

May 19, 2021

Katy Kale
Acting Administrator
General Services Administration
1800 F Street, N.W.
Washington, D.C. 20405**Priority Open Recommendations: General Services Administration**

Dear Acting Administrator Kale:

The purpose of this letter is to provide an update on the overall status of the General Services Administration's (GSA) implementation of GAO's recommendations and to call your personal attention to open recommendations that deserve high priority.¹ In November 2020, we reported that on a government-wide basis, 77 percent of our recommendations made 4 years ago were implemented.² GSA's recommendation implementation rate was 81 percent. As of March 2021, GSA had 52 open recommendations. Fully implementing all of these recommendations could significantly improve GSA's operations.

Since our May 2020 letter, GSA has implemented four of eight priority recommendations.

- GSA sought authority to loan unobligated Federal Buildings Fund balances to agencies to cover tenants' improvement costs that would otherwise have to be financed for new leases. Specifically, GSA took two steps. First, it developed a proposal to use existing authorities to make such payments. Second, GSA commented on draft legislation that would grant the agency explicit authority to make such payments on a pilot basis. Either of these approaches, if approved, would enable GSA to save millions of dollars in private-sector interest fees.
- GSA developed a modeling tool that will allow officials to evaluate design choices for a wide range of functional space types. GSA is also training staff to use this tool and updated procedures that emphasize the need for considering the functionality of various design choices. By taking these steps, GSA has a better understanding of the effect of design choices on operations and maintenance costs and can make more informed decisions on how to best design future federal buildings.

¹Priority recommendations are those that GAO believes warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operations, for example, by realizing large dollar savings; improving congressional and/or executive branch decision-making on major issues; eliminating mismanagement, fraud, and abuse; or ensuring that programs comply with laws and that funds are legally spent, among other benefits. Since 2015, GAO has sent letters to selected agencies to highlight the importance of implementing priority recommendations.

²GAO, *Performance and Accountability Report: Fiscal Year 2020*, [GAO-21-4SP](#) (Washington, D.C.: Nov. 16, 2020).

- GSA updated its IT Risk Management Strategy, and the updated strategy designates and documents the agency's risk executive function. Specifically, this function is handled by the agency's Enterprise Management Board. The agency's Chief Information Officer (CIO) is a member of this board, and the Chief Information Security Officer coordinates with the CIO to identify cybersecurity risks for consideration by the board. These actions will help GSA ensure consistent implementation and oversight of cybersecurity risk-management activities and ensure an effective agency-wide view for managing risk.
- GSA established a process for conducting an organization-wide cybersecurity risk assessment. Specifically, GSA developed a process for aggregating system-level risks and communicating them to the enterprise level. These risks are communicated via regular reports to officials throughout the agency, including the GSA Administrator. Further, the agency's Enterprise Executive Risk Subcommittee identifies and monitors agency-wide risks facing GSA, coordinating with risk owners to engage with the GSA Enterprise Management Board in risk mitigation and elimination. These actions will help GSA identify cybersecurity risks that affect its entire organization and to implement solutions to address them.

We are not adding any new recommendations as priorities this year. We ask for your attention on the remaining four open priority recommendations identified in the 2020 letter. (See the enclosure for a list of these recommendations.)

The four priority recommendations fall into the following major area below.

Federal Real Property Management: The four priority recommendations would improve the management of real property and strengthen GSA's ability to make sound decisions. Two of these recommendations, from September 2014, could improve decision-making related to the Department of Homeland Security's (DHS) headquarters consolidation. DHS and GSA have made revisions to the DHS headquarters consolidation plan and are required to submit a current plan to congressional committees.³ However, the time frame for submitting this information is not clear because the plan is undergoing additional revisions and review. We recommended that GSA and DHS conduct a comprehensive needs assessment and gap analysis of current and needed capabilities and an alternative analysis that identifies the costs and benefits of leasing and construction alternatives. We also recommended that they update cost and schedule estimates for the remaining portions of the consolidation project and viable alternatives. To implement these recommendations, GSA and DHS should complete steps to prepare a revised consolidation plan.

The third recommendation in this area, from February 2020, would address the accuracy of the street address information in the public real-property database. We found that 67 percent of the street addresses in the public database were incomplete or incorrectly formatted. We recommended that GSA ensure that street address information in the public database is complete and correctly formatted. To implement this recommendation, GSA should continue coordinating with agencies to implement strategies for improving location data in the public database and validate their effectiveness.

The fourth recommendation, from March 2020, would address limitations that GAO found with the data GSA uses to calculate reported cost savings for GSA's broker program, such as

³Pub. L. No. 114-150, 130 Stat. 366 (2016).

concerns about the accuracy of the market reports GSA uses to calculate these cost savings. We recommended that GSA assess and address the reliability of this information. To implement this recommendation, GSA should take steps to assess the data it uses to calculate reported cost savings from the broker program and address any reliability issues it identifies.

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In March 2021, we issued our biennial update to our [High-Risk List](#), which identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges.⁴ Our [High-Risk List](#) has served to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical services to the public.

One of our high-risk areas, [managing federal real property](#), which includes improving the security of federal facilities, centers directly on GSA. Several other government-wide high-risk areas also have direct implications for GSA and its operations. These include: (1) [improving the management of IT acquisitions and operations](#), (2) [improving strategic human capital management](#), (3) [ensuring the cybersecurity of the nation](#), and (4) [government-wide personnel security clearance process](#). We urge your attention to the managing federal real property and other government-wide high-risk issues as they relate to GSA. Progress on high-risk issues has been possible through the concerted actions and efforts of Congress, OMB, and the leadership and staff in agencies, including GSA.

Copies of this report are being sent to the Director of the Office of Management and Budget and appropriate congressional committees including the Committees on Appropriations, Budget, Environment and Public Works, and Homeland Security and Governmental Affairs, United States Senate, and the Committees on Appropriations, Budget, Oversight and Reform, and Transportation and Infrastructure, House of Representatives. In addition, the report will be available on the GAO website at <http://www.gao.gov>.

⁴GAO, *High Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, [GAO-21-119SP](#) (Washington, D.C.: Mar. 2, 2021).

I appreciate GSA's continued commitment to these important issues. If you have any questions or would like to discuss any of the issues outlined in this letter, please do not hesitate to contact me or David Trimble, Managing Director, Physical Infrastructure, at 202-512-2834 or trimbled@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Our teams will continue to coordinate with your staff on all of the 52 open recommendations, as well as those additional recommendations in the high-risk areas for which GSA has a leading role. Thank you for your attention to these matters.

Sincerely yours,

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is written in a cursive style with a large, prominent "D" and a long horizontal stroke at the end.

Gene L. Dodaro
Comptroller General
of the United States

Enclosure – 1

cc: Allison Azevedo, Acting Commissioner, Public Buildings Service
Krystal Brumfield, Associate Administrator, Office of Government-wide Policy
David A. Shive, Chief Information Officer
The Honorable Shalanda Young, Acting Director, Office of Management and Budget

Enclosure I

Priority Open Recommendations to the General Services Administration (GSA)

Improving Federal Real Property Management

Federal Real Property: DHS and GSA Need to Strengthen the Management of DHS Headquarters Consolidation. [GAO-14-648](#). Washington, D.C.: September 14, 2014.

Recommendations: The Secretary of Homeland Security and the Administrator of the General Services Administration should work jointly to take the following two actions:

- conduct the following assessments and use the results to inform updated Department of Homeland Security (DHS) headquarters consolidation plans:
 - a comprehensive needs assessment and gap analysis of current and needed capabilities that take into consideration changing conditions, and
 - an alternatives analysis that identifies the costs and benefits of leasing and construction alternatives for the remainder of the project and prioritizes options to account for funding instability;
- after revising the DHS headquarters consolidation plans, develop revised cost and schedule estimates for the remaining portions of the consolidation project that conform to GSA guidance and leading practices for cost and schedule estimation, including an independent evaluation of the estimates.

Action needed: The Department of Homeland Security (DHS) and GSA agreed with the two recommendations. To fully implement the recommendations, DHS and GSA should complete a comprehensive needs assessment, a costs and benefits analysis, and updated cost and schedule estimates taking into consideration the new administration's priorities and budget circumstances. After validating the revised consolidation plan, DHS and GSA should submit their findings to Congress in accordance with the Department of Homeland Security Headquarters Consolidation Accountability Act of 2015 (DHS Consolidation Accountability Act).⁵ In October 2020, DHS—with input from GSA—provided a draft of its DHS Consolidation Accountability Act report to the Office of Management and Budget for review. As of April 2021, DHS and GSA are working to address comments on the report from the Office of Management and Budget prior to submitting the report to Congress.

High Risk Area: Managing Federal Real Property

Director: Christopher Currie, Homeland Security and Justice

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Acting Director: Catina Latham, Physical Infrastructure

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⁵Pub. L. No. 114-150, 130 Stat. 366 (2016).

Federal Real Property: GSA Should Improve Accuracy, Completeness, and Usefulness of Public Data. [GAO-20-135](#). Washington, D.C.: February 6, 2020.

Recommendation: The Administrator of GSA should coordinate with agencies to ensure that street address information in the public database is complete and correctly formatted.

Action needed: GSA agreed with the recommendation and, along with the Federal Real Property Council (FRPC), has taken a multipronged approach to improving location data. First, in 2020, GSA officials revised the data reporting standards to favor longitude and latitude coordinates instead of street addresses. Second, earlier in 2021, GSA published a web-based tool to assist agencies in identifying and correcting erroneous geographic data elements. Third, later this year, the FRPC Data Governance Working Group is planning to adopt an action plan that commits member agencies to accurately report geographic data elements. These are promising steps, but GSA will not fully know how successful they have been until agencies submit their 2021 data later this year.

High Risk Area: Managing Federal Real Property

Acting Director: Catina Latham, Physical Infrastructure

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Federal Leasing: Quality Information and Metrics Would Allow GSA to Better Assess the Value of Its Broker Program. [GAO-20-361](#). Washington, D.C.: March 31, 2020.

Recommendation: The Administrator of GSA should assess and address the reliability of the information used to calculate reported cost savings for the broker program.

Action needed: GSA agreed with the recommendation. GSA indicated that the agency would review how it uses data to manage the broker program, develop a quality control plan, and follow up on outcomes. In November 2020, GSA noted that the agency has implemented a new data collection and analysis tool to monitor and assess broker performance. This new tool includes tracking how brokers contribute to controlling and avoiding costs. We will monitor GSA's progress implementing this new system and follow up with the agency about how well it is working after it has collected the first year of data.

High Risk Area: Managing Federal Real Property

Acting Director: Catina Latham, Physical Infrastructure

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