

U.S. General Services Administration
Management Challenges and GSA Actions
Fiscal Year 2024 Congressional Justification

The section below lists the management and performance challenges identified by the GSA Inspector General and initially reported in GSA's FY 2022 Annual Financial Report on November 15, 2022 as well as GSA management's response. In all cases, GSA's budget addresses each management challenge by providing the necessary funding for the office charged with addressing the challenge.

Significant Challenges Identified by the GSA Inspector General:

1. Establishing and Maintaining an Effective Internal Control Environment
2. Improving Contract Administration
3. Enhancing Government Procurement
4. Maximizing the Performance of GSA's Real Property Inventory
5. Managing Agency Cybersecurity Risks
6. Safeguarding Federal Facilities and Providing a Secure Work Environment
7. Managing the Electrification of the Federal Fleet
8. Managing the Impact of COVID-19

GSA's Response to those Challenges

GSA values the commitment and contributions of the Office of Inspector General (OIG) and appreciates the opportunity to review and comment on the OIG's annual assessment of the most serious management and performance challenges facing the agency. We concur that the challenges identified by the OIG require action and commitment and GSA has already taken substantive steps to address those.

Establishing and maintaining a strong internal control environment is critical to GSA's ability to deliver effective and efficient Government services for the American people. Monthly senior leader meetings with the Deputy Administrator and senior GSA leadership focus on agencywide accountability, high risk issue resolution, and reflect the seriousness with which we take this responsibility. This collaborative effort has led to significant reductions in credentialing issues, implementation of contract administration improvements recognized by the OIG, and new insights into strengthening program performance. Furthermore, GSA offices have completed 100 percent of their corrective actions timely, and, for the second year in a row, 100 percent of the corrective action plans reviewed by the OIG were deemed fully implemented. For GAO audits, GSA distinguished itself by achieving a recommendation implementation rate of 97 percent (compared to a Government-wide implementation rate of only 76 percent).

GSA appreciates the OIG's acknowledgement of the steps the agency has taken to strengthen its approach to contract administration such as policy changes, process improvements, and addressing the performance and training needs of the contracting staff. GSA agrees with the OIG's assessment that we must remain focused on improvements in this area. Improving the quality of contract administration is one of the key performance goals in GSA's FY 2022 - 2026 Strategic Plan.

GSA has given thoughtful consideration to the findings of previous OIG audits with respect to Government procurement and, when appropriate, implemented corrective actions. GSA's Federal

Acquisition Service (FAS) has committed to getting quality data into its pricing tools and completing training for Multiple Award Schedules (MAS) program contracting staff prior to Transactional Data Reporting (TDR) expansion. FAS continues to work with its largest vendors as a part of ongoing data quality maturation. FAS has successfully transferred over 2.4 million refined TDR records to its pricing tools as of September 2022 in support of incorporating TDR data into the Price Point Plus Portal (“4P”) pricing data report, making TDR data readily available to all FAS contracting officers for price analysis. GSA is taking a purposeful approach towards a decision for TDR expansion and will emphasize continuous process improvements combined with robust acquisition workforce training as it matures the program.

Cyber supply chain risk management (C-SCRM) is a top management challenge for GSA and the entire Federal Government. GSA remains focused on an enterprise-wide approach through the GSA C-SCRM Executive Board, with increasing awareness and capabilities within GSA’s acquisition workforce to better manage supply chain risks as one of the Board’s key performance goals. GSA is also addressing supply chain risk through aggressive implementation of the Section 889 prohibition, which includes exclusion of covered Section 889 articles from FAS offerings and is paired with ongoing compliance monitoring practices that exceed Federal Acquisition Regulation requirements. GSA accepts that maturing our SCRM capability will likely be a long-term effort. In the near term, we expect to use expanded vendor risk tools to support supply chain illumination and risk analysis on critical programs, provide subject matter expert support for pre- and post-award supply chain risk reduction strategies, and review significant acquisitions through the GSA SCRM Review Board, along with other efforts. We are addressing GSA’s highest enterprise-level supply chain risks by adding GSA-specific IT supply chain management requirements in contracts tailored to the type of contract and specific business needs. To raise supply chain risk awareness in the acquisition workforce, GSA also created a supply chain journey map and procedures for considering supply chain risks in our contracts and communications.

GSA also partners with over 50 agencies and has provided them with several tools to ensure that Federal Real Property Profile (FRPP) submission reflects a complete, accurate, and consistent accounting of their real property inventory. These tools will ensure that the FRPP is a valuable resource to develop policies and monitor agency performance in managing Federal real property in a post-pandemic work environment.

Managing a complex Federal IT architecture in the current environment is a challenge that GSA embraces. GSA is widely recognized as a leader in Federal IT space, being the only Federal agency to score an “A” in the Cyber category of the most recent (July 2022) Federal Information Technology Acquisition Reform Act (FITARA) scorecard and consistently scoring between a B+ and an A+ on the overall scorecard. To meet these challenges, GSA IT is moving more applications to the SecureAuth single sign-on solution and integrating two-factor authentication for identity and access management services. GSA also aligned its cybersecurity program to the new capability-driven metrics in the FY 2022 Federal Information Security Modernization Act (FISMA) evaluation process; and, by prioritizing zero trust and the metrics, GSA will manage risks across the five core cybersecurity functions—identify, protect, detect, respond, and recover—and all security domains.

To mitigate cyber supply risk within GSA, the agency conducts risk management activities through the development of a formalized C-SCRM program that aligns to the Cybersecurity and Infrastructure Security Agency Cybersecurity Framework and allows us to identify, protect, detect, respond, and recover from C-SCRM incidents. In FY 2022, GSA was awarded \$29.8 million from the Technology Modernization Fund to advance a zero trust architecture, focusing on users, devices, networks, and security operations, putting GSA in a position to meet the demands of telework and upgrade the security network of public buildings. GSA will also increase machine learning and artificial intelligence-driven algorithms to connect diverse data sources and highlight threats, while also providing security oversight for cyber supply chain risk management.

GSA continues to focus on right-sizing the Federal real estate portfolio, which has been made more challenging by GSA's annual lack of full access to Federal Buildings Fund revenues and collections. The right-sizing effort will enable GSA to reduce and consolidate agencies into GSA-controlled Federal facilities based on their missions and reduce the reliance on costly leases, which will maximize the performance of the inventory and savings for the American taxpayer. GSA's other efforts will include reducing and consolidating space, reducing leasing costs, meeting the operations and maintenance needs of Federal buildings, administering GSA's Capital Construction Program, and ensuring effective management of Energy Savings Performance Contracts (ESPCs) and Utility Energy Service Contracts (UESCs).

Providing a safe work environment for Federal employees and the public is a priority for GSA and has achieved significant reductions in credentialing issues by strengthening controls over the monitoring and collecting of GSA Access Cards. GSA has also coordinated with the Federal Protective Service (FPS) to conduct comprehensive security assessments at GSA child care centers, and with each Child Care Facility Security Committee for approval and funding of approved countermeasures. In addition, we are committed to partnering with the U.S. Department of Homeland Security (DHS) to ensure security camera and alarm systems at GSA-controlled facilities are functioning properly. A clear understanding of responsibilities and an agreed-on implementation process are necessary for security camera and alarm systems at GSA-controlled facilities to be consistently maintained, repaired, and when necessary, replaced. GSA, DHS, and FPS are currently working collaboratively toward these goals.

With respect to other health and safety measures for occupants in GSA-controlled space, GSA continues to follow guidance from the Centers for Disease Control and the Safer Federal Workforce Taskforce with regard to cleaning and operating space under our control. GSA has also adjusted our HVAC operations to increase ventilation and improve air filtration. Air filtration has been evaluated; air filters have been improved to higher Minimum Efficiency Reporting Values (MERV) ratings to the extent possible without reducing air flow/ventilation; and filter banks have been sealed to prevent air from bypassing the filters. In addition, GSA has addressed water quality in GSA-controlled facilities and child care centers through an enhanced plan, which includes a combination of regular flushing of water lines in buildings with reduced occupancy (which started in May 2020) along with chlorine and hot water testing (which started in October 2020).

GSA agrees with the challenges identified by the OIG with electrification of the Federal fleet and will continue to address these risks through close relationships with suppliers, advising agencies on

optimal electrification strategies with funding and market limitations, and focusing on infrastructure to support electric vehicle operation. Despite funding and market supply limitations, GSA ordered 3,567 zero emission vehicles (ZEV) in FY 2022—more than five times that of the prior FY 2021— and offered 65 unique ZEV models. GSA has also awarded electric vehicle charging infrastructure contract solutions using FAS and Public Buildings Service (PBS) authorities to support both equipment and construction requirements of the Federal community. Although GSA continues to request additional funding to support both ZEVs and the charging infrastructure necessary to support ZEV operation, its customers have secured funds to support the transition to a zero emission fleet, and together we have made significant early progress toward the administration’s goals.

GSA has made significant progress in addressing the challenges identified by the OIG, and we know there is more we need and want to accomplish. We look forward to working with Congress, our partners, and the OIG in continuing to improve GSA programs and operations.

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