United States General Accounting Office

GAO

Report to the Ranking Minority Member
Committee on Governmental Affairs
U.S. Senate

August 2001

GENERAL SERVICES ADMINISTRATION

Status of Achieving Key Outcomes and Addressing Major Management Challenges

G A O

Accountability * Integrity * Reliability

GAO-01-931

G A O
Accountability * Integrity * Reliability

United States General Accounting Office
Washington, DC 20548

August 3, 2001

The Honorable Fred Thompson
Ranking Minority Member
Committee on Governmental Affairs
United States Senate

Dear Senator Thompson:

As you requested, we have reviewed the General Services Administration's (GSA) fiscal year 2000 performance report and fiscal year 2002 performance plan, which are required by the Government Performance and Results Act of 1993 (GPRA), to assess GSA's progress in achieving selected key outcomes that you identified as important mission areas for the agency.[1] These are the same outcomes we addressed in our June 2000 review of GSA's fiscal year 1999 performance report and fiscal year 2001 performance plan, which provide a baseline to measure the agency's performance from year to year.[2] The three selected key outcomes are:

- quality products and services are provided to federal agencies at competitive prices and significant price savings to the government;
- federal buildings are safe, accessible, and energy efficient; and
- federal buildings are adequately maintained.

As agreed, using the selected key outcomes for GSA as a framework, we (1) assessed the progress GSA has reported in achieving these outcomes and the strategies the agency has in place to achieve them, and (2) compared GSA's fiscal year 2000 performance report and fiscal year 2002 performance plan with the agency's prior year performance report and plan for these outcomes. Additionally, we agreed to analyze how GSA addressed the major management challenges that GSA's Inspector General (IG) identified as well as two issues—strategic human capital management and information security—that we identified as governmentwide high-risk

[1]This report is one of a series of reports on the 24 Chief Financial Officers Act agencies' fiscal year 2000 performance reports and fiscal year 2002 performance plans.

[2]*Observations on the General Services Administration's Fiscal Year 1999 Performance Report and Fiscal Year 2001 Performance Plan* (GAO/GGD-00-148R, June 30, 2000).

areas.[3] Appendix I provides detailed information on how GSA addressed these challenges and high-risk areas.

Results in Brief

As in fiscal year 1999, GSA reported mixed results in its fiscal year 2000 performance for the three selected key outcomes. GSA's fiscal year 2000 performance report showed that it met or exceeded some goals and did not meet or was unable to measure other goals. GSA's fiscal year 2002 plan had strategies for achieving the goals related to the outcomes that clearly described major steps to reach the goals. Specifically:

Planned outcome: Quality products and services are provided to federal agencies at competitive prices and significant price savings to the government. GSA's performance goals for this outcome were typically outcome-oriented, measurable, and quantifiable. The goals addressed a wide range of issues, from products and services in such areas as supply and procurement to real property operations. GSA reported that it exceeded or met many of these goals in fiscal year 2000. For its unmet goals, GSA cited reasons for not meeting the goals or explained that it was analyzing data to determine the reasons. GSA also discussed to some extent various approaches, including plans, actions, and time frames, for achieving most of the unmet goals. As it did in the fiscal year 1999 report, GSA revised many goals and measures for this outcome in the fiscal year 2000 performance report. The revisions, among other things, included updating targets in goals and measures. In addition, GSA's fiscal year 2000 report discussed the effects of fiscal year 2000 performance on the estimated fiscal year 2001 performance for many of the goals related to this outcome. Also, for the goals related to this outcome, GSA's fiscal year 2002 performance plan had strategies that clearly described major steps to reach the goals. In both the report and the plan, GSA discussed data validation and verification efforts for the goals related to this outcome.

Planned outcome: Federal buildings are safe, accessible, and energy efficient. In its fiscal year 2000 report, GSA indicated that it exceeded its customer satisfaction goal related to building security, as it had in fiscal year 1999. The fiscal year 2000 report also had a separate section that explicitly discussed the building security issue. The section explained that GSA is changing its approach from a reactive posture of patrol and incident response to a proactive stance of crime prevention and threat

[3] *High-Risk Series: An Update* (GAO-01-263, Jan. 2001).

reduction. The section also said that GSA seeks to identify and reduce risk through automated risk assessment surveys and a comprehensive nationwide risk threat assessment. In fact, the fiscal year 2000 report explained that GSA was developing a national security measure that is intended to assess the overall risk of threats to government buildings more comprehensively and anticipated implementing the new measure in fiscal year 2001.

GSA's fiscal year 2002 performance plan includes a new security goal related to its overall efforts to reduce threats to buildings. As part of this goal, GSA developed a regional threat composite index, which was designed to help identify and quantify the level of risk or threat to federal buildings located in specific geographical areas and assess GSA's performance in reducing such threats. GSA expects that by fiscal year 2002, the regional indexes will be used to establish a national threat assessment index baseline. Strategies related to this goal clearly described major steps to reach the goals and included such efforts as obtaining timely criminal intelligence information. In addition, the fiscal year 2002 plan contained a customer satisfaction goal related to building security and a goal related to the conservation of energy consumption in federal buildings. Both goals had strategies that clearly described major steps to achieve the goals, such as using focus groups at the building level to better understand customers' security concerns and pursuing design and construction methods that will help GSA achieve external environmental recognition by the Department of Energy (DOE) and the Environmental Protection Agency (EPA). For the goals related to this outcome, GSA discussed data validation and verification efforts in both the fiscal year 2000 report and the fiscal year 2002 plan. Neither the report nor the plan had goals directly related to federal building accessibility.

Planned outcome: Federal buildings are adequately maintained. For the third key outcome, GSA's fiscal year 2000 report, like the fiscal year 1999 report, showed mixed performance results. The goals, which were related to the timeliness of and cost controls over repairs and alterations to GSA buildings, were objective, measurable, and quantifiable, and the measures generally indicated progress toward meeting the goals. GSA reported that for fiscal year 2000, its performance exceeded the cost control goal but did not meet the timeliness goal. For the unmet goal, GSA discussed reasons why the goal was not met and described actions it has taken to facilitate meeting the goal in the future. Although GSA did not specifically discuss the effects of fiscal year 2000 performance on estimated fiscal year 2001 performance for the two goals, it did say that it is planning to develop more comprehensive measures for each goal.

GSA's fiscal year 2002 performance plan included strategies that clearly described major steps for achieving the goals related to this outcome. Two of the goals were similar to the goals in the fiscal year 2000 performance report, which involved improving the timeliness of building repairs and alterations and reducing cost escalations for repairs and alterations. For the goal related to improving the timeliness of repairs and alterations, GSA identified such strategies as optimizing the inventory tracking system to better monitor the backlog of work items. For the goal related to reducing cost escalations, GSA identified such strategies as limiting project changes by obtaining up-front commitments from client agencies on the scope, schedules, and costs associated with building repairs and alterations.

GSA's fiscal year 2002 plan also had another goal related to this outcome that involved estimating the government's financial liabilities for environmental clean-up costs in its properties, such as owned and leased buildings. GSA stated that federal agencies are required to identify, document, and quantify the environmental financial liabilities related to all owned and leased properties within their inventories. GSA's overall strategy for achieving this new goal involved implementing a multiphased approach. The first step of this approach will involve conducting environmental assessments of government-owned and leased properties to identify federal properties that pose environmental hazards. For the goals related to this outcome, GSA discussed data validation and verification efforts in both the report and the plan.

Generally, GSA's fiscal year 2000 performance report and fiscal year 2002 performance plan included some significant differences that made them more descriptive and informative documents than the fiscal year 1999 performance report and fiscal year 2001 performance plan. Most notably, GSA's fiscal year 2000 report responded more fully to GPRA's implementing guidance than did the fiscal year 1999 report. For example, the fiscal year 2000 report (1) typically described various approaches it planned to implement for achieving unmet goals and (2) generally discussed for several goals the effects of fiscal year 2000 performance on estimated fiscal year 2001 performance. In addition, the fiscal year 2000 report was more informative than the fiscal year 1999 report in that it more explicitly discussed performance data sources and acknowledged that the data used to measure progress may need improvement. Also, the report clearly recognized the management challenges identified by GSA's IG, which included two issues that we identified as governmentwide high-risk areas—strategic human capital management and information security. In addition, GSA described various actions it has taken or plans to take to address the challenges.

GSA's fiscal year 2002 performance plan differed from the fiscal year 2001 performance plan in that it had more detailed discussions of data validation and verification and the management challenges identified by GSA's IG, two of which involved the governmentwide high-risk areas that we identified. Along with the management challenges, GSA described various actions it has taken or plans to take to address the challenges. Also, the fiscal year 2002 plan contained several performance goals that appeared to be related to these challenges, including two building security goals. In addition, GSA's plan discusses (1) a new strategic goal related to meeting federal social and environmental objectives that was included in GSA's September 30, 2000, strategic plan; (2) efforts to implement Office of Management and Budget (OMB) governmentwide reforms, such as delayering management levels to streamline organizations; and (3) performance goals for the three staff offices of Chief Financial Officer (CFO), Chief Information Officer (CIO), and Chief People Officer (CPO).

Our analysis indicates that both the fiscal year 2000 performance report and fiscal year 2002 performance plan were steps in the right direction in responding to the recommendations in our June 2000 GPRA report, which called for better implementation of GPRA guidance and enhanced development of security goals and measures. GSA appears to be making overall progress in improving its efforts to respond to GPRA's planning and reporting requirements. Therefore, we are not making additional recommendations at this time. GSA officials agreed with the contents of this report.

Background

GPRA is intended to shift the focus of government decisionmaking, management, and accountability from activities and processes to the results and outcomes achieved by federal programs. New and valuable information on the plans, goals, and strategies of federal agencies has been provided since federal agencies began implementing GPRA. Under GPRA, annual performance plans are to clearly inform the Congress and the public of (1) the annual performance goals for agencies' major programs and activities, (2) the measures that will be used to gauge performance, (3) the strategies and resources required to achieve the performance goals, and (4) the procedures that will be used to verify and validate performance information. These annual plans, issued after transmittal of the president's budget, provide a direct linkage between an agency's longer term goals and mission and day-to-day activities.[4] Annual

[4]The fiscal year 2002 performance plan is the fourth of these annual plans under GPRA.

performance reports are to subsequently report on the degree to which performance goals were met. The issuance of the agencies' performance reports, due by March 31, represents a new and potentially more substantive phase in the implementation of GPRA—the opportunity to assess federal agencies' reported performance for the prior fiscal year and to consider what steps are needed to improve performance and reduce costs in the future.[5]

GSA's overall mission is to provide policy leadership and expert solutions in services, space, and products at the best value to enable federal employees to accomplish their work-related responsibilities. As part of this mission, GSA recognizes that it must provide federal agencies with the highest quality service at a competitive cost. In its September 2000 strategic plan, GSA discussed the major goals related to its mission, which are to

- promote responsible asset management,
- compete effectively for the federal market,
- excel at customer service,
- meet federal social and environmental objectives, and
- anticipate future workforce needs.

Assessment of GSA's Progress and Strategies in Achieving Selected Key Outcomes

For the three key selected outcomes—quality products and services are provided to federal agencies at competitive prices and significant price savings to the government; federal buildings are safe, accessible, and energy efficient; and federal buildings are adequately maintained—GSA's fiscal year 2000 performance report indicated that GSA met or exceeded 21 of the 34 performance goals related to the 3 outcomes. For the remaining 13 goals, GSA did not meet 11 goals and was unable to measure 2 goals. In its report, GSA (1) typically described various strategies it planned to implement for achieving the unmet goals and (2) generally discussed the effects of fiscal year 2000 performance on estimated fiscal year 2001 performance for many goals. For such goals, the report discussed fiscal year 2000 performance and what performance could be expected in fiscal year 2001. In addition, the fiscal year 2002 performance plan included discussions of strategies for each of the goals that supported the three outcomes.

[5]The fiscal year 2000 performance report is the second of these annual reports under GPRA.

Products and Services Provided to Federal Agencies

As in fiscal year 1999, GSA's performance report showed that it had achieved mixed results for this outcome in fiscal year 2000. GSA's 31 performance goals for this outcome were typically outcome-oriented, measurable, and quantifiable. The goals addressed a wide range of issues involving products and services in such areas as supply and procurement, real property operations, vehicle acquisition and leasing, travel and transportation, information technology (IT), and telecommunications. GSA reported that it exceeded or met 19 of the 31 goals in fiscal year 2000 in such areas as leasing operations, real property disposal and operations, supply and procurement, vehicle acquisition and leasing, travel and transportation, personal property management, and network services. For the remaining 12 goals, GSA did not meet 10 goals and was unable to measure its performance on 2 goals. GSA cited reasons for not meeting or measuring the goals or explained that it was analyzing data to determine the reasons. GSA also discussed to some extent various approaches, including plans, actions, and time frames, to achieve most of the unmet goals. The unmet goals were in such areas as leasing and real property operations, supply and procurement, and vehicle acquisition and leasing; the unmeasured goals were in the vehicle acquisition and leasing and travel and transportation areas.

As it did in the fiscal year 1999 report, GSA revised many goals and measures for this key outcome in the fiscal year 2000 performance report. The revisions ranged from updating target performance levels to broadening the scope of various goals to include services as well as products. In addition, in its fiscal year 2000 report, GSA described the effects of the fiscal year 2000 performance on the estimated fiscal year 2001 performance for 15 of the 31 goals related to this outcome.

GSA's fiscal year 2002 performance plan also had 31 goals related to this outcome. The plan had strategies for all the goals, which covered a wide range of activities that clearly described major steps to reach the goals. For example, to help achieve the goal of maximizing cost avoidance through reutilization and donation of excess federal personal property, GSA's strategies included making the property visible through the Federal Disposal System, which is an information system that identifies available surplus property. Also, to achieve the goal of increasing the number of products and services available to federal customers on the Internet, GSA's strategies included a requirement that starting in October 2001, all new schedule contractors had 6 months to include their products and services on *GSA Advantage!*™, the on-line service for obtaining products and services. For the goals related to this outcome, GSA discussed data

validation and verification efforts in both the fiscal year 2000 report and the fiscal year 2002 plan.

Safe, Accessible, and Energy-Efficient Federal Buildings

For the second key outcome, GSA's fiscal year 2000 performance report, like the fiscal year 1999 report, had one goal related to building security. Specifically, the goal was to reduce the number of buildings that have costs in the high range of the benchmark set by private sector experts while maintaining effective security in government buildings. In addition to this goal, GSA discussed the issue of building security in a separate section of the performance report. The section explained that GSA is changing its approach from a reactive posture of patrol and incident response to a proactive stance of crime prevention and threat reduction. The section also said that GSA seeks to identify and reduce risk through automated risk assessment surveys and a comprehensive nationwide risk threat assessment.

For the security goal, GSA had initially established a measure that would compare the agency's protection costs with similar costs in the private sector. However, GSA's fiscal year 2000 performance report recognized, as did its fiscal year 1999 report, that security could not be measured by costs alone. Thus, GSA did not use its initial cost-related measure but relied on customer satisfaction as an interim measure of the quality of protection services at government buildings while it developed a new measure. As it did in fiscal year 1999, GSA reported that it exceeded its fiscal year 2000 customer satisfaction target.

The fiscal year 2000 report explained that GSA was developing a national security measure that is intended to assess the overall risk of threats to government buildings more comprehensively. The new threat assessment measure is being developed to consider the motives, opportunities, and means that outside groups or individuals may possess to threaten the security of government buildings. GSA also will include customer satisfaction in developing the measure. GSA's fiscal year 2000 report said that this information is quantifiable and can be used to calculate risk scores for specific buildings. Building scores can be combined to establish a national threat assessment index, which can be used over time to help measure GSA's efforts to reduce the level of threat or risk to government buildings. GSA anticipated implementing the new measure in fiscal year 2001.

GSA's fiscal year 2002 performance plan includes a new security goal related to its overall efforts to reduce threats to buildings. As part of this

goal, GSA developed a regional threat composite index, which was designed to help identify and quantify the level of risk or threat to federal buildings located in specific geographical areas and assess GSA's performance in reducing such threats. GSA expects that by fiscal year 2002, the regional indexes will be used to establish a national threat assessment index baseline. Strategies related to this goal clearly described major steps to reach the goal and included such efforts as obtaining timely criminal intelligence information, reducing the number of violent incidents, and partnering with security contractors. By developing and implementing the new security goal and its related measure, GSA has taken steps to address the recommendation in our June 2000 GPRA report. This recommendation called for GSA to develop security goals and measures that are more programmatic, that hold agency officials more accountable for results, and that allow GSA to determine if security strategies are working as intended. In addition, the plan continues to have a customer satisfaction goal, which includes such strategies as (1) using focus groups at buildings to help GSA better understand what is needed to improve customer satisfaction with security; and (2) sharing practices that have enhanced customer satisfaction scores among building managers, law enforcement security officers, and other building personnel nationwide.

GSA's fiscal year 2002 performance plan also included a goal related to the conservation of energy consumption in federal buildings. Executive Order 13123, dated June 3, 1999, stated that energy consumption is to be reduced by 35 percent by fiscal year 2010 compared with the 1985 baseline. In the fiscal year 2002 plan, GSA identified various energy conservation strategies, such as pursuing methods that would help GSA facilities to be recognized by DOE and EPA for achievements in effective environmental design and construction and using utility management techniques to enhance building operations' efficiency. For the goals related to this outcome, GSA discussed data validation and verification efforts in both the fiscal year 2000 report and the fiscal year 2002 plan. Neither the report nor the plan included any performance goals directly related to federal building accessibility.

Federal Building Maintenance

For the third key outcome, GSA's fiscal year 2000 performance report, like the fiscal year 1999 report, included two goals under this outcome, which showed mixed performance results. The goals, which were related to the timeliness of and cost controls over repairs and alterations to GSA buildings, were objective, measurable, and quantifiable. The measures generally indicated progress toward meeting the goals. GSA reported that

for fiscal year 2000, its performance exceeded the cost control goal but did not meet the timeliness goal. For the unmet goal, GSA discussed reasons why the goal was not met and described actions it has taken to facilitate meeting the goal in the future. Although GSA did not specifically discuss the effects of fiscal year 2000 performance on estimated fiscal year 2001 performance for the two goals, it did say that it is planning to develop more comprehensive measures for each goal.

We recently issued two reports that discussed some aspects of GSA's efforts to maintain its buildings. Specifically, in March 2000 and April 2001, we reported, among other things, that GSA's buildings needed billions of dollars for unfunded repairs and alterations; funding limitations were a major obstacle to reducing these needs; and serious consequences, including health and safety concerns, resulted from delaying or not performing repairs and alterations at some buildings.[6]

In its fiscal year 2002 performance plan, GSA included three goals related to this outcome. Two of these goals were similar to the goals in the fiscal year 2000 performance report, which involved improving the timeliness of building repairs and alterations and reducing cost escalations for repairs and alterations. In its fiscal year 2002 plan, GSA identified various strategies that clearly described major steps to be taken to achieve the two goals. For the goal related to improving the timeliness of repairs and alterations, GSA identified such strategies as implementing a Web-based program to streamline its building evaluation reports and optimizing the inventory tracking system to better monitor the backlog of work items. For the goal related to reducing cost escalations, GSA identified such strategies as (1) limiting project changes by obtaining up-front commitments from client agencies on the scope, schedules, and costs associated with building repairs and alterations; and (2) using design options that allow for adjusting repair and alteration projects to meet unforeseen events, such as budget reductions or higher-than-anticipated contractor bids.

GSA's fiscal year 2002 plan also had a third goal related to this outcome that involved estimating the government's financial liabilities for environmental clean-up costs in its properties, such as owned and leased

[6] *Federal Buildings: Billions Are Needed for Repairs and Alterations* (GAO/GGD-00-98, Mar. 30, 2000); and *Federal Buildings: Funding Repairs and Alterations Has Been a Challenge—Expanded Financing Tools Needed* (GAO-01-452, Apr. 12, 2001).

buildings. GSA stated that federal agencies are required to identify, document, and quantify the environmental financial liabilities related to all owned and leased properties within their inventories. In the fiscal year 2002 plan, GSA described its overall strategy for achieving this new goal. GSA explained its strategy as a multiphased approach; the first step of this approach will be to conduct "due care" assessments that will identify the federal properties that pose environmental hazards. GSA expects these assessments to be completed by 2002. For properties with documented environmental contamination, subsequent phases of the approach will involve identifying the nature and extent of such contamination. Using this information, GSA's overall strategy is to establish environmental financial liability baselines that will help the agency set targets for reducing such liabilities in future years. For the goals related to this outcome, GSA discussed data validation and verification efforts in both the fiscal year 2000 report and the fiscal year 2002 plan.

Comparison of GSA's Fiscal Year 2000 Performance Report and Fiscal Year 2002 Performance Plan With the Prior Year Report and Plan

Generally, GSA's fiscal year 2000 performance report and fiscal year 2002 performance plan had some significant differences that made the current documents more descriptive and informative than GSA's fiscal year 1999 performance report and fiscal year 2001 performance plan. In addition to a more explicit discussion of approaches for achieving unmet goals and the effects of fiscal year 2000 performance on estimated fiscal year 2001 performance, the fiscal year 2000 report included expanded discussions of (1) the data sources that GSA relied on to measure performance for specific goals; and (2) the management challenges identified by GSA's IG, which included two issues we identified as governmentwide high-risk areas—strategic human capital management and information security. Also, a recent study prepared by university researchers noted some overall improvement of GSA's fiscal year 2000 performance report compared with its fiscal year 1999 report.[7]

Although GSA's fiscal year 2002 performance plan was similar in some respects to the fiscal year 2001 plan, the fiscal year 2002 plan was a more informative document, primarily because it included more detailed discussions of GSA's data validation and verification efforts and the management challenges identified by GSA's IG. Also, the fiscal year 2002

[7] *2ND Annual Performance Report Scorecard: Which Federal Agencies Inform the Public?* (Maurice McTigue, Jerry Ellig, and Steve Richardson, Mercatus Center's Government Accountability Project, George Mason University, May 16, 2001).

plan contained new information that enhanced the plan, including discussions of (1) a new strategic goal related to meeting federal social and environmental objectives that was included in GSA's September 30, 2000, strategic plan; (2) governmentwide reforms established by OMB; and (3) performance goals for three GSA staff offices that were not included in the fiscal year 2001 plan.

Comparison of GSA's Performance Reports for Fiscal Years 1999 and 2000

The fiscal year 2000 performance report made strides toward addressing the recommendation in our June 2000 GPRA report that identified the need for better implementation of GPRA guidance. In contrast with its fiscal year 1999 performance report, GSA's fiscal year 2000 report either discussed for all unmet goals the reasons why the goals were not achieved or explained that GSA was studying these matters. In addition, the report typically discussed the various approaches needed for achieving the goals in the future. Also, unlike the fiscal year 1999 report, the fiscal year 2000 report described the impact of fiscal year 2000 performance on estimated 2001 performance for many of the goals related to the three outcomes.

The fiscal year 2000 performance report also included an enhanced discussion of data sources and the quality of data that GSA used to measure performance. Unlike the fiscal year 1999 performance report, the fiscal year 2000 report included an expanded discussion of the data sources used by its four major organizational components—the Public Buildings Service (PBS), Federal Supply Service (FSS), Federal Technology Service (FTS), and Office of Governmentwide Policy (OGP). For example, PBS identified a number of systems from which it obtained performance data, such as the System for Tracking and Administering Real Property, which is its primary source of real property data. In some cases, these discussions went a step beyond identifying systems and gave some information on data validity and verification. For example, PBS mentioned that its National Electronic and Accounting System is independently audited and has received an unqualified opinion for 13 consecutive years; its customer satisfaction measures from the Gallup Organization, a management consulting firm, come with a 95 percent statistical confidence level. In addition, FTS stated that it has purchased a system for collecting and evaluating performance measurement data and plans to implement the system in 2001.

GSA stated in the report that it considers its performance data to be generally complete and reliable. However, GSA recognized that data improvements may be needed and said it is currently reviewing its data collection procedures. GSA's efforts in this area are well founded because

GSA's IG recently reported that GSA has not implemented a system of internal controls to ensure that appropriate levels of management understand and are performing the necessary reviews of performance data to enable them to make assertions about the completeness and existence of the data and systems supporting the measures.[8]

Unlike the fiscal year 1999 performance report, GSA discussed the GSA IG's management challenges in the fiscal year 2000 report. The six challenges were (1) management controls, (2) information technology solutions, (3) procurement activities, (4) human capital, (5) aging federal buildings, and (6) protection of federal facilities and personnel. The fiscal year 2000 report highlighted major issues related to the challenges and discussed GSA's approaches to address them. Also, we noted that two of the six challenges addressed issues related to two governmentwide high-risk areas—strategic human capital management and information security—that were in our January 2001 high-risk update. The fiscal year 2000 report explained that GSA intended to address the management challenges more fully in its fiscal year 2002 performance plan, which is discussed later in this report.

In May 2001, a study by university researchers cited overall improvement in GSA's fiscal year 2000 performance report compared with its fiscal year 1999 report. The study, which was prepared by researchers who worked under the Mercatus Center's Government Accountability Project at George Mason University,[9] compared fiscal years 1999 and 2000 GPRA performance reports for 24 federal agencies primarily in the 3 areas of transparency, public benefits, and leadership. On the basis of numerical scores that the researchers assigned to the three areas, GSA's fiscal year 2000 performance report showed improvement in all three areas over its fiscal year 1999 report. The improvements, which we also recognized, were related to such matters as (1) data sources, (2) explanations of why GSA failed to meet various performance goals, and (3) management challenges.

[8]*Report on Internal Controls Over Performance Measures* (A001097/B/F/F01006, Feb. 14, 2001), Office of the Inspector General, General Services Administration.

[9]The goal of the Mercatus Center's Government Accountability Project is to bring about more effective government by helping to increase government accountability and transparency. To accomplish this goal, researchers associated with the project provide assistance to agencies and congressional staff through education, consulting, and academic studies. Many of the project's work efforts have focused on the implementation of GPRA.

Comparison of GSA's Performance Plans for Fiscal Years 2001 and 2002

In some respects, GSA's fiscal year 2002 performance plan was similar to the fiscal year 2001 plan. Both plans discussed such matters as (1) GSA's overall mission, strategic plan, and related strategic goals; and (2) performance goals with related measures and strategies to achieve the goals, links to GSA's budget, and data validation and verification efforts. Also, both performance plans provided highlights of the extent to which its four major organizational components—PBS, FSS, FTS, and OGP—contributed to the accomplishment of GSA's overall mission.

In addition, we noted that both the fiscal year 2001 and fiscal year 2002 plans included information about cross-cutting issues, which are issues in which GSA's organizational components work collaboratively with each other and with other federal agencies outside GSA. For example, FSS and PBS collaborate in meeting customers' real and personal property needs in dealing with relocations or setting up new office facilities. Another example involved FSS' work with DOE and EPA to make it easier for agencies to comply with the requirements of environmentally related Executive Orders.

GSA's fiscal year 2001 and 2002 plans discussed evaluations and studies of agency programs. For example, FSS included in both plans information on various ongoing and completed program evaluations and major studies, which are generally intended to help FSS determine how it can best accomplish its overall mission of providing supplies and services to federal agencies. These evaluations and studies covered a wide range of topics, such as providing efficient and effective supply chains that can best meet customers' needs; maintaining appropriate controls over various purchases associated with GSA vehicles, such as fuel; and monitoring the quality of contractor-performed audits of transportation bills.

We also identified some differences between the two plans that enhanced the fiscal year 2002 plan and made it a more descriptive and informative document compared with the fiscal year 2001 plan. Most notably, these differences involved expanded and more explicit discussions of data validation and verification and management challenges. We also noted that the fiscal year 2002 plan contained some new information that enhanced the plan, including discussions of a new strategic goal related to meeting federal social and environmental objectives that was included in GSA's September 30, 2000, strategic plan; efforts to implement governmentwide reforms established by OMB; and performance goals for the three GSA staff offices of CFO, CIO, and CPO that were not included in the fiscal year 2001 plan.

The fiscal year 2002 plan included an expanded discussion of GSA's data validation and verification activities. In fact, GSA added an agencywide data validation and verification section to the plan that discusses, among other things, general controls and procedures used to validate and verify data. In discussing this issue, GSA described the types of performance data used, procedures for collecting such data, controls to help verify and validate each type of data used, and efforts to increase confidence in the data. For example, GSA explained that it has undertaken an extensive effort to review, certify, and clean up data in its larger computer systems, such as PBS' System for Tracking and Administering Real Property, to help ensure that the systems operate as intended. In addition, GSA stated that it helps maintain data quality through ongoing staff training. Also, GSA stated that for its manual or smaller computer systems, the importance of data confirmation is stressed, which involves having more than one person responsible for the data.

GSA's fiscal year 2002 plan also included a more explicit discussion of its efforts to address the six management challenges that GSA's IG identified. In discussing the challenges, GSA generally recognized the importance of continued attention to the challenges and described its overall efforts to address them. For example, in discussing the human capital challenge, GSA described various programs, such as a succession plan for PBS leadership designed to help ensure that GSA can continue to meet its future responsibilities despite impending employee turnover due to retirements. Also, in discussing the challenge of dealing with aging federal buildings, GSA explained that its first capital priority is to fund repairs and alterations for its buildings and said it is currently studying ways to better determine the appropriate level of funding for the repair and alteration program. In addition, the fiscal year 2002 plan included more performance goals that appeared to be related to the management challenges, including the issues of strategic human capital management and information security, which we identified as governmentwide high-risk areas. Also, the plan included a new goal that involved federal building security, which appears to respond to the recommendation in our June 2000 GPRA report that GSA develop security goals and measures.

In addition, we noted that in GSA's fiscal year 2002 performance plan, new information was included that enhanced the plan. For instance, the plan discusses a new strategic goal related to meeting federal social and environmental objectives, which was included in GSA's September 30, 2000, strategic plan. Overall, this goal is aimed at fulfilling the intent of socioeconomic laws and executive orders and helping GSA's customers to do so as well. As part of this strategic goal, GSA stated that it takes steps

to safeguard the environment and conserve energy, help the disabled and disadvantaged to become more productive, consider the environment in its business decisions, and use natural resources in a sustainable manner. In the fiscal year 2002 plan, GSA established some performance goals that are related to this strategic goal, which involved, among other things, providing opportunities for small businesses and minority- and women-owned businesses to obtain GSA contracts.

Also, the fiscal year 2002 performance plan discusses GSA's ongoing and planned efforts to implement five governmentwide reforms established by OMB. In a February 14, 2001, memorandum to the heads and acting heads of federal departments and agencies, OMB explained that in order to help achieve the President's vision of improving government functions and achieving operational efficiencies, agencies should include in their fiscal year 2002 plans some performance goals related to the five reforms that would significantly enhance agencies' administration and operation. These reforms are delayering management levels to streamline organizations, reducing erroneous payments to beneficiaries and other recipients of government funds, making greater use of performance-based contracts, expanding the application of on-line procurement and other e-government services and information, and expanding OMB Circular A-76 competitions and more accurate inventories as required by the Federal Activities Inventory Reform (FAIR) Act.[10]

GSA identified various performance goals that focused on implementing some of the governmentwide reforms. For example, for the reform that deals with expanding the application of on-line procurement and other e-government services and information, GSA stated that it established Federal Business Opportunities, also known as FedBizOpps, to provide government buyers with convenient, universal access for posting and obtaining information about acquisitions on the Internet. GSA said that the establishment of FedBizOpps is discussed under its performance goal for providing a "single point of entry" to vendors that wish to do business with the federal government. In some instances, GSA did not identify performance goals that addressed the reforms, but it provided reasons for

[10]The FAIR Act of 1998 (P.L. 105-270) directed federal agencies to submit to OMB each year an inventory of all their commercial activities, which were defined as activities performed by federal employees that are not inherently governmental. OMB Circular A-76 established the federal policy concerning the government's performance of commercial activities and provided guidance to agencies regarding their implementation of the statutory requirements of the FAIR Act.

not doing so. For example, for the reform concerning the reduction of erroneous payments, GSA explained that it has not yet established performance goals related to this reform but plans to establish such goals in next year's performance plan.

Also, GSA's fiscal year 2002 plan included performance goals for three staff offices that were not in the fiscal year 2001 plan. Responsibility for these goals falls within the jurisdiction of three staff offices that report directly to GSA's Administrator; these are the offices of CFO, CIO, and CPO. The plan had 10 goals for these offices that covered (1) financial matters that CFO oversees, such as electronic collections and payments of invoices; (2) information technology matters that CIO oversees, such as costs and schedules associated with information technology capital investment projects; and (3) human capital matters that CPO oversees, such as the use of on-line university training courses to help improve employee skills. It should be noted that 5 of the 10 goals appeared to be related to the 2 areas of strategic human capital management and information security, which we identified as governmentwide high-risk areas The following section provides more information on GSA's efforts to address the two high-risk areas.

GSA's Efforts to Address Two GAO Governmentwide High-Risk Areas

GAO has identified two governmentwide high-risk areas: strategic human capital management and information security. Regarding the first area, we noted that GSA's fiscal year 2000 performance report discussed actions it has taken or plans to take to address strategic human capital management issues, which primarily involved training and developmental opportunities for employees. Also, we noted that GSA's fiscal year 2002 plan had goals and measures related to strategic human capital management matters, which involved such activities as training and developing employees and improving the cycle time for recruiting.

Regarding information security, we noted that GSA's fiscal year 2000 performance report did not identify actions to address information security issues. However, our analysis showed that GSA's fiscal year 2002 plan had a goal and measure related to information security, which involved GSA's efforts to resolve in a timely manner all high-risk vulnerabilities and conditions detected by audits and reviews. The plan also states that FTS has an Office of Information Security, which provides federal agencies with services that are designed to develop a secure

government information infrastructure.[11] A more detailed discussion of GSA's efforts to address the two high-risk areas identified by GAO, along with the GSA IG's management challenges, can be found in appendix I.

Conclusions

Our analysis indicates that both the fiscal year 2000 performance report and fiscal year 2002 performance plan were more informative and useful documents than GSA's prior year report and plan. As we recommended in our June 2000 GPRA report, GSA's fiscal year 2000 report and fiscal year 2002 plan responded more fully to GPRA implementing guidance and made a concerted effort to address the issue of building security. We recognize that tracking and reporting on intended performance results is an iterative process and that GSA needs to continually review and adjust its plans and reports to be responsive to an ever-changing environment. Given the complexities associated with preparing GPRA plans and reports, it is our view that GSA is making overall progress in responding to the annual GPRA planning and reporting requirements. Therefore, we are not making additional recommendations at this time.

Scope and Methodology

As agreed, our evaluation was generally based on the requirements of GPRA; the Reports Consolidation Act of 2000; guidance to agencies from OMB for developing performance plans and reports, including OMB Circular A-11, Part 2; previous reports and evaluations by us and others; our knowledge of GSA's operations and programs; our identification of best practices concerning performance planning and reporting; and our observations on GSA's other GPRA-related efforts. We also discussed our review with officials in GSA's Office of the Chief Financial Officer and Office of the Inspector General.

The agency outcomes that were used as the basis for our review were identified by the Ranking Minority Member of the Senate Committee on Governmental Affairs as important mission areas for the agency and generally reflect the outcomes for GSA's key programs and activities. We examined and reviewed all performance goals in GSA's fiscal year 2000 report and focused on those goals that were directly related to the three key outcomes. Also, we reviewed the fiscal year 2000 report and fiscal year

[11]In commenting on a draft of this report, GSA officials told us that the Office of Information Security's name has been changed to the Office of Information Assurance and Critical Infrastructure Protection.

2002 plan and compared them with the agency's prior year performance report and plan for these outcomes. In addition, we reviewed the fiscal year 2000 report and fiscal year 2002 plan for information related to the major management challenges confronting GSA that were identified by GSA's Office of the Inspector General in November 2000. These challenges included the issues of strategic human capital management and information security, which GAO identified as governmentwide high-risk areas in our January 2001 performance and accountability series[12] and high-risk update.

We did not independently verify the information contained in GSA's fiscal year 2000 performance report and fiscal year 2002 performance plan, although we did draw from other GAO work in assessing the validity, reliability, and timeliness of GSA's performance data. We conducted our review from April through June 2001 in accordance with generally accepted government auditing standards. We requested comments on a draft of this report from GSA's Administrator.

Agency Comments

On July 25, 2001, GSA officials in the Office of the Chief Financial Officer provided us oral comments on a draft of this report. Specifically, GSA's Deputy Budget Director and the Managing Director for Planning told us that they agreed with the contents of the report. Also, the officials told us that the name of FTS' Office of Information Security has been changed to the Office of Information Assurance and Critical Infrastructure Protection.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after the date of this letter. At that time, we will send copies to appropriate congressional committees; the Administrator, GSA; and the Director, OMB. Copies will also be made available to others upon request.

[12] *Major Management Challenges and Program Risks: A Governmentwide Perspective* (GAO-01-241, Jan. 2001).

If you or your staff have any questions, please call me at (202) 512-8387 or notify me at ungarb@gao.gov. Key contributors to this report were William Dowdal, Anne Hilleary, David Sausville, and Gerald Stankosky.

Sincerely yours,

Bernard L. Ungar
Director, Physical Infrastructure Issues

Appendix I: Observations on GSA's Efforts to Address Major Management Challenges and High-Risk Areas

The following table identifies the six major management challenges confronting the General Services Administration (GSA), which were identified by GSA's Inspector General (IG). Two of the six challenges also addressed two issues—strategic human capital management and information security—that GAO identified as governmentwide high-risk areas. The first column lists the challenges identified by GSA's IG and highlights the two agency challenges—human capital and information technology solutions—that addressed issues related to our two governmentwide high-risk areas. The second column discusses GSA's progress in resolving its challenges, which was discussed in the agency's fiscal year 2000 performance report. The third column discusses the extent to which GSA's fiscal year 2002 performance plan includes performance goals and measures to address the two high-risk areas that GAO identified and the management challenges that GSA's IG identified.

In reviewing GSA's fiscal year 2000 performance report and fiscal year 2002 performance plan, we found that both documents included expanded discussions of the GSA IG's challenges, which represented a general improvement over the fiscal year 1999 report and fiscal year 2001 plan. In the fiscal year 2000 report and the fiscal year 2002 plan, GSA recognized the importance of continued attention to the challenges and described overall efforts to address them. Furthermore, GSA's fiscal year 2000 report and fiscal year 2002 plan included various goals that appeared to be related to most or all of the challenges. Specifically, the performance report contained various goals that appeared to be related to four of the six challenges, and the performance plan had goals and measures that appeared to be related to all six challenges.

Table 1: Major Management Challenges

Major management challenge	Progress in resolving each major management challenge as discussed in the fiscal year 2000 performance report	Applicable goals and measures in the fiscal year 2002 performance plan
GAO-designated governmentwide high-risk areas and IG-designated major management challenges		
Strategic Human Capital Management: GAO has identified shortcomings at multiple agencies involving key elements of modern human capital management. Under this area, we identified four key issues: (1) strategic human capital planning and organizational alignment; (2) leadership continuity and succession planning; (3) the acquisition and development of staffs whose size, skills, and deployment meet agency needs; and (4) the creation of results-oriented organizational cultures. GSA's IG also cited a similar issue as a major management challenge and referred to it as human capital. GSA's IG has concerns that much of GSA's corporate knowledge and expertise has been lost or displaced as a result of organizational downsizing and restructuring, major program streamlining, and personnel reductions through attrition and buyouts. At the same time, GSA is empowering its employees with greater responsibilities and authorities. In addition, many employees have been transferred or promoted into procurement and contract management positions of responsibility without adequate training and/or experience and have limited job knowledge.	In discussing this challenge in the report, GSA said it recognized its human capital problems and has been working to address them. GSA mentioned that it has (1) established a team to review how GSA can meet changing skill needs within the agency; and (2) developed various programs, such as contracting with the Office of Personnel Management on succession planning at GSA's Public Buildings Service (PBS), to address the impending increase in employee turnover due to retirements. In PBS' section on management challenges and solutions, PBS addressed the IG's issue regarding employee training and our issue regarding the acquisition and development of staffs whose size, skills, and deployment meet agency needs. Also, PBS mentioned that it has taken steps to improve employee development and to share new ideas and business concepts, which PBS said address the IG's human capital management challenge. In the PBS section on management challenges and solutions, PBS also included a discussion that was related to our issue of creating results-oriented organizational cultures. Specifically, PBS said it developed a system that linked organizational performance with rewards and is using the program for regional organizations. PBS mentioned that the next step in the implementation of the program is to expand it beyond regional organizations so that PBS may better reward both teams of employees and individual employees. GSA included three goals established by the Federal Technology Service (FTS) and the Office of Governmentwide Policy (OGP) that discussed training and developmental opportunities for employees. Specifically, FTS had one goal to provide increased opportunities for developing FTS employees and responding to employee needs. OGP had	In discussing this challenge in the plan, GSA cited employee skills as one of its most pressing internal issues, particularly the need to meet the changing skill requirements of its employees. GSA said that this need has led to an increased emphasis on hiring recent college graduates and a focus on improving the skills of current employees through the efforts of its Worldclass Workforce Team. Also, GSA described various programs to address the impending increase in employee turnover due to retirements, such as hiring a private vendor to provide additional training to managers in FTS. In the plan, GSA included a separate section that described the Office of Chief People Officer (CPO), which is the staff office responsible for providing policy and technical guidance on GSA's human capital. CPO had three goals, which involved increasing customer satisfaction with filling vacancies, improving the cycle time for recruiting, and increasing the use of the on-line university as a cost-effective method to improve employee skills. In addition to the three CPO goals, we identified six goals in the plan that appeared to be related to this challenge. In large part, the six goals involved training and developing employees, encouraging employee innovation, and assessing the extent of employees' satisfaction with their working environments. Although the goals had output measures, such as the number of courses developed and training instances, the goals did not appear to have outcome measures that assessed the effectiveness of the training. Some of GSA's organizational components also discussed the issue of human capital in their sections on overall management challenges and solutions. For example, both the Federal Supply Service (FSS) and FTS cited concerns about the skills of their

Major management challenge	Progress in resolving each major management challenge as discussed in the fiscal year 2000 performance report	Applicable goals and measures in the fiscal year 2002 performance plan
	two goals related to training and developmental opportunities for governmentwide employees. OGP reported that one goal was to improve the professional skills of present and future information technology (IT) leaders governmentwide. The other goal was to establish and maintain a core curriculum of Internet-based courses and to increase the number of training instances for the government's acquisition personnel.	workforces. Such concerns focused on the need for current and future employees to have sufficient skills to effectively respond to the requirements of an ever-changing work environment, largely brought on by rapid advances in technology. FSS and FTS described various topics, such as state-of-the-art technology and tools, that were intended to help FSS and FTS improve the skills of their current employees and enhance the recruiting of individuals with the skills needed to meet the advanced technological working environment of the future.
Information Security: GAO's January 2001 high-risk series update noted that since the last high-risk report in January 1999,[a] efforts to strengthen information security have gained momentum and expanded both at individual agencies and at the governmentwide level. However, recent audits continue to show federal computer systems are riddled with weaknesses that make them highly vulnerable to computer-based attacks and place a broad range of critical operations and assets at risk for fraud, misuse, and disruption. GSA's IG also cited a similar issue as a major management challenge and referred to it as IT solutions. As IT applications become increasingly prevalent and affect all aspects of the government's business operations, GSA faces many challenges related to its IT applications. The Clinger-Cohen Act of 1996 changed the way information systems are managed and developed in the federal government. The IG said that challenges stemming from this act are to (1) develop a GSA-wide information technology architecture, (2) ensure that adequate analyses support system development, (3) monitor system compliance with GSA-wide architecture, and (4) carry out the act's requirements related to centrally managing GSA's information systems. In addition, the IG said that systems development projects commonly experience schedule delays and cost overruns, need frequent redesign, have difficulty sharing usable information between systems, and take a	In discussing this challenge in the report, GSA acknowledged the existence of its information technology security vulnerabilities and weaknesses and focused on two IT issues—capital planning and system security—as the key areas in which GSA is striving for improvement. For IT capital planning, GSA discussed its IT Capital Planning and Investment Process through which IT investment projects are reviewed, approved, and tracked. For IT system security, which GAO identified as a governmentwide high-risk area, GSA stated that PricewaterhouseCoopers and the GSA IG have conducted several audits and reviews in which IT security vulnerabilities and weaknesses were identified. GSA acknowledged that in some cases, it has been slow to take action in completing the work needed to correct the weaknesses and vulnerabilities. However, GSA said that it is taking a more aggressive approach to resolving audit findings and recommendations related to IT security problems so that GSA will be better able to protect its systems, data, and information assets. FSS also addressed system security when it discussed the certification and accreditation reviews done on or planned for many of its information systems. These reviews, which are done by contractors, are primarily intended to help ensure data integrity by strengthening system security controls.	In discussing this challenge in the plan, GSA cited the use of technology as one of its most pressing internal issues and highlighted the IT areas of capital investment planning and security as its primary concerns. For IT capital planning, GSA said that its overall objectives were to align proposed system investments with strategic goals and to measure performance and net benefits for the dollars invested. For IT security, GSA stated that it is taking a more aggressive approach to resolving the findings and recommendations that were identified during audits and reviews by GSA's IG and PricewaterhouseCoopers. The overall security of IT systems was an area that we identified as a governmentwide high-risk area. In its discussion of the challenge, GSA acknowledged the importance of maintaining continuous oversight of information security activities. GSA said that the ever-changing nature of technology, business processes, and management controls contributes to the complexity of information security, making it an issue that has no practical possibility of ever being solved once and for all. In the plan, GSA included a separate section that briefly described the Office of Chief Information Officer (CIO), which is the staff office responsible for providing policy and technical guidance on GSA's IT infrastructure. CIO had three performance goals that GSA said were related to this challenge. The first goal involved GSA's efforts to resolve all high-risk vulnerabilities and conditions detected by audits and

Major management challenge	Progress in resolving each major management challenge as discussed in the fiscal year 2000 performance report	Applicable goals and measures in the fiscal year 2002 performance plan
prolonged period of time to develop. Also, the IG was concerned about weaknesses associated with access to GSA's financial systems, challenges related to the modification and integration of commercial off-the-shelf software with established GSA information systems, and the development of risk assessments to help ensure the security of GSA's systems. Finally, because GSA is increasingly relying on contractors to do IT tasks, it needs control mechanisms to ensure that contractor-developed solutions function properly.		reviews within 30 days of the findings and recommendations. In establishing this goal, GSA addressed the issue of information security, which, as previously mentioned, we identified as a governmentwide high-risk area. The second goal involved GSA's efforts to ensure that IT capital investment projects remained within 10 percent of the cost and schedule approved by the IT investment review process. The third goal involved GSA's efforts to maintain a 95 percent customer satisfaction rating with CIO support and services. Also, we identified an additional eight goals within FTS that covered such matters as providing quality products and services for local and long-distance communications and increasing FTS' overall share of the federal information technology market. In the plan, GSA also discussed its overall efforts to address various issues related to its information technological capacity, which involved such activities as modernizing its major computer systems and implementing smart card technologies to facilitate electronic commerce functions. In addition, the plan stated that FTS has an Office of Information Security, which provides federal agencies with services that are designed to develop a secure government information infrastructure. GSA officials recently told us that the name of this office has been changed to the Office of Information Assurance and Critical Infrastructure Protection.
IG-designated major management challenges		
Management Controls: Multiple management controls have been replaced through reinvention initiatives by fewer and broader controls, making it essential that the remaining controls be emphasized and consistently followed. The IG is concerned that GSA management may not be adequately implementing the controls to help deter fraud, waste, and abuse. Management control areas specifically mentioned related to the use of government credit cards and data reliability and validity.	In discussing this challenge in the report, GSA agreed that ensuring management controls were followed was important. GSA discussed three actions it has taken to address this challenge. First, GSA mentioned the work of its Management Control and Oversight Council, which provides overall policy and direction in the area of management controls. Second, GSA highlighted its efforts to inform and train customers and employees to ensure that such controls were followed. Third, GSA mentioned its efforts to enhance data quality, which mainly involved cleaning up old data in its computer systems and	In discussing this challenge in the plan, GSA described its efforts to try to ensure stronger management controls primarily in the buying and selling of products and services. GSA stated that financial management was among its most pressing issues. GSA mentioned that controls over buying and selling activities are centered around the work of the Management Control and Oversight Council, which provides overall policy and direction in this area. The actions GSA highlighted that were intended to help enhance management controls were (1) the development of a manual to help ensure that employees and customers

Major management challenge	Progress in resolving each major management challenge as discussed in the fiscal year 2000 performance report	Applicable goals and measures in the fiscal year 2002 performance plan
	enforcing documentation requirements. Each of GSA's four major organizational components—PBS, FSS, FTS, and OGP—had a section that discussed data sources and, to some extent, validation and verification. In addition, PBS had a separate section on management challenges and solutions in which it discussed the need for accurate, reliable data. This section highlighted PBS' efforts to address this challenge, such as developing a data accuracy measure, testing improved data entry procedures, and implementing enhanced automated methods for determining space measurements and tenant assignments in federal buildings.	follow appropriate management controls; and (2) the improvement of data quality, which involved cleaning up old data in its computer systems and enforcing documentation requirements so that managers can provide assurance that data are credible. Our review of the plan revealed that FSS had one goal that involved conducting audits of transportation billings to identify overcharges and seek recovery of payments, which relates to the area of internal controls. Also, throughout the plan, GSA discussed the issue of data validation and verification. For instance, GSA included a separate section that described its data sources, including specific computerized systems, such as PBS' System for Tracking and Administering Real Property. GSA discussed its continuing efforts to help ensure data quality, including its data certification efforts and ongoing training as well as its use of external industry data as benchmarks and outside contractors for collecting customer satisfaction data. GSA's performance goals typically discussed data validation and verification activities associated with the goals. In addition, in its section on management challenges and solutions, PBS discussed its efforts to ensure data accuracy and quality, including the use of an outside contractor to validate PBS' real estate and billing data in its System for Tracking and Administering Real Property.
Procurement Activities: The IG is concerned that changes made to the Multiple Award Schedule (MAS) Program to implement the Federal Streamlining Act and the Clinger-Cohen Act of 1996 may not result in fair and reasonable prices for federal customers. Two changes mentioned were the elimination of vendor certifications of pricing information submitted for negotiating purposes and the contractual right to audit pricing information on a postaward basis. Also, the IG said that GSA now allows contracting officers to extend MAS contracts without preaward audits, despite the fact that GSA's Acquisition Regulation	In discussing this challenge in the report, GSA said it believes that the MAS program provides reasonable assurance that federal agencies are receiving fair value for their purchases. GSA said that in recent years, it has made changes to the MAS program that add value and make the taxpayer's money go farther. The changes were designed to move the government closer to real-time commercial buying practices and help reduce acquisition time. GSA also mentioned that it provides training to customer agencies on how to use the MAS program to their best advantage. GSA acknowledged that its changes to the MAS program may not be compatible with the	In discussing this challenge in the plan, GSA described changes it has made that were designed to enhance the MAS program, which is a primary means for GSA customers to obtain a wide range of commercial products and services. GSA explained that the changes have moved the government closer to real-time commercial buying practices and significantly reduced acquisition time. However, GSA acknowledged that these enhancements may not be compatible with the IG's concepts for the MAS program. In addition, GSA stated that as its customer base has grown larger, GSA's need for educating customers about the advantages and use of

Major management challenge	Progress in resolving each major management challenge as discussed in the fiscal year 2000 performance report	Applicable goals and measures in the fiscal year 2002 performance plan
encourages such audits. In addition, for contractors that have consolidated some or all of their individual MAS contracts under a single contract, GSA needs to collect updated commercial pricing information so that effective price reasonableness determinations can be made. In addition, the IG said that GSA should take opportunities to negotiate prices under MAS contracts that reflect the government's total buying power. The IG also believes that GSA has a "structural disincentive" to negotiate the lowest possible price for MAS items because vendor fees paid to GSA are dependent on the dollar value of total sales, which are higher if item prices are higher. In February 2000, we issued a report that addressed GSA's efforts, as well as efforts by the Department of Veterans Affairs (VA), to improve the training of their acquisition workforces.[b] The report stated that contrary to policy set forth by the Office of Federal Procurement Policy, neither GSA nor VA had established core training requirements for some segments of their acquisition workforces, namely, contracting officer representatives and contracting officer technical representatives who do not have the authority to award contracts.	IG's concepts for the MAS program. FSS cited one performance goal that was related to this challenge. The goal involved increasing federal agencies' use of GSA supply sources by 8 percent over fiscal year 1999 by providing additional products and services and by making access to them easier. In its discussion of this goal, GSA said that using FSS sources of supply minimizes the federal cost of acquisition.	FSS product and service programs has also grown, which is critical to GSA's success. GSA also mentioned concerns about human capital as it relates to this challenge. Specifically, GSA cited the Clinger-Cohen Act, which requires that all contracting personnel hired in the future must be college graduates or have 24 hours of business-related courses at the college level. GSA recognized that it must comply with the act's requirements as well as with the overall effects of rapid growth and change in the electronic commerce environment that also make it important to recruit people with appropriate skills. In our review of the plan, we identified 19 goals that appeared to be related to this challenge. The goals covered a wide range of FSS activities. Specifically, of the 19 goals, 5 goals involved supply and procurement operations, 6 goals involved vehicle acquisition and leasing, 5 goals involved travel and transportation, and 3 goals involved personal property management. In reviewing the 19 goals, we noted that 4 goals appeared to be related to the issue of the importance of customers, which GSA cited in its discussion of this challenge. Specifically, these four goals focused on efforts to assess customer satisfaction with the programs that FSS uses to provide products and services to its customers.
Aging Federal Buildings: GSA is challenged to provide quality space to federal agencies with an aging, deteriorating inventory of buildings and budgetary limitations. The IG said that it could take several billion dollars to bring the inventory up to standard. We also reported in March 2000 that billions are needed for repairs and alterations.[c]	In discussing this challenge in the report, GSA agreed with the IG's federal building concerns, which GSA mentioned were similar to the problems that we identified in our April 2001 report on GSA's building repair and alteration program.[d] GSA said that its first priority related to the Federal Buildings Fund (FBF) is to generate sufficient revenue, which GSA estimated to be about $1 billion annually, to maintain and improve properties that GSA has determined should be kept in its inventory. GSA recognized the importance of various factors in determining the priority of building repair and alteration projects, such as return on investment and the health and safety of tenants and visitors. GSA included in its report four goals that were	In discussing this challenge in the plan, GSA stated that its first capital investment priority is to provide repairs and alterations for its aging buildings and that aging buildings will continue to be a challenge until a way can be found to increase reinvestment. GSA mentioned that it is currently conducting a study to better determine the appropriate level of funding for the repair and alteration program. Also, in response to our June 2000 GPRA report, GSA said that it will begin a major effort to develop specific measures related to aging buildings. Our review of the plan identified a total of six goals that appeared to be related to this challenge—two building repair and

Major management challenge	Progress in resolving each major management challenge as discussed in the fiscal year 2000 performance report	Applicable goals and measures in the fiscal year 2002 performance plan
	related to the issue of return on investment and one goal that was related to the health and safety of tenants and visitors. GSA had two performance goals related to its building repair and alteration program. Specifically, the goals were to (1) complete all repair and alteration projects on time, and (2) minimize cost escalations on repair and alteration projects.	alteration goals, three new construction project goals, and one environmental clean-up cost liabilities goal. The two repair and alteration goals focused on providing timely delivery of building repairs and alterations and minimizing cost escalations associated with repairs and alterations. Two of the three new construction goals also focused on issues similar to the repair and alteration goals; that is, the timely delivery of new construction projects and the minimization of cost escalations associated with such projects. The third new construction goal involved an assessment of customer satisfaction with newly constructed buildings. The goal on environmental liabilities discussed GSA's plans for setting targets for reducing such liabilities in the future. Also, the plan included nine goals that appeared to be related to the issue of capital investment for building repairs and alterations. The nine goals involved such matters as generating additional FBF revenue and capital investment contributions and reducing or maintaining the amount of non-revenue-producing space in government-owned and leased buildings.
Protection of Federal Facilities and Personnel: In efforts to improve security, the IG identified deficiencies related to the implementation of security measures and the reliability of the management information system tracking progress in this area. After federal facilities are brought up to minimum security standards, the Federal Protective Service (FPS) will need to ensure that adequate personnel are available to carry out its responsibilities. In addition, GSA must establish an integrated security program that will gather intelligence, maintain technology, and keep a physical presence throughout the federal and local law enforcement community. Also, in our past work, we have identified security problems at several federal buildings and recommended that GSA develop outcome-oriented goals and measures for the security program.[e]	In discussing this challenge in the report, GSA stated that FPS—PBS' law enforcement and security arm—has adopted a more proactive approach to preventing crime and reducing threats. GSA mentioned that FPS was seeking to identify and reduce threats through the use of automated facility security risk management surveys. Also, GSA discussed establishing a comprehensive nationwide measure of threat assessment that not only captures major threats to the federal workplace but also gives decisionmakers a tool to help put security efforts and resources in priority order. The new measure will establish risk scores for each surveyed building. The scores for these buildings can then be combined to establish a national threat assessment index so that GSA can measure its ability to reduce threats or risks to buildings. GSA said that a new risk assessment measure	In discussing this challenge in the plan, GSA stated that it is in the process of improving its security enhancement effort. We identified two performance goals that were related to building security. One of the goals, which also appeared in the fiscal year 2001 plan, involved GSA's efforts to enhance customer satisfaction with security at its buildings. The other goal is a new one that involved GSA's efforts to minimize the vulnerability of buildings to outside threats. To determine its achievement of the new goal, GSA developed a measure that is intended to assess the overall risk of threats to its buildings more comprehensively. Specifically, GSA stated that overall, the measure is designed to help demonstrate whether resource allocations in GSA buildings are adequate and where adjustments should be made and thus help provide a clear focus on the intended outcome of the physical security program,

Major management challenge	Progress in resolving each major management challenge as discussed in the fiscal year 2000 performance report	Applicable goals and measures in the fiscal year 2002 performance plan
	that assesses overall threat will be implemented in fiscal year 2001. The report included one goal that was related to building security. For this goal, GSA used the results of a customer satisfaction survey as an interim measure to assess the overall quality of building security.	which is threat reduction. This goal is a good first step in responding to our recommendation related to the development of security goals and measures that was included in our June 2000 GPRA report.

[a] *High-Risk Series: An Update* (GAO/HR-99-1, Jan. 1999).

[b] *Acquisition Reform: GSA and VA Efforts to Improve Training of Their Acquisition Workforces* (GAO/GGD-00-66, Feb. 18, 2000).

[c] *Federal Buildings: Billions Are Needed for Repairs and Alterations* (GAO/GGD-00-98, Mar. 30, 2000).

[d] *Federal Buildings: Funding Repairs and Alterations Has Been a Challenge—Expanded Financing Tools Needed* (GAO-01-452, Apr. 12, 2001).

[e] *General Services Administration: Many Building Security Upgrades Made But Problems Have Hindered Program Implementation* (GAO/T-GGD-98-141, June 4, 1998).

Ordering Information

The first copy of each GAO report is free. Additional copies of reports are $2 each. A check or money order should be made out to the Superintendent of Documents. VISA and MasterCard credit cards are also accepted.

Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:
U.S. General Accounting Office
P.O. Box 37050
Washington, DC 20013

Orders by visiting:
Room 1100
700 4th St., NW (corner of 4th and G Sts. NW)
Washington, DC 20013

Orders by phone:
(202) 512-6000
fax: (202) 512-6061
TDD (202) 512-2537

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

Orders by Internet
For information on how to access GAO reports on the Internet, send an e-mail message with "info" in the body to:

Info@www.gao.gov

or visit GAO's World Wide Web home page at:

http://www.gao.gov

To Report Fraud, Waste, and Abuse in Federal Programs

Contact one:

- Web site: http://www.gao.gov/fraudnet/fraudnet.htm
- E-mail: fraudnet@gao.gov
- 1-800-424-5454 (automated answering system)

PRINTED ON RECYCLED PAPER