

June 1996

Government Business Operations Issue Area Plan

Fiscal Years 1996-97



Foreword

As the investigative arm of Congress and the nation's auditor, the General Accounting Office is charged with following the federal dollar wherever it goes. Reflecting stringent standards of objectivity and independence, GAO's audits, evaluations, and investigations promote a more efficient and cost-effective government; expose waste, fraud, abuse, and mismanagement in federal programs; help Congress target budget reductions; assess financial and information management; and alert Congress to developing trends that may have significant fiscal or budgetary consequences. In fulfilling its responsibilities, GAO performs original research and uses hundreds of databases or creates its own when information is unavailable elsewhere.

To ensure that GAO's resources are directed toward the most important issues facing Congress, each of GAO's 32 issue areas develops a strategic plan that describes the significance of the issues it addresses, its objectives, and the focus of its work. Each issue area relies heavily on input from congressional committees, agency officials, and subject-matter experts in developing its strategic plan.

The Government Business Operations issue area does program and evaluation work involving operations and activities of the General Services Administration, which controls or oversees over \$60 billion in annual government spending, and the U.S. Postal Service, which has revenue in excess of \$55 billion annually. Additionally, this issue area operates a special response group, which coordinates all work regarding White House operations as well as responds to congressional inquiries regarding numerous other federal agency activities, such as the Smithsonian Institution, the U.S. Mint, and the Library of Congress.

We have recently issued testimony on federal courthouse construction and how a more disciplined approach could reduce costs. We also issued reports on the Postal Service's new focus on improving service quality and customer satisfaction, international mail services, and how better care is needed for National Air and Space Museum aircraft. We also have issued a large number of reports on the operations and management of the Resolution Trust Corporation, which closed operation in December 1995.

The principal themes in the government business operations area are

- effective acquisition, use, and disposition of government assets to reduce costs and provide a greater return on investment;

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- improved management for greater responsiveness in meeting agency goals and consumers' needs; and
 - improved and more efficient operations through alternative strategies for providing service.

The pages that follow describe key planned work on these themes.

Because events may significantly affect even the best of plans, our planning process allows for updating the plan to respond quickly to emerging issues. If you have any questions or suggestions about this plan, please call me at (202) 512-8387.

A handwritten signature in black ink, reading "J. William Gadsby". The signature is fluid and cursive, with the first name "J. William" and the last name "Gadsby" clearly distinguishable.

J. William Gadsby
Director
Government Business Operations Issues

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Table I: Key Issues

Issue	Significance
Asset and support services acquisition: Are facilities, goods, and services acquired in the most effective, efficient and economical way to achieve mission goals and return on investment?	The General Services Administration (GSA) acts as the main government focal point for over \$60 billion of federal procurements each year ranging from buildings and telecommunications equipment to everyday support services. Postal Service acquisition programs constitute several billion dollars each year primarily in support of meeting customer needs and accurate and timely delivery of the mail to over 223 million locations daily moving over 177 billion pieces of mail annually.
Asset maintenance and use: Are maintenance and use of financial assets, facilities, goods, and services being used to optimize value, reduce costs and achieve mission goals?	GSA maintains over 1,700 federal buildings whose operation, modernization, and general maintenance require continuous oversight and attention. The proper maintenance of these buildings is critical to the quality, health, safety, and usefulness of hundreds of thousands of federal employees. Proper maintenance is vital to maintaining their service value as well as ensuring continued income producing capability commensurate with the private sector.
Asset disposition: Are asset disposition policies and practices maximizing benefits to the government and U.S. citizens?	Congressional oversight assumes even greater importance as the inventory of federal historic buildings grows; and the buildings deteriorate for lack of renovation, which is needed to establish them as entities capable of housing tenants, consistent with current technology. This could be especially true for the Courthouse construction program where large numbers of old courthouses will become available for disposition or modernization as new courthouses are constructed. With federal downsizing and budget deficits as a watchword these issues remain at the forefront.
Management improvement: Are management systems and processes improving performance and responsive to customer needs?	GSA and the Postal Service are key providers of services that contribute to smooth government operation as well as provide for a vital network of communication for business transactions and household to household contacts.

Table I: Key Issues

Objectives	Focus of work
<ul style="list-style-type: none"> • Improve agency capabilities to plan for long-and short-term needs and satisfy them. • Improve the federal acquisition process by streamlining policies and procedures, improving contracting systems, and making the process more responsive. • Identify obstacles that impede cost-effective, businesslike acquisitions and assess their impact. 	<ul style="list-style-type: none"> • Monitor implementation of prior recommendations • Assess ongoing major reform efforts • Examine agency controls to prevent waste, fraud, and abuse • Evaluate profitability of selected pieces of currency (\$1 coin, penny, commemorative coin)
<ul style="list-style-type: none"> • Improve maintenance and use of real and other property used to enhance mission accomplishment and productivity. • Promote the adoption of more economically sound, businesslike practices in maintaining and using properties as valuable national assets. • Promote the adoption of “best practices” in the real estate management area. 	<ul style="list-style-type: none"> • Examine systemic obstacles, such as budgetary limitations and lack of strategic planning, which impede cost-effective approaches. • Focus on agency best practices and initiatives. • Inform Congress and agency leaders of best practices for inclusion in other businesslike activities.
<ul style="list-style-type: none"> • Promote the adoption of innovative, economically sound, businesslike incentives and strategies for disposing of government assets, which improve the return on investment to the government and the taxpayer. • Improve federal agencies’ organizational structures and processes for disposing of real and personal property and financial assets. 	<ul style="list-style-type: none"> • Focus on process incentives to illustrate need for private sector strategies. • Work with executive branch and congressional officials to design better approaches for identifying and closing facilities deemed no longer needed.
<ul style="list-style-type: none"> • Identify opportunities to promote improvements in agency systems and practices. • Evaluate how agency management reform initiatives are tracked and what progress they show. • Assess whether agencies are achieving mandated social policy goals in real estate asset disposition programs. • Insure quality management efforts result in improved service and responsiveness to customers. 	<ul style="list-style-type: none"> • Review and evaluate agency management systems and processes. • Identify objective measurement systems. • Examine results from program implementation of management improvements. • Review surveys of customer satisfaction and evaluate measurement techniques.

Table II: Planned Major Work

Issue	Planned major job starts
Asset and support services acquisition	<ul style="list-style-type: none">• Deployment of automation equipment related to delivery point sequencing of mail• Executive travel• Building security and safety• Management information to oversee building contractors
Asset maintenance and use	<ul style="list-style-type: none">• Economical alternatives for providing services in areas currently not providing sufficient return on investment• GSA's building modernization program• Housing plan for the Federal Triangle Building
Asset disposition	<ul style="list-style-type: none">• Disposition of old courthouses
Management improvement	<ul style="list-style-type: none">• Monitoring of GSA ongoing major reform efforts• Role and mission of the Board of Governors and Postal Rate Commission• Adequacy of Postal Service controls over \$55 billion in Postal revenue• Canadian postal ratemaking procedures• Postal rate changes resulting from elimination of the mail monopoly• Customer needs and desire for mailbox restrictions• Postal initiatives to improve working conditions and organizational performance• Opportunities to consolidate government mail processing

Table III: GAO Contacts

Director	J. William Gadsby	(202) 512-8387
Associate Director	Michael E. Motley	(202) 512-8126
Assistant Directors	John S. Baldwin Sr. Gerald P. Barnes James T. Campbell Ronald L. King Gerald Stankosky	

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