General Services Administration proposes the modernization and asbestos removal at the Emanuel Celler Courthouse (Celler CT), located at 225 Cadman Plaza East, Brooklyn, New York. This project proposes modernization of the Celler CT. Work items include the removal of asbestos containing material, modernization of interior finishes, and upgrades of the heating, ventilation and air conditioning and electrical systems. This project also includes the replacement of windows, modernization of elevators and installation of a sprinkler system and a fire alarm system. Handicapped accessibility features will be installed.

The primary project drivers are the age and deteriorated condition of building infrastructure, the presence of spray-on asbestos fireproofing, and major fire, life safety and handicapped accessibility deficiencies. Modernization of the building's elevators will reduce energy and maintenance costs, as well as bring them into compliance with accessibility codes. Also, handicapped accessibility features throughout the building do not meet the Americans With Disabilities Act standards and will be upgraded. The fire alarm system, which does not comply with current standards, will be replaced. The building, which is used by the public, is currently without a sprinkler system. Also, seismic and progressive collapse upgrades will reduce the risk to the building and its occupants in the event of an explosion or seismic occurrence.

Design (\$3,791 thousand) was appropriated in fiscal year 2002. This request is for construction (\$61,046 thousand) and management and inspection (\$4,465 thousand). The estimated total project cost is \$69,302 thousand.

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

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**Repairs and Alterations  
FY 2004 Construction Phase Project Descriptions**

**NORTH DAKOTA**

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**Fargo - Federal Building-Post Office.. .....\$5,801,000**

The General Services Administration proposes the modernization of the Federal Building – Post Office in Fargo, ND. The proposed project includes the upgrading of the electrical system, replacement of the main electrical service and switchboard, installation of an emergency power generator, installation of a fire sprinkler system on three floors, repairing of two passenger elevators, replacement of the freight elevator, replacement of windows with new shatter-resisted ones, modifying of the public restrooms and stairwells per Americans With Disabilities Act (ADA), and replacement of the ceiling tiles and carpet in public corridors. The project also includes the improvement of post office loading docks; re-grading and re-paving of the parking lots, sidewalks, and loading areas; enhancement of security services system with new front doors, improved exterior lighting, and a new security screening station area; repairing of exterior pre-cast concrete panel cracks; and abating of asbestos-containing materials.

Asbestos and lead paint pose a serious health risk to construction workers. Building accessibility is not compliant with ADA standards. Fire sprinkler system is not compliant with current life safety codes. Emergency power generator is too inadequate to power emergency systems for critical incidents and to meet current fire safety codes. Electrical system is deteriorated and outdated and cannot meet current service requirements. Windows are unable to resist fragmenting from blast forces per blast protection standards. Elevators are deteriorated and unreliable and need repair and/or replacing to meet present building service demands. Also, security screening area is too functionally deficient to meet security screening demands, and exterior security lighting is too inadequate to meet standard level surveillance requirements.

Design (\$336 thousand) was appropriated in fiscal year 2002. This request is for additional design (\$184 thousand), construction (\$5,201 thousand), and management and inspection (\$416 thousand). The estimated total project cost is \$6,137 thousand.

**OHIO**

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**Columbus – John W. Bricker Federal Building.....\$10,707,000**

The John W. Bricker Federal Building is located at 200 N. High Street, in Columbus, OH. The seven-story building, built in 1976, consists of 452,623 gross square feet and a 502 space parking garage. It is the only federal building in Columbus, OH.

The General Services Administration proposes the modernization of 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. The electrical distribution will have replaced panel boards, transformers, and electrical closets will be added on each floor. Public spaces such as the lobby, restrooms, and corridors will be upgraded. Security checkpoints will be integrated with the existing main lobby design. Fire alarms will be replaced with synchronized strobe units and high-rise smoke control will be provided. The window repair includes replacement of windows in the most serious condition and the installation of laminate blast protection between the glass. The garage repair includes the installation of a traffic bearing membrane. The John W. Bricker Federal Building has not had a major modernization or systems upgrade or replacement since its construction.

Design (\$1,063 thousand) is pending fiscal year 2003 appropriation action. This request is for construction (\$9,960 thousand) and management and inspection (\$747 thousand). The estimated total project cost is \$11,770 thousand.

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Repairs and Alterations FY 2004 Construction Phase Project Descriptions

### WASHINGTON

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#### **Auburn – Building 7, Auburn Federal Building.....\$18,315,00**

The General Services Administration proposes to convert approximately 84,000 usable square feet (usf) of warehouse space in Building 7 in the Auburn Federal Building into office space and to renovate approximately 42,000 usf of existing office space to meet the projected needs of the Social Security Administration's (SSA) TeleService Center. This approach will best meet SSA's projected increase in workload and need to replace older, out-dated ergonomic furniture with new larger systems furniture as mandated by a joint management/union agreement. Expansion of SSA space is critical.

The conversion will involve fire and life-safety upgrades, interior space upgrades, mechanical and electrical, seismic structural and bracing, building exterior improvements including a new enclosed walkway to facilitate egress, parking improvements, and American Disabilities Act Compliance work as needed to meet current code.

Design (\$1,134 thousand) is pending fiscal year 2003 appropriation action. This request is for construction (\$16,943 thousand) and management and inspection (\$1,372 thousand). The estimated total project cost is \$19,449 thousand.

#### **Seattle – Henry M. Jackson Federal Building .....\$6,868,000**

The General Services Administration requests additional funding for the modernization of the Henry M. Jackson Federal Building at 915 2nd Avenue in Seattle, WA. The Henry M. Jackson Federal Building (JFB) is located within Seattle's downtown central business district at 915 2nd Avenue. 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 JFB modernization in its current form and scope of work was originally configured for fiscal year 2000 design funding. But this project did not receive funding for the construction until fiscal year 2003. In the interim, seismic events, new United States Geological Survey (USGS) maps for seismic activity and the

new Federal Emergency Management Agency (FEMA) 356 codes for seismic rehabilitation in existing buildings had rendered the structural seismic upgrade portion of the current project to be inadequate in meeting the new seismic standards. FEMA came out with new 351 and 356 codes for the evaluation and seismic rehabilitation of existing facilities in November 2000 based on seismicity standards from revised USGS seismic hazard maps and recent seismic events.

As a result of the February 2001 Seattle 6.8 magnitude earthquake, tenant agency awareness and concerns were raised about the JFB's ability to withstand future major seismic events. A study commissioned by the local GSA regional office afterwards and just completed in February 2002 concluded that the current project's proposed seismic work would not meet the new FEMA 356 codes.

Design was funded in fiscal years 2000 (\$1,728 thousand). Design (\$55 thousand), construction (\$24,750 thousand) and management and inspection (\$2,027 thousand) are pending fiscal year 2003 appropriation action. This request is for additional design (\$646 thousand), additional construction (\$5,723 thousand) and additional management and inspection (\$499 thousand). The estimated total project cost is \$35,428 thousand.

### VARIOUS LOCATIONS

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#### **Chlorofluorocarbons Program.....\$5,000,000**

This design/build program request will provide for projects during fiscal year 2004. 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



# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

## Repairs and Alterations FY 2004 Construction Phase Project Descriptions

### VARIOUS LOCATIONS - continued

#### Chlorofluorocarbons Program - continued

(CAAA), (Public Law 101-549) established a phase-out schedule and yearly reduction percentages for ozone depleting chemicals.

The amendment promotes recycling, bans the deliberate venting or releasing of refrigerants during maintenance, service, repair or disposal, restricts emission of refrigerants, and establishes strict control over their use. In February 1992, the phase-out of the more adverse ozone-depleting refrigerants was accelerated from the year 2000, which was established by the CAAA, to the end of 1995.

The estimated total program cost (in thousands) is as follows:

	<u>Design</u>	<u>Construction</u>	<u>M&amp;I</u>	<u>Total</u>
Current Funding	\$4,369	\$ 108,299	\$ 8,601	\$ 121,269
FY 2003	\$ 256	\$ 6,456	\$ 788	\$ 7,500
<b>FY 2004 Request</b>	<b>\$ 256</b>	<b>\$ 3,956</b>	<b>\$ 788</b>	<b>\$ 5,000</b>
Future Years	<u>\$2,469</u>	<u>\$ 581,289</u>	<u>\$ 14,113</u>	<u>\$ 597,871</u>
<b>Total</b>	<b>\$7,350</b>	<b>\$700,000</b>	<b>\$ 24,290</b>	<b>\$731,640</b>

**Energy Program.....\$5,000,000**

This request will provide for the implementation of energy retrofit and conservation measures in Government-owned buildings during fiscal year 2004. 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&amp;I</u>	<u>Total</u>
Current Funding	\$ 5,117	\$ 86,285	\$ 5,820	\$ 97,222
FY 2003	\$ 256	\$ 6,956	\$ 788	\$ 8,000
<b>FY 2004 Request</b>	<b>\$ 256</b>	<b>\$ 3,956</b>	<b>\$ 788</b>	<b>\$ 5,000</b>
Future Years	<u>\$ 18,119</u>	<u>\$ 167,203</u>	<u>\$ 9,674</u>	<u>\$194,996</u>
<b>Total</b>	<b>\$ 23,748</b>	<b>\$ 264,400</b>	<b>\$ 17,070</b>	<b>\$305,218</b>

**Glass Fragmentation Retention.....\$20,000,000**

Executive Order 12977, establishes the need to increase the security measures in Federal facilities with high-volume public contact and high-risk agencies. On June 28, 1995, the DOJ issued security enhancement recommendations in a report entitled "Vulnerability Assessment of Federal Facilities" in which the President directed all executive departments and agencies to implement the recommendations. The report recommended that GSA provide as minimum standard glass fragment retention for windows in Level IV Federal buildings. Level IV buildings are facilities that have over 450 employees. In addition, the facility likely has more than 150,000 square feet, high-volume public contact, and contains high-risk law enforcement and intelligence agencies.

The application of a polymer film to windows will protect employees and visitors from flying glass fragments and reduce the possibility of damage due to flying glass fragments in the event of an explosion. Some buildings, however, may require alternative systems such as laminated glass, polycarbonate sheeting, blast curtains or fine metal mesh screens.

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Repairs and Alterations FY 2004 Construction Phase Project Descriptions

The estimated total program cost (in thousands) is as follows:

	<u>Design</u>	<u>Construction</u>	<u>M&amp;I</u>	<u>Total</u>
Current Funding	\$ 0	\$ 37,000	\$ 0	\$ 37,000
FY 2003	\$ 0	\$ 20,000	\$ 0	\$ 20,000
<b>FY 2004 Request</b>	<b>\$ 0</b>	<b>\$ 20,000</b>	<b>\$ 0</b>	<b>\$ 20,000</b>
Future Years	<u>\$ 0</u>	<u>\$ 23,000</u>	<u>\$ 0</u>	<u>\$ 23,000</u>
 Total	 \$ 0	 \$ 100,000	 \$ 0	 \$ 100,000

delivery to customers will degrade. In addition, the taxpayers' investment in these properties will not be adequately protected resulting in more costly corrective actions in the future. The line-item repairs and alterations program only addresses approximately 30 buildings per year, thus the basic program is extremely important in keeping the rest of the inventory functioning pending a modernization project on a 20-25 year cycle.

The amount provided for the basic program may also be used to pay claims against the Government arising from any projects under the heading "Repairs and Alterations."

### OTHER ACTIVITIES

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**BASIC REPAIRS AND ALTERATIONS**  
**PROJECTS UNDER \$2,290,000.....\$365,000,000**

Funds in the amount of \$365,000 thousand are requested for all nonrecurring repairs and alterations projects where obligations at a single location within a fiscal year are above \$10 thousand but are under the prospectus threshold of \$2,290 thousand. Projects included in this category are generally short-term in nature and funds can normally be obligated within a one-year period. This category also includes projects that are recurring in nature, such as cyclic painting and the minor repair of defective building systems (e.g. mechanical, plumbing, electrical, firesafety, and elevator system components), and all repairs and alterations projects in leased facilities, regardless of size.

After initial build-out, any post-Government occupancy alterations in leased space require a prospectus when the estimated cost of the project exceeds the prospectus threshold of \$1,145 thousand for alterations in leased space.

The basic (non-line item) repairs and alterations program is the source of funds to ensure the operational continuity of the 1,600 plus buildings owned by the General Services Administration. These buildings provide over 200 million gross square feet of space to support tenant agency mission requirements. The building inventory averages over 50 years of age and requires constant attention and significant funding to repair systems, improve health and safety features, alter space, and accomplish special emphasis programs. Without adequate reinvestment in the building inventory, its condition will deteriorate and service

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Repairs and Alterations Descriptions of Projects Scheduled for FY 2004 Design

### ARIZONA

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**Tucson – James A. Walsh Federal Building-Courthouse.....\$1,588,000**

The General Services Administration (GSA) proposes to renovate the historic James A. Walsh Federal Building-Courthouse (FB-CT), located at 55 East Broadway, Tucson, AZ. The proposed improvements are intended to accommodate the Courts' 10-year space requirements. The James A. Walsh FB-CT, erected in 1929, is located at the northwest corner of the intersection of Scott Street and Broadway, in the extreme eastern sector of the Central Business District (CBD) of Tucson, AZ. The structure contains a total of 73,521 gross square feet (including basement), 68,688 rentable square feet, and 40,567 usable square feet.

The Evo A. DeConcini Courthouse in Tucson was originally planned to house the entire Court family. However, the rapid growth of the District Court precipitated the need to house the Bankruptcy Court elsewhere, and the Walsh FB-CT was considered to offer the best housing alternative. During the year 2000, the District Courts moved into the new DeConcini Courthouse. The U.S. Bankruptcy Court is currently located in leased space, which is insufficient for their current needs and allows no space for future growth. The Walsh FB-CT, on the other hand, will provide adequate space for anticipated future growth. The U.S. Trustees and U.S. Marshals Service will also be co-located with the Bankruptcy Court. In order to accomplish this move, extensive renovation of the Walsh Courthouse is necessary. The major work items will include mechanical and electrical utility services, restoration of the historic fabric of the building (hallways, skylight, etc.), security measures, asbestos and lead paint removal or encapsulation, and additional Uniform Federal Accessibility Standards (UFAS).

This request (\$1,588 thousand) is for design. The balance of funding for construction (\$13,744 thousand), and management and inspection (\$1,430 thousand) will be requested in a future fiscal year. The estimated total project cost is \$16,762 thousand.

### DISTRICT OF COLUMBIA

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**Herbert C. Hoover Building.....\$12,800,000**

The General Services Administration (GSA) proposes to modernize 1,700,594 rentable square feet of space in the Herbert Hoover Building to house the Department of Commerce, National Park Service - White House Visitor Center and the National Aquarium. Completed 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 General Services Administration (GSA) proposes window, structural, mechanical, electrical, and plumbing upgrades, as well as limited tenant alterations to this 69-year old, seven 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.

Partial design (\$4,100 thousand) funding is pending fiscal year 2003 appropriation action. This request is for the balance of design (\$12,800 thousand). The balance of funding for construction (\$262,000 thousand) and management and inspection (\$7,085 thousand) will be requested in future fiscal years. The estimated total project cost is \$285,985 thousand.

**Mary E. Switzer Building.....\$944,000**

The General Services Administration (GSA) proposes to modernize 542,815 rentable square feet of space for Department of Education and Department of Health and Human Services. The Mary E. Switzer Memorial Building, 330 C

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

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**Repairs and Alterations  
Descriptions of Projects Scheduled for FY 2004 Design**

**DISTRICT OF COLUMBIA – continued**

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**Mary E. Switzer Building - continued**

Street, SW, Washington, DC, was built in 1942 and is on the National Register of Historic Places. It houses approximately 1,545 employees of the Department of Education, Department of Health and Human Services, the International Broadcasting Board of Governors and the Department of State.

This project will complete a major replacement of building systems, of which most are original. GSA proposes to replace the air handlers and the ventilation system. The project will also demolish ceilings to replace lighting, complete a sprinkler system, and upgrade fire alarms. In addition, GSA proposes to improve the electrical system as follows; a new emergency generator, feeders, electrical panel boards, distribution system and motor controls to meet increased demand for electricity and eliminate a potential safety hazard. The project will modify the lobbies and security system. GSA will also replace the original plumbing and piping to ensure safe lead content levels and refinish the restrooms. During the course of construction, GSA will abate lead paint and asbestos when encountered. The project includes the following exterior work; repair windows, flash parapet walls, add exterior lighting, add a handicapped ramp and conserve exterior stone sculpture.

Design (\$7,776 thousand) was funded in fiscal years 2000 and 2002. This request is for the balance of design (\$944 thousand) for the blast resistance, glass fragment retention protection and seismic project that was not included in our initial design requests. The balance of funding for construction (\$94,448 thousand) and management and inspection (\$6,835 thousand) will be requested in a future fiscal year. The estimated total project cost is \$110,003 thousand.

**IOWA**

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**Des Moines – Federal Building, 210 Walnut Street.....\$3,588,000**

The General Services Administration (GSA) proposes interior alterations at the Federal Building, 210 Walnut, Des Moines, IA. The Federal Building was constructed in 1967 on a site in the downtown central business district. The building is a reinforced concrete frame structure consisting of ten floors above grade and one basement level. The structure provides a gross area of 390,007 square feet and a usable area of 263,534 square feet. The building has been well maintained over the years, but many of the major systems are original and in need of upgrading/replacement.

GSA proposes alterations to upgrade the interior of the space at 210 Walnut, and either update or replace outdated inferior systems, improve accessibility, improve air quality, and renovate tenant space. The building has become an integral part of the City's skywalk system as a full partner in the ongoing revitalization process of the central business district. Improving the quality of tenant space will have a positive effect on the approximately 200 daily visitors to the building, and will reduce vacant space and increase revenue. The project will improve building response to health and safety, accessibility, comfort, functionality, flexibility, and aesthetics.

This request (\$3,588 thousand) is for design. The balance of funding for construction (\$42,000 thousand) and management and inspection (\$3,445 thousand) will be requested in a future fiscal year. The estimated total project cost is \$49,033 thousand.

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Repairs and Alterations Descriptions of Projects Scheduled for FY 2004 Design

### LOUISIANA

#### **New Orleans - Hale Boggs Federal Building - Courthouse.....\$2,161,000**

The General Services Administration (GSA) proposes a modernization of building systems in the Hale Boggs Federal Building and Courthouse (FB-CT) in New Orleans, LA. The Hale Boggs FB-CT, located in downtown New Orleans, LA, was completed with substantial occupancy in 1976. The 14 story office building and six story court building provide 705,345 gross square feet for approximately 2,986 employees. Pedestrian bridges connect the two structures at the second, third, and sixth floor levels. Parking is provided in the basement for 125 vehicles.

GSA proposes to replace vital building systems that have exceeded their life expectancy and are critical to the safe and efficient operation of the building. Modifications to the electrical system will include refurbishment of the emergency switchboard, main switchgear, and two motor control centers (MCC's) and replacement of existing transformers.

Upgrades to the mechanical components of the HVAC system include modification of the facility's chilled water piping, replacement of the chiller refrigerant, replacement of all 56 air handling units (AHU's), and, on five floors of the office building, replacement of the existing multi-zone system with a variable air volume (VAV) system. While many of the elevators' component parts will be refurbished, such as the hoist machines, guide rails, cab shells, and hoist way frames, some critical parts are to be replaced, including the controls, cab interiors, door panels and all existing interlocks, closers, hangers, door rollers and door tracks. The existing fire alarm system will be replaced with a new Class A intelligent, analog addressable fire alarm system. Handicapped accessibility upgrades will include modifications to entrance doors, telephones, drinking fountains, door hardware, signage, and public toilet rooms.

This request (\$2,161 thousand) is for design. The balance of funding for construction (\$20,525 thousand) and management and inspection (\$2,032 thousand) will be requested in a future fiscal year. The estimated total project cost is \$24,718 thousand.

#### **New Orleans - John Minor Wisdom Court of Appeals.....\$939,000**

The General Services Administration (GSA) proposes a modernization of building systems in the John Minor Wisdom Court of Appeals in New Orleans, LA. The John Minor Wisdom building is located at 600 Camp Street in the central business district of New Orleans, LA. It was completed in 1915 as the city's main post office and federal courthouse. It served the public with these functions for almost 50 years; since its last renovation in 1972, the Fifth Circuit U.S. Court of Appeals has occupied the building. The building was placed on the National Register of Historic Places in 1974. The three-story building provides 246,280 gross square feet for approximately 172 employees. Parking is provided in the basement for 50 vehicles.

GSA proposes to replace vital building systems that have exceeded their life expectancy and are critical to the safe and efficient operation of the building. Modifications to the electrical system will include replacement of transformers and panelboards. Upgrades to the mechanical components of the HVAC system include replacement of air handling units rezoning ductwork, reworking of HVAC controls, and pipe and duct asbestos abatement. Plumbing system modifications include replacement of fixtures and the domestic water system. Architectural work will include renewing corridor and stair finishes, renovating toilet rooms and providing handicapped signage, telephones and drinking fountains.

This request (\$939 thousand) is for design. The balance of funding for construction (\$6,788 thousand) and management and inspection (\$1,033 thousand) will be requested in a future fiscal year. The estimated total project cost is \$8,760 thousand.

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

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**Repairs and Alterations  
Descriptions of Projects Scheduled for FY 2004 Design**

**MISSOURI**

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**Kansas City – Bolling Federal Building (Phase II).....\$2,773,000**

The General Services Administration (GSA) proposes to continue the phased renovation and modernization of the Richard Bolling Federal Building (FB) in Kansas City, Missouri. The Richard Bolling FB, 601 E. 12th Street, Kansas City, MO, was constructed in 1965 on a two-block site in the downtown Kansas City central business district. The FB is 18 stories above ground and provides a gross area of 1,205,582 square feet to house approximately 4,500 employees. There are 125 structured parking spaces within the building and 431 surface parking spaces in a lot adjacent to the building.

GSA proposes alterations to the FB, which include critical system improvements and space alterations necessary to reoccupy floors 10-14. Alterations also include bringing these floors into compliance with the many requirements of the Americans with Disabilities Act and seismic safety. Asbestos and lead contaminant abatement is also planned on these floors. Current tenants and tenants from leased locations will reoccupy these floors when construction is completed in order to provide continued swing space for further building renovation.

The design (\$1,823 thousand) of phase 1 was funded in fiscal year 1999. Additional design (\$67 thousand), construction (\$24,010 thousand) and management and inspection (\$1,805 thousand) of phase I was funded in fiscal year 2001. This request is for the design of phase II (\$2,773 thousand). Design of phases III and IV (\$8,108 thousand) will be requested in future fiscal years. Construction of phase II, III and IV (\$146,144 thousand) and management and inspection of phases II, III and IV (\$14,853 thousand) will be requested in future fiscal years. The estimated total project cost is \$199,583 thousand.

**St. Louis - Federal Center-Building 102.....\$1,193,000**

The General Services Administration (GSA) proposes to modernize and recapture vacant space in Building 102 at the Federal Center (FC), 4300 Goodfellow, St. Louis, MO. Building 102 is part of a 65 acre, 21 building FC complex constructed in 1942 as the St. Louis Ordnance Plant. The FC includes over 1.2 million usable square feet of office, storage and special space. Following transfer of the complex to GSA from the Army in 1967, the facilities were modernized to upgrade the complex from a manufacturing plant to modern office park environment.

As a result of the Base Realignment and Closure Act recommendation to decommission and relocate the Army Training Command (ATCOM), approximately 233,206 square feet of vacant space in Building 102 remains available for backfill. The project proposes interior modernization to convert 192,213 usable square feet of vacant space into warehouse space that meets National Archives and Records Administration (NARA) Facility Standards for Records Storage Facilities for the United States Army. This project is essential to reduce vacant space in St. Louis by consolidating part of the United States Army Record Storage Facilities, which are located in various areas of the country. The Army's current Records Storage Facilities must meet NARA Facility Standards for Records Storage Facilities by 2008; currently none of these facilities meet this standard.

This request (\$1,193 thousand) is for design. The balance of funding for construction (\$11,000 thousand) and management and inspection (\$1,024 thousand) will be requested in a future fiscal year. The estimated total project cost is \$13,217 thousand.

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Repairs and Alterations Descriptions of Projects Scheduled for FY 2004 Design

### OHIO

#### **Cleveland – Anthony J. Celebrezze Federal Building.....\$2,274,000**

The General Services Administration (GSA) proposes plaza repair and fire alarm and heating, ventilation and air conditioning replacement at the 37-year old Anthony J. Celebrezze Federal Building, located at 1240 East 9th Street, Cleveland, OH. The Anthony J. Celebrezze Federal Building was built in 1966 and houses over 5,500 federal employees. The building is 1,552,494 gross square feet including 335 inside parking spaces, and is located within the Central Business District of Cleveland.

The project proposes complete replacement of the plaza slab membrane, protection slab, and replacement of the drainage system. The plaza is leaking into occupied sub plaza spaces and the parking garage. This is causing damage to underlying tenant space and building mechanical areas. In addition the project proposes installation of security bollards on the plaza. Currently there are no physical barriers to impede unauthorized vehicles from accessing the building via the plaza.

This request (\$2,274 thousand) is for design. The balance of funding for construction (\$26,772 thousand) and management and inspection (\$2,160 thousand) will be requested in a future fiscal year. The estimated total project cost is \$31,206 thousand.

### OREGON

#### **Portland - Edith Green/Wendall Wyatt Federal Building.....\$3,173,000**

The General Services Administration proposes alteration of the Edith Green/Wendall Wyatt Federal Building at 1220 SW Third Avenue, Portland, OR. The Edith Green/Wendall Wyatt Federal Building is located within Portland's

downtown central business district. The building was built in 1975, provides 509,895 gross square feet (gsf) for various agencies within its 18 floors and houses approximately 1,095 employees. The building also provides 185 indoor parking spaces.

GSA proposes modernization and improvement to several major systems. Modifications to the heating, ventilation and air conditioning and electrical system will include increasing the capacity and quality of power delivered to prevent repeated power failures. In addition to the Americans with Disabilities Acts upgrades, the restrooms will be remodeled with floor drains to prevent repeated water damage. To improve the controlled access to the building, a new addition to the lobby will be constructed. Security enhancements such as bollards will be added to prevent vehicle access to the plaza area and blast protection to the windows to protect occupants. To enhance life-safety and meet code requirements, a new stairwell connecting the lower and main lobbies will be added.

This request (\$3,173 thousand) is for design. The balance of funding for construction (\$41,156 thousand) and management and inspection (\$3,180 thousand) will be requested in a future fiscal year. The estimated total project cost is \$47,509 thousand.

### TEXAS

#### **San Antonio – U.S. Post Office - Courthouse.....\$2,909,000**

The General Services Administration (GSA) proposes to prepare 236,324 rentable square feet of space to house the U.S. Bankruptcy Courts, the U.S. Administrative Office of the Courts (AOC) Training Center, and other agencies, in the PO-CT, 615 E. Houston, San Antonio, TX. Also, some building modernization will be completed to support a significantly expanded occupancy of the U.S. Bankruptcy Courts and AOC. Built in 1937, the PO-CT consists of 308,270 gross square feet with 28 inside parking spaces. It is located in the

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## Repairs and Alterations Descriptions of Projects Scheduled for FY 2004 Design

### TEXAS – continued

#### **San Antonio – U.S. Post Office – Courthouse - continued**

central business district on Alamo Square. It houses the downtown substation of the Post Office and is important to the public because of its location across the street from the Alamo, and for a mural, itself historic, which is located in the lobby. The building is listed on the National Register of Historic Places, and currently houses 588 employees.

This modernization will allow the U.S. Bankruptcy Court to expand within the building, along with several other agencies. The AOC will relocate its training center from another building being demolished to make room for a new courthouse for the U.S. District Courts in San Antonio. Changes proposed include construction of a new bankruptcy courtroom, several training rooms for the AOC, and consolidation and expansion of other existing tenants. In addition, mechanical upgrades, restroom improvements, and fire safety improvements are included to make the building both more functional and modern for long-term housing of the proposed tenants.

This request (\$2,909 thousand) is for design. The balance of funding for construction (\$28,744 thousand) and management and inspection (\$3,494 thousand) will be requested in a future fiscal year. The estimated total project cost is \$35,147 thousand.

### WASHINGTON

#### **Seattle – William K. Nakamura Courthouse.....\$395,000**

The General Services Administration (GSA) requests additional design funding for the modernization of the historic William K. Nakamura Courthouse (CT). The William K. Nakamura CT is located within Seattle's downtown central business district at 1010 5th Avenue. The Nakamura CT was built in 1939 and is listed on

the National Register of Historic Places. It provides 178,386 gross square feet for the U.S. Courts and various agencies within its ten floors plus basement and houses approximately 186 employees. The building currently provides only one indoor parking space.

The project proposes to renovate, modernize and backfill the historic Nakamura CT 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. 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.

The scope of the project has been increased to include the utilization of the available underground space beneath the existing courthouse lawn and plaza on the main entrance side of the building by adding 26 inside parking spaces. The structure of the garage will be reinforced concrete. All inside parking spaces will be on the same level with an access/exit ramp and an elevator. Access will be via a card-keyed roll up garage door with a security camera to monitor the entry. The secured inside parking is required to meet security needs per the U.S. Courts Design Guide.

Design (\$2,455 thousand) funding is pending fiscal year 2003 appropriation action. This request is for additional design (\$395 thousand). The balance of funding for construction (\$37,000 thousand) and management and inspection (\$2,500 thousand) will be requested in a future fiscal year. The estimated total project cost is \$42,350 thousand.



# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

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## FY 2004 Performance Plan By Responsibility Segment

### Responsibility Segment: Rental of Space

PBS 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.

For fiscal year 2004, we are requesting New Obligational Authority (NOA) in the amount of \$3,388,187 thousand. This amount is for known requirements such as: 1) leases already in the inventory, 2) scheduled cost increases associated with these leases, and 3) identified expansion and cancellation projects. This responsibility segment represents 51 percent of the PBS budget.

Expansion space acquired through the Indefinite Authority (IA) provision of \$302,924 thousand is not included in our NOA request.

Currently, leased space accounts for 46 percent of the total square feet in the inventory and more than 50 percent of the employees in GSA-controlled space are housed in leased space. We are projecting an increase to our inventory of 3,677 thousand rentable square feet in fiscal year 2004.

We are committed to providing the best workplace solutions for our Federal clients. When clients' space requirements cannot be met with available Federal

space, we lease the needed space at competitive rates from the private sector.

In leasing space for our customers, it is our goal 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.

The classification of office space is based on features such as location, construction, condition, management, tenants, and amenities. Class A space is defined as space in an excellent location that is well maintained, has high-quality tenants and finishes, and is professionally managed. Class B is defined as space in good locations that has fairly high-quality construction and tenancy, and is professionally managed. In addition, Class B space generally shows very little functional obsolescence and deterioration.

To achieve this goal, PBS will measure all new space entering the inventory under the indefinite authority provision (\$302,924 thousand). We will also measure new space acquired such as temporary leases in support of major repair and alterations projects and

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

## FY 2004 Performance Plan By Responsibility Segment

relocations from Federal buildings due to forced moves or health and safety conditions (\$16,727 thousand).

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 price, using published market sources to get a better understanding of area markets, and partnering with contract brokers.

In addition, we will continue to focus on customer satisfaction in all leased space. For fiscal year 2004, our goal is to achieve a customer satisfaction rating of 85 percent in leased space surveyed. (See Figure 1).

Strategies for achieving this include encouraging realty specialists with high customer satisfaction scores to share their business practices with other realty specialists and to use focus groups at the building level to better understand what is needed to improve customer satisfaction.

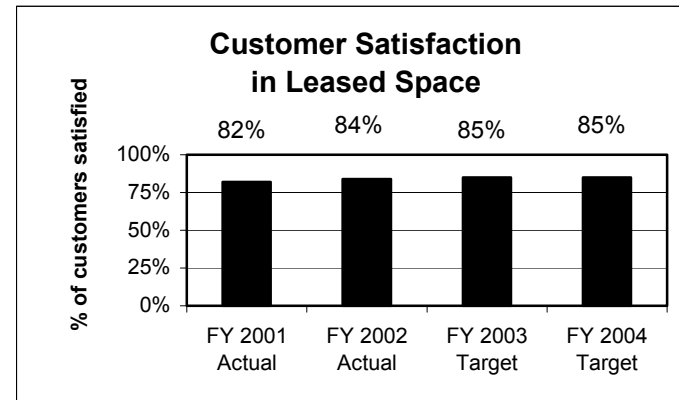


Figure 1

We have developed a Realty Services Transaction Survey to ensure that we provide value to the leasing process and that we meet our customers' expectations. This is a transaction-based survey of customer agencies that request space from PBS and will measure both satisfaction and productivity. It will determine if we provide quality space that assists customers in performing their mission and if the space is provided on time. Our long-range goal by fiscal year 2007 is to improve customer satisfaction of realty services by 10 percent in both categories from the fiscal year 2003 baseline.

To accomplish this, we will continue to support the National Account Executive program to better educate our customers in improved business practices and processes to meet their space needs.

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**FY 2004 Performance Plan By Responsibility Segment**

Our NOA request for Rental of Space includes \$3,371,460 thousand that is not specifically related to a performance goal. This portion of the budget represents leases in our inventory for which we already have contractual liability. Although these funds are not directly linked to a performance goal, they are critical to the overall operation of the PBS leasing program. They help PBS achieve its goal of being the provider of choice for federal agencies and providing best value services for customers and taxpayers.

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**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Rental of Space**

**GSA Strategic Goal: Provide Best Value for Customer Agencies and Taxpayers**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 △
			03	04	
Keep the cost for new GSA leased office space below each of the four market ranges being tracked.	Cost of leased space relative to market	14.0%	14.25%	14.5%	0.25%
<b>Budget Links</b>					
<b>Total</b>		<b>\$274,898</b>	<b>\$372,662</b>	<b>\$375,228</b>	<b>\$2,566</b>
<i>Building Operations</i>		\$66,565	\$55,242	\$55,577	\$335
<i>Rental of Space</i>		\$208,333	\$317,420	\$319,651	\$2,231
<b>Strategies</b>					
Maintain a PBS staff that is knowledgeable of market conditions.					
Partner with contract brokers to free up PBS resources to better manage customer relationships and the overall leasing program.					
Compare lease offers with industry benchmarks as a starting point for negotiations.					

1/ The FY 2004 amount includes \$302,924 thousand of indefinite authority, which is not included as part of the FY 2004 Budget Request.

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**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Rental of Space**

**GSA Strategic Goal: Provide Best Value for Customer Agencies and Taxpayers**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 △
			03	04	
Achieve a customer satisfaction level of 85.5% in FY 2004 in leased space surveyed.	Customer Satisfaction - Tenants in Leased Space	84%	85%	85.5%	0.5%
<b>Budget Links</b>					
None					
<b>Strategies</b>					
Utilize training in customer satisfaction action planning at the field and regional office levels to target problem areas within individual buildings and discuss tactics that can be employed to improve scores.					
Encourage realty specialists with high customer satisfaction scores to share those business practices that have helped attain these high scores with other specialists nationwide.					
Use focus groups, at the building level, to better understand what is needed to improve customer satisfaction.					

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**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Rental of Space**

**GSA Strategic Goal: Provide Best Value for Customer Agencies and Taxpayers**

Annual FY 2004 Performance Goal	Performance Measure	Targets			03-04
		02	03	04	△
Improve customer satisfaction scores from the FY 2003 baseline by 2%.	Realty Services Transaction Survey, Satisfaction	---	70%	72%	2%
<b>Budget Links</b>					
None					
<b>Strategies</b>					
Partner with contract brokers to free up PBS resources to better manage customer relationships and the overall leasing program.					
Partner with lessors by providing them with GSA Customer Satisfaction expectations at the time of lease award.					
Continued support of the National Account Executive program to better educate our customers in improved business practices and processes to meet their space needs.					

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**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Rental of Space**

**GSA Strategic Goal: Maintain a World Class Workforce and World Class Workplace**

Annual FY 2004 Performance Goal	Performance Measure	Targets			03-04 ▲
		02	03	04	
<p>Improve customer productivity scores from the FY 2003 baseline by 2%.</p> <p><b>Budget Links</b></p> <p>None</p> <p><b>Strategies</b></p> <p>Partner with contract brokers to free up PBS resources to better manage customer relationships and the overall leasing program.</p> <p>Partner with lessors by providing them with GSA Customer Satisfaction expectations at the time of lease award.</p> <p>Continued support of the National Account Executive program to better educate our customers in improved business practices and processes to meet their space needs.</p>	<p>Realty Services Transaction Survey, Productivity</p>	---	67%	69%	2%

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RENTAL OF SPACE Explanation of Budget Changes (Dollars in Thousands)	
	<b>NOA</b>
<b>Fiscal Year 2003 Program</b>	<b>3,327,672</b> <sup>1/</sup>
Expansions Acquired through IA in FY 2003	0
Annualization of Lease Expansions Acquired through IA in FY 2003	0
Annualization of Remaining FY 2003 Program Changes	(18,996)
<b>Fiscal Year 2004 Base</b>	<b>3,308,676</b>
Rental Increases	59,829
Lump Sum Payments for taxes and lease buyouts	44,242
Lease Cancellations	(41,287)
Lease Expansions to be Acquired through IA	0
Lease Expansions (all other)	16,727
<b>Fiscal Year 2004 Program</b>	<b>3,388,187</b>

Notes: IA = Indefinite Authority

<sup>1/</sup> FY 2003 NOA Level (President's Budget)	3,153,211
Full Year Cost of Indefinite Authority Acquired in FY 2002	130,777
NOA Carryover from FY 2002	242,226
Actual Reprogramming approved 10/2002	(34,803)
Projected Unobligated Balance in FY 2003	<u>(163,739)</u>
Total FY 2003 Revised	3,327,672



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**CHANGES IN RENTAL OF SPACE  
(Dollars and Square Feet in Thousands)**

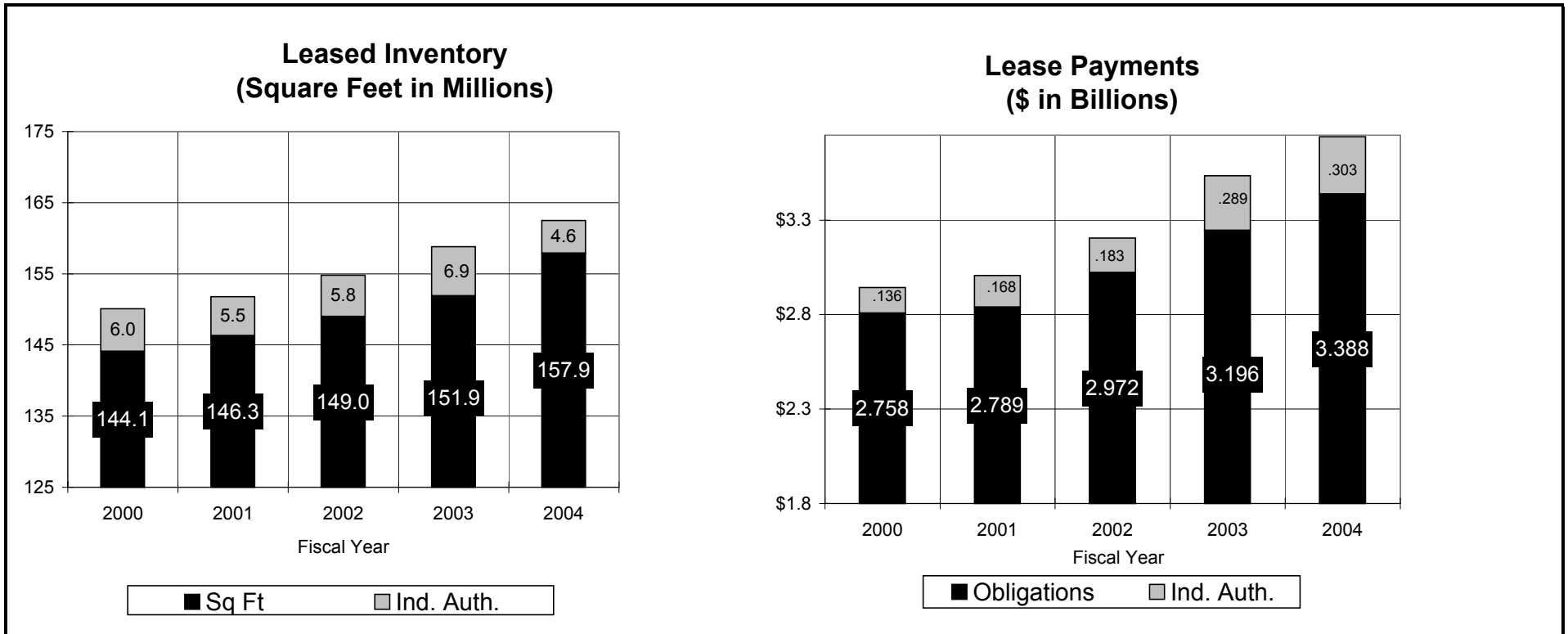
	FISCAL YEAR 2002 ACTUAL		FISCAL YEAR 2003 CURRENT		FISCAL YEAR 2004 REQUEST	
	SQ FT	OBLIGATIONS	SQ FT	OBLIGATIONS	SQ FT	OBLIGATIONS
PRIOR YEAR COST	151,832	\$2,957,462	154,840	\$3,155,062	158,776	\$3,485,495
Annualization of Rental Increases	[144,122]	47,415	[147,122]	60,006	[150,092]	57,401
Lump Sum - Real Estate Taxes; Lease Buyouts	-	(42,830)	-	(56,034)	-	(51,020)
Annualization of Lease Cancellations	[-5,365]	(26,216)	[-4,710]	(30,341)	[-4,748]	(45,006)
Annualization of Lease Expansion - Indefinite	[5,465]	44,045	[5,773]	60,172	[6,865]	[64,385]
Lease Expansion acquired in FY 2003	-	-	-	-	[6,865]	(157,823)
Annualization of Lease Expansion - All Other	[1,625]	13,209	[1,945]	24,708	[1,819]	19,629
<b>BASE COST</b>	<b>151,832</b>	<b>\$2,993,085</b>	<b>154,840</b>	<b>\$3,213,573</b>	<b>158,776</b>	<b>\$3,308,676</b>
Current Year Cost of Rental Increases	[147,122]	61,034	[150,092]	73,821	[154,871]	59,829
Lump Sum - Real Estate Taxes; Lease Buyouts	-	56,034	-	51,020	-	44,242
Current Year Cost of Lease Cancellations	(4,710)	(51,126)	(4,748)	(39,562)	(3,905)	(41,287)
Current Year Cost of Lease Expansion - Indefinite	5,773	70,605	6,865	157,823	4,566	[80,716]
Current Year Cost of Lease Expansion - All Other	1,945	25,430	1,819	28,820	3,016	16,727
<b>CURRENT YEAR COST</b>	<b>154,840</b>	<b>\$3,155,062</b>	<b>158,776</b>	<b>\$3,485,495</b>	<b>162,453</b>	<b>\$3,388,187</b>
Additional Information:						
New Obligational Authority (NOA)		\$2,952,050		\$3,153,211		\$3,388,187
Indefinite Authority for Leased Expansion Space		<u>\$182,902</u>		<u>\$288,600</u>		<u>[\$302,924]</u>
TOTAL AUTHORITY		\$3,134,952		\$3,441,811		\$3,388,187
Obligations (-)		\$3,155,062		\$3,485,495		\$3,388,187
Prior Year Balances/Recoveries		\$277,236		\$242,226		\$163,739
Reprogramming		<u>-\$14,900</u> <sup>1/</sup>		<u>-\$34,803</u> <sup>2/</sup>		<u>\$0</u>
Unobligated Balances		\$242,226		\$163,739		\$163,739

<sup>1/</sup> Represents actual reprogramming of \$14,900 thousand.

<sup>2/</sup> This amount includes approved reprogramming of \$34,803 thousand.

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## Rental of Space



The FY 2004 year-end inventory and obligations will be higher than displayed by the amounts shown to the extent that GSA utilizes the indefinite authority for expansion space.

The Leased Inventory for indefinite authority represents only new space coming into the inventory.

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**RENTAL OF SPACE DELEGATIONS INCLUDED IN GSA APPROPRIATIONS  
(Dollars in Thousands)**

AGENCY	FY 2002 ACTUAL	FY 2003 CURRENT	FY 2004 REQUEST
Department of Commerce	77,660	78,302	79,633
Department of Defense <sup>1/</sup>	123,472	137,909	140,253
Environmental Protection Agency <sup>2/</sup>	24,066	0	0
<b>Total</b>	225,198	216,211	219,886

1/ A significant increase in program requirements occurred in both fiscal years 2002 and 2003 as a result of the terrorist activity that occurred on September 11, 2001.

2/ In fiscal year 2003, the Environmental Protection Agency will no longer be housed in delegated leased space.

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**FY 2004 Performance Plan By Responsibility Segment**

**Responsibility Segment: Building Operations**

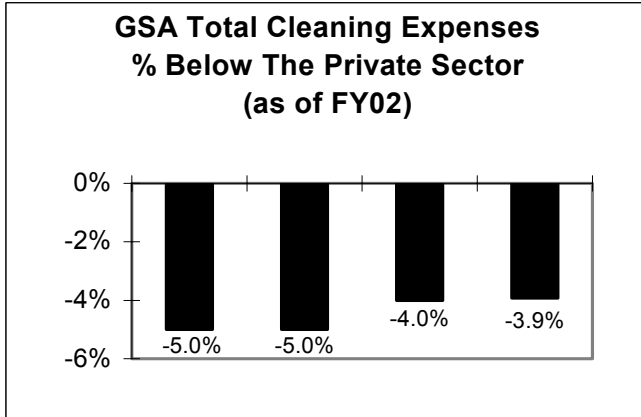
This segment includes goals and measures related to the operational management of the buildings and properties.

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, maintenance and repairs of \$10 thousand or less, utilities and fuels, and grounds maintenance. Other related supporting services include a number of real property management and staff support activities such as space acquisition and assignment, building inspections and surveys, the moving of Federal agencies, on-site inspection of building services, and various highly-specialized contract administration support functions.

Building Operations also includes Centralized Services and GSA administrative support. This provides for employee Health Services, Workers Compensation, Unemployment Compensation, General Use Printing, the PBS portion of support for General Counsel, Chief Financial Officer, Business Services Centers, and Chief Information Officer.

Our request of \$248,635 thousand for cleaning will maintain our cleaning costs in office and similarly serviced space at 3.9 percent below the private sector. Typically, cleaning services are provided by sheltered workshops mandated under the Javits-Wagner-O'Day Act. PBS recognizes there is a premium associated with these programs but will deliver the service at or below private sector benchmarks. Controlling cleaning costs contributes to the PBS Strategic Goal of operating efficiently and effectively. To maintain a quality inventory at a reasonable cost, PBS will implement strategies that include: participate with industry groups on operating costs to learn about new conservation methods, keep abreast of changes and trends in the service provision industry, and pursue commercial buying practices such as performance-based contracts (See Figure 2).



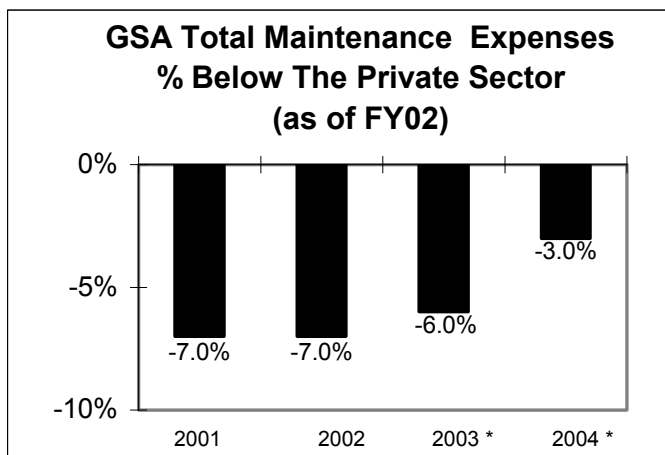
\* Target

Figure 2

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

## FY 2004 Performance Plan By Responsibility Segment

Our request of \$286,079 thousand for maintenance will provide resources to maintain our office space and similarly serviced space at 3 percent below the private sector (See Figure 3). This request will continue to keep our maintenance costs below the industry average, provide tenants with quality workspaces; and minimize our need for major repair or replacement of building equipment. Our strategies for fulfilling building maintenance goals are the same as specified for our cleaning program.

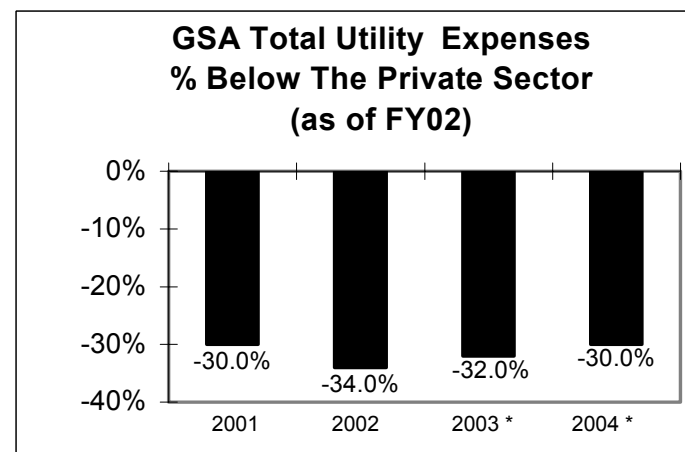


\* Target

Figure 3

For utilities, we are requesting \$342,448 thousand. Our goal for fiscal year 2004 is to operate at 30 percent below the private sector. PBS utilizes bulk power buying and purchases “green power.” Strategies to meet our utility goals include: pursuing the best value for energy

commodity purchases in deregulated markets; meeting energy conservation goals established by law and Executive Order; and participating with industry on operating costs to adopt new conservation methods (See Figure 4).



\* Target

Figure 4

We are a responsible steward of the environment and committed to implementing energy-saving solutions that improve the energy efficiency of operations and save taxpayers dollars. We have reduced energy consumption by 17.3 percent from 1985 (Base Year) to 1999. By the end of fiscal year 2004, we plan to reduce energy consumption by another 10.2 percent by implementing a successful energy conservation program in our facilities. We have invested in energy efficient technologies, cost-effective operations, and

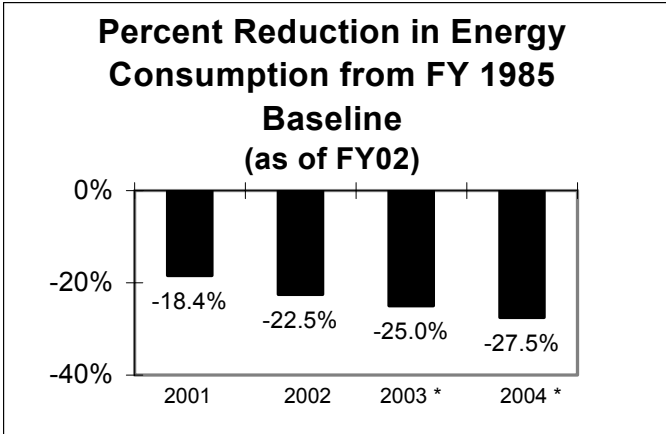
**General Services Administration  
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**FY 2004 Performance Plan By Responsibility Segment**

regular maintenance to achieve these reductions. Our Repairs and Alterations program request includes \$5,000 thousand for cost effective energy projects. We will continue to use environmentally safe and sustainable energy sources where possible and economically feasible.

Our strategies for success in our energy program are: incorporating energy efficiency requirements into relevant acquisitions; adopting and applying the sustainable design principles to new facilities or major renovations; providing energy management training to appropriate personnel; and bulk buying and experimentation with distributive technologies (See Figure 5).



\* Target

Figure 5

PBS has strived to maintain a world-class workforce and workplace by continually seeking to improve employee application to its mission, goals, and organizational objectives. To measure associate's engagement in the workplace and their ability to improve performance, PBS has retained The Gallup Organization to apply the Q-12 Survey to the organization. This survey measures 12 associate parameters and assesses their impact on productivity, turnover, profitability, and customer satisfaction. PBS uses these results to address strengths and to identify weaknesses within the organization.

In the past few years, we have improved tenant customer satisfaction. For fiscal year 2004, we seek to continue our customer satisfaction rating of 85.25%. We plan to apply customer satisfaction action planning to target problem areas within individual buildings.

Along with tenant customer satisfaction, we measure customer agency employees that order services and workspace from PBS. To achieve a 70 percent ordering official satisfaction score in 2004, we plan to work with clients to understand their changing organizations and workspace requirements.

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PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)

**PBS Responsibility Segment: Building Operations**

**GSA Strategic Goal: Operate Efficiently and Effectively**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 ▲
			03	04	
Provide cleaning services in office and similarly serviced space at a cost of 3.9% below private sector benchmarks.	Cleaning Costs in Office and Similarly Serviced Space	5%	4%	3.9%	-0.1%
<b>Budget Links</b>					
<b>Total</b>		<b>\$223,587</b>	<b>\$235,783</b>	<b>\$248,635</b>	<b>\$12,852</b>
<i>Building Operations</i>		<i>\$223,587</i>	<i>\$235,783</i>	<i>\$248,635</i>	<i>\$12,852</i>
<b>Strategies</b>					
Participate with industry groups on operating costs to learn about and adopt new conservation methods.					
Keep abreast of changes and trends in the service provision industry and contractor approaches.					
Pursue commercial buying practices including simplifying specifications and performance-based contracts.					

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PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)

PBS Responsibility Segment: Building Operations

GSA Strategic Goal: Operate Efficiently and Effectively

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 ▲
			03	04	
Provide maintenance services in office and similarly serviced space at a cost of 3% or more below private sector benchmarks.	Maintenance Costs in Office and Similarly Serviced Space	7%	6%	3%	-3%
<b>Budget Links</b>					
<b>Total</b>		<b>\$245,655</b>	<b>\$256,340</b>	<b>\$286,079</b>	<b>\$29,739</b>
<i>Building Operations</i>		<i>\$245,655</i>	<i>\$256,340</i>	<i>\$286,079</i>	<i>\$29,739</i>
<b>Strategies</b>					
Participate with industry groups on operating costs to learn about and adopt new conservation methods.					
Keep abreast of changes and trends in the service provision industry and contractor approaches.					



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**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Building Operations**

**GSA Strategic Goal: Operate Efficiently and Effectively**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 △
			03	04	
Provide utilities in office and similarly serviced space at a cost of 30% or more below private sector benchmarks.	Utility Costs in Office and Similarly Serviced Space	34%	32%	30%	-2%
<b>Budget Links</b>					
<b>Total</b>		<b>\$304,145</b>	<b>\$325,696</b>	<b>\$342,448</b>	<b>\$16,752</b>
<i>Building Operations</i>		<i>\$304,145</i>	<i>\$325,696</i>	<i>\$342,448</i>	<i>\$16,752</i>
<b>Strategies</b>					
Participate with industry groups on operating costs to learn about and adopt new conservation methods.					
Pursue the best value for energy commodity purchases (gas and electricity) in deregulated markets.					
Meet energy conservation goals established by law and Executive Order.					

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PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)

**PBS Responsibility Segment: Building Operations**

**GSA Strategic Goal: Carry Out Social, Environmental, and Other Responsibilities as a Federal Government Agency**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 △
			03	04	
Improve energy reduction in standard facilities to 27.5% below the FY 1985 baseline.	Percent reduction in energy consumption from FY 1985 baseline	22.5%	25.0%	27.5%	2.5%
<b>Budget Links</b>					
<b>Total</b>		<b>\$4,113</b>	<b>\$11,682</b>	<b>\$8,561</b>	<b>(\$3,121)</b>
<i>Repairs and Alterations</i>		\$695	\$8,000	\$5,000	(\$3,000)
<i>Building Operations</i>		\$3,418	\$3,682	\$3,561	(\$121)
<b>Strategies</b>					
Pursue design and construction methods that result in GSA facilities achieving external environmental recognition through EPA's Energy STAR program, and U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) ratings.					
Incorporate energy efficiency requirements into relevant acquisitions.					
Purchase energy generated from renewable energy sources.					

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**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Building Operations**

**GSA Strategic Goal: Provide Best Value for Customer Agencies and Taxpayers**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 ▲
			03	04	
Improve annual ordering official satisfaction rate to 70%.	Customer Satisfaction - Ordering Officials	66%	68%	70%	2%
<b>Budget Links</b>					
None					
<b>Strategies</b>					
PBS has designated National Account Executives and Regional Account Managers. They will work with clients to understand their changing organizations and workspace requirements to make it easier for them to do business with PBS, and provide advice about their real estate portfolios.					

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**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Building Operations**

**GSA Strategic Goal: Maintain a World Class Workforce and World Class Workplace**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 ▲
			03	04	
Maintain an overall score that places PBS in the top 75th percentile of Government agencies.	Gallup Q-12 Survey Results	3.80	75th percentile	75th percentile	---
<b>Budget Links</b>					
None					
<b>Strategies</b>					
Develop and implement Action Plans for work groups to improve engagement of associates.					
Apply identified Best Practices throughout the PBS to improve associate productivity and effectiveness.					
Maintain a high level of associate participation in the Q-12 process (currently 92%).					

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**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Building Operations**

**GSA Strategic Goal: Provide Best Value for Customer Agencies and Taxpayers**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 △
			03	04	
Achieve a customer satisfaction level of 85.25% in owned space surveyed.	Customer Satisfaction - Tenants in Owned Space	85%	85%	85.25%	0.25%
<b>Budget Links</b>					
None					
<b>Strategies</b>					
Utilize training in customer satisfaction action planning at the field and regional office levels to target problem areas within individual buildings and discuss tactics that can be employed to improve scores.					
Encourage building managers with high customer satisfaction scores to share those business practices that have helped attain these high scores with other building managers nationwide.					
Use focus groups, at the building level, to better understand what is needed to improve customer satisfaction.					

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<b>BUILDING OPERATIONS EXPLANATION OF BUDGET CHANGES (Dollars in Thousands)</b>		
	<b>FTE</b>	<b>Dollars</b>
<b>Fiscal Year 2003 Current Level</b>	<b>5,714</b>	<b>\$1,526,459</b>
<b>PBS Competitive Sourcing Plan</b>	<b>(203)</b>	<b>--</b>
<b>TSA Broker Contract (One-Time)</b>		<b>13,400</b>
<b>Fiscal Year 2003 TOTAL</b>	<b>5,511</b>	<b>1,539,859</b>
Building Services in New Space	--	22,286
Increase Cost of Supplies, Materials and Service Contracts (1.5%)		11,299
Part Year Increase for FY 2003 Pay Act (2.6%), Effective January, 2003	--	3,065
Wageboard and Pay Act Increase (2.0%), Effective January, 2004	--	6,383
Increase for Utilities and Fuel Rates	--	9,771
Increase for Cleaning and Maintenance Contract Labor Rates and Benefits	--	14,313
Increase for IT Services	--	6,492
Increase for Maintenance Service Levels	--	10,211
Decrease to Transfer Resources to the Office of Communications	0	(1,571)
PBS Competitive Sourcing Plan	(54)	--
Decrease for TSA One-Time services in FY 2003		<b>(13,400)</b>
<b>Fiscal Year 2004 Request</b>	<b>5,457</b>	<b>\$1,608,708</b>

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

<b>CHANGES IN BUILDING OPERATIONS - PROFORMA - PAY ACT CHANGES</b>							
<b>Building Operations</b>							
<b>FY 2003 - FY 2004</b>							
<b>(Dollars in Thousands)</b>							
	Cleaning	Utilities and Fuels	Main- tenance	Other Building Services	Staff Support	CIO	TOTAL
<b>FY 2003 Current Level</b>	<b>235,783</b>	<b>325,696</b>	<b>256,340</b>	<b>291,006</b>	<b>354,378</b>	<b>63,256</b>	<b>1,526,459</b>
<b>TSA Broker Contracts (one time)</b>					<b>13,400</b>		<b>13,400</b>
<b><i>FY 2003 TOTAL</i></b>	<b>235,783</b>	<b>325,696</b>	<b>256,340</b>	<b>291,006</b>	<b>367,778</b>	<b>63,256</b>	<b>1,539,859</b>
Building Services in New Space	4,316	6,981	5,846	5,143			22,286
Increase Cost of Supplies, Materials, and Service Contracts (1.5%)	3,325		3,121	1,808	2,330	715	11,299
Part-Year Cost of FY 2003 Wageboard and Pay Act Increase (2.6%)	150		369	1,237	1,309		3,065
FY 2004 Wageboard and Pay Act Increase (2.0%)	212		728	2,553	2,890		6,383
Increase for Utilities and Fuel Rates		9,771					9,771
Increase for Cleaning and Maintenance Contract Labor Rates and Benefits	4,849		9,464				14,313
Increase for IT Services						6,492	6,492
Increase for Maintenance Service Levels			10,211				10,211
Decrease to Transfer Resources to the Office of Communications					(1,571)		(1,571)
PBS Competitive Sourcing Plan							0
Decrease for TSA one time services in FY 2003					(13,400)		(13,400)
<b><i>Fiscal Year 2004 Request</i></b>	<b>248,635</b>	<b>342,448</b>	<b>286,079</b>	<b>301,747</b>	<b>359,336</b>	<b>70,463</b>	<b>1,608,708</b>

# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

## FY 2004 Performance Plan By Responsibility Segment

### Responsibility Segment: Financial Management

PBS seeks to improve its financial management practices by focusing on performance measures such as potential revenue, funds from operations and data accuracy.

The primary source of revenue to the Federal Buildings Fund is rental receipts from agencies. The majority of this revenue is used to operate buildings and to lease space. The remaining revenue is allocated to capital investment. To the extent that PBS is successful in maximizing revenue and reducing expenses, it generates Funds from Operations (FFO). FFO is calculated as revenue minus operating expenses. It is an indicator of funding available for our capital investment program. PBS's goal is to increase FFO from \$1,440,000 thousand in fiscal year 2003 to \$1,510,000 thousand in fiscal year 2004. (See Figure 6).

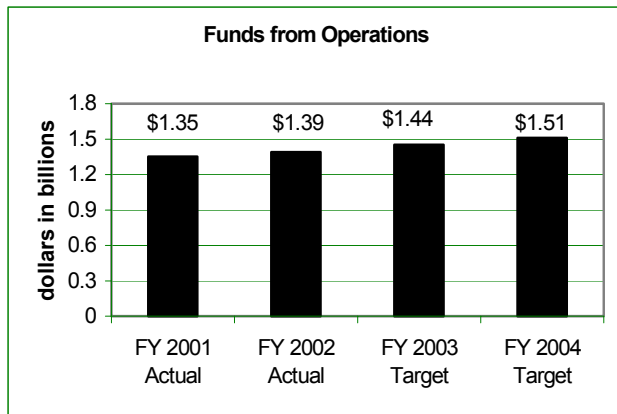


Figure 6

In fiscal year 2003, the Potential Revenue measure was introduced and incorporated into existing performance measures showing revenue and gauging the financial health of PBS. Monitoring these measures will assist in attaining our strategic objectives of ensuring accurate financial forecasting, conserving taxpayer investment in real and personal property, and optimizing the government's return on investment.

Potential Revenue measures the amount of revenue that would be generated if all space were occupied and all customers were paying market rent. It is a way of assessing how fully PBS is utilizing its assets and meeting its goal of conserving taxpayer investments. This potential revenue number will be compared to the actual revenue collected to assess the percentage of potential revenue being realized. This measure is more comprehensive than PBS's traditional non-revenue producing space measure since it is expressed in terms of dollars and takes into consideration space for which PBS does not receive market rent. (See Figure 7).



# General Services Administration PUBLIC BUILDINGS SERVICE FEDERAL BUILDINGS FUND

## FY 2004 Performance Plan By Responsibility Segment

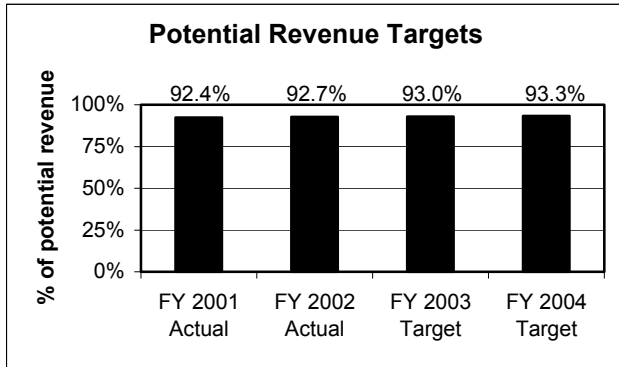


Figure 7

To meet its goals, PBS implemented a new portfolio strategy, which over time, will generate additional FFO, reduce the repair and alterations backlog, and improve the quality of our facilities, by directing reinvestment dollars to self-sustaining (or potentially self-sustaining) properties.

Other performance goals related to this responsibility segment include:

- Percentage of Non-Revenue Producing Space in Government-Owned and Leased Inventory

Non-revenue producing space includes space under alteration, space occupied by PBS, and vacant available space. Government-owned and leased space that does not produce revenue directly affects funds available for capital improvements.

- Percent of Government Owned Assets with a Return on Investment of at least 6%

This goal is in keeping with the PBS strategy to focus its limited resources on performing assets. Assets that maintain an ROI of at least 6 percent are solid financial performers that fulfill the long-term needs of the customers.

- Percent of Government Owned Assets Achieving a Positive Funds from Operations

By increasing the percentage of buildings with a positive FFO, PBS will continue its effort to create a self-sustaining inventory that will result in improved quality of space for our customers and superior value for taxpayers.

General Services Administration  
PUBLIC BUILDINGS SERVICE  
FEDERAL BUILDINGS FUND

PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)

**PBS Responsibility Segment: Financial Management**

**GSA Strategic Goal: Achieve Responsible Asset Management**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 △
			03	04	
Increase Funds from Operations to \$1.51 billion.	Funds From Operations	\$1,390,000	\$1,440,000	\$1,510,000	\$70,000
<b>Budget Links</b>					
<b>Total</b>		<b>\$53,163</b>	<b>\$73,454</b>	<b>\$74,797</b>	<b>\$1,343</b>
<i>Building Operations</i>		<i>\$53,163</i>	<i>\$73,454</i>	<i>\$74,797</i>	<i>\$1,343</i>
<b>Strategies</b>					
Targeted efforts of PBS's regional staff to improve performance on measures that impact FFO (e.g. non-revenue producing space, operating costs, indirect costs, data accuracy, etc.).					
Strong partnering efforts with PBS's service providers at the local and national levels to allow PBS to reduce the cost of doing business, particularly in operations.					

**General Services Administration  
PUBLIC BUILDINGS SERVICE  
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**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Financial Management**

**GSA Strategic Goal: Achieve Responsible Asset Management**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 △
			03	04	
Increase overall potential revenue to 93.3%.	Potential Revenue	92.7%	93.0%	93.3%	0.3%
<b>Budget Links</b>					
<b>Total</b>		<b>\$407,879</b>	<b>\$371,712</b>	<b>\$369,116</b>	<b>(\$2,596)</b>
<i>Repairs and Alterations</i>		\$404,312	\$367,340	\$365,000	(\$2,340)
<i>Building Operations</i>		\$3,567	\$4,372	\$4,116	(\$256)
<b>Strategies</b>					
Reduce the amount of space occupied by PBS.					
Convert space under alterations to revenue producing space quickly.					
Continue to use occupancy agreements as a tool to help eliminate gaps between the time when space becomes available and when a revenue stream begins.					

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

**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Financial Management**

**GSA Strategic Goal: Achieve Responsible Asset Management**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 △
			03	04	
Reduce the amount of non-revenue producing space to 10.4% in the government-owned inventory	Percentage of non-revenue producing space in government-owned inventory	11.8%	11.5%	10.4%	-1.1%
<b>Budget Links</b>					
None					
<b>Strategies</b>					
Aggressively market vacant warehouse space.					
Convert vacant space under alteration into vacant available or assigned space as quickly as possible.					
Continue to use occupancy agreements as a tool to help eliminate gaps between the time when space becomes available and when a revenue stream begins.					

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

**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Financial Management**

**GSA Strategic Goal: Achieve Responsible Asset Management**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 △
			03	04	
Reduce the amount of non-revenue producing space in the leased inventory to at or below 2.9%.	Percentage of non-revenue producing space in leased inventory.	3.1%	3.0%	2.9%	-0.1%
<b>Budget Links</b>					
None					
<b>Strategies</b>					
Plan tenant expansions and downsizing more effectively to minimize vacant space.					
Buy out leases when cost effective and move tenants to vacant owned space.					
Utilize outleasing opportunities.					

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

**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Financial Management**

**GSA Strategic Goal: Achieve Responsible Asset Management**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 ▲
			03	04	
Increase the percentage of government-owned assets with an ROI of at least 6 percent to 68%.	Percentage of Government-Owned Assets with an ROI of at least 6%	54%	62%	68%	6%
<b>Budget Link</b>					
None					
<b>Strategies</b>					
Exchange of the current asset for a higher performing space.					
Disposal of non-performing assets from the inventory.					
Renegotiation of rents resulting in an increased FFO.					

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

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**PERFORMANCE GOALS BY RESPONSIBILITY SEGMENT  
FY 2002-FY 2004  
(Dollars in Thousands)**

**PBS Responsibility Segment: Financial Management**

**GSA Strategic Goal: Achieve Responsible Asset Management**

Annual FY 2004 Performance Goal	Performance Measure	Actual 02	Targets		03-04 ▲
			03	04	
Increase the percentage of government-owned assets achieving a positive FFO.	Percentage of Government Owned Assets with a Positive FFO	74%	82%	87%	5%
<b>Budget Link</b>					
None					
<b>Strategies</b>					
Disposal of non-performing assets from the inventory.					

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

**SCHEDULE OF RESOURCES, NEW OBLIGATIONAL AUTHORITY, AND FUND BALANCE  
FY 2002 - FY 2004  
(Dollars in Thousands)**

	FY 2002 Actual	FY 2003 Current	FY 2004 Request
<b>Resources:</b>			
Available from prior year for reauthorization	628,301	577,109	301,064
Columbia Hospital for Women	5,784	0	0
Redemption of Debt	(71,512)	(79,685)	(54,256)
Reprogramming Authority	21,832	34,803	0
Non-Expenditure Transfer	(7,082)	0	0
Appropriation	284,400 <sup>1</sup>	276,400	217,000
Project Lapsed	2,991	0	0
Rescission	0	0	0
Transfer to the Department of Homeland Security	(305,927)	(438,701)	(424,479)
Revenue from operations:			
Rent	6,056,204	6,312,541	6,763,585
Indefinite Authority for Rental of Space	182,902	288,600	[302,924]
Other Indefinite Authorities	32,720	[31,150]	[33,358]
Miscellaneous	15,112	9,563	9,563
Outleasing	6,455	8,000	8,000
SSA/CDC/CMS Payments	35,030	37,070	16,015 <sup>4</sup>
Subtotal, Revenue	<u>6,328,423</u>	<u>6,655,774</u>	<u>6,797,163</u>
Total Resources Available	6,887,210	7,025,700	6,836,492
<b>New Obligational Authority:</b>			
Construction and Acquisition	676,513	557,159	400,568
Repairs and Alterations	849,097 <sup>2</sup>	1,020,247 <sup>3</sup>	1,012,729 <sup>3</sup>
Installment Acquisition Payments	186,427	178,960	169,745
Rental of Space	3,134,952 <sup>2</sup>	3,441,811 <sup>2</sup>	3,388,187 <sup>3</sup>
Building Operations	1,469,497 <sup>2</sup>	1,526,459 <sup>3</sup>	1,608,708 <sup>3</sup>
Columbia Hospital for Women	5,784	0	0
Total New Obligational Authority	<u>6,322,270</u>	<u>6,724,636</u>	<u>6,579,937</u>
<b>Fund Balance:</b>			
Total Resources Available	6,887,210	7,025,700	6,836,492
Total New Obligational Authority	(6,322,270)	(6,724,636)	(6,579,937)
Prior Year Recoveries	<u>12,169</u>	<u>0</u>	<u>0</u>
Fund Balance (Available for Reauthorization)	577,109	301,064	256,555
<b>Net Budget Authority</b>	<b>22,583</b>	<b>113,744</b>	<b>(162,970)</b>
<b>Emergency Response Funding (ERF)</b>			
Repairs and Alterations (+)	46,631	0	0
Repairs and Alterations Transfer of Unobligated Balance (+)	5,209	0	0
<b>New Obligational Authority</b>			
Repairs and Alterations	51,840	0	0
<b>Fund Balance (including ERF)</b>			
Total Resources Available	6,939,050	7,025,700	6,836,492
Total New Obligational Authority	(6,374,110)	(6,724,636)	(6,579,937)
Prior Year Recoveries	<u>12,169</u>	<u>0</u>	<u>0</u>
Fund Balance (Available for Reauthorization)	577,109	301,064	256,555
<b>Net Budget Authority</b>	<b>69,214</b>	<b>113,744</b>	<b>(162,970)</b>

**Note:** Total Budget for Homeland Security in fiscal year 2002 is \$407,450.

<sup>1</sup> Includes advanced appropriation in Public Law 106-554 of \$276,400 thousand.

<sup>2</sup> Includes indefinite authority.

<sup>3</sup> Excludes indefinite authority.

<sup>4</sup> Estimate assumes Trust Fund Agencies will not pay full rent in FY 2004.



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

**FY 2004 BUDGET  
INDEFINITE AUTHORITIES  
(Dollars in Thousands)**

	FY 2002 ACTUAL	FY 2003 CURRENT	FY 2004 REQUEST
<b><u>RESOURCES/EXPENDITURES</u></b>			
Repairs and Alterations (Basic)			
Pennsylvania Avenue Activities	325	[8,575]	[7,000]
Repairs and Alterations (Line-Item)			
Energy	187	[187]	[187]
Recycling	469	[469]	[469]
Historical Outleasing	14,109	[14,109]	[14,109]
Building Operations			
Pennsylvania Avenue Activities	185	[800]	[795]
International Trade Center	16,707	[5,896]	[9,684]
Teleworking	<u>738</u>	<u>[1,114]</u>	<u>[1,114]</u>
<b>TOTAL (Excludes Leased Expansion Space)</b>	32,720	[31,150]	[33,358]
Rental of Space			
Leased Expansion Space	182,902	288,600	[302,924]

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 2004	
	FY 2002 Actual		FY 2003 Current		FY 2004 Request		Change	
	FTE	Obligations	FTE	Obligations	FTE	Obligations	FTE	Obligations
<b>FTE and Obligations:</b>								
1. Construction and Acquisition	-	660,525	-	938,181	-	456,980	-	(481,201)
2. Repairs and Alterations	-	843,152	-	819,946	-	1,166,000	-	346,054
3. Design and Construction Services	-	3,322	-	849	-	0	-	(849)
4. Installment Acquisition Payments	-	182,440	-	178,960	-	169,745	-	(9,215)
5. Construction of Lease Purchase Facilities <sup>1/</sup>	-	13,190	-	158,598	-	0	-	(158,598)
6. Pennsylvania Avenue Activities								
a) Repairs and Alterations		325		8,575		7,000		(1,575)
b) Building Operations	-	185	-	800	-	795	-	(5)
7. Rental of Space	-	3,155,062	-	3,485,495	-	3,388,187	-	(97,308)
8. Building Operations								
a) Cleaning	307	209,930	291	235,783	275	248,635	(16)	12,852
b) Utilities/Fuel	-	237,342	-	325,696	-	342,448	-	16,752
c) Maintenance	814	217,866	684	256,340	646	286,079	(38)	29,739
d) Other Building Services	2,946	282,680	2,892	291,006	2,892	301,747	-	10,741
f) Staff Support	1,505	382,204	1,644	263,275	1,644	273,471	-	10,196
g) CIO	-	58,868	-	63,256	-	74,887	-	11,631
h) Centralized Services	-	102,386	-	104,503	-	105,865	-	1,362
i) International Trade Center	-	17,723	-	3,311	-	-	-	(3,311)
j) Columbia Hospital for Women	-	5,784	-	-	-	-	-	0
Subtotal, Building Operations	5,572	1,514,783	5,511	1,543,170	5,457	1,633,132	(54)	89,962
9. Reimbursable	231	927,443	117	704,821	117	687,393	-	(17,428)
<b>Total FTE/Obligations</b>	<b>5,803</b>	<b>7,300,427</b>	<b>5,628</b>	<b>7,839,395</b>	<b>5,574</b>	<b>7,509,232</b>	<b>(54)</b>	<b>72,534</b>
<b>Net Outlays:</b>		(616,118)		232,258		(147,449)		(379,707)

<sup>1/</sup> FY 2003 obligations include \$152 million for the award of construction contract for the Federal Building, San Francisco, California. Award is scheduled for February 2003.

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

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

	FY 2002 Actual	FY 2003 Current	FY 2004 Request
Personnel Compensation:			
11.1 Full-time permanent	379,324	357,759	354,569
11.3 Other than full-time permanent	3,571	4,732	4,703
11.5 Other personnel compensation	7,141	11,655	11,651
11.9 Total personnel compensation	390,036	374,146	370,923
12.1 Civilian personnel benefits	91,877	78,881	84,267
13.0 Benefits for former personnel	49	121	131
21.0 Travel and transportation of persons	15,312	11,159	11,461
21.0 Motor pool travel	2,165	1,629	1,629
22.0 Transportation of things	2,403	3,095	3,130
23.2 Rental payments to others	3,152,689	3,485,495	3,388,187
23.3 Communications, utilities, and misc. charges	314,134	361,096	379,914
24.0 Printing and reproduction	2,375	2,266	2,364
25.1 Advisory and assistance services	281	353	356
25.2 Other services	2,468,313	2,590,073	2,302,940
25.4 Operation and maintenance of facilities	512,951	555,500	589,822
25.7 Operation and maintenance of equipment	33,191	46,361	46,792
26.0 Supplies and materials	60,485	66,359	64,133
31.0 Equipment	46,416	56,016	58,753
32.0 Land and structures	40,320	47,348	50,932
41.0 Grants, subsidies, and contributions	0	45	45
42.0 Insurance claims and indemnities	152	18	18
43.0 Interest and dividends	167,278	159,434	153,435
99.9 Total Obligations (including Emergency Response Funding)	7,300,427	7,839,395	7,509,232

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

**OPERATIONS AND CAPITAL SEGMENTS  
FY 2004 BUDGET REQUEST  
(Dollars in Thousands)**

	OPERATIONS		CAPITAL		TOTAL
	Government-Owned	Government-Leased	Construction & Acquisition	Repairs & Alterations	
Construction and Acquisition	\$0	\$0	\$400,568	\$0	\$400,568
Basic Repairs and Alterations	\$328,500	\$36,500	\$0	\$0	\$365,000
Line Item Repairs and Alterations	\$0	\$0	\$0	\$647,729	\$647,729
Installment Acquisition Payments	\$0	\$0	\$169,745	\$0	\$169,745
Redemption of Debt	\$0	\$0	\$54,256	\$0	\$54,256
Rental of Space	\$0	\$3,388,187	\$0	\$0	\$3,388,187
<b>Building Operations</b>	<u>\$1,212,013</u>	<u>\$174,050</u>	<u>\$95,998</u>	<u>\$126,647</u>	<u>\$1,608,708</u>
o Building Services	\$842,135	\$93,571	\$0	\$0	\$935,706
o Salary and Administration					
-Staff Support	\$273,550	\$43,854	\$57,056	\$57,056	\$431,516
o Technical services, space planning	\$0	\$11,203	\$15,223	\$38,732	\$65,158
o Information Technology	\$35,039	\$11,680	\$8,302	\$15,442	\$70,463
o Centralized Services	\$61,289	\$13,742	\$15,417	\$15,417	\$105,865
Reimbursable	\$521,310	\$451	\$88,756	\$76,876	\$687,393
<b>TOTAL</b>	<b>\$2,061,823</b>	<b>\$3,599,188</b>	<b>\$809,323</b>	<b>\$851,252</b>	<b>\$7,321,586</b>

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

**SUMMARY OF TOTAL INVENTORY, GOVERNMENT-OWNED AND LEASED SPACE  
FY 2002 - FY 2004  
(Rentable Square Feet in Thousands)**

	FY 2002 ACTUAL	CHANGE FROM FY 2001	FY 2003 CURRENT	CHANGE FROM FY 2002	FY 2004 REQUEST	CHANGE FROM FY 2003
Government Owned Space						
Assigned	167,094	915	168,291	1,197	172,088	3,797
Vacant	16,096	-1,306	15,835	-261	15,618	-217
Total	183,190	-391	184,126	936	187,706	3,580
GSA Leased Space						
Assigned	152,610	3,801	156,077	3,467	159,204	3,127
Vacant	2,230	-793	2,699	469	3,249	550
Total	154,840	3,008	158,776	3,936	162,453	3,677
Government Owned and Leased						
Assigned	319,704	4,716	324,368	4,664	331,292	6,924
Vacant	18,326	-2,099	18,534	208	18,867	333
Total Space in Inventory	338,030	2,617	342,902	4,872	350,159	7,257
% of Total Space Vacant	5.4%		5.4%		5.4%	
% of Govt-Owned Space Vacant	8.8%		8.6%		8.3%	
% of Leased Space Vacant	1.4%		1.7%		2.0%	

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

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**SUMMARY OF SPACE ASSIGNED, TOTAL INVENTORY  
GOVERNMENT-OWNED AND LEASED SPACE  
(Rentable Square Feet in Thousands)  
FY 2002 - FY 2004**

AGENCY	FY 2002 ACTUAL	FY 2003 CURRENT	FY 2004 REQUEST	CHANGE FROM FY 2003
Treasury	45,503	45,585	45,616	31
Justice	45,206	45,953	46,168	215
U.S. Courts	36,371	37,449	38,134	685
Defense	30,021	29,942	29,870	(72)
Social Security Administration	26,767	26,202	26,204	2
Interior	14,973	14,960	14,975	15
Health and Human Services	12,971	12,993	13,113	120
All Other Agencies	107,892	111,284	117,212	5,928
Total Space Assigned	319,704	324,368	331,292	6,924

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

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<b>INSTALLMENT ACQUISITION PAYMENTS EXPLANATION OF BUDGET CHANGES (Dollars in Thousands)</b>	
<b>FY 2003 Current Level (Obligations)</b>	<b>\$178,960</b>
Decrease in Capitalized Interest Payments	(3,216)
Decrease in Interest Payments	(5,999)
<b>FY 2004 Request</b>	<b>\$169,745</b>

**General Program Description**

The Public Buildings Amendment of 1972 enabled GSA to contract for the construction of a backlog of authorized but unfunded new construction projects. We were granted borrowing authority for a selected number of these projects. Congress has also provided authority on numerous occasions to borrow funds to construct specific federal facilities. This program funds payments for interest, including capitalized interest, for facilities constructed under borrowing authority.

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**CONSTRUCTION OF LEASE PURCHASE FACILITIES  
STATUS OF UNOBLIGATED BORROWING AUTHORITY  
(Dollars in Thousands)**

	FY 2002 ACTUAL	FY 2003 CURRENT	FY 2004 REQUEST	FUTURE YEARS
UNOBLIGATED BALANCE AVAILABLE START-OF-YEAR	221,972	208,866	50,268	50,268
NEW AUTHORITY TO BORROW	--	--	--	--
TOTAL AVAILABILITY	221,972	208,866	50,268	50,268
OBLIGATIONS AGAINST FY 1990 AUTHORITY	(13,190)	(158,598)	--	(50,268)
PRIOR YEAR RECOVERIES	84	--	--	--
UNOBLIGATED BALANCE AVAILABLE END-OF-YEAR	208,866	50,268	50,268	0



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**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>
<b>DEVELOPER CONSTRUCTION FINANCING</b> <u>(Project Cost Includes Construction Interest)</u>			
California, Oakland, FB	12/90 (A)	12/94 (A)	194,470 <sup>1,2</sup>
Georgia, Atlanta, CDC	8/93 (A)	12/95 (A)	23,776 <sup>1</sup>
Georgia, Chamblee, CDC/Office	6/90 (A)	5/93 (A)	4,954 <sup>1</sup>
Illinois, Chicago, FB	5/89 (A)	6/91 (A)	156,943 <sup>1</sup>
<b>FFB CONSTRUCTION FINANCING</b> <u>(Project Cost Excludes Construction Interest)</u>			
California, San Francisco, FB	2/03 (E) <sup>3</sup>	10/05 (E)	164,608
Florida, Miami, FB	6/92 (A)	8/93 (A)	14,400 <sup>1</sup>
Georgia, Chamblee, CDC/Lab	9/99 (A)	4/02 (A)	25,920
Georgia, Chamblee, IRS	6/93 (A)	11/98 (A)	77,314
Maryland, Woodlawn, HCFA	12/92 (A)	8/95 (A)	119,846 <sup>1</sup>
New York, New York, Foley Square <sup>4</sup>	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 <sup>5</sup>
(A) ACTUAL			
(E) ESTIMATED			
<sup>1</sup> Project financially complete.			
<sup>2</sup> Includes construction period interest paid to the developer (\$17,095).			
<sup>3</sup> Site remediation and excavation package awarded 5/02 (A).			
<sup>4</sup> Obligations will continue to be incurred to complete work associated with the African Burial Ground			
<sup>5</sup> \$233,418 thousand in Borrowing Authority lapsed 9/30/99.			

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<b>REIMBURSABLE PROGRAM EXPLANATION OF BUDGET CHANGES (Dollars in Thousands)</b>		
	<b>FTE</b>	<b>Dollars</b>
<b>FY 2003 Current Level</b>	<b>117</b>	<b>\$704,821</b>
Inflation	--	16,015
Workload Increases (+)	--	48,453
Workload Decreases (-)	--	(81,896)
<b>FY 2004 Request</b>	<b>117</b>	<b>\$687,393</b>

**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.

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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. 592), \$217,000,000. 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 \$6,579,937,000, of which: (1) \$400,568,000 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:

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New Construction:

California:

San Diego, Border Station, \$34,211,000

Maine:

Jackman, Border Station, \$7,712,000

Maryland:

Suitland, United States Census Bureau,  
\$146,451,000

Michigan:

Detroit, Ambassador Bridge Border Station,  
\$25,387,000

New York:

Champlain, Border Station, \$35,031,000

Texas:

Del Rio, Border Station, \$23,966,000

Eagle Pass, Border Station, \$31,980,000

Houston, Federal Bureau of Investigation,  
\$58,080,000

McAllen, Border Station, \$17,938,000

Washington:

Blaine, Border Station, \$9,812,000

Nonprospectus Construction, \$10,000,000:

Provided, That each of the foregoing limits of costs on new construction projects may be exceeded to the extent that savings are effected in other such projects, but not to exceed 10 percent unless notice is transmitted to the Committees on Appropriations of a greater amount: Provided further, That all funds for direct construction projects shall expire on September 30, 2005, and remain in the Federal Buildings Fund except for funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date; (2) \$1,012,729,000 shall remain available until expended for repairs and alterations which includes associated design and construction services: Provided further,

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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 notice is transmitted the Committees on Appropriations of a greater amount:

Repairs and Alterations:

Colorado:

Denver, Byron G. Rogers Federal Building  
Courthouse, \$48,436,000

District of Columbia:

320 First Street, \$7,485,000

Eisenhower Executive Office Building,  
\$65,757,000

Federal Office Building 8, \$134,872,000

Main Interior Building, \$15,603,000

Fire and Life Safety, \$68,188,000

Georgia:

Atlanta, Richard B. Russell Federal Building,  
\$32,173,000

Illinois:

Chicago, Everett M. Dirksen Courthouse and  
Kluczynski Federal Building, \$24,056,000

Springfield, Paul H. Findley Federal Building -  
Courthouse, \$6,183,000

Massachusetts:

Boston, John W. McCormack Post Office and  
Courthouse, \$73,037,000

New York:

Brooklyn, Emanuel Celler Courthouse,  
\$65,511,000

North Dakota:

Fargo, Federal Building – Post Office,  
\$5,801,000

Ohio:

Columbus, John W. Bricker Federal Building,  
\$10,707,000

Washington:

Auburn, Building 7, Auburn Federal Building,  
\$18,315,000

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Seattle, Henry M. Jackson Federal Building,  
\$6,868,000

Special Emphasis Programs:

Chlorofluorocarbons Program, \$5,000,000

Energy Program, \$5,000,000

Glass Fragmentation Program, \$20,000,000  
Design Program, \$34,737,000

Basic Repairs and Alterations \$365,000,000:

Provided further, That additional projects for which prospectuses have been fully approved may be funded under this category only if advance notice is transmitted to the Committees on Appropriations: Provided further, That the amounts provided in this or any prior Act for "Repairs and Alterations" may be used to fund costs associated with implementing security improvements to buildings necessary to meet the minimum standards for security in accordance with current law and in compliance with the reprogramming guidelines of the appropriate Committees of the House and Senate: Provided further, That the difference between the funds appropriated and expended on any projects in this or any prior Act, under the heading "Repairs and Alterations", may be transferred to Basic Repairs and Alterations or used to fund authorized increases in the prospectus projects: Provided further, That all funds for repairs and alterations prospectus projects shall expire on September 30, 2005 and remain in 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

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“Repairs and Alterations” or used to fund authorized increases in prospectus projects; (3) \$169,745,000 for installment acquisition payments including payments on purchase contracts which shall remain available until expended; (4) \$3,388,187,000 for rental of space which shall remain available until expended; and (5) \$1,608,708,000 for building operations which shall remain available until expended: Provided further, That funds available to the General Services Administration shall not be available for expenses of any construction, repair, alteration and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses for the development of a proposed prospectus: Provided further, That funds available in the Federal Buildings Fund may be expended for emergency repairs when notice is transmitted to the Committees on Appropriations: Provided further, That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 592(b)(2)) and amounts to 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 2004, excluding reimbursements under section 210(f)(6) of the Federal Property and

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Administrative Services Act of 1949 (40 U.S.C. 592(b)(2)) in excess of \$6,579,937,000 shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts.



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Explanation of Change in Appropriation Language for Fiscal Year 2004

For fiscal year 2004, the proposed language for the Federal Buildings Fund includes changes from previously enacted legislation as follows:

1. PBS is requesting a direct appropriation of \$217,000.