U.S GENERAL SERVICES ADMINISTRATION

FY 2006

CONGRESSIONAL JUSTIFICATIONS

SUMMARIES

INTRODUCTION

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

GSA provides policy leadership and expert solutions in services, space and products to enable Federal employees to accomplish their missions. We believe that no other organization in the public or private sector can bring to bear as much experience, knowledge, and range of capability as GSA in ensuring high performance in Federal work environments. Due to its procurement expertise and experience, GSA is uniquely qualified to provide Federal agencies with the products and services needed to accomplish their missions and improve their performance.

Mission Statement

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

To accomplish our mission GSA has adopted a set of values and goals to serve as our guide towards meeting our mission.

Values

1. Ethics and integrity in all we do
2. Respect for fellow associates
3. Results orientation
4. Teamwork
5. Professionalism

Strategic Goals

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

PERFORMANCE BUDGET

GSA's Fiscal Year 2006 Performance Budget was developed through our Performance Management Process for strategic planning, budgeting and program evaluation. This process provides the framework to analyze our performance and to consequently formulate initiatives to align resources with performance measures and improve business practices.

Specifically, the Performance Management Process is a continuous cycle providing a comprehensive analysis of how well we are meeting GSA's strategic goals, our performance goals and measures, the President's Management Agenda, and how we can best position GSA for future successes. This cyclical process allows for collaborative crosscutting decision-making among senior leadership.

GSA's strategic direction for each business line and program is reflected in our performance goals. We have developed goals that emphasize improving customer service, improving product value and delivery, constraining costs, leveraging technology, and implementing responsible asset management. In fiscal year 2006, GSA will continue to help agencies realize the benefits of technology and improve the Federal Government's IT infrastructure by supporting E-Gov initiatives. GSA itself is leveraging technology in our customer relationship management approach for crosscutting management and program delivery, which will allow us to operate as one-GSA for mission critical procurement, technology, and property management activities in the near future.

While Federal agencies comprise the majority of GSA's customers, our client base has grown to state and local governments, and international partners. The thousands of vendors with whom we exchange information and do business are critical to accomplishing our mission. In addition, the Office of Citizen Services and Communications supports a citizen-centric Federal Government by providing public access to Government information and services through multiple channels.

PROGRAM ASSESSMENT RATING TOOL (PART)

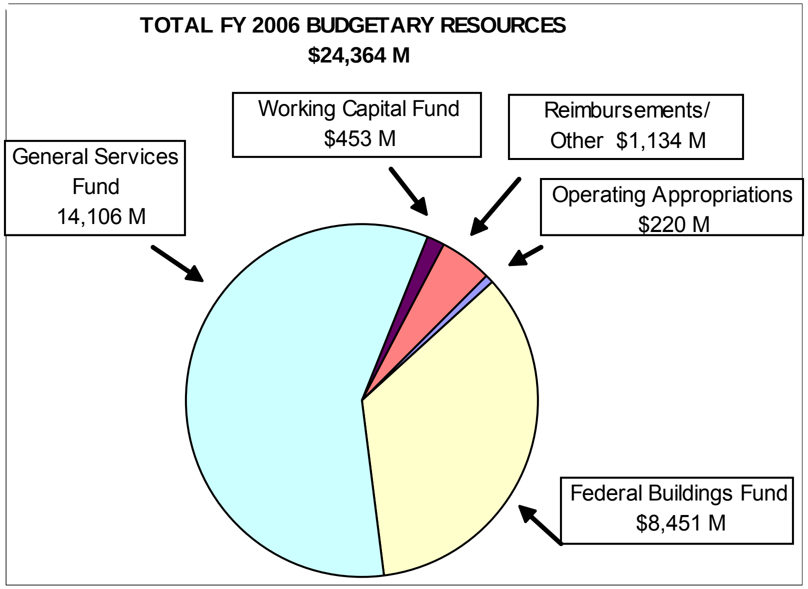
GSA's Fiscal Year 2006 Budget request addresses the various programmatic directions prescribed through PART performance evaluations. Since 2002, GSA and the Office of Management and Budget have conducted twelve program performance assessments using the PART process.

The major findings of the PART reviews were that these programs needed meaningful long-term outcome goals which can be accurately measured. Since the initial assessments, GSA has made great strides in identifying and establishing meaningful long-term goals for its major programs. In 2004, four programs were "rescored" and achieved successful evaluations. Further information on the PART reviews may be found in the General Services Fund (GSF), Federal Buildings Fund (FBF), Governmentwide Policy, and Operating Expenses justification packages.

FUNDING TOTALS AND SOURCES

Measured in obligations, GSA's fiscal year 2006 request totals approximately $24.4 billion for programs under agency accounts. Most funds become available to GSA from customers through reimbursements to revolving funds for purchase of goods and services, or as Rent paid for space in GSA-owned and leased buildings.

Obligations by fund source are as follows:



General Services Administration
FY 2006 BUDGET SUMMARY AND HIGHLIGHTS

This Table provides a summary of GSA's budget request by appropriation and fund.

THE FY 2006 BUDGET IN SUMMARY

$(In Thousands)

	FY 2004 Actual		FY 2005 Current		FY 2006 Request
TOTAL OBLIGATIONS					
Operating Accounts (Appropriations)	$ 198,630		$ 217,638		$ 220,077
Federal Buildings Fund Direct (Including Appropriations)	6,989,986		7,943,732		8,451,082
General Services Fund	13,893,387	1/	13,806,950	1/	14,106,141
Working Capital Fund	342,380		407,200		453,207
Reimbursable Programs	1,017,195		1,115,694		1,085,688
Panama Canal Commission	27,042		0		0
Real Property Relocation	0		5,330		1,750
Federal Citizen Information Center Fund (Reimb.)	4,322		7,217		10,839
Permanent Appropriations	18,496		32,547		35,171
	$ 22,491,438		$ 23,536,308		$ 24,363,955
REQUIRING APPROPRIATIONS ACTION					
Operating Appropriations:					
Office of Governmentwide Policy	$ 56,050		$ 61,603		$ 52,796
Operating Expenses, GSA	87,409		91,438		99,889
Electronic Government Fund	2,982		2,976		5,000
Office of Inspector General	38,938		42,012		43,410
Federal Citizen Information Center	13,917		14,787		15,030
Former Presidents	3,373		3,081		2,952
Subtotal Budget Authority/Appropriations	$ 202,669		$ 215,897		$ 219,077
Federal Buildings Fund New Obligational Authority:					
Construction & Acquisition of Facilities	$ 832,580		$ 760,353		$ 640,317
Repairs and Alterations	914,429		855,490		1,029,165
Installment Acquisition Payments	169,677		161,442		168,180
Rental of Space	3,590,510		4,027,043		4,046,031
Building Operations	1,633,998		1,709,522		1,885,102
Subtotal FBF New Obligational Authority	*$ 7,141,194*		*$ 7,513,850*		*$ 7,768,795*
FBF Net Budget Authority	*(143,217)*		*87,206*		*0*
FBF Appropriations	*459,669*		*0*		*0*

1/ Represents combined obligations of Information Technology Fund and General Supply Fund.

BUDGET AND PERFORMANCE HIGHLIGHTS

The major focus of the Fiscal Year 2006 Budget request is: 1) asset management, in the form of real property capital investment and 2) organizational effectiveness and efficiencies. Our budget request for new obligational authority under the Federal Buildings Fund continues to emphasize our commitment to reinvest in the existing inventory and meeting our customers' needs for modern, secure and functional facilities. Our budget request for the Office of Governmentwide Policy is down significantly from previous years reflecting our commitment to efficiencies and focus on our core mission. In addition, our request proposes the establishment of the General Services revolving fund which merges the programs and activities funded from the General Supply Fund and the Information Technology Fund.

The budget request is presented as an integrated performance budget. Funding requests for programs and business lines in GSA are aligned with associated performance goals and measures, listed at the end of this section.

The request for operating appropriations under the Transportation Treasury bill is $204.1 million. The request includes:

- $99.9 million for Operating Expenses;
- $52.8 million for Governmentwide Policy;
- $43.4 million for the Inspector General;
- $5 million for E-Gov; and
- $3 million for Former Presidents

A major GSA funding initiative is the relocation cost related to the renovation of the GSA Headquarters building. In fiscal year 2006, the entire building will be vacated. The cost of relocating GSA organizations is $37 million in fiscal year 2006. Of this amount we are requesting $17 million under Operating Expenses, $16 million in the Federal Buildings Fund (FBF) and $4 million is funded from the General Services Fund. $186 million to renovate the vacated GSA Headquarters Building is requested under the Repairs and Alterations activity of the FBF.

In FY 2006, OGP will refocus its activities on core policy and regulatory activities that support statutory mission requirements. OGP will realign its program functions to focus on Government-wide policy development and evaluation, and eliminate activities that are not clearly policy related. This will result in a net reduction in FY 2006 of $8,807 thousand and 92 FTE under FY 2005 levels. The staffing reductions reflect the elimination of 47 FTE and the transfer of 45 FTE to other GSA Services.

The fiscal year 2006 budget request for New Obligational Authority (NOA) of $7.8 billion includes authority to use resources within the Federal Buildings Fund for construction, repairs and alterations, installment acquisition payments, rental of space, and building operations.

Adequate repairs and alterations (R&A) funding remains a high priority with GSA. An approximately $6.5 billion backlog in repairs and alterations has left many assets in poor condition. The Public Buildings Service budget request includes approximately $1,029 million for repairs and alterations. Repairs and Alterations highlights include:

- $435 million for basic Repairs and Alterations
- $28 million for limited scope programs
- $488 million for full scope Repairs and Alterations
- $22 million for design
- $10 million for chlorofluorocarbons program
- $30 million for energy conservation program
- $16 million for glass fragmentation retention program

The PBS budget request will also provide $640 million for new construction of needed facilities for critical Federal Government functions. This includes the highest priority projects of the U.S. Judiciary in accordance with their five-year facility plan. It also includes 5 border station projects identified by the Border Station Partnership Council as the highest priority border station needs.

New construction highlights include:

- $234 million for construction for U.S. Courthouse in San Diego, CA, and the site of a U.S. Courthouse in Austin, TX.
- $212 million for 5 Border Stations
- $128 million for FDA Consolidation in Montgomery County, MD
- $25 million for Coast Guard Consolidation, Washington, DC
- $15 million for Southeast Federal Center Site Remediation in Washington, DC
- $13 million for St. Elizabeths West Campus Infrastructure, Washington, DC
- $9 million for non-prospectus construction and acquisition
- $4M for design of Denver Federal Center Infrastructure, Lakewood, CO

Another key initiative in the budget is the establishment of the General Services Fund. The proposed General Services Fund merges the programs and activities currently performed under two separate revolving funds, (1) the General Supply Fund and (2) the Information Technology Fund. The General Supply Fund was established when GSA was created in 1949 by the Federal Property Act. The Information Technology Fund was established in 1986 by the Paperwork Reduction Reauthorization Act. Merging the two funds will improve accountability by bringing oversight of the new revolving fund under the agency’s Chief Financial Officer.

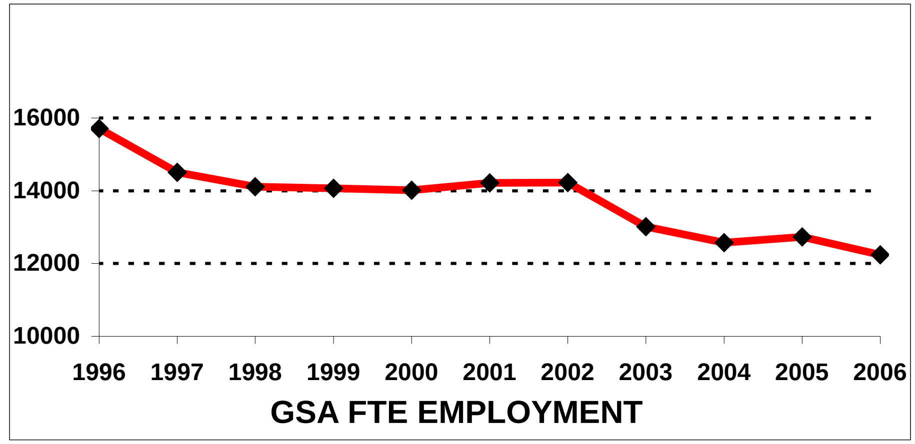
Due to the evolution of how information technology needs are now acquired – buying solutions that are a mix of IT and non-IT products and services rather than separate acquisitions of IT and services – two separate Supply and Technology funds and organizations are no longer needed. Therefore, GSA also proposes merging the two services into a Federal Supply and Technology Service. The result of this restructuring includes increasing organizational efficiencies, improving coordination by streamlining functions, and achieving savings for customer agencies by modifying fee structures. An aggressive action plan will be developed by July 2005.

In addition, to provide much needed resources for E-Gov projects managed by GSA, and other agencies, GSA is proposing a general provision that would amend existing law to permit the Administrator, after consulting with the Office of Management and Budget, to retain and transfer surplus funds generated by the operations of the General Services Fund to the Electronic Government Fund in an amount not to exceed $40 million in any given fiscal year. These funds would be used for government-wide E-Gov projects for purposes authorized under Section 3604 of Title 44.

Four of the E-Gov projects where GSA is the lead agency, Integrated Acquisition Environment (IAE), e-travel, e-authentication, and USA Services are operational in fiscal year 2005. Federal Asset Sales (FAS) will begin operations in fiscal year 2006. GSA is also a provider of e-payroll services and OMB has approved GSA to be a provider of financial management services to other Federal agencies. The Financial Management Line of Business (FM LOB) program utilizes Centers of Excellence (COEs). These COEs will consist of some combination of Federal Agencies and/or private sector contractors. The COE will be engaged in tasks such as project management, system migration, system implementation, change management, training, independent validation and verification, certification & accreditation testing, help desk, and other functions. COEs may offer additional value-added services to agencies, such as core financial operations support, and/or hosting and processing for subsidiary systems such as procurement, fixed asset management, real property, fleet management, and investment management.

Employment

The budget supports 12,238 FTE in fiscal year 2006, resulting in a net decrease of 497 FTE from fiscal year 2005 projected levels. This change is due primarily to decreases in staffing in the Federal Buildings Fund and the General Services Fund. The following chart shows GSA's FTE employment levels from fiscal year 1996 projected through fiscal year 2006. NOTE: All employment levels (FY 1996 – FY 2006) have been adjusted to reflect security positions transferred to the Department of Homeland Security.



WATERFALL TABLE

Changes in Appropriated Accounts
($ in Thousands)

	Governmentwide Policy	Operating Expenses	Inspector General	Former Presidents	Electronic Government	Total
FY 2005 Enacted	**62,100**	**92,175**	**42,351**	**3,106**	**3,000**	**202,732**
.8% Rescission	-497	-737	-339	-25	-24	-1,622
FY 2005 Adjusted Enacted	**61,603**	**91,438**	**42,012**	**3,081**	**2,976**	**201,110**
Decreases						
Reduction in OGP program level, including the elimination of 47 FTE	-10,462					-10,462
Congressional Initiatives		-10,590				-10,590
FY 2005 Computer Equipment Upgrade for Former President Bush				-18		-18
Decrease in goods and services for Former President Carter				-2		-2
Decrease for Former President FY 2005 Allowance				-200		-200
Increases						
Part Year Increase for FY 2005 Pay Act (1.5)	73	167	635			875
Wageboard and Pay Act Increase (2.3)	343	770				1,113
Increased Inflation Costs	239	393	244			876
Increase for Fed. Real Prop. Asset Mgmt Inventory	1,000					1,000
Rent Increase associated with Move		213				213
GSA Headquarters Move		17,498				17,498
Benefits for Former Presidents				9		9
Increased cost of goods and services				13		13
Rent increase for Former President Clinton				12		
Mail Handling Contract for Former President Clinton				2		2
Cost of Equipment for Former President Bush				30		30
Infrastructure Contingency Planning				25		25
Increase to Electronic Government Fund					2,024	2,024
Information Management System			519			519
FY 2006 Congressional Request	**52,796**	**99,889**	**43,410**	**2,952**	**5,000**	**204,035**

General Services Administration
FY 2006 BUDGET SUMMARY AND HIGHLIGHTS

WATERFALL TABLE
Changes in FBF NOA
$(Thousands)

	Installment Acquisition Payments	Rental of Space	Building Operations	Construction and Acquisition	Repairs and Alterations
FY 2005 New Obligational Authority	$161,442	$4,027,043	$1,709,522	$760,353	$855,490
Increase in Capitalized Interest Payments	701				
Increase in Interest Payments	6,037				
Part year cost of expansions acquired thru Indefinite Authority in FY 2005		-194,503*			
Annualization of Remaining FY 2005 Program		92,645			
Rental Increases		55,642			
Lump Sum Payments for taxes and lease buyouts		57,750			
Lease Cancellations		-20,001			
Lease Expansions (all other)		27,455			
Building Services in New Space			39,948		
Increase cost of Supplies, Materials and Service Contract (1.5%)			17,878		
Part Year Increase of FY 2005 Pay Act (1.5%), effective January 2005			1,942		
Wageboard and Pay Act Increase (2.3%), effective January 2006			9,359		
Increase for Utilities and Fuel Rates			20,700		
Increase for Cleaning & Maintenance Contract Labor Rates and Benefits			5,602		
GSA Headquarters Move			21,000		
Security Charges from Department of Homeland Security			21,000		
Increase to the Working Capital Fund			11,029		
National Billing Contract			10,000		
Increase for IT Services			8,776		
Green Power			4,996		
Improvements to Capital Projects Delivery Process			3,350		
Increase to Construction for Executive Agencies				96,826	
Decrease to Construction for Judiciary				-216,862	
Increase to Basic R&A program					154,316
Increase to Line-Item R&A program					19,359
FY 2006 New Obligational Authority	$168,180	$4,046,031	$1,885,102	$640,317	$1,029,165

*The FY 2006 Request excludes lease expansions acquired through Indefinite Authority.

FEDERAL BUILDINGS FUND
New Obligational Authority

2006 Construction and Acquisition of Facilities (NOA) *In Priority Order* $(Thousands)	
Executive Agencies	
Montgomery County, MD, FDA Consolidation	$127,600
Washington, DC, St. Elizabeths West Campus Infrastructure	13,095
Washington, DC, Coast Guard Consolidation	24,900
Calais, ME, Border Station	50,146
Champlain, NY, Border Station	52,510
Blaine, WA, Peace Arch Border Station	46,534
Massena, NY, Border Station	49,783
Jackman, ME, Border Station	12,788
Washington, DC, Southeast Federal Center Site Remediation	15,000
Lakewood, CO, Denver Federal Center Infrastructure	4,658
NonProspectus Construction Program	9,500
Subtotal, Executive Agencies	**$406,514**
Federal Judiciary	
San Diego, CA, U.S. Courthouse	$230,803
Austin, TX, U.S. Courthouse	3,000
Subtotal, Federal Judiciary	**$233,803**
TOTAL CONSTRUCTION PROGRAM	**$640,317**

FEDERAL BUILDINGS FUND (Cont'd)

2006 Repairs and Alterations Program (NOA) *In Priority Order* $(Thousands)	
Nonprospectus (Basic) Repairs and Alterations Program	**$434,992**
Repairs and Alterations Construction Program	
Washington, DC, Heating, Operation & Transmission District Repair……	$18,783
New York City, NY, James Watson Federal Building and Courthouse……	9,721
Washington, DC, Main Interior Building……………………………………..	41,399
Washington, DC, GSA Headquarters Building…………....………………..	185,506
Atlanta, GA, Martin Luther King Jr. Federal Building…..……………………	30,129
Brooklyn, NY, Emanuel Celler Courthouse………....…………...…………	96,924
Washington, DC, Federal Office Building 8………………………………….	47,769
Washington, DC, Eisenhower Executive Office Building..…………………	15,700
Tucson, AZ, James A. Walsh Courthouse…………………………………..	16,136
Washington, DC, Herbert C. Hoover Building…….………………………	54,491
Glass Fragmentation Program………………..…………………………….	15,700
Chlorofluorocarbons Program………………………………..…………….	10,000
Energy Program…………………………………………………………………	30,000
TOTAL REPAIRS AND ALTERATIONS CONSTRUCTION PROGRAM	**$572,258**

FEDERAL BUILDINGS FUND (Cont'd)

2006 Repairs and Alterations Program (NOA) – continued
In Priority Order
$(Thousands)

Repairs and Alterations Design Program	
San Antonio, TX, 615 E. Houston PO and U.S. Courthouse…………….	$500
Indianapolis, IN, Birch Bayh Federal Building - Courthouse…………….	1,342
Bangor, ME, Margaret Chase Smith FB, PO, and Courthouse…………..	1,587
Andover, MA, IRS Regional Customer Service Center FB………………..	4,885
Houston, TX, Leland Federal Building……………………………………….	2,208
Jackson, MS, McCoy Federal Building………………………………………	3,529
Indianapolis, IN, Minton-Capehart Federal Building………………………	1,923
Atlanta, GA, Peachtree Summit Federal Building…………………………	5,941
TOTAL REPAIRS AND ALTERATIONS DESIGN PROGRAM	**$21,915**
TOTAL REPAIRS AND ALTERATIONS PROGRAM	**$1,029,165**

General Services Fund Results of Operations $ (Thousands)				
	FY 2004 Actual	FY 2005 Current	FY 2006 Request	FY05/06 Change
Income				
Global Supply	1,109,330	1,182,102	1,242,705	60,603
Commercial Acquisition	564,860	576,870	612,994	36,124
Vehicle Acquisition & Leasing	1,724,344	1,783,109	1,836,196	53,087
Personal Property Management [1]	17,740	15,089	15,943	854
Travel and Transportation [1]	11,264	11,881	12,712	831
E-Government Initiatives [2]	10,447	1,463	6,000	4,537
Integrated Acquisition Environment (OCAO)	0	35,000	36,050	1,050
Acquisition Workforce Training Fund (AWTF)	-9,905	-16,520	-17,710	-1,190
Long Distance	596,094	669,065	718,139	49,074
Regional Telecommunications	623,574	633,704	610,783	-22,921
Regional IT Solutions	5,407,711	5,223,509	5,317,133	93,624
National IT Solutions [1]	1,831,266	1,834,559	1,936,672	102,113
Professional Services	490,090	753,505	780,098	26,593
Subtotal Income	12,376,815	12,703,336	13,107,715	404,379
Expense				
Global Supply	1,074,888	1,167,926	1,227,505	59,579
Commercial Acquisition	463,074	479,010	505,774	26,764
Vehicle Acquisition & Leasing	1,691,368	1,737,635	1,787,051	49,416
Personal Property Management [1]	18,886	14,860	15,904	1,044
Travel and Transportation [1]	12,465	14,831	15,587	756
E-Government Initiatives [2]	32,708	17,092	8,400	-8,692
Integrated Acquisition Environment (OCAO)	0	35,000	36,050	1,050
Long Distance	585,206	661,176	708,947	47,771
Regional Telecommunications	596,944	616,342	604,409	-11,933
Regional IT Solutions	5,392,785	5,213,126	5,309,449	96,323
National IT Solutions [1]	1,843,313	1,846,616	1,936,296	89,680
Professional Services	491,496	751,529	778,372	26,843
Subtotal Expense	12,203,133	12,555,143	12,933,744	378,601
Net Income from Operations	173,682	148,193	173,971	25,778
Less Reserve/Requirements	50,508	54,454	58,503	4,049
Final Adjusted Profit (Loss)	123,174	93,739	115,468	21,729
Net Outlays	-81,708	31,000	0	-31,000
FTE	4,393	4,472	4,203	-269

[1] The overall Fund and major business lines reflect positive net operating results. These small or new business lines experienced negative operating results in FY 2004. These business lines are projected to reflect improvement in FYs 2005 and 2006.

[2] E-Gov Initiatives for FY 2004 and FY 2005 include Integrated Acquisition Environment, Federal Asset Sales, and e-Travel.

OBLIGATIONS SUMMARY

By Object Classification
(IN THOUSANDS)

	FY 2004 ACTUAL	FY 2005 CURRENT	FY 2006 REQUEST
Personnel Compensation:			
11.1 Full-time Permanent	890,679	918,598	922,600
11.3 Other than permanent	8,547	7,944	8,125
11.5 Other personnel compensation	42,834	48,560	50,729
11.8 Special personal service payments	590	480	384
11.9 Total personnel compensation	942,650	975,582	981,838
12.1 Civilian personnel benefits	233,530	242,205	243,411
13.0 Benefits for former personnel	5,559	2,569	6,954
21.0 Travel and transportation of persons	37,434	38,870	39,553
21.0 Motor Pool travel	3,481	3,650	3,707
22.0 Transportation of things	57,950	59,674	61,125
23.1 Rental payments	81,032	81,462	81,683
23.2 Rental payments to others	3,662,986	4,117,588	4,046,715
23.3 Communications, utilities, and misc.	390,734	404,635	444,522
24.0 Printing and reproduction	14,873	17,736	17,805
25.1 Advisory and Assistance Services	78,758	141,624	187,665
25.2 Other services	11,781,539	12,089,264	12,697,973
25.3 Purch. of goods & services from Govt	298,316	295,897	348,268
25.4 Operation & maintenance of facilities	627,334	691,852	861,125
25.6 Medical Care	7	0	0
25.7 Operation & maintenance of equipmt	47,362	49,905	51,556
26.0 Supplies and materials	3,126,764	3,089,069	3,105,150
31.0 Equipment	854,950	964,657	983,030
32.0 Lands and structures	42,588	77,460	19,494
41.0 Grants, subsidies and contributions	9,653	10,687	98
42.0 Insurance claims and indemnities	23,654	229	232
43.0 Interest and dividends	153,216	160,138	158,382
44.0 Refunds	191		
99.9 Total New Obligations	**22,474,561**	**23,514,753**	**24,340,286**

NOTE: All data exclude the Federal Citizen Information Center, financed under the VA/HUD Appropriations Act; these obligations are ($000): $ 16,906 for FY 2004, $22,005 for FY 2005, and $25,869 for FY 2006.

GSA'S GENERAL PROVISIONS: Brief explanations of proposed GSA general provisions are listed below. Sections 407 through 414 have been deleted; new proposed provisions are now numbered Sections 407 through 411 and reflected in bold text.

GSA General Provisions	
Sec. 401................	Provides for reimbursement by wholly owned Government corporations and agencies to GSA for provision of building services, including costs of operations, protection, maintenance, upkeep, repair and improvement, included as part of rentals.
Sec. 402................	Provides GSA authority for the hire of passenger motor vehicles, to satisfy its requirements for vehicles from other sources when the motor pool system cannot supply the required vehicles.
Sec. 403................	Provides that notice of any proposed transfers for the Federal Buildings Fund, GSA, shall be transmitted in advance to the Committee on Appropriations for activities that may be transferred between such activities only to the extent necessary to meet program requirements.
Sec. 404................	Provides that requests for Courthouse construction must (1) meet the GSA/OMB/ Judicial Conference design guide standards, (2) reflect the Judicial Conference approved 5-year construction plan, and (3) include a standardized courtroom utilization study.
Sec. 405................	Provides that GSA shall not provide usual building services to agencies that do not pay the assessed rental rate as determined by GSA in compliance with law.
Sec. **406**................	Provides that claims against the Government for less than $250,000 arising from direct construction and the acquisition of buildings may be liquidated from savings in other construction projects provided that the Appropriations Committees are notified in advance.
Sec. 407................	**Section 412 of Division H of Public Law 108-447, Consolidated Appropriations Act, 2005 is amended- (1) In the first sentence after the words, "Notwithstanding any other provision of law," insert the phase, "beginning in fiscal year 2006 and thereafter,"; (2) In the first sentence after the words "real and related personal property," insert the words, "under the custody and control of the Administrator of General Services"; (3) Replace the period at the end of the last sentence with a colon and add the following words, "Provided further, That sales transactions under this section are subject to the McKinney-Vento Homeless Assistance Act." Explanation: Clarifies intent of enacted provision.**
Sec. 408................	**40 U.S.C.321 Is amended to provide for the formation of the General Services Fund and abolishing the General Supply Fund and the Information Technology Fund. The capital assets and balances of both the IT Fund and General Supply Fund are transferred to the General Services Fund and the fund shall assume all the liabilities, commitments and obligations of the IT Fund and General Supply Fund. Explanation: A single fund encompasses the mix of IT and non-IT products and services now existing in acquisitions. (See pages GSF-6 to GSF-9 of the Congressional Justification.)**
Sec. 409……….	**40 U.S.C.322: In the heading, strike "Fund" and insert "Contracting Authority". Amended to delete the ITF and retain the Administrator's contracting authority for multiyear contracts, not longer than five years. Also, the definition of specifically included items of information technology previously found at subsection (c)(2) is added to maintain that statutory definition. Explanation: Provides for retention of necessary existing authorities.**
Sec. 410……….	**Amends existing law to permit the Administrator, after consulting with OMB, to retain and transfer to the electronic Government Fund not to exceed $40 million in a fiscal year of surplus generated by the operation of the General Supply Fund to provide for governmentwide E-Gov projects. Explanation: This provision encompasses funding for governmentwide e-Gov projects.**
Sec. 411………	**Provides that GSA shall permanently cancel and transfer to the miscellaneous receipts account of the Treasury, not less than $150,000,000 from the General Services Fund balance no later than September 30, 2006. Explanation: To ensure that GSA is credited for surplus earnings from balances in the Fund returned to Treasury under 41 U.S.C. 321(f).**

ACQUISITION WORKFORCE EDUCATION AND TRAINING
FY 2006 BUDGET DATA

As prescribed by 41 U.S.C. 433(h), following are funding levels included in the FY 2006 program for education and training of the acquisition workforce.

Organization	Amounts programmed for Acquisition Workforce Education and Training		
	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Federal Supply Service (FSS):			
General Supply Fund	1,891,756	1,986,343	2,085,660
Federal Technology Service (FTS):			
Information Technology Fund	192,000	846,000	858,000
General Supply Fund	11,000	87,000	88,000
Total - New Proposed Federal Supply and Technology Service:			
New proposed General Supply and Technology Fund	2,094,756	2,919,343	3,031,660
Public Buildings Service:			
Federal Buildings Fund	989,464	1,448,300	1,276,600
General Management:			
Working Capital Fund	28,645	29,075	29,511
Operating Expenses	17,040	17,296	17,555
Office of Governmentwide Policy:			
Governmentwide Policy	37,182	37,740	38,306
Working Capital Fund	37,055	37,611	38,175
Total	**3,204,142**	**4,489,365**	**4,431,807**

FY 2006: Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2004 ACTUAL	FY 2005 TARGET	FY 2006 TARGET
GOVERNMENTWIDE POLICY			
Office of Electronic Government and Technology			
• **Provide an effective policy framework and key enablers for E-Government operational development and implementation.**			
Federal Enterprise Architecture and CORE.GOV			
o Number of common business processes and/or key components adopted by Federal programs	9	24	36
Federal Identity Credentialing			
o Percentage of major agencies adopting cross-agency policy and uniform standards for Federal Identity Credentials	25%	50%	100%
Government-wide Forms Management and e-Forms			
o Percentage of agencies adopting Government-wide Forms Management guidance and implementation approach	N/A	10%	20%
• **Provide policies that are used and useful that support effective asset management**			
Software Asset Management (SAM)			
o Percentage of agencies with software asset management plans.	0	5	30
Office of Transportation and Personal Property			
• **Provide policies used and useful that support effective asset management across Government**			
Federal Asset Management Policy			
o Percentage of agencies implementing process improvements prescribed in asset management guidelines, policies and regulations	0	50%	100%
Office of Real Property			
• **Provide policies used and useful that support effective asset management by Federal Agencies.**			
o Published Government-wide data and process standards	N/A	N/A	TBD
o Number of agencies using Real Property Profile Internet application to report real property inventory	30	32	33
Office Acquisition Policy			
• **To Be Determined**			

FY 2006 Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES		FY 2004 ACTUAL	FY 2005 TARGET	FY 2006 TARGET
OFFICE OF CITIZEN SERVICES AND COMMUNICATIONS				
Office of Citizen Services (Operating Expenses and FCIC)				
• **Increase citizen usage and accessibility of OCSC Services and help government become more citizen-centric by enabling Americans' interaction with the government via their preferred OCSC channel**				
o FirstGov.gov page views/year		200,000	210,000	220,000
o Number of agencies using FirstGov infrastructure	(Hosting)	4	4	4
	(Search)	110	142	150
o Number of search queries	(FirstGov)	Total	3.6M	3.7M
	(Other)	26.8M	26.2M	24.0M
o Increase agency Working Agreements regarding citizen inquiry/responses		Sign-up 15 & Service 25	Sign-up 11 & Service 36	Service 36
o FirstContact and Tier-1 telephone and email services for agencies		Sign-up 7 & Service 10	Sign-up 5 & Service 15	Sign-up 5 & Service 20
o Web self-help options for citizen inquiries		N/A (590,000)	5% increase	10% increase
• **Improve overall consistency and effectiveness of information communicated to internal and external audiences by devising and disseminating GSA messages**				
o Strategic Messages (Favorable, Neutral, Unfavorable)		50% 25% 25%	50% 25% 25%	50% 25% 25%
FEDERAL SUPPLY AND TECHNOLOGY SERVICE (Proposed)				
Global Supply				
• **Provide supply chain solutions for the global needs of our strategic customers (DOD, Homeland Security, USDA, DOI, et.al) by delivering reliable and timely supplies at best value.**				
o Supply mark-up for stocked items (percent)		42.8%	43.5%	40.0%
o Compliance rate with DOD Time Definite Delivery (TDD) shipment processing standards		N/A	TBD	TBD
o Operating costs per $100 business volume		$17.58	$17.63	$17.38

FY 2006 Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2004 ACTUAL	FY 2005 TARGET	FY 2006 TARGET
FEDERAL SUPPLY AND TECHNOLOGY SERVICE (Proposed)- continued			
Global Supply - continued			
o External customer satisfaction survey score	79.0%	79.8%	79.9%
Commercial Acquisition			
• **Aggressively pursue best value for the Government by reducing cost and enhancing operation efficiency**			
o Operating cost per $100 business volume	$0.50	$0.58	$0.57
o Cycle time to process contract offers (days)	87	92	91
o Cycle time to process contract modifications (days)	14	13	12
• **By 2008, expand State and Local Government use of Cooperative Purchasing to $100 million by educating eligible organizations about the benefits of using this authority.**			
o IT Schedule 70 usage by state and local governments	$75.3M	$85M	$95M
Vehicle Acquisition and Leasing			
• **Continue to achieve acquisition cost savings for customer agencies by providing vehicles at 20% or more below manufacturers' invoice price.**			
o Percentage discount from invoice price	33%	≥27.5%	≥28%
o Number of vehicles purchased per FTE	1,350	1,275	1,300
• **Continue to achieve leasing rates to customer agencies that are 20% or more savings when compared to commercial rates.**			
o Percentage GSA Fleet leasing rates below commercial rates on the GSA Vehicle Leasing Schedule	32%	≥27%	≥29%
o Program support and operational expenses per vehicle year of operation	$556	$482	$504
o Number of vehicles managed per onboard associate	275	322	335
Personal Property Management			
• **Provide optimal property disposal solutions for Federal agencies to maximize cost avoidance (Utilization/Donation), while efficiently and effectively managing the exchange/sale of surplus property.**			
o Cycle time for disposal process (days)	72	77	76

FY 2006 Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2004 ACTUAL	FY 2005 TARGET	FY 2006 TARGET
FEDERAL SUPPLY AND TECHNOLOGY SERVICE (Proposed) - continued			
Personal Property Management - continued			
o Direct cost as a percent of revenue	48%	47%	46%
o Percent of property reported electronically by civilian agencies through FEDS	91%	89%	90%
Travel and Transportation			
• **Provide an end-to-end fully integrated management system/solutions to increase value for agency customers, in both travel and transportation**			
o Number of TMSS users	1,718	1,950	2,050
o Percentage discount from walk-up fare	74%	74%	74%
o Number of vendors participating on TSS Schedule	28	35	40
o Direct cost as a percent of revenue	72.2%	71%	70%
Professional Services - FTS			
• **Provide solutions that best meet the client agencies' mission needs at competitive prices.**			
o Percentage of dollar value of eligible service orders awarded with performance-based SOWs	43%	50%	50%
o Percentage of projects meeting agreed performance according to the Quality Assurance Surveillance Plan (QASP)	Not Measured	Not Measured	75%
o Percentage of negotiated award dates for services and commodities that are met or bettered	83%	>93%	>95%
• **Provide effective management of client agency acquisitions, including compliance with statutes, policy, regulations, and internal procedures.**			
o Percentage of task and delivery orders subject to the fair opportunity process	83%	>85%	>86
o Percentage of Schedule task orders solicited using e-Buy	Not Measured	80%	90%
• **Provide a high-quality, cost-effective source of assisted acquisition services for Federal agencies.**			
o Total program expense as a percentage of gross margin	101%	82%	66%
o Percent of solutions that are met at or below initial cost estimates	Not Measured	Not Measured	90%

FY 2006 Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2004 ACTUAL	FY 2005 TARGET	FY 2006 TARGET
FEDERAL SUPPLY AND TECHNOLOGY SERVICE (Proposed) - continued			
IT Solutions			
• **Provide IT solutions that best meet the client agencies' mission needs at competitive prices.**			
o Percentage of dollar value of eligible service orders awarded with performance-based statements of work	61%	50%	60%
o Percentage of projects meeting agreed performance according to the Quality Assurance Surveillance Plan (QASP)	Not Measured	Not Measured	75%
o Percentage of negotiated award dates for services and commodities that are met or bettered.	88%	> 94%	> 95%
• **Provide effective management of client agency IT acquisitions, including compliance with statutes, policy, regulations, and internal procedures.**			
o Percentage of Government Wide Acquisition Contract (GWAC) task and delivery orders subject to the fair opportunity process.	96%	>95%	>95%
o Percentage of schedule task orders solicited by using e-Buy	Not Measured	80%	90%
• **Provide a high-quality, cost-effective source of assisted IT acquisition services for client agencies.**			
o Total program expense as a percentage of gross margin.	59%	78%	76%
o Percentage of solutions that are met at or below initial cost estimates.	Not Measured	Not Measured	90%
Regional Telecommunications			
• **Provide telecommunications solutions that best meet client agencies' mission needs at competitive prices.**			
o Percentage of dollar value of eligible service orders awarded with performance-based statements of work	47%	40%	50%
o Percentage of projects meeting agreed performance according to the Quality Assurance Surveillance Plan (QASP)	Not Measured	Not Measured	75%
o Percentage of negotiated award dates for services and commodities that are met or bettered.	89%	75%	76%

FY 2006 Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2004 ACTUAL	FY 2005 TARGET	FY 2006 TARGET
FEDERAL SUPPLY AND TECHNOLOGY SERVICE (Proposed) - continued			
Regional Telecommunications - continued			
• **Provide effective management of client agency telecommunications acquisitions, including compliance with statutes, policy, regulations, and internal procedures.**			
o Percentage of task and delivery orders subject to the fair opportunity process.	96%	70%	80%
o Percentage of schedule task orders solicited by using e-Buy	Not Measured	Not Measured	80%
• **Provide a high-quality, cost-effective source of assisted telecommunications acquisition services for client agencies.**			
o Total program expense as a percentage to gross margin.	56%	64%	66%
o Percentage of solutions that are met at or below initial cost estimates.	Not Measured	Not Measured	80%
Long Distance			
• **Provide telecommunications solutions that best meet client agencies' mission needs at competitive prices.**			
o Customer satisfaction with value added solutions.	77%	79%	80%
o Percentage of solutions reviewed compliant with policy and regulations and internal policies and procedures.	Not Measured	100%	100%
• **Provide effective management of Network Services acquisitions including compliance with statutes policies, regulations, and internal policies.**			
o Networx Program Milestones planned vs. actual.	100%	100%	100%
o Completed Transition Planning Milestones – planned vs. actual.	Not Measured	Not Measured	80%
• **Provide a high quality, cost-effective source of Network services for client agencies.**			
o Percentage of FTS Network Service Prices that are below best commercial prices.	Not Measured	50%	50%
o Savings provided to customers	$705M	$780M	$825M
o Percentage of agencies serviced by Networks Services.	Not Measured	80%	90%
o Total program expense as a percentage of gross margin.	41%	56%	55%

FY 2006 Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2004 ACTUAL	FY 2005 TARGET	FY 2006 TARGET
PUBLIC BUILDINGS SERVICE			
New Construction			
• **GSA will execute the new construction program on the schedule committed to our customers 90% of the time by FY 2010, and reduce the percentage of escalations on the program to at or below 1%.**			
o Construction projects on schedule	80%	85%	86%
o Percentage of escalations on construction projects	1.6%	≤1%	≤1%
Leasing Program			
• **By FY 2010, the leasing program will deliver new leases at 9.5% below the industry average cost for office space and concurrently receive 88% overall customer satisfaction scores.**			
o Cost of leased space relative to market	-10.6%	-8.3%	-8.5%
o Overall customer satisfaction on the Realty Transaction Survey	86.7%	87%	87%
• **By FY 2010, the leasing program will receive 80% customer satisfaction scores for existing leases and will have reviewed 90% of targeted current leases for market opportunities while maintaining vacant space at or below 1.5%**			
o Customer satisfaction – tenants in leased space	70%	70%	72%
o Percentage of targeted current leases reviewed	N/A	N/A	50%
o Percent of vacant space in leased inventory	1.2%	≤1.5%	≤1.5%
o Percent of FFO from total leased space inventory revenue	1.9%	0% ≤ 2%	0% ≤ 2%
Asset Management			
• **Achieve a viable, self-sustaining inventory with an average Return on Equity of at least 6% by FY 2010 for 80% of our government owned assets.**			
o Percentage of government-owned assets with an ROE of at least 6 percent	70%	68%	71%
o Percentage of government-owned assets achieving a positive FFO	78%	80%	85%
o R&A projects on schedule	78%	86%	88%
o Percentage of minor R&A budget obligated on planned projects by the end of the fiscal year	87%	75%	75%

FY 2006 Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2004 ACTUAL	FY 2005 TARGET	FY 2006 TARGET
PUBLIC BUILDINGS SERVICE - continued			
Asset Management - continued			
o Percentage of vacant and committed space in the government-owned inventory	7.9%	7%	7%
o Percent of escalations on R&A projects	0.5%	≤1%	≤1%
o Percent of highly satisfied customers on the ordering official survey	68%	*73%*	74%
• **Reduce energy consumption by 35% by FY 2010 over FY 1985 baseline while maintaining overall operating costs 12% below the private sector and customer satisfaction levels at or above 80%**			
o Percent reduction in energy consumption over the FY 1985 baseline	-22.4%	-30%	-31%
o Customer Satisfaction – tenants in owned space	72%	72%	73%
o Percent below private sector benchmarks, the cleaning, maintenance and utility costs in office and similarly serviced space	-14.5%	-12%	-12%
Real Property Disposal			
• **Minimize underutilized and excess property in the Government-wide inventory**			
o Percentage of disposals completed within 320 days	89%	80%	85%
o Percentage of customers indicating satisfaction on annual customer survey	70%	76%	N/A
o Percentage of customers indicating satisfaction on customer transactional surveys	94%	93%	93%
o Percentage of reimbursable disposals completed within 188 days	N/A	Baseline	71%
o The number of surveys completed on time and within budget	N/A	Baseline	TBD
o Cost of activities to identify under utilized property	N/A	Baseline	TBD

FY 2006 Long-Term Outcome Goals
$ (Thousand)

• LONG-TERM OUTCOME GOALS o PERFORMANCE MEASURES	FY 2004 ACTUAL	FY 2005 TARGET	FY 2006 TARGET
WORKING CAPITAL FUND			
Chief Financial Officer			
• **Deliver timely and accurate financial and performance management policies and services needed for management decision-making and financial reporting.**			
o Percentage of vendor invoices received electronically by EDI through the Internet	56%	56%	56%
o Percentage of electronic invoices paid by electronic means such as EFT and purchase card	92%	95%	95%
Chief People Officer			
• **Develop and deliver human capital programs, policies and services that promote GSA's strategic management of human capital, in order to enhancer GSA's capability to achieve its mission, strategic goals, and performance outcomes.**			
o Number of days to fill a vacancy	Not Measured	45	45
o Q-12 Grand Mean Score	3.89	3.94	3.94
Chief Information Officer			
• **Ensure GSA's information technology investments increase Federal productivity, customer satisfaction, and legal compliance**			
o Percentage of IT systems that have completed a full certification and accreditation	97%	100%	100%
o GSA Enterprise Architecture Assessment (score 3 on 1-5 scale on both maturity and degree of alignment)	2.25	3	3.5
o % aggregate variance of Development, Modernization and Enhancement (DM&E) projects in major IT investments in 10% or less of planned cost and schedule, as measured by earned value management.	N/A	10%	10%

GOVERNMENTWIDE POLICY

INTRODUCTION

The Federal Property and Administrative Services Act of 1949 authorizes GSA to provide for a Government-wide system for the procurement and supply of property and management services and prescribe guidelines for the acquisition, use and disposal of such property and services. In December 1995, GSA created the Office of Governmentwide Policy (OGP) to carry out GSA's policy functions assigned by Congress, separate from the agency's business operations that procure and supply products and services. OGP's policymaking authority and policy support cover the areas of electronic Government and information technology, real property, personal property, travel and transportation, regulatory information and use of Federal advisory committees. In 2003 the Services Acquisition Reform Act (SARA) (Title XIV, Pub L. 108-136) established the requirement for the creation of a Chief Acquisition Officer in each executive agency. OGP's Office of Acquisition Policy transitioned to the Office of Chief Acquisition Officer (OCAO) on June 15, 2004. All functions previously performed by the Office of Acquisition Policy are now under the new OCAO, along with all GSA and Government-wide acquisition IT systems. The GSA Governmentwide Policy account provides for the activities of both the (I) Office of Governmentwide Policy, and (II) Office of the Chief Acquisition Officer.

EXPLANATION OF ESTIMATES

The Governmentwide Policy Direct and Reimbursable Programs Fund supports the GSA mission of comprehensive Government-wide administrative reform programs.

Direct Program

The fiscal year 2006, Office of Governmentwide Policy and Office of the Chief Acquisition Officer combined budget request of $52,796 thousand and 158 FTE reflects a net decrease of $8,807 thousand and 92 FTE under the comparable amount for fiscal year 2005 of $61,603 thousand and 250 FTE (see pages GP - 2-4 for additional details).

The net change of consists of (1) $416 thousand for increases in pay, (2) $239 thousand for inflation increases, and (3) a $1,000 thousand increase for the Federal Real Property Asset Management Inventory initiative. These increases are offset by a -$10,462 thousand reduction in Office of Governmentwide Policy programs, which includes the elimination of 47 FTE and the transfer of 45 FTE to other GSA Services.

Reimbursable Program

Governmentwide Policy provides reimbursable services to other Federal agencies in the amount of $5,000 thousand, comprised of: (1) $4,000 thousand for the Office of Governmentwide Policy; and (2) $1,000 thousand for the Office of the Chief Acquisition Officer.

Transfers for Management Councils

The head of each Executive department and agency is authorized to transfer to the Governmentwide Policy account, funds to support Government-wide financial, information technology (IT), procurement, and other management innovations, initiatives, and activities. The Director of the Office of Management and Budget (OMB) determines the amount to be contributed by each agency. Also, OMB in consultation with the relevant interagency groups (including the Chief Financial Officers Council for financial management initiatives, the Chief Information Officers Council for IT initiatives, and the Procurement Executives Council for procurement initiatives) determines the appropriate use of these funds. The total funds transferred shall not exceed $17,000 thousand. Such transfers may only be made 15 days following notification of the Committees on Appropriations by the Director of OMB.

**EXPLANATION OF BUDGET CHANGES
IN PRIORITY ORDER
$(Thousands)**

	FTE	$
FY 2005 Enacted Appropriation	**250**	**$62,100**
Reduction for .8% Rescission		-497
FY 2005 Current Level	**250**	**$61,603**
Decreases:		
Reduction in Office of Governmentwide Policy (OGP) program level, including the elimination of 47 FTE	-47	-10,462
Transfer of OGP Office of the Chief Information Officer (CIO) to the GSA CIO	-13	0
Transfer of OGP Office of Electronic Systems to the GSA CIO	-5	0
Transfer of Usability function to the Office of Citizen Services and Communications	-3	0
Transfer of Computers for Learning (CFL) function to the Office of Citizen Services and Communications	-2	0
Transfer of E-Authentication function to the proposed new Federal Supply and Technology Service	-2	0
Transfer of Federal Premier Lodging Program (FPLP) to the proposed new Federal Supply and Technology Service	-1	0
Transfer of eTravel Program Management Office to the proposed new Federal Supply and Technology Service	-5	0
Transfer of Innovative Workplace function to the Public Building Service	-14	0
Increases:		
Part Year Increase for FY05 Pay Act (1.5%), Effective January, 2005		73
Wageboard and Pay Act Increase (2.3%), Effective January, 2006		343
Increased Inflation Costs		239
Increase for Federal Real Property Asset Management Inventory		1,000
FY 2006 Budget Request	**158**	**52,796**

BUDGET AUTHORITY
$(Thousands)

	FY 2004 Estimate	FY 2005 Budget	FY 2006 Request	FY 2005/2006 Change
DIRECT PROGRAM:				
New Budget Authority				
Office of Governmentwide Policy	49,258	51,486	43,964	-7,522
Office of Chief Acquisition Officer	6,792	8,523	8,832	+301
Federal Bridge Certificate Authority	0	1,594	0	-1,594
TOTAL NEW BUDGET AUTHORITY	**56,050**	**61,603**	**52,796**	**-8,807**
TOTAL DIRECT (Obligations)	**55,283**	**61,603**	**52,796**	**-8,807**
REIMBURSABLE PROGRAM:				
Reimbursable for Regular Programs	4,119	5,000	5,000	0
Transfers for Management Councils	14,035	17,000	17,000	0
TOTAL REIMBURSABLE (Obligations)	**18,154**	**22,000**	**22,000**	**0**
NET OUTLAYS	**38,209**	**60,543**	**54,167**	**-6,376**
EMPLOYMENT (FTE):				
Direct	236	250	158	-92

GOVERNMENTWIDE POLICY Obligations by Object Class $(Thousands)				
		FY 2004 Estimate	**FY 2005 Current**	**FY 2006 Request**
	Personnel Compensation:			
11.1	Full-time permanent	18,802	20,020	14,978
11.5	Other personnel compensation	3,099	3,225	2,459
11.9	**Total personnel compensation**	**21,901**	**23,245**	**17,437**
12.1	Civilian personnel benefits	4,022	4,282	2,953
21.0	Travel and transportation of persons	511	542	481
21.0	Motor pool travel	6	8	8
22.0	Transportation of things	0	0	0
23.1	Rental payments to GSA	2,659	2,699	2,649
23.3	Communications, utilities, and misc. charges	288	350	225
24.0	Printing and reproduction	622	732	718
25.2	Other services	11,738	14,285	13,454
25.3	Purchases of goods and services from Government accounts	12,151	14,723	14,226
26.0	Supplies and materials	173	417	365
31.0	Equipment	1,212	320	280
99.0	Subtotal direct obligations	55,283	61,603	52,796
99.0	Reimbursable obligations	18,154	22,000	22,000
99.9	**Total Obligations**	**73,437**	**83,603**	**74,796**

I. OFFICE OF GOVERNMENTWIDE POLICY

Strategic Assessment

OGP's goal is to improve Government-wide management. The desired outcome is that the Government is better managed because of what we do. OGP collaborates with customers and stakeholders throughout the policy development process to ensure their input and buy-in. OGP's continuous interaction with Congressional committees, Office of Management and Budget, Government-wide councils and interagency groups assures OGP's various programs address relevant issues and customer needs. OGP's role as a leader and partner in numerous cross-agency initiatives has resulted in improved business processes and regulations that implement Administration policies.

In recent years, in support of OMB and the President's Management Reform agenda, a major focus of OGP efforts has been the promotion and implementation of electronic government as a critical tool to standardize and streamline Government processes by maximizing the use of the Internet and digital technologies. Resources have also been allocated to identifying and promoting best practices and performance measures to make the Government's management processes more efficient and effective, and encouraging innovative solutions for more productive work environments.

In FY 2006, OGP will refocus its activities on core policy and regulatory activities that support statutory mission requirements. OGP will realign its program functions to focus on Government-wide policy development and evaluation, and eliminate activities that are not clearly policy related. However, OGP will continue to build on its successful record of policy-making through collaboration with Federal agencies, interagency governing bodies, and other governments, and act as change agents throughout Government to advance new policy agenda on behalf of OMB and Congress, and improve management information for better decision-making.

OGP's policy agenda for FY 2006 will focus on improved asset management practices, an integrated travel management program for the Federal Government, and policy support initiatives that facilitate the transition of current eGov efforts from development to deployment. Its strategies include the following:

- Increased emphasis on development of business cases to demonstrate value.
- Better information for decision-making, e.g. spending analysis as a strategic tool.
- Managing business processes at an enterprise level rather than lower down in the organization. For example, enterprises can lower their costs through the use of standardized contracts, increase security through centralized management of information technology assets and improve asset management with standard business processes.
- Design strategies built around a customer focus, rather than the traditional program centric approach. For example, many customers are supported by many agencies and need to relearn a different way of doing business for each agency. They get better service to the extent agencies align service delivery around a common methodology.
- Continue development of human capital strategies, increasing adaptation to change.
- Facilitate standardization and consolidation of Governmentwide business processes, for purposes of generating value (optimizes ease of use, maximizes return on investments, reduces redundancy).
- Drive increased use of technology and focus on security and privacy issues.

Major Offices:

1. Office of Electronic Government & Technology

The Office of Electronic Government and Technology leads the development of uniform standards and interoperability guidelines for electronic commerce, and facilitates Government-wide implementation of electronic applications. It also champions and provides guidance on the adoption of common business processes and innovative technologies to improve usability and accessibility of Government information and services. This office also provides guidance and training to Federal agencies on IT professional development programs and Section 508 compliance, and supports the interagency councils (the Chief Information Officers Council, Chief Financial Officers Council, Federal Acquisition Council, and Chief Human Capital Officers Council) on various Government-wide initiatives.

2. Office of Real Property

The Office of Real Property serves as a focal point that brings the public and private sector together to improve Government asset management practices and facilitate the adoption of a best-practices management approach for real property. The office develops real property management policies and guidelines (Federal Management Regulations), and provides policy guidance in the development of high-performance workplaces (Integrated Workplace), sustainable design principles (Sustainability Development), and Telework.

3. Office of Transportation and Personal Property

The Office of Transportation and Personal Property develops Government-wide policies and guidelines for the management of personal property, travel, transportation, mail, aircraft, and motor vehicles. These programs develop regulations, collect and analyze data, facilitate adoption of performance measures, and manage interagency policy committees.

Summary of Program Assessment Rating Tool (PART) Review

The Office of Governmentwide Policy received a rating of “Results Not Demonstrated” for the FY 2006 PART review. The findings of the PART indicated OGP’s need to develop long-term outcome goals, and the need for regularly scheduled independent evaluations of OGP programs. OGP is taking steps to address these concerns and implementation of planned actions should result in improved PART ratings.

1. Develop long-term outcome goals and supporting measures with ambitious targets

The major deficiency identified in the PART review is the lack of measures that roll up to the overall OGP program level. OGP has revised its planning process to incorporate a different approach that estimates Government-wide savings/cost avoidance as a measure of program effectiveness. OGP is in the process of finalizing a long-term goal that covers all its policy lines, and developing commensurate long-term and annual outcome measures that capture the portfolio of OGP responsibilities and demonstrate overall achievement.

2. Develop a limited number of annual performance measures, including efficiency measures that are ambitious, meaningful, and linked to the long-term outcome goals.

Once the long-term measures have been developed, OGP will set annual performance goals, measures and targets that track overall progress and contribute to the achievement of its long-term goal.

3. Develop an independent assessment process for OGP.

OGP will develop a statement of work to establish a contract to conduct regularly scheduled independent assessments. The scope of independent assessments will include existing program assessments and recommendations to improve program effectiveness and efficiency.

4. Define OGP's role within the agency.

As part of GSA's Strategic Assessment process, OGP will meet with OMB and other agency stakeholders to identify their views of how well GSA is supporting Administration management reform initiatives. OGP will then engage in senior level discussions with GSA management to communicate these views and help determine the appropriate GSA responses.

5. Develop a systematic review process for current regulations.

OGP plans to issue internal guidance to require periodic review of its regulations.

PART FUNDING SUMMARY

	FY 2004 ACTUAL	FY 2005 CURRENT	FY 2006 ESTIMATE
Governmentwide Policy - Direct	55,283	61,603	52,796
Governmentwide Policy - Reimbursable for Regular Programs	4,119	5,000	5,000
Governmentwide Policy - Reimbursable for Management Councils	14,035	17,000	17,000
Electronic Government Fund	4,000	0	0
Working Capital Fund	10,454	8,264	7,876
Acquisition Workforce Training Fund	1	8,500	9,000
General Supply Fund (Integrated Acquisition Environment)	0	35,000	36,050
Operating Expenses	2,031	0	0
GRAND TOTAL	**$89,923**	**$135,367**	**$127,722**

ELECTRONIC GOVERNMENT AND TECHNOLOGY

Strategic Direction

The OGP Office of Electronic Government and Technology provides leadership and direction in the policymaking and use of electronic Government and information technology within the Federal Government. It provides Federal agencies with guidance and support in using Internet-based and related Information Technology (IT) services and delivering information to citizens, business partners, associates, agencies and governments in order to accomplish its mission.

The Office of Electronic Government and Technology is committed to furthering Electronic Government through the promotion of interagency collaboration and interoperable solutions as it encourages agencies to use common ways of leveraging IT across Government. The Office also provides extensive support to OMB in carrying out the President's Management Agenda by establishing new governance processes and structures to address the cross-agency nature of E-Gov services, and developing improved IT policy and guidance collaboratively with agencies.

Strategies

To promote Government-wide electronic Government and technology initiatives in FY 2006 GSA will:

- Establish policy frameworks with OMB and the management councils with balanced stakeholder participation and approval of many partners and key stakeholders. Develop appropriate operating rules and procedures with the involvement of the commercial sector, key associations or private organizations and standards-setting bodies.
- Create viable policy compliance solutions that agencies in varying situations can use.
- Create strong Governance structures to ensure participation, progress, accountability and compliance.
- Demonstrate effective program management by: (1) working with executive steering groups to gain agreement on E-Gov funding strategies, spending plans, achievable milestones, and metrics to measure performance of the investments made; and (2) engaging partners on how to best achieve E-Gov.
- Foster an effective and efficient functioning of the interagency councils and executive steering groups to provide a forum for acceptance and adoption of improved IT policies. Work with senior OMB and council leadership to ensure the process for funding Council initiatives and E-Gov efforts is aimed at achieving a horizontally integrated Government.
- Collaborate with industry associations, advocacy/consumers groups, states and state organizations. Build external partnerships to promote progress within as well as outside Government. This includes involvement in standards-setting and enforcing bodies.
- Establish a repeatable Internal Verification and Validation methodology to assess policy compliance for accessibility, privacy, security and usability and traceability of requirements.

FEDERAL ENTERPRISE ARCHITECTURE (FEA) / COMPONENT ORGANIZATION & REGISTRATION ENVIRONMENT (CORE)

The current status of E-Government initiatives and the new Lines of Business initiative requires that the Government move to a business driven Federal Enterprise Architecture (FEA) that ensures efficient exchange of information within and across agency program boundaries Government-wide. The FEA is a business-focused framework that provides the Office of Management and Budget (OMB) and Federal agencies with a way to monitor, analyze and control Federal investments in IT. The FEA guides IT investment decisions within agencies and enables the identification of opportunities to collaborate on, consolidate and integrate current and planned initiatives. Additionally, the FEA enables vertical collaboration and communication among Federal, State and local Governments for IT investments. The FEA and E-Gov Programs represent a collaborative initiative between GSA and OMB. Through this partnership, OMB provides executive guidance to ensure alignment with administration priorities, and GSA coordinates and facilitates the implementation and operations of the program management functions required to execute the strategy and deliver results.

The Component Organization and Registration Environment (CORE.gov) tool facilitates lifecycle management of the design, development and publishing of reusable business process components necessary to accomplish the goals and objectives of the Federal Enterprise Architecture. CORE.gov enables stakeholders to participate in the full-life cycle of shared components (from inception to retirement), and provides a discovery mechanism to identify existing components for possible reuse.

The FEA is important to ensure goals of the President's Management Agenda are achieved and are critical to the success of electronic Government as defined by the E-Government Act of 2002.

Long-term Outcome Goal:

Provide an effective policy framework and key enablers for E-Gov operational development and implementation.

Performance Goal:
Increase adoption of common business processes and/or key components enabling those processes.

Performance Measures:

Number of common business processes and/or key components adopted by Federal programs.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
N/A	*9*	*24*	*36*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
48	*60*	*72*	*84*

Impact on performance:

A key output of the FEA initiative is the identification of opportunities for agencies to collaborate on new systems and share information. The common syntax provided by the FEA for agencies to describe their architectures is instrumental to the identification of gaps and redundant investment requests (i.e., opportunities to collaborate) across agencies.

FY 2006 Budget Request / Performance Goal
Budget Links
Office of Electronic Government and Technology: Federal Enterprise Architecture and CORE.GOV
$ (Thousands)

Long-term Outcome Goal

Provide an effective policy framework and key enablers for E-Gov operational development and implementation.

Performance Goal	Performance Measure	FY 2004		FY 2005		FY 2006		Change FY 05 to FY06	
		Target	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
Increase adoption of common business processes and/or key components enabling those processes	Number of common business processes and/or key components adopted by Federal programs	12	$0 approp. and $6,204 other funding*	24	$0 approp. and $5,500 other funding*	36	$0 approp. and $2,800 other funding*	+12	0 approp. and - $2,700 other funding*

*CIO Council pass-the-hat-funds.

Explanation of Dollar Changes:

N/A

FEDERAL IDENTITY CREDENTIALING

The Federal Identity Credentialing Committee (FICC) makes policy recommendations and develops the Federal Identity Credentialing component of the Federal Enterprise Architecture, to include associated services, such as identity proofing and credential management for the Federal Government, to satisfy the Homeland Security Policy Directive (HSPD)-12.
GSA will address three key areas to successfully consolidate the requirements for Federal identity credentialing during the FY 2006 budget cycle:

1. Federal deployment of Public Key Infrastructure (PKI) solutions.

The FICC has developed the Common Federal PKI Policy, which sets the parameters for the use of this technology within Federal organizations. OMB has issued a policy letter requiring Federal agency adherence to this policy to ensure logical credential (access control and digital signature) interoperability across the Federal enterprise. GSA will work with agencies to ensure a contract vehicle is available to allow agency uptake of offered services. The Federal Bridge Certification Authority (FBCA) provides a framework as an interoperability mechanism for interface with entities external to the Federal Government. The FBCA is operated within the new proposed Federal Supply and Technology Service (FTS).

2. Federal deployment of Smart Cards as ID credentials

The FICC has developed the Common Federal Smart Card Guidance, which sets the parameters for the functional components of Smart Cards used by Federal organizations as identity credentials for their employees. Utilization of this guidance ensures smart card interoperability across the Federal enterprise. GSA FTS Smart Access Card Program Office is conducting an aggregated buy, thereby ensuring economies of scale in the purchase of smart cards and ancillary devices.

3. Government-wide minimum identity assurance requirements

The FICC, in cooperation with the Office of Personnel Management (OPM), has developed a set of parameters for validating the asserted identity of Federal job applicants, contract employees and other affiliated personnel, which are incorporated in Federal Information Processing Standard 201. GSA will work to develop a new FAR rule to cover contract employees operating within Federal buildings and behind Federal firewalls who are issued identity badges for access.

4. OGP will develop shared services and acquisition strategy to assist in HSPD-12 implementation.

OGP will establish approved shared service providers to implement common solutions and ensure that a sufficient range of FIPS 201 compliant products and services are readily available to agencies of all sizes.

Long-term Outcome Goal:

Provide an effective policy framework and key enablers for E-Gov operational development and implementation.

Performance Goal:

Develop and issue effective guidance and policies in support of the Federal eAuthentication initiative.

Performance Measures:

Percentage of major agencies adopting cross-agency policy and uniform standards for Federal Identity Credentials.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
N/A	*25%*	*50%*	*100%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
100%	*100%*	*100%*	*100%*

The FICC builds consensus among the 25 major departments and agencies on the management and governance structures for Federal Identity Credentials. This FICC membership will make the commitment on behalf of the agencies. Through education and awareness, 100% of Federal executive agency buy-in can be expected by FY 2006.

FY 2006 Budget Request / Performance Goal
Budget Links
Office of Electronic Government and Technology: Federal Identity Credentialing
$ (Thousands)

Long-term Outcome Goal

Provide an effective policy framework and key enablers for E-Gov operational development and implementation.

Performance Goals	Performance Measure	FY 2004		FY 2005		FY 2006		Change FY 05 to FY06	
		Target	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
Develop and issue effective guidance and policies in support of the Federal eAuthentication initiative	Percentage of major agencies adopting cross-agency policy and uniform standards for Federal Identity Credentials	25%	$3,616	50%	$4,171	100%	$2,564	50%	-$1,607

Explanation of Dollar Changes: N/A

GOVERNMENT-WIDE FORMS MANAGEMENT (GFM) AND E-FORMS

The primary objectives of the Government-wide Forms Management (GFM) and Electronic Forms initiative are to provide organization and structure to the Governments' forms management processes, reduce redundant data collections, and reduce redundant forms infrastructure investment across the Federal Government. The GFM/e-Forms initiative will facilitate the appropriate sharing of data across the Federal Government reducing the filing burden on the public. The Office of Management and Budget (OMB) requested that GSA work on E-Forms to:

- Provide useful access to Government forms in one place
- Eliminate redundant data collection
- Provide electronically fill-able, file-able, and sign-able forms
- Determine the best approach for a Government-wide electronic forms infrastructure
- Work with OMB to implement Government-wide Forms Management into the information collection process
- Deploy an electronic forms shared service

***Long-term Outcome Goal**:*

Provide an effective policy framework and key enablers for E-Gov operational development and implementation.

Performance Goal:

Reduce redundant data collections and redundant electronic forms systems.

Numerous agencies are currently developing their own electronic systems, moving their paper-based forms to electronic forms. In the vast majority of cases, little thought has been given to integrating these efforts across agency boundaries to achieve economies of scale or eliminate the redundancies in completing the forms. The new E-Forms landscape, left unchecked, will have many of the same issues as its paper-based predecessor. Redundancies in data collection efforts will remain, as will as redundancies in Federal spending. Information management and storage will remain cumbersome and stove-piped. The Final Report of the E-Forms for E-Government Pilot Team concluded that: "Meta-data driven E-Forms provide an opportunity to reorganize the Government's data collection activities along the Federal Enterprise Architecture (FEA) lines of business to accomplish important E-Government goals - eliminating redundancy, promoting data sharing, and reducing reporting burden."

Performance Measure:

Percentage of agencies adopting Government-wide Forms guidance and implementation approach.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
N/A	*N/A*	*10%*	*20%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
40%	*60%*	*80%*	*100%*

Forms account for half of the Government's $320 billion total annual regulatory burden on citizens and business. While multiple efforts are underway to reduce the paperwork burden associated with forms, the elements of forms that have been made electronic have no coherent enterprise structure. OMB estimates that only 52% of the total 5,800 Federal transactions fall under the Government Paperwork Elimination Act.

The Government-wide Forms Management initiative will develop a forms processing shared service to avoid redundant investments and develop forms management protocols that will streamline data collections Government-wide thereby reducing the burden on citizens.

Impact on performance:

A key output of the Government-wide Forms Management initiative will be the reduction of redundant investments along with the facilitation of data sharing across the Federal Government. The Government-wide Forms Management initiative will further provide the tools and environment to eventually reduce redundant data collections imposed on citizens and businesses. Successful adoption of the GFM/ e-Forms initiative will accomplish several key goals that are common to the President's Management Agenda (PMA), the Government Paperwork Elimination Act (GPEA), the Clinger-Cohen Act, the Federal Enterprise Architecture, and other laws and initiatives, such as:

1. Providing Government service in a cost-effective, customer-centered way,
2. Reducing the regulatory paperwork burden on citizens and business owners,
3. Simplifying and unifying processes and infrastructure to reduce Agency costs and increase value,
4. Reengineering processes using technology appropriately rather than automating inefficient processes,
5. Ensuring that all Government electronic forms are accessible to people with disabilities and are compliant with Section 508 of the Rehabilitation Act.

SOFTWARE ASSET MANAGEMENT (SAM)

The Software Asset Management (SAM) process provides a methodology for managing the software compliance and better match usage with contract terms. Software Asset Management is a practical business approach that supports other mission essential processes such as IT capital planning, and property, plant, and equipment accounting. In response to a recommendation from the Federal Interagency SAM Framework Working Group, with OMB guidance, GSA will provide the leadership to implement a Government-wide SAM initiative. The objective of the SAM PMO is twofold, to assist agencies to better manage their software assets, and to create a central repository of software licenses that can be reused.

The February 2004 OMB memorandum entitled, "Maximizing Use of SmartBuy and Avoiding Duplication of Agency Activities with the President's 24 E-Gov Initiatives" requires agencies to report a listing of all projected software requirements, by category, to GSA and OMB, for the next two fiscal years. Prior SmartBuy data collections made it clear that agencies did not have a means in place to accurately assess their current software inventory and their projected software requirements. For agencies to fully realize the most efficient and effective software inventory, including avoiding unnecessary costs, a software asset management process is needed. The Clinger-Cohen Act requires agencies to have an integrated framework, through information technology architecture, for evolving or maintaining existing information technology and acquiring new information technology.

The Software management PMO will implement the concept of operations developed by the Federal Interagency SAM Framework working group, such as: developing a database to interface with agencies' SAM efforts; collecting and sharing best practices; and education and communication.

The information collected through the database will be shared with the GSA's SmartBUY PMO (located in the Federal Technology Service) to identify opportunities for consolidated acquisitions of software titles. The effort will also develop baseline data for the total cost of ownership of software and inventory levels, and:

- Ensure compliance to SmartBuy guidance established in OMB's February 2004 memorandum regarding "maximizing use of SmartBuy"
- Develop an action plan to address the recommendations of interagency Federal SAM Framework study team
- Share SAM best practices from the Federal Commercial sector with Agencies
- Establish guidance for agencies on the development of an agency SAM framework that will then feed into a Government-wide SAM framework
- Develop a recommended model for Federal SAM governance and recommend key Federal-wide SAM metrics
- Establish a SAM communications strategy

Long-term Outcome Goal:

Provide policies that are used and useful that support effective asset management.

Performance Goal:

Improve software asset management in Government.

Performance Measures:

Percentage of agencies with software asset management plans.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
N/A	*0*	*5*	*30*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
50	*75*	*100*	*100*

The following output measures will be used to assess improvement in software asset management in the Government:

- Agency participation in SmartBuy, an OMB Government-wide priority managed by GSA to leverage the Government's buying power to achieve lower software licensing costs and equal or better terms and conditions.
- Agency software asset management processes in place that track software costs, terms and conditions of licenses, and usage information.
- Agency participation in use of Government-wide SAM database.
- Agency data available on Software Total Cost of Ownership (acquisition, operation, disposal).

Impact on Performance:

One of the initial activities will be to determine baseline asset management data in agencies. This will be done through information available in the Federal Enterprise Architecture and data collected by the SmartBuy PMO. This will enable the development of quantitative performance metrics.

FY 2006 Budget Request / Performance Goal
Budget Links
Office of Electronic Government and Technology
$ (Thousands)

Long-term Outcome Goal:

Provide policies that are used and useful that support effective asset management.

Performance Goal	Performance Measure	FY 2004		FY 2005		FY 2006		Change FY 05 to FY06	
		Target	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
Improve software asset management in Government.	Percentage of agencies with software implementation plans.	0	$50	5	$50	30	$50	+25	-

Explanation of Dollar Changes:

N/A

TRANSPORTATION AND PERSONAL PROPERTY

Strategic Direction

The Office of Transportation and Personal Property will continue to work collaboratively with customers and stakeholders to develop and improve policies and guidelines for the management of Federal aviation, transportation, personal property, travel, and motor vehicles, and identify and promote sound management practices that lead to improved Government efficiency and effectiveness.

TRAVEL MANAGEMENT

The Office of Governmentwide Policy's (OGP) Travel Management Program guides Federal agencies in managing their travel more efficiently and effectively. OGP wages an aggressive campaign to improve Federal travel policy by responding to the needs of Federal travelers, working collaboratively with Federal partners, and enhancing communication with the corporate travel industry to identify and model private sector best practices.

In FY 2006 the eTravel Travel Management Office will be migrated to the new proposed Federal Supply and Technology Service. OGP will continue its work to change GSA's current business model for travel by integrating Government-wide travel management programs. GSA will exercise strong and effective leadership to ensure:

- Far-ranging change management through new policy direction, monitoring and measuring the consolidation of travel functions, managing vendor performance, streamlining travel processes and providing constant customer focus and attention to cost savings.
- Effective collaboration among key stakeholders (travelers, supervisors, agency financial managers, agency systems managers, travel management centers).
- Greater functional alignment between travel policy and program operations to achieve a One GSA approach to travel management.
- Necessary governance structure to ensure effective oversight and collaboration to establish a centrally managed travel customer relationship management program that will maximize customer participation and feedback.
- Standardized travel processes, and increased utilization of travel programs and services (e.g., City Pairs, lodging, rental cars, etc.) to enable improved decision-making through improved business intelligence.
- Establish common performance goals and objectives across travel-related activities within GSA.
- Agency implementation and adoption of common Government-wide travel management systems and services ensuring a simplified and unified travel environment to the Federal traveler.

PERSONAL PROPERTY MANAGEMENT

In this area of Federal asset management GSA will:

- Conclude a comprehensive study of the lifecycle of the personal property policies and processes to identify changes leading to increased efficiencies.
- Expand data collection capabilities and electronic access to asset information to allow agencies to better understand and manage Federal assets. Lack of data is a significant weakness in the management of personal property.
- Implement better performance outcomes and data standards across Government.
- Identify or develop best practices and consensus standards among agencies.

GSA is in the process of completing several tasks to promote the efficient management of Federal assets. For personal property GSA will: (1) Issue policy documents on agencies' responsibilities to maximize use of excess property; (2) Revise and publish new regulations on exchange/sale provisions; and (3) Publish Federal Asset Management Evaluation (FAME) final report with recommendations from the utilization and donation report. To ensure better management of motor vehicles GSA will: (1) Identify number of agencies developing and implementing a structured vehicle allocation methodology; (2) Identify agencies that have issued internal agency-wide fleet handbooks; and (3) Measure the number of agencies using a vehicle management information system. Aircraft Management activities include: (1) Identifying and implementing mandatory elements in the Federal Aviation Interactive Reporting System (FAIRS); (2) Identifying and implementing additional guidance on aviation fleet acquisition and management; and (3) Identifying and implementing additional guidance on aviation safety and operational oversight.

Long-term Outcome Goal:

Provide policies used and useful that support effective asset management across Government.

Performance Goal:

Develop new policies to optimize Federal asset management.

Performance Measure:

Percentage of agencies implementing process improvements prescribed in asset management guidelines, policies and regulations.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
N/A	*0*	*50%*	*100%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
100%	*100%*	*100%*	*100%*

This measure tracks changes in agencies' asset management and operations resulting from new OGP guidelines.

Impact on Performance:

Enhanced Federal asset management policies will improve the management of:

- $21 billion of personal property Government-wide;
- $4.05 billion fleet Government-wide, which include 425,000 owned vehicles and 176,000 vehicles that are leased through the GSA Federal Supply Service; and
- $815 million/1,480 civilian aircraft Government-wide

FY 2006 Budget Request / Performance Goal
Budget Links
Office of Transportation and Personal Property: Federal Asset Management Policy
$ (Thousands)

Long-term Outcome Goal:

Provide policies used and useful that support effective asset management across Government.

Performance Goal	Performance Measure	FY 2004		FY 2005		FY 2006		Change FY 05 to FY06	
		Target	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
Develop new policies to optimize Federal Asset Management.	Percentage of agencies implementing process improvements prescribed in asset management guidelines, policies and regulations.	0	N/A	50%	$312	100%	$312	+50%	-

Explanation of Dollar Changes:

N/A

REAL PROPERTY MANAGEMENT

Strategic Direction

The OGP Office of Real Property develops and disseminates policies, guidance and recommendations to improve management of real property. Executive Order 13327, Federal Real Property Asset Management dated February 4, 2004, outlines specific duties for GSA, in consultation with the newly created Federal Real Property Council, to promote efficient and economical use of Federal real property resources.

Executive Order (EO) 13327 requires GSA to:

- Provide policy oversight and guidance to executive agencies for Federal real property management
- Identify and define real property asset measures and publish performance measures;
- Establish a database for agency real property;
- Develop and engage Congress in passing new legislative authorities to improve real property management; and
- Establish data and IT standards for use by Federal agencies in developing or upgrading agency real property information systems to facilitate reporting on a uniform basis.

Through the OGP Office of Real Property, GSA will continue working with agencies to improve asset management in accordance with EO 13327 in FY 2006.

Strategies

The Office of Real Property plays a critical role in implementing and supporting Executive Order 13327 (i.e. Federal Real Property Asset Management). This office will follow the direction and guidance of the Federal Real Property Council (FRPC) and its Committees to oversee the implementation of the objectives outlined in the Executive Order and will work to correct the inefficiencies outlined in the numerous GAO reports on the state of Federal real property asset management.

Under the direction and guidance of Federal Real Property Council (FRPC), the Office of Real Property will assist major land holding agencies in reviewing and modifying existing systems, processes, and policies to correct the inefficiencies outlined in GAO reports on the state of Federal real property asset management. The office will establish an inventory database. Concurrently, the office will maintain and enhance the web-based central repository (Federal Real Property Profile – Internet Application) to capture all of the FRPC required data elements, including performance measures data, and account for all Federal real property holdings on a snapshot basis in order to produce an annual report to Congress. . In developing the descriptive database for improved inventory management mandated by EO 13327, the requested funding will be allocated to working with specific customer agencies on improving inventory reporting capabilities to improve accuracy.

In addition to the effective use of technology, the Office of Real Property will leverage agency reform efforts underway, develop alternatives, and bring best practices from similar private sector efforts. The Office of Real Property will continue to work with other GSA organizations to coordinate activities that are associated with the E-Gov initiative on Federal Asset Sales

In FY 2006, GSA will continue to expand the Federal Real Property Profile – Internet Application by adding Geospatial Information System enhancements, an archive, indicator of underutilized property, and disposal data.

Ongoing work in e-Real Estate and the Federal Real Property Profile will be leveraged into the new initiatives including universal definitions, IT standards, the descriptive database or inventory system, asset management plans, and the new dashboard of performance measures.

Long-term Outcome Goal:

Provide policies used and useful that support effective asset management by Federal Agencies.

Performance Goals:

- Facilitate agencies' compliance with Executive Order 13327 through use of the President's Management agenda (PMA) scorecard.
- Develop a single, comprehensive database for all real property under the custody and control of executive branch agencies by 2007.
- Collect and publish a dashboard of real property performance measures for Federal landholding agencies by 2007.
- Develop and implement more efficient Government-wide Utilization and Disposal (U&D) processes and systems based on findings and recommendations from the U&D Study with landholding agencies by 2007.

Performance Measures:

1. Published Government-wide data and process standards

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
N/A	*N/A*	*N/A*	*9/30/06*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
N/A	*N/A*	*N/A*	*N/A*

2. Number of agencies using Real Property Profile Internet application to report real property inventory

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
N/A	*30*	*32*	*33*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
33	*33*	*33*	*33*

Impact on Performance:

The Government-wide real property inventory system will improve asset management and pay for itself many times over through increased revenues from disposals (more accurate, real-time information on underutilized properties), reduced operating costs (more accurate cost data and comparison across similar classes of assets) and reduced manpower hours needed to conduct transactions (electronic, web-based, real-time reporting).

FY 2006 Budget Request / Performance Goal
Budget Links
Office of Real Property
$ (Thousands)

Long-term Outcome Goal

Provide policies used and useful that support effective asset management by Federal Agencies.

Performance Goal	Performance Measure	FY 2004		FY 2005		FY 2006		Change FY 05 to FY06	
		Target	Program Cost	Target	Program Cost	Target	Program Cost	Target	Program Cost
Establish a single, comprehensive database for all real property under the custody and control of executive branch agencies by 2006.	Published Government-wide data and process standards	N/A	-	N/A	-	TBD	$1,000	-	+$1,000
Develop and implement more efficient Government-wide utilization and disposal (U&D) processes and systems based on recommendation from the U&D Study by 2007.	Number of agencies using Real Property Profile internet application to report real property inventory	30	$600	32	$600	33	$600	+1	+$0

Explanation of Dollar Changes:

GSA requests $1,000 thousand in appropriations in FY 2006 for contractor support to provide for the activities of the Office of Real Property to facilitate agencies' compliance with Executive Order 13327, "Federal Real Property Asset Management." This appropriation will be used to provide for contractor support to convert the Government-wide real property inventory management standards into appropriate IT specifications for the inventory system and to develop the solicitation requirements for an IT integrator, who will develop the Government-wide real property inventory system.

II. OFFICE OF THE CHIEF ACQUISITION OFFICER

The GSA Office of the Chief Acquisition Officer (OCAO) was established on June 15, 2004, in response to a requirement of the Services Acquisition Reform Act of 2003 (SARA). SARA was enacted as Title XIV of the National Defense Authorization Act for fiscal year 2004 (P.L. 108-136), as signed into law on November 24, 2003.

The Office of the CAO assumed the functions and authorities that were formerly the responsibility of the OGP Office of Acquisition Policy. Assumed responsibilities include functions related to the activities of the Office of the Senior Procurement Executive, and include areas such as: Contract Policy, Acquisition Systems, Acquisition Workforce training and development, and Suspension/Debarment. The Chief Acquisition Officer will participate in the new Chief Acquisition Officer Council and is responsible for overseeing all GSA's contract vehicles, including the Multiple Award Schedules, Government-wide Acquisition Contracts, City-Pairs, and the Federal credit card programs. The Office of the CAO also provides oversight of GSA's acquisition activities.

In FY 2006, OCAO will continue the "Get It Right" initiative, which was launched in FY 2004 to ensure the proper use of GSA contracting vehicles and services Government-wide. The five major objectives of the "Get It Right" Plan are to:

1. Secure the best value for federal agencies and American taxpayers through an efficient and effective acquisition process, while ensuring full and open competition, and instilling integrity and transparency in the use of GSA contracting vehicles.
2. Make acquisition policies, regulations and procedures clear and explicit.
3. Improve education/training of the federal acquisition workforce on the proper use of GSA contracting vehicles and services.
4. Ensure compliance with federal acquisition policies, regulations and procedures.
5. Communicate with the acquisition community, including agencies, industry partners, Office of Management and Budget (OMB), Congress, and other stakeholders, regarding the use of GSA contracting vehicles and services.

Activities of the OCAO are funded through the GSA Governmentwide Policy account and the GSA Working Capital Fund. In FY 2006, OCAO will use $8,832 thousand from the Governmentwide Policy account to fund Government-wide acquisition activities; and, $7,167thousand from the GSA Working Capital Fund to provide for GSA acquisition activities.

Long-term Goals, performance goals, and targets for the Office of the Chief Acquisition Officer are being developed.

OPERATING EXPENSES

INTRODUCTION

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

EXPLANATION OF ESTIMATES

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

Direct Program

The fiscal year 2006 budget request of $99,889 thousand reflects a net increase of $8,451 thousand over the comparable amount of $91,438 thousand for fiscal year 2005 (see pages 2-4 for additional details).

The $8,451 thousand increase consists of: (1) $17,711 thousand for costs associated with GSA headquarters relocation offset by a $10,590 reduction for one-time FY 2005 Congressional Initiatives. Other cost increases include $937 thousand for pay raises, and $393 thousand for inflation.

Reimbursable Program

Operating Expenses provides reimbursable services to other Federal agencies in the amount of $14,257 thousand. These activities include $2,757 thousand for personal property services, and $11,500 thousand for real estate disposal services for: (a) specialized properties outside the purview of the Federal Property and Administrative Services Act of 1949; and, (b) real property seized, forfeited, or foreclosed on by other agencies such as the U.S. Marshals Service, Department of Housing and Urban Development, Internal Revenue Service, and the Small Business Administration.

EXPLANATION OF CHANGES
APPROPRIATION
$(Thousands)

	FTE	$
FY 2005 Enacted Appropriation	**425**	**92,175**
Less: Rescission (0.80%)		-737
FY 2005 Base		**91,438**
Decreases:		
Congressional Initiatives		-10,590
Increases:		
Pay Increases		937
Increased Costs of Goods and Services		393
Transfers:		
FTE Transfers from OGP – OCSC - 3 Usability, 2 Computers for Learning	5	0
Headquarters' Relocation Increases:		
Move Costs		17,498
Rent increase associated with the relocation		213
FY 2006 Budget Request	**430**	**99,889**

General Services Administration
OPERATING EXPENSES

BUDGET AUTHORITY
$(Thousands)

	FY 2004 Actual	FY 2005 Current	FY 2006 Request	FY 2005/2006 Change
Direct Program:				
New Budget Authority	84,220	91,438	99,889	+ 8,451
Obligations from Prior Year Carryover	3,189	5,257	4,610	-647
Total Obligations – Direct Program	87,409	96,695	104,499	+ 7,804
Reimbursable Program	5,119	14,500	14,257	- 243
Net Outlays	87,778	90,772	106,257	+ 15,485
Employment (FTE):				
Direct	389	425	430	+ 5
Reimbursable	16	17	17	0

General Services Administration
OPERATING EXPENSES

OBLIGATIONS BY OBJECT CLASS $(Thousands)				
		FY 2004 Actual	FY 2005 Current	FY 2006 Request
	Personal Compensation and Benefits			
11.1	Full-time permanent	29,949	32,706	33,395
11.3	Other than full-time permanent	126	19	19
11.5	Other personnel compensation	1,461	3,705	3,784
11.7	Military personnel	0	0	0
11.8	Special personal services payments	9	0	0
11.9	**Total personal compensation**	**31,545**	**36,430**	**37,198**
12.1	Civilian personnel benefits	6,631	8,028	8,198
21.0	Travel and transportation of persons	1,458	1,655	1,669
21.0	Motor Pool	12	99	100
22.0	Transportation of things	38	52	52
23.1	Rental payments to GSA	3,343	3,676	3,857
23.2	Rental payments to others	43	570	576
23.3	Communications, utilities, and miscellaneous charges	1,098	1,289	1,304
24.0	Printing and reproduction	93	592	600
25.1	Advisory and assistance services	402	14,048	15,162
25.2	Other services	14,576	3,575	3,665
25.3	Other purchases of goods and services from Government accounts	14,372	9,477	26,135
25.4	Operation and maintenance of facilities	27	26	26
25.7	Operation and maintenance of equipment	28	44	44
26.0	Supplies and materials	360	499	505
31.0	Equipment	637	788	798
41.0	Grants, subsidies, and contributions	9,557	10,590	0
99.0	**Direct Program**	**84,220**	**91,438**	**99,889**
99.0	Reimbursable Program	5,119	14,500	14,257
99.9	**Total Direct & Reimbursable**	**89,339**	**105,938**	**114,146**

OFFICE OF CITIZEN SERVICES AND COMMUNICATIONS

Strategic Direction

The Office of Citizen Services and Communications (OCSC) was created in June 2002 to advance President Bush's proposal to create a more citizen-centric, results oriented federal government. OCSC is responsible for USA Services, one of the e-Gov initiatives on President Bush's Management Agenda. This initiative focuses on providing best value for customer agencies and taxpayers by increasing access to government through a wide variety of channels, which include both the gsa.gov and FirstGov.gov websites. OCSC has opened the way for citizens to interact with government by creating a single front door to the services and information they require in the medium they prefer: the Web, email, telephone, or print. This one-stop shopping brings these tools together in one place, cutting through red tape and ensuring that the federal government provides the public with the most effective path to services and information.

OCSC has two programs: 1) Citizen Services and 2) Communications.

Strategies

Several initiatives are underway to improve the way OCSC delivers these services to the public, to the media, to its internal GSA clients, and to other government agencies.

Office of Citizen Services (OCS)

The strategic objective of the Office of Citizen Services and Communications and its USA Services e-Gov initiative is to provide exemplary service to citizens by increasing the quality, quantity and availability of Federal information and services.

This will be accomplished by promoting the multiple channels of communications that USA Services offers to the public through innovative marketing activities, by efficiently delivering superior information and by providing easy access to services through websites (primarily Firstgov.gov), telephone, e-mail, and print channels. The USA Services' e-Gov initiative performance in meeting these objectives is measured by the total number of contacts with the public each fiscal year and by customer satisfaction levels. This data is reviewed and evaluated regularly to identify shifting citizen needs and preferences for information and services, and to continuously improve the amount of content, and access to Federal information and services. These performance measures ensure that OCSC is achieving its mission mandate and the goals of a citizen-centric government.

The primary aim of the USA Services e-Gov initiative is to present a single government face to citizens who need timely and consistent responses about government programs, and in so doing, enable the Federal government to become more citizen-centric. An important component of the initiative is its “front door,” well-publicized, easy-to-access points of contact for all citizens. Through the FirstGov.gov web portal, the toll-free National Contact Center (NCC) responding to phone and e-mail, and the publication distribution center in Pueblo, Colorado, USA Services offers citizens a variety of channels to obtain information.

Office of Communications

As part of the Office of Communications, the Public Affairs Division establishes and maintains productive relationships with the media as it plays a key role in spreading the word about GSA programs, policies and activities. Many audiences rely on the media for information about GSA programs and policies. As a result of the efforts of the Division, GSA is covered extensively by the news media.

Public Affairs amplifies GSA's message to external audiences by promoting press outreach - using information and press releases, organizing press briefings, providing educational materials among other things – and conducting public events such as rollouts of new government programs. The Office of Editorial Services within the

Office of Communications contributes to this effort by preparing speeches and maintaining an agency website.

As part of the effort to provide better media relations, the Office of Communications continues to develop and maintain good working relationships with representatives of GSA services, staff offices and regions in order to better represent the many programs and projects developed and effected by GSA. This contact creates an understanding of and appreciation for the agency's mission and accomplishments. It also provides knowledge about points of contact for the media.

In addition to responsibilities for external communications, the Office of Communications develops and maintains many internal communications programs. These efforts are conducted to raise awareness about GSA programs within the agency and to help GSA associates better understand how they may benefit from what associates in other parts of the agency are doing. This office uses a variety of strategies and tactics to communicate with associates nationwide. These include the development and application of communications plans; planning and conducting special events; writing the daily GSA Update; preparing special e-mail messages about agency initiatives and priorities; designing lobby posters; and preparing talking points on special emphasis programs, etc. The Creative Services and External Affairs Divisions within the Office of Communications contribute to these efforts.

The following initiatives will further the goals of USA Services and OCSC. Discussion of these initiatives and their impact on performance follows.

Action Plan – USA Services

USA Services will continue to help agencies respond to citizen telephone and email inquiries by providing a misdirect inquiry service via Working Agreements with over 36 agencies and through the FirstContact contract vehicle for contact center services. USA Services will continue to implement a government-wide citizen service program that includes customer service best practices and the identification of federal citizen service standards and performance metrics across the federal government.

E-Gov Solutions Support

The current suite of hosting and search engine contracts that support FirstGov.gov and the other OCSC websites needs to be re-written and re-competed starting in 2006 so that the awards for the contracts can occur in 2007 prior to the expiration of these two contracts. The new suite of contract(s) will be re-structured to better support evolving needs for citizen services. OCSC staff will define requirements and work through contracting processes for the re-compete.

<u>Long-Term Outcome Goal</u>: Increase citizen usage and accessibility of OCS Services and help government become more citizen-centric by enabling Americans' interaction with the government via their preferred OCSC channel.

<u>Performance Goal</u>: Help the Federal government become more citizen-centric by increasing the magnitude, quality and outreach of Federal information via various channels; enable Federal agencies to become more citizen-centric by providing answers to citizens that are timely, accurate, and responsive; and enable Government web sites to become more citizen-centric and user-friendly.

<u>Long-Term Outcome Goal</u>: Increase citizen usage and accessibility of OCS Services and help government become more citizen-centric by enabling Americans' interaction with the government via their preferred OCSC channel.

<u>Performance Goal</u>: Enable Government web sites to become more citizen-centric and user-friendly.

Performance Measures:

- FirstGov.gov page views/year.

The official web portal of the U.S. Government, providing the public with fast, easy, one-stop access to all Federal, state, and local government online information and services.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
176 million	203 million	210 million	220 million
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
230 million	240 million	250 million	260 million

- Number of agencies using FirstGov infrastructure.

Federal Web sites that use E-Gov Solutions' infrastructure for hosting or search services.

Service	FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
Hosting	4	4	4	4
Search	110	110	142	150
Service	FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
Hosting	4	4	4	4
Search	160	170	180	190

- Number of search queries.

Total number of search queries answered with results from E-Gov Solutions' index.

Source	FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
FirstGov	N/A	N/A	3.6 million	3.7 million
Other	26.2 million	26.8 million	26.2 million	24.0 million
Source	FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
FirstGov	3.8 million	3.9 million	4.0 million	4.1 million
Other	22 million	20 million	20 million	20 million

Performance Goal: Help the Federal government become more citizen-centric by increasing the magnitude, quality and outreach of Federal information via various channels and enable Federal agencies to become more citizen-centric by providing answers to citizens that are timely, accurate and responsive.

Performance Measures:

- Increase agency Working Agreements regarding citizen inquiry/responses.

This measure involves working with senior executives and upper level managers throughout the federal government to forge partnerships to develop a government-wide citizen-centric approach. It also involves signing Working Agreements with partnering agencies for misdirected telephone and email inquiries. At no cost, agencies redirect telephone and email inquiries that are not related to its mission to USA Services using 1(800) FED-INFO or an agency-specific email. We have targeted 36 agencies, which will benefit from this service.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
Sign up 10 Service 10	Sign up 15 Service 25	Sign up 11 Service 36	Service 36
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
Service 36	Service 36	Service 36	Service 36

- FirstContact and Tier-1 telephone and email services for agencies.

FirstContact is a contract vehicle that USA Services provides to agencies in need of citizen contact center services. USA Services Tier-1 service handles an agency's basic citizen requests for information and services, such as office hours, direction, clarification of services and benefits, etc. USA Services agents respond to the inquiries as though they were the agency staff by providing responses based on the agency's instructions. These two services allow the customer agency to focus on its core mission and programs. We have targeted 25 agencies, which will benefit from this service.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
Sign up 3 Service 3	Sign up 7 Service 10	Sign up 5 Service 15	Sign up 5 Service 20
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
Sign up 5 Service 25	Service 25	Service 25	Service 25

- Web self-help options for citizen inquiries.

A Frequently-Asked-Question (FAQ) application that will be established on the FirstGov.gov website. Citizens will be able to get answers to questions on Federal Government services.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
N/A	N/A (590,000 actual)	5% increase	10% increase
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
10% increase	10% increase	10% increase	10% increase

Long-Term Outcome Goal: Improve overall consistency and effectiveness of information communicated to internal and external audiences by devising and disseminating GSA messages.

Performance Goal: Disseminate strategic information messages to all audiences by providing an integrated and coordinated message to GSA associates and news media.

Performance Measure:

- Strategic messages (favorable, neutral, and unfavorable).

OCSC uses the Gross Impact Media Analyses Tool to measure its strategic messages against industry standards. This tool allows agencies to measure success in communicating their strategic messages by using an average of researched and reviewed stories for positive, neutral, or negative reporting. A determination is made of the value and success of each article and an average for the quarter is calculated to derive the reported target numbers. Targets used are the industry average.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
29% Favorable 66% Neutral 5% Unfavorable	50% Favorable 25% Neutral 25% Unfavorable	50% Favorable 25% Neutral 25% Unfavorable	50% Favorable 25% Neutral 25% Unfavorable
FY 07 Target	FY 08 Actual	FY 09 Target	FY 10 Target
50% Favorable 25% Neutral 25% Unfavorable	50% Favorable 25% Neutral 25% Unfavorable	50% Favorable 25% Neutral 25% Unfavorable	50% Favorable 25% Neutral 25% Unfavorable

Budget Links: Office of Citizen Services

Long-Term Outcome Goal: Increase citizen usage and accessibility of OCS Services and help government become more citizen-centric by enabling Americans' interaction with the government via their preferred OCSC channel.

Performance Goals	**Performance Measures**	**FY 2004**		**FY 2005**		**FY 2006**		**Change from FY 2005**	
		Target (000)	Dollars $(000)	Target (000)	Dollars $(000)	Target (000)	Dollars $(000)	Target (000)	Dollars $(000)
Enable Government web sites to become more citizen-centric and user-friendly	FirstGov.gov page views/year	203,000	$2,337	210,000	$3,313	220,000	$3,353	10,000	$39
Enable Government web sites to become more citizen-centric and user-friendly	Number of agencies using E-Gov Solutions' infrastructure	Hosting 4 Search 110	$4,673	Hosting 4 Search 142	$6,626	Hosting 4 Search 150	$6,704	Hosting N/A Search 8	$78
Enable Government web sites to become more citizen-centric and user-friendly	Number of search queries	26,800	$4,673	FirstGov 3,585 Other 26,166	$6,626	FirstGov 3,700 Other 24,000	$6,704	115 -2,166	$78
Help the Federal government become more citizen-centric by increasing the magnitude, quality and outreach of Federal information via various channels and enable Federal agencies to become more citizen-centric by providing answers to citizens that are timely, accurate, and responsive.	Increase agency Working Agreements regarding citizen inquiry/responses	Sign up 15 Service 25	$198	Sign up 11 Service 36	$750	Service 36	$793	No new agencies	$43

THE PROPOSED FEDERAL SUPPLY AND TECHNOLOGY SERVICE PERSONAL PROPERTY MANAGEMENT

Strategic Direction

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

FSTS' reimbursable program provides logistics services to other Government agencies via reimbursable support agreements.

Program Assessment Rating Tool (PART) review

The Personal Property Management program was included in the FY 2005 OMB PART review and received a rating of *"Results Not Demonstrated"*. The recommendations of this review were received and are stated below in addition to the actions that are planned to date to address OMB's recommendations.

1. *Develop long-term outcome goals with ambitious targets that benchmark to other government agencies or the private sector.*

FSTS established a new long-term outcome goal with annual goals and measures for the FY 2005 budget cycle for the Personal Property Management Program. The long-term goal that was developed is discussed in the "Long-Term Outcome Goal" section of this document. FSTS is continuing to work on its long-term goals to ensure that goals are in place, which represent business line operations.

2. Develop acceptable efficiency measures for the full range of program activities.

FSTS has developed efficiency measures for all business lines as a result of these findings. The measures relative to this measure are discussed below. Cycle time is used for this program.

3. Consolidate the presentation of total program resources and related performance goals, regardless of funding sources.

During the FY 2005 budget cycle the budget presentation for this program was changed to include all funding sources and the total cost of operation for the program. This new format was approved by OMB and continues to be used in subsequent external budget documents.

4. Develop performance-based agreements with the State Agencies for Surplus Property.

There was tentative agreement between Personal Property Management and the National Association of State Agencies for Surplus Property (NASASP) in August of 2004 to use two performance measures to track the performance of State Agencies, beginning in FY 2005. Personal Property Management will now work with the Office of Governmentwide Policy (OGP) to ensure sufficient guidance in the regulations to allow the use of these measures.

5. Develop an acceptable independent assessment process for this program.

An independent assessment of the Utilization and Donation (U&D) component of the Personal Property Management program began in FY 2003 as part of the Federal Asset Sales e-gov initiative. This study included a sweeping review of the state of U&D across the Federal government, with significant concentration on the FSTS' U&D program. The report made recommendations for incremental improvements in the U&D program; some examples of initiatives adopted by the program as a result of these findings include:

- Created an “Ask the Expert” feature on the GSAXcess® which allows customers to submit questions via email in regard to the use of the program.
- Implementation of a nationwide U&D awareness campaign to educate customer agencies. The program has created a new U&D brochure to educate customers and is continuing to work on other publications in support of this initiative.

In regard to the sales program FSTS is expecting an IG review of the sales portion of the program for FY 2006.

6. Clarify the relationship between the policy and operational aspects of this program.

FSTS Personal Property Management associates met with OGP associates in an offsite meeting in May of 2003 to discuss issues relative to “boundary conditions” and to improve the relationship between the offices. FSTS and OGP continue to work together to strengthen the relationship between these offices and improve service to all customers and stakeholders.

Strategies

The U&D Program maximizes tax dollars invested in Government-owned personal property by helping avoid outlays for new purchases by transferring one agency’s excess property to another that can use it, and by donating surplus Federal property to states or localities, again providing taxpayer savings by avoiding new government procurements

In fiscal year 2004 the utilization program generated $405 million in savings for the Government via the transfer of personal property in excess of one agency’s needs to meet those of other Federal agencies. Estimated savings for fiscal years 2005 and 2006 are $410 million and $380 million per annum, respectively.

The donation program created $371 million in savings in fiscal year 2004 by giving surplus usable property to states for donation to public agencies and certain non-profit tax-exempt activities. Estimated savings for fiscal years 2005 and 2006 are $340 million and $320 million per annum, respectively.

FSTS’ U & D Program plans to utilize the following strategies in FY 2006 to support and strengthen its operations. The program will implement process improvements to optimize reliable, timely and quality service. Information technology solutions will also be utilized to maximize use of and improve on-line tools and technology for a fully integrated disposal system.

Through implementing these strategies, the U&D Program is able to help Federal agencies better meet their missions and ensure that the taxpayers’ money is used as efficiently and effectively as possible. Resources devoted to this strategy are employed towards creating innovative services and products; targeting key customers and market segments; and providing competitive solutions and services.

Customer outreach and training will continue to be an integral part of operations in FY 2006 and beyond. Field representatives will be available and receptive to customer inquiries (customer outreach) and customer training needs will be met. Through segmenting the market and determining what agencies have a need for exchange/sale property versus those that need full disposal support for a continuing stream of excess property, services will be geared to meet specific customer needs. Additionally, an aggressive nationwide customer outreach/training schedule will promote the benefits of using our exchange/sale and utilization/donation programs to key and new customers at national events and during regional customer visits/training opportunities. Headquarter level visits will also be taken advantage of to raise customer awareness of services available.

In addition to fostering the current customer base, targeting new customers is important to the success of the program. The Personal Property Management Program strives to provide optimal disposal solutions to Federal customers and promotes a fully integrated disposal system amidst a continuing downtrend of excess property. A primary tool in doing so is to target key customers who can use our services and to segment the market based on those customers who need only sale services for exchange/sale property versus those requiring full disposal support for excess and surplus property. In providing competitive solutions, services and systems, we improve the customers' perception of our services and achievements. This type of relationship building also will help to grow the base of customers that the program supports.

The use of technology to support and strengthen operations can be seen in a number of areas. FSTS maintains the Federal Disposal System (FEDS), which provides for a Government-wide inventory of excess and surplus personal property and processes transfers of property to Federal agencies and to State and local governments. FEDS is accessible nationwide through the Internet and as such is heavily reliant upon the latest technology. This platform is also a springboard for other enhancements that the U&D program provides customers, GSAXcess**®** being a prime example.

GSAXcess**®** is an innovative system, which interfaces with the FEDS database to provide improved services to customers. This interface introduced improved processes for screening and requesting property, an automated "Want List" to reduce customer screening requirements, and pictures of the property into the screening process providing customers with additional information to make requisition decisions. In the future other enhancements will be incorporated with this platform, with the ultimate goal of reducing the cycle time of the donation process and in turn saving taxpayer's money.

Impact on performance:

Customers of the U&D Program continue to demand more sophisticated solutions, which reduce the holding time for property disposal. This is evidenced by customer feedback at meetings and through our annual customer satisfaction survey. Implementing the strategies listed above will help meet the changing needs of FSTS customers and ultimately contribute to better value for each tax dollar spent.

As all executive agencies are required to report property to GSA for utilization and donation, all will benefit from the reduction in cycle time achieved. Technology enhancements in GSAXcess®/FEDS will also provide benefits to all agencies that participate as generators and/or recipients of excess property.

Long-Term Outcome Goals:

The Personal Property Management business line has developed one long-term outcome goal that relates to all operations within the business line.

Long-term Outcome Goal: Provide optimal property disposal solutions for Federal agencies to maximize cost avoidance (Utilization/Donation), while efficiently and effectively managing the exchange/sale of surplus property.

There are two annual performance goals with annual performance measures that are centered on actions that address the accomplishment of the goal.

Performance Goal: Decrease the time it takes to complete disposal action for excess property from 83 days to 77 days.

Reducing the amount of time that a given item is in the disposal system directly impacts operating costs and program efficiency. Through reducing the total days that an item is held, warehousing costs, personnel costs and all operating costs are reduced.

The following annual performance measure is used to track performance of this goal.

Performance Measure: Cycle time for disposal process (days)

Measurement of the number of days of cycle time to dispose of a given item is a direct measure of the days that an item was under the control of FSTS as part of this process. The days that an item is in the U&D portion of the disposal cycle is also included in this measure as this is the first phase of the disposal process.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
83	72	77	76
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
75	74.5	74	73.5

Performance Goal: Increase the usage of on-line systems for reporting of excess property by Federal civilian agencies.

The use of on-line systems such as GSAXcess®/FEDS is integral to the success of the U&D program. These systems shorten cycle times, which then reduce warehousing and holding costs for property waiting to transition from agency to a customer. The integration of systems also allows a greater volume of property to be managed with fewer associates, further reducing operating costs. Considering the benefits that can be realized through the use of on-line systems, increasing the number of agencies that use these systems will increase the return on this program to the government and taxpayers.

Performance Measure: Percent of property reported electronically

Through using electronic methods to track personal property, operating efficiencies can be maximized through time savings and reduced manual processes. Tracking the percent of personal property reported electronically will ensure the continued emphasis on automating processes to promote efficient use of resources.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
86%	91%	89%	90%
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
91%	92%	92.5%	93%

General Services Administration
OPERATING EXPENSES

Budget Link:

FY 2006 Budget Request / Performance Goal
Budget Links
Personal Property Management
Total Sources of Funding
$ (Thousands)

Long Term Outcome Goals										
Performance Goal	Performance Measure	Funding Source	FY 2004		FY 2005 Current		FY 2006 Request		Change FY05 to FY06	
			Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Provide optimal property disposal solutions for Federal agencies to maximize cost avoidance (Utilization/Donation) while efficiently and effectively managing the exchange/sale of surplus property.										
Decrease the time it takes to complete disposal action for excess property from 83 days to 76 days by FY 2006	Cycle time for disposal process	General Services Fund	72	$ 7,653	77	$ 7,174	76	$ 7,533	-1	$ 359
		OE Direct		$ 7,184		$ 7,838		$ 7,982	0	$ 144
Align program operating costs relative to revenue generated by the Sales Program, and strive to maximize the return on resources	Direct cost of Sales Program as a percent of revenue	General Services Fund	48%	$ 4,954	47%	$ 4,530	46%	$ 4,756	-1%	$ 226
									0	$ -
Increase the usage of on-line systems for reporting of excess property by Federal civilian agencies	Percent of property reported electronically by civilian agencies through FEDS	OE Direct	91%	$ 3,868	89%	$ 4,220	90%	$ 4,298	1%	$ 78
Funds not allocated to measures (flow through expenses, corporate overhead etc.)		General Services Fund		$ 6,278		$ 3,156		$ 3,615		$ 459
	Total General Services Fund Funding			$ 18,885		$ 14,860		$ 15,904		$1,044
	Total OE Direct Funding			$ 11,052		$ 12,058		$ 12,280		$ 222
	Total OE - Reimbursable Funding			$ 1,900		$ 2,701		$ 2,757		$ 56
	Subtotal			$ 31,837		$ 29,619		$ 30,941		$1,322

PUBLIC BUILDINGS SERVICE REAL PROPERTY DISPOSAL

Strategic Direction

The Public Buildings Service's Office of Property Disposal is responsible for applying asset management strategies and tools to ensure that Federal landholding agencies realize maximum utilization and efficiencies and, when appropriate, redeploys properties in a way that benefits the Federal Government and surrounding communities. Federal real property can serve as a catalyst for urban revitalization when reused by localities to provide jobs, contribute to the local tax base, or preserve greenspace.

Property Disposal has major opportunities in the future based on continued downsizing and consolidation of Federal agencies and new asset management tools being made available to Federal agencies. The Office of Property Disposal is starting to expand its customer base by addressing not only disposal needs, but also working with agencies to develop pre-excess strategies for underutilized real property. With thousands of Federal properties located throughout the country, Property Disposal is partnering with communities to ensure that underutilized Federal properties are an active component in the redevelopment of our nation's urban centers.

The need for asset management and disposal support will remain strong over the next 10 years as a result of an increased awareness of the financial performance of real estate portfolios by landholding agencies. The complexity and sensitivity of projects is expected to increase as more Federal agencies determine that real property holdings are no longer needed either through their own assessment, legislative mandates, or Executive Order 13327.

By promoting responsible asset management and implementing process improvements to optimize reliable, timely and quality customer service, Property Disposal will be able to help agencies determine which properties should be considered for disposal and then assist agencies in their disposal. It will also ensure that taxpayer's money is used effectively and efficiently and that agencies practice responsible asset management. Resources used in this strategy will be utilized to market our asset management service and disposal support to key customers and to develop new services to respond to customer and market needs.

Program Assessment Rating Tool (PART) review

Property Disposal received the following recommendations from the fiscal year 2005 PART review and has developed a remediation plan for these recommendations.

1. Develop acceptable long-term outcome goals, including efficiency goals.

Property Disposal is working on the implementation of the new goals and measures that were developed in response to this finding. Due to required system development, full implementation will not occur until FY 2006.

2. Resolve "boundary conditions" in the roles and responsibilities of Property Disposal and OGP (and possibly within PBS) in carrying out the GSA mission in this area.

Property Disposal is working with OGP and PBS in the following areas:

a. OGP's new Federal Real Property Profile Reporting System (FRPP) will be the source of data for Disposal's long-term outcome goal. Property Disposal is working with OGP on the development of Government-wide disposal measures.

b. Property Disposal has merged its Survey 2 database with the FRPP. The new system has all of the data elements that previously resided in Survey 2 and Worldwide Inventory. The new system is a centralized source of Federal real property information.

c. Property Disposal is part of Real Property Asset Management in PBS as a result of a PBS-wide reorganization. This realignment will result in roles and responsibilities of each group clearly defined.

3. Developing performance-based contracts with the contractors who assist Property Disposal in executing this program.

Property Disposal's contract for Federal Asset Sales (FAS) will be a performance-based contract. The contact will be awarded in FY 2005. All other contracts will be performance based by FY 2006.

4. Modifying the current industry roundtable approach to obtain outside assessments of the Property Disposal program so that the final assessment is issued by an independent entity, not by the Office of Property Disposal itself.

An independent assessment of Property Disposal was completed after the Sponsoring Agency Roundtable in FY 2003. A second independent assessment will be done after the next Industry Roundtable.

5. Changing the budget presentation to show in at least one place all of the costs associated with this program, regardless of the funding source.

This information was sent to OMB in the FY 2005 budget and is included in this budget.

6. Strengthening the procedural and information linkages between the receipts anticipated from various disposal actions and the actual collection, deposit, and transfer of those receipts.

New procedures have been developed and sent to associates so that this information can be captured in NetReal (Property Disposal's inventory system).

7. Develop clearer internal management procedures for addressing improvements recommended by the SWOT analysis and other internal and external mechanisms.

Property Disposal has implemented an online tracking system that tracks recommendations, planned actions, and due dates.

Strategy

The primary purpose of the Office of Property Disposal is to facilitate, promote, and manage the utilization and disposal of excess and surplus real property in the Federal Government. Real property that is no longer used or needed by Federal agencies continues to incur operating and maintenance costs. By selling the property, Property Disposal provides both savings to the taxpayer and a source of revenue to the Government.

Property Disposal seeks to improve service delivery and minimize operational costs, which will result in a competitive advantage to its services. However, the inability of many agencies to retain funds from the sale of real property has reduced the incentive for agencies to make a proper determination that property is no longer needed.

To achieve its long-term outcome goal, Property Disposal's business strategy is to become "a trusted advisor" to its customers. This strategy seeks to be more responsive to the client's needs in order to maintain the highest level of customer satisfaction. To best align utilization and disposal services to meet customer needs, a comprehensive review of operating processes was undertaken and resulted in the reorganization of Property Disposal. The new organization supports the business strategy by putting greater emphasis on building partnerships and alliances with customers and stakeholders. The strategic focus on customer segments will allow Property Disposal to react quickly to several significant trends that influence the demands for federal real property utilization and disposal services, such as changing legislation, agency mission needs, and organizational shifts such as the creation of the Department of Homeland Security.

Executive Order 13327 requires agencies to "improve operational and financial management" of the Government's real property inventory, and to "make life cycle cost estimations associated with prioritized action." By implementing the strategy of becoming "a trusted advisor" to our customers, GSA expects to play a significant role in recommending highest and best use of Government-owned real property. Performance measures have been developed to gauge progress in meeting strategic goals and to ensure continuous improvement. The measures were designed with the knowledge that high customer satisfaction is critical to meeting the goals, as is timely and efficient completion of studies and recommendations. A measure tracking the cost of activities to identify underutilized property will allow the program to determine where changing processes or resource allocation will provide the best value for customer agencies and taxpayers. Assisting agencies with utilization and disposal initiatives and meeting the targets of the individual performance measures will result in PBS realizing its long-term outcome goal of minimizing underutilized and excess property in the Government-wide inventory.

The key initiatives to accomplish this strategy are as follows:

- BRAC 2005 – GSA has partnered with the Department of Defense (DOD) to reduce its real property infrastructure. Through Base Realignment and Closure (BRAC) and traditional accessing actions, DOD has identified numerous facilities for divestiture and reuse. Congress has authorized an additional Base Closure round to begin in fiscal year 2005 to support the Administration's initiative to further reduce DOD's infrastructure by twenty-five percent. The disposal of DOD property under this program is funded on a reimbursable basis.. Attainments of Reimbursable cycle time and customer satisfaction performance goals are supported by this initiative as shown in the funding request/performance goal budget link chart.
- Modernize management information system – The Federal Asset Sales (FAS) Program, one of the Office of Management and Budget's (OMB) Quicksilver initiatives, is an e-Government program designed to improve and optimize the way the Federal Government re-uses and disposes of its assets. By the end of fiscal year 2005, the FAS Project Management Office (PMO) will have successfully launched e-marketplace solutions for Real Property assets. By providing an accurate, up-to-date, web-based management information system of all government real property, GSA will possess a more accurate understanding of the key information necessary to manage the Utilization & Disposal program throughout government. This will provide the capability to match agencies with excess and underutilized property with agencies that require additional property. Not only will FAS allow GSA to accomplish more efficient asset management, but it will also streamline existing processes (thereby improving customer satisfaction), increase the percentage of properties disposed of timely, and help the program achieve its long-term outcome goal for minimizing underutilized and excess property in the government-wide inventory. This initiative supports all of Property Disposal's performance goals as shown in the funding request/performance goal link chart.

The Office of Property Disposal will continue to use annual goals and measures that indicate how well the program is progressing. These measures include customer satisfaction for quality of service, how transactions are handled, cycle time for the disposal of real property, cost of identifying underutilized property, and the number of utilization surveys completed on schedule.

Long-Term Outcome Goal: Minimize underutilized and excess property in the Government-wide inventory.

Performance Goal: Complete 85% of 49 Act disposals within 320 days by FY 2006.

Performance Measure:

- Percentage of disposals completed within 320 days.

Cycle time: Cycle time is the number of days between the date the report of excess is accepted by Property Disposal and the date the case is awarded. The anticipated outcome for cycle time is to minimize the time it takes to complete the disposal of real property and increase the percentage of property disposed of within the target days. Successful accomplishment of this goal should improve customer satisfaction and reduce holding time for customers.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
68%	89%	80%	85%
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
85%	85%	85%	85%

Performance Goal: Maintain “highly satisfied” ratings of 93% or higher on the Property Disposal Transaction Survey by FY 2006.

Performance Measure:

- Percentage of customers indicating satisfaction on customer transactional survey.

A Property Disposal Transaction Survey is sent to every customer after a transaction has been completed. The goal is to have at least 93% of respondents rate their satisfaction level as “extremely satisfied” or “more than satisfied.”

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
90%	94%	93%	93%
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
94%	94%	95%	95%

Customer satisfaction surveys provide management with information on how well the program is meeting customer expectations and what actions need to be taken to improve the program. This will also assist Property Disposal in developing more responsive service offerings for customers.

Performance Goal: Complete 71% of reimbursable disposals within 188 days by FY 2006.

Performance Measure:

- Percentage of reimbursable disposals completed within 188 days.

Cycle time: Cycle time is the number of days between the date the reimbursable disposal report is accepted by Property Disposal and the date the case is awarded. The anticipated outcome for cycle time is to increase the percentage of reimbursable disposals recorded within 188 days. Successful accomplishment of this goal should result in increased customer satisfaction by reducing holding time and costs for customers.

FY 03 Actual	FY 04 Target	FY 05 Target	FY 06 Target
N/A	N/A	Baseline	71%
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
72%	73%	74%	75%

Performance Goal: Number of utilization surveys completed on schedule and within budget.

Performance Measure:

- Number of surveys completed on time and within budget.

The number of utilization surveys completed on schedule and within budget. Management will use this measure to improve accountability for meeting customer needs when determining underutilized government-wide property.

This measure is currently under development.

Performance Goal: Cost of activities to identify underutilized property.

Performance Measure:

- Cost of activities to identify underutilized property.

This measure shows costs for functions related to identifying, recording and transmitting information related to underutilized property. Management will use this measure to ensure that the program's costs are comparable to similar operations.

This measure is currently under development.

The following table reflects GSA's total costs for the Public Buildings Service (PBS) Real Property Utilization and Disposal program. It aligns the total spending with the performance targets and displays the funds that are available from all sources. PBS's Real Property Utilization and Disposal program is funded by the Operating Expenses appropriation for in-house program costs and by the Expenses, Disposal of Surplus Real Property account for contractual costs of the program. Both of these funds have direct and reimbursable programs. The direct program provides funding for agencies that do not have disposal authority. The reimbursable program allows landholding agencies to enter into agreements with Property Disposal to perform disposal activities under the Economy Act. In addition, funds are available in a separate account for relocation expenses.

Budget Links:

FY 2006 Budget Performance Goal Budget Links
Real Property Disposal - Public Buildings Service (PBS)
Total Sources of Funding
$ (Thousands)

Long-Term Outcome Goal: Minimize underutilized and excess real property in the government-wide inventory.

Performance Goal	Performance Measure	Funding Source	FY 2004		FY 2005		FY 2006		Change FY 05 to FY06	
			Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
By FY 2006, Property Disposal will complete 85% of 49 Act disposals within 320 days.	Percentage of disposals completed within 320 days.	Operating Expenses Direct Expenses, Disposal Direct	89%	14,454 5,988	80%	15,175 11,580	85%	16,458 13,380	5%	1,283 1,800
		Total		20,442		26,755		29,838		3,083
Maintain “highly satisfied” ratings of 93% on the Property Disposal Transaction Survey.	Percentage of customers indicating, “highly satisfied” on customer transactional survey.	Operating Expenses Direct	94%	750	93%	825	93%	400	0	-425
		Total		750		825		400		-425

General Services Administration
OPERATING EXPENSES

Performance Goal	Performance Measure	Funding Source	FY 2004		FY 2005		FY 2006		Change FY 05 to FY 06	
			Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
By FY 2006 complete 71% of reimbursable disposals within 188 days.	Percentage of reimbursable disposals within 188 days.	Operating Expenses Reimbursable	N/A	3,233	Baseline	11,750	71%	11,500	TBD	- 250
		Expenses, Disposal Reimbursable		514		600		600		0
		Total		3,747		12,350		12,100		- 250
Percentage of utilization surveys completed on schedule and on budget.	The number of surveys completed on schedule and on budget.	Operating Expenses, Direct	N/A	N/A	Baseline			0		0
		Expenses, Disposal Direct	N/A	N/A		TBD	TBD	TBD	TBD	TBD
		Total		0				0		0
Cost of activities to identify underutilized property. (New 190 language)	Cost of activities to identify underutilized property.	Operating Expense, Direct	N/A	N/A	Baseline			0		0
		Expenses, Disposal Direct	N/A	N/A		TBD	TBD	TBD	TBD	TBD
		Total		0		0		0		0
Total Operating Expenses Direct				15,204		16,000		16,858		858
Total Operating Expenses Reimbursable				3,233		11,750		11,500		- 250
Total Expenses, Disposal Direct and Reimbursable				6,502		12,180		13,380		1,800
Subtotal				24,939		39,930		42,338		2,408
Other Funding:										
Real Property Relocation Expenses				0		5330		1,750		-1,650
Operating Expenses, No Year [1]				1,656		2,556		1,853		-703
Grand Total				26,595		47,816		45,941		55

Notes: [1] Includes Lorton and Governor's Island post conveyance expenses and the PBS Underutilized Building Program.

MANAGEMENT AND ADMINISTRATION

Strategic Direction

This program area supports management and administrative activities associated with GSA internal operations. These activities include: (1) the Office of the Administrator; (2) the Regional Administrators and their staffs; (3) the Office of Congressional and Intergovernmental Affairs; (4) the Indian Trust Accounting division; (5) the GSA Office of Emergency Management; (6) the Executive Secretariat; (7) administrative support of Congressional District and Senate State offices; and (8) the GSA Board of Contract Appeals. GSA requests $28,806 thousand for these activities in FY 2006.

Administrator and Regional Administrators

The Administrator and Regional Administrators are responsible for the execution of all functions assigned to GSA by the Federal Property and Administrative Services Act of 1949, as amended, and by other laws. These officials plan, coordinate, and supervise assigned programs in accordance with Central Office goals, objectives, and policies.

Office of Congressional and Intergovernmental Affairs

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

Indian Trust Accounting

The Indian Trust Accounting division provides accounting services to the Department of Justice on Indian Trust Funds and assists in the Government's defense against Indian Tribal claims by providing accounting reports, other evidentiary materials, and expert witness testimony pertaining to accounting policies, practices, and procedures. As of December 31, 2004, this function changed to contract support.

Emergency Management

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

Presidential Decision Directive 67 assigned GSA the responsibility to ensure that Executive Branch departments and agencies have the tools needed to comply with Continuity of Operations (COOP) directives and to conduct Government-wide COOP training. GSA is also responsible for selected classified Continuity of Government activities, which include setting standards and establishing procedures for such activities.

Strategies

Federal Preparedness Circular #66 states that it is the policy of the United States to have in place a comprehensive and effective program to ensure continuity of essential Federal functions under all circumstances. Inherent in this policy is a requirement that all federal agencies periodically test, train, and exercise their COOP plans. DHS is the executive agent for Continuity of Operations Planning for the Federal Government. GSA's Office of Emergency Management (OEM) is responsible for providing COOP training to all Federal agencies. OEM will continue to focus on refining and improving GSA's capability to respond to natural disasters under the National Response Plan, and to maintain continuity of essential GSA operations as a part of the Federal Continuity of Operations Planning (COOP) initiative. The key objectives of GSA's three-year enhancement strategy are to enhance national and local planning and testing, improve GSA's ability to meet its obligations under the law, and institutionalize effective and efficient systems and processes.

Long-Term Outcome Goal: For agencies to be adequately trained in COOP to meet government-wide requirements defined in Federal Preparedness Circular #65.

Performance Goal: Support Government-wide Continuation of Operations (COOP) in accordance with Federal Preparedness Circular #65.

Performance Measure: OEM will conduct COOP training sessions for other federal agencies.

FY 03 Actual	FY 04 Target	FY 05 Target	FY 06 Target
N/A	N/A	10	13
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
15	17	20	22

New performance measure in FY 2005

Impact on Performance

Increase customer satisfaction: The percentage of customers responding favorably to COOP surveys reflects the value Federal agencies ascribe to COOP training. For each agency, successful testing, training, and exercising of agency COOP capabilities are critical to the continuity of vital functions during times of crisis. If COOP training is inadequate or incomplete, the performance measurement that indicates an agency's performance during crisis will reflect the shortfall. OEM's long-term goal is 100% customer satisfaction with COOP Training and/or Exercise Assistance.

Executive Secretariat

This office will continue to enhance GSA's ability to respond quickly and accurately to written inquiries from the public, Members of Congress, and other Governmental officials. The implementation of a new agency-wide correspondence management system and planned process improvements during fiscal year 2004 has resulted in improved performance

Congressional Support

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

GSA Board of Contract Appeals

The GSA Board of Contract Appeals (GSBCA) was established under the Contract Disputes Act of 1978 as an independent tribunal to hear and decide contract disputes between Government contractors and GSA. The GSBCA also hears and decides disputes between contractors and other Executive agencies, including the Department of Treasury, the Department of State, the Department of Commerce, and the Department of Education. Additionally, the GSBCA hears and decides claims involving transportation rate determinations, travel and relocation expense claims, and claims for the proceeds of the sale of property of certain Federal civilian employees.

The GSBCA also provides alternative dispute resolution services to Executive agencies both in contract disputes that are the subject of a contracting officer's decision, and in other contract-related disputes.

TENANT RELOCATION FOR GSA HEADQUARTERS RENOVATION

This request consolidates direct appropriation funding for costs of tenant relocation for the GSA Headquarters Renovation. It includes costs for the Operating Expenses, Inspector General, and Office of Government-wide Policy, Office of Chief Acquisition Office, Office of Citizen Services and Communication, and General Management and Administration (excludes Federal Citizen Information Center costs). Tenant relocation expenses include the cost of Information Technology (IT) infrastructure relocation and replacement, new furniture and furnishings, physical move costs, tenant improvements and other associated project costs.

The FY 2006 PBS Repairs and Alterations program includes a request for full scope renovation of the GSA Headquarters Building at 1800 F Street, NW in Washington, DC. All occupants will vacate the Headquarters building and the renovation will be accomplished in its entirety before new tenants occupy the space.

The planned modernization of 1800 F Street, NW, Washington, DC requires vacating the entire building in fiscal year 2006. The current tenants, GSA Headquarters organizations, will need to relocate approximately 1,900 employees to 492,000 rentable square feet (rsf) of leased space.

Benefits of implementing this strategy: Both the renovation and permanent relocation provide GSA the opportunity to implement three of its six strategic goals: achieve responsible asset management; operate efficiently and effectively; and maintain a world-class workforce and world-class workplace.

The renovation will address many of the Public Buildings Service performance goals aligned under GSA's goal of achieving responsible asset management. The renovation will reduce operating expenses, and optimize revenue from this asset. The modernization plan includes constructing approximately 105,000 rsf of additional office space thereby allowing as many as 2,800 employees to reoccupy the building, a 55% percent increase in occupancy. Both the increased square footage and improved building condition will increase the annual revenue generated by the building to $22 million. In terms of payback, this increase allows GSA to recover relocation costs in approximately two years. The property is better suited for backfill by other Federal tenants.

The relocation will allow GSA to improve its ability to operate efficiently and effectively, and to maintain a world-class workforce and world-class workplace.

The proposed move out of 1800 F Street is an opportunity for GSA to realign the location of its organizational functions, to further integrate GSA's various services, and to improve customer satisfaction. In addition, the use of new space provides the opportunity to design and build a property that demonstrates to customers how modern Federal workplaces facilitate productive workforces. Lastly, a significant portion of the relocation costs is attributable to information technology (IT). GSA will leverage its IT investment to produce significant telecommunication savings and to enhance employees' ability to work remotely, improving GSA's flexibility to meet client and employee needs.

GENERAL SERVICES FUND

Overview

The FY 2006 President's Budget proposes changes to the funding mechanism of the Federal Supply and Federal Technology Services. The Budget proposes to establish a new General Services Fund. The proposed General Services revolving fund merges the programs and activities currently performed under two separate revolving funds, (1) the General Supply Fund (GSF) and (2) the Information Technology (IT) Fund. These two funds were established many years ago. The General Supply Fund was established when GSA was created in 1949 by the Federal Property Act. The Information Technology Fund was established in 1986 by the Paperwork Reduction Reauthorization Act and encompassed two funds – the Federal Telecommunications Fund and the Automatic Data Processing Fund – to facilitate the industry merger of voice and data.

Prior to the existence of the IT Fund and ADP Fund, IT resources were procured through the General Supply Fund. Recognizing the potential impact of IT, the limited capabilities of many agencies, and the associated costs of IT resources, Congress created the IT Fund with more specific authorities to ensure the proper management of IT resources across the Federal government. As a result, a specialized fund was created and IT resources were no longer procured through the GSF.

The need for this specific authority no longer exists. IT is pervasive in all office environments and supports virtually all programs. Today's Federal managers need integrated solutions that include services and IT. In addition, agency knowledge and skill in managing IT resources has matured considerably. Best business practices indicate that the activities being performed under the two separate funds could be more effectively performed under one fund. The Federal Technology Service (FTS) recently expanded its service beyond traditional IT and telecommunications services by providing assistance in the procurement of certain non-IT Professional Services. This expansion was necessary because customer information indicated that there was a strong, unmet need for assistance in this area. However, since this service expansion is in the non-IT area, FTS could not use the Information Technology Fund as the financing vehicle and is instead using the General Supply Fund. This expansion would acknowledge the reality that defining "information technology" in an environment in which virtually every business solution has some technology component, is an increasingly difficult task.

Merging the two funds will improve accountability by bringing oversight of the fund under GSA's Chief Financial Officer. GSA's General Provisions, section 408, propose language authorizing establishment of this new fund and section 409 proposes the retention of the Administrator's multi-year IT contracting authority currently in the separate IT fund statute (40 U.S. Code 322). The following Justification of budget estimates for this new Fund reflects the merger of the programs and activities currently performed under the two separate funds. The full text of the proposed language for the new Fund is also included with changes to existing language indicated.

The Budget also proposes changes to the organization of the Federal Technology and Federal Supply Services. For the same reasons the budget proposes to merge the Funds, two separate Supply and Technology organizations are no longer needed. Therefore, the Budget proposes breaking down these artificial barriers by merging the two services into a Federal Supply and Technology Service. The result of this restructuring includes increasing organization efficiencies, improving coordination by streamlining functions, and achieving savings for customer agencies. GSA will develop an aggressive action plan to achieve objectives by July 2005. Also, in FY 2006, GSA will work with the Office of Management and Budget (OMB) to ensure the appropriate Industrial Funding Fee (IFF) level is recovered from agencies when using the Multiple Award Schedule (MAS) Government-wide contracts.

General Services Administration
GENERAL SERVICES FUND

General Services Fund Results of Operations $ (Thousands)	FY 2004 Actual	FY 2005 Current	FY 2006 Request	FY05/06 Change
Income				
Global Supply	1,109,330	1,182,102	1,242,705	60,603
Commercial Acquisition	564,860	576,870	612,994	36,124
Vehicle Acquisition & Leasing	1,724,344	1,783,109	1,836,196	53,087
Personal Property Management [1]	17,740	15,089	15,943	854
Travel and Transportation [1]	11,264	11,881	12,712	831
E-Government Initiatives [2]	10,447	1,463	6,000	4,537
Integrated Acquisition Environment (OCAO)	0	35,000	36,050	1,050
Acquisition Workforce Training Fund (AWTF)	-9,905	-16,520	-17,710	-1,190
Long Distance	596,094	669,065	718,139	49,074
Regional Telecommunications	623,574	633,704	610,783	-22,921
Regional IT Solutions	5,407,711	5,223,509	5,317,133	93,624
National IT Solutions [1]	1,831,266	1,834,559	1,936,672	102,113
Professional Services	490,090	753,505	780,098	26,593
Subtotal Income	12,376,815	12,703,336	13,107,715	404,379
Expense				
Global Supply	1,074,888	1,167,926	1,227,505	59,579
Commercial Acquisition	463,074	479,010	505,774	26,764
Vehicle Acquisition & Leasing	1,691,368	1,737,635	1,787,051	49,416
Personal Property Management [1]	18,886	14,860	15,904	1,044
Travel and Transportation [1]	12,465	14,831	15,587	756
E-Government Initiatives [2]	32,708	17,092	8,400	-8,692
Integrated Acquisition Environment (OCAO)	0	35,000	36,050	1,050
Long Distance	585,206	661,176	708,947	47,771
Regional Telecommunications	596,944	616,342	604,409	-11,933
Regional IT Solutions	5,392,785	5,213,126	5,309,449	96,323
National IT Solutions [1]	1,843,313	1,846,616	1,936,296	89,680
Professional Services	491,496	751,529	778,372	26,843
Subtotal Expense	12,203,133	12,555,143	12,933,744	378,601
Net Income from Operations	173,682	148,193	173,971	25,778
Less Reserve/Requirements	50,508	54,454	58,503	4,049
Final Adjusted Profit (Loss)	123,174	93,739	115,468	21,729
Net Outlays	-81,708	31,000	0	-31,000
FTE	4,393	4,472	4,203	-269

[1] The overall Fund and major business lines reflect positive net operating results. These small or new business lines experienced negative operating results in FY 2004. These business lines are projected to reflect improvement in FYs 2005 and 2006.

[2] E-Gov Initiatives for FY 2004 and FY 2005 include Integrated Acquisition Environment, Federal Asset Sales, and e-Travel.

General Services Fund Obligations by Object Class $ (Thousands)		FY 2004 Actual	FY 2005 Current	FY 2006 Request
	Personnel Compensation:			
11.1	Full-time permanent	311,363	321,163	327,846
11.3	Other than permanent	3,620	3,734	3,851
11.5	Other personnel compensation	10,375	10,677	10,526
11.9	Total personnel compensation	325,358	335,574	342,223
12.1	Civilian personnel benefits	74,924	77,189	78,699
13.0	Benefits for former personnel	1,878	40	41
21.0	Travel and transportation of persons	12,589	12,867	13,151
21.0	Motor pool travel	1,176	1,198	1,219
22.0	Transportation of things	55,491	56,875	58,293
23.1	Rental payments to GSA	54,976	54,447	53,928
23.3	Communications, utilities and misc. Charges	18,489	18,681	18,691
24.0	Printing and reproduction	9,824	10,069	10,312
25.2	Other services	9,280,010	9,106,926	9,358,558
25.3	Purchases of goods/svcs from Gvmt. Accounts	199,235	208,741	216,250
26.0	Supplies and materials	3,079,182	3,035,180	3,048,984
31.0	Equipment	783,868	889,163	905,792
42.0	Insurance claims and indemnities	-3,613	0	0
	Total Obligations	13,893,387	13,806,950	14,106,141

GENERAL SERVICES FUND
Explanation of Budget Changes
Obligations
$(Thousands)

FY 2005 Current Level…………………………………………………………………………………...	$	13,806,950
Business Volume Adjustments...…………………………		+243,819
Capital Improvements to Crystal City Offices………………......……….........................….......		+42,000
Pay Raise, January, 2005 ………………………………………………………………………………..		+10,935
Increase in Working Capital Fund payment for centralized administrative support services……....		+8,877
Decrease due to restructuring of National IT Solutions Business Unit…..…………………………….		-6,440
FY 2006 Total ……………………………………………………………………………………………….	$	14,106,141

Authorization Language for the new

General Services Fund

Abolishes Information Technology Fund and incorporates the provisions in the General Services Fund.

Deletions are reflected within brackets […]
New material is <u>underscored</u>.

40 U.S.C. 321. General [Supply] <u>Services</u> Fund

(a) EXISTENCE. --The General **[**Supply**]** <u>Services</u> Fund <u>(the Fund)</u> is a special fund in the Treasury. <u>The Fund shall replace the General Supply Fund and the Information Technology Fund.</u>

(b) COMPOSITION. –

(1) IN GENERAL. – **[**The Fund is composed of amounts appropriated to the Fund and the value, as determined by the Administrator of General Services, of personal property transferred from executive agencies to the Administrator under section 501(d) of this title to the extent that payment is not made or credit allowed for the property.**]** <u>The Information Technology (IT) Fund previously established under 40 U.S.C. 322, is hereby abolished. The capital assets and balances of the IT Fund and the General Supply Fund are transferred to the Fund, to be merged with and available for the same purposes as the Fund. The Fund shall assume all of the liabilities, commitments and obligations of the IT Fund and General Supply Fund.</u>

Deleted since it was for initial establishment of fund; functions are covered in 40 U.S.C 501.

New language abolishes the Information Technology Fund.

(2) OTHER CREDITS. –

(A) IN GENERAL. – The Fund shall be credited with all reimbursements, advances, and refunds or recoveries relating to personal property or services procured through the Fund, including --

(i) the net proceeds of disposal of surplus personal property; and

(ii) receipts from carriers and others for loss of, or damage to, personal property.

[(B) REAPPROPRIATION. – Amounts credited under this paragraph are reappropriated for the purposes of the Fund.**]** <u>COST AND CAPITAL PLAN. - The Administrator, on recommendation from the GSA Chief Financial Officer, shall determine the cost and capital requirements of the Fund for each fiscal year and shall develop plans concerning such requirements. Any change to the cost and capital requirements of the Fund for a fiscal year shall be made in the same manner as provided by this section for the initial fiscal year determination. The Administrator shall establish rates to be charged agencies provided, or to be provided, supply of personal property and non-personal services and information technology resources through the Fund consistent with such plan.</u>

Not now needed since it was for initial establishment of fund.

The Information Technology Fund language modified to cover both FSS and FTS activities without requirement for OMB approval of the Plan since OMB will be approving an Apportionment of funds. (Cost and Capital Plan required approval by OMB for IT Fund since Apportionment was not required.)

Authorization Language for the new

General Services Fund

(3) DEPOSIT OF FEES. – Fees collected by the Administrator under section 313 of this title may be deposited in the Fund to be used for the purposes of the Fund.

(c) USES. –

(2) IN GENERAL. – The Fund is available, without fiscal year limitation, for use by or under the direction and control of the Administrator for –

(A) procuring by lease, purchase, transfer, or otherwise for the use of federal agencies in the proper discharge of their responsibilities--

(i) personal property (including the purchase from or through the Public Printer, for warehouse issue, of standard forms, blankbook work, standard specifications, and other printed material in common use by federal agencies and not available through the Superintendent of Documents); **[**and**]**

(ii) nonpersonal services; and

(iii) personal services related to the provision of information technology resources;

(B) paying the purchase price, cost of transportation of personal property and services, and cost of personal services employed directly in the repair, rehabilitation, and conversion of personal property; and

(C) paying other direct costs of, and indirect costs that are reasonably related to, contracting, procurement, inspection, storage, management, distribution, and accountability of property and nonpersonal services provided by the General Services Administration or by special order through the Administration.

(3) OTHER USES. – The Fund may be used for the procurement of personal property and nonpersonal services authorized to be acquired by –

(A) mixed-ownership Government corporations;

(B) the municipal government of the District of Columbia;

or

(C) a requisitioning non-federal agency when the function of a federal agency authorized to procure for it is transferred to the Administration

New language added for clarity.

New language from Information Technology Fund statute.

New language from Information Technology Fund statute.

Authorization Language for the new General Services Fund	
(d) PAYMENT FOR PROPERTY AND SERVICES. – (1) IN GENERAL. – For property or services procured through the Fund for requisitioning agencies, the agencies shall pay prices the Administrator fixes under this subsection. (2) PRICES FIXED BY ADMINISTRATOR. – The Administrator shall fix prices at levels sufficient to recover -- (A) so far as practicable -- (i) the purchase price; and lease or transfer costs;	New language from Information Technology Fund statute.
(ii) the transportation cost; (iii) inventory losses; (iv) the cost of personal services employed directly in the repair, rehabilitation, **[**and**]** conversion of personal property<u>; and for providing information technology resources; and</u>	New language from Information Technology Fund statute.
(v) the cost of amortization and repair of equipment used for lease or rent to executive agencies; and (B) properly allocable costs payable by the Fund under subsection (c)(1)(C). (1) TIMING OF PAYMENTS. -- (A) PAYMENT IN ADVANCE. – A requisitioning agency shall pay in advance when the Administrator determines that there is insufficient capital otherwise available in the Fund. Payment in advance may also be made under an agreement between a requisitioning agency and the Administrator. (B) PROMPT REIMBURSEMENT. –– If payment is not made in advance, the Administration shall be reimbursed promptly out of amounts of the requisitioning agency in accordance with accounting procedures approved by the Comptroller General. (C) FAILURE TO MAKE PROMPT REIMBURSEMENT. – The Administrator may obtain reimbursement by the issuance of transfer and counterwarrants, or other lawful transfer documents, supported by itemized invoices, if payment is not made by a requisitioning agency within 45 days after the later of -- (i) the date of billing by the Administrator; or (ii) the date on which actual liability for personal property or services is incurred by the Administrator. (e) REIMBURSEMENT FOR EQUIPMENT PURCHASES FOR CONGRESS. – The Administrator may accept periodic reimbursement from the Senate and from the House of Representatives for the cost of any equipment purchased for	

Authorization Language for the new General Services Fund	
Representatives with money from the Fund. The amount of each periodic reimbursement shall be computed by amortizing the total cost of each item of equipment over the useful life of the equipment, as determined by the Administrator, in consultation with the Sergeant at Arms and Doorkeeper of the Senate or the Chief Administrative Officer of the House of Representatives, as appropriate.	
(f) **[**TREATMENT OF SURPLUS.**]** – **[**(1) SURPLUS DEPOSITED IN TREASURY. – As of September 30 of each year, any surplus in the Fund above the amounts transferred or appropriated to establish and maintain the Fund (all assets, liabilities, and prior losses considered) shall be deposited in the Treasury as miscellaneous receipts.**]** **[**(2) SURPLUS RETAINED. – From any surplus generated by operation of the Fund, the Administrator may retain amounts necessary to maintain a sufficient level of inventory of personal property to meet the needs of federal agencies.**]**	Deleted from GSF language in view of new proposed provision below.
<u>(1) TRANSFER OF UNCOMMITTED BALANCES. – Following the close of each fiscal year, after making provision for a sufficient level of inventory of personal property to meet the needs of Federal agencies, the replacement cost of motor vehicles, and other anticipated operating needs reflected on the cost and capital plan, the uncommitted balance of any funds remaining in the Fund shall be transferred to the general fund of the Treasury as miscellaneous receipts.</u>	Language from the Information Technology Fund statute, expanded to encompass the retention of amounts necessary to maintain a sufficient level of FSS inventory (currently under section 321(f)(2)), the replacement cost of motor vehicles currently provided in section 605(b)(2). The other anticipated operating needs would cover FTS as currently provided in the IT Fund statute.
[(g) AUDITS. – The Comptroller General shall audit the Fund in accordance with the provisions of chapter 35 of title 31 and report the results of the audits.**]**	Deleted as no longer necessary since the Fund is regularly audited pursuant to the CFO Act and the Federal Managers Financial Integrity Act.

Strategic Assessment

GSA provides a wide variety of services and products at competitive prices to Federal agencies. The proposed new Federal Supply and Technology Service will encompass all of the eight business lines presently performed by FSS and FTS: Global Supply, Commercial Acquisition, Vehicle Acquisition and Leasing, Personal Property Management, Travel and Transportation, Network Services, IT Solutions and Professional Services.

GSA provides customers with economical, efficient, and effective service delivery with significant savings in time and costs. GSA provides integrated service delivery where needed to deliver a total business solution encompassing services and commodities.

Consolidation of operations has been in the forefront of the business environment in recent years and will likely continue to be a trend into the future. In order for customers to consolidate their operations around core functions, turn-key integrated solutions are needed and are being provided by GSA. These integrated solutions include the bundled functionality to complete a number of tasks with one product or application. Being aware of trends such as these and adapting to meet the changing needs of customers is an integral part of GSA being a superior provider of goods and services.

Acquisition Excellence

GSA is continuously searching for solutions and methods through which to adapt and change to meet the needs of its customers. This is required to keep pace with the changing market place of the 21st century and to enable customers to meet the challenges they are faced with and will be faced with in the future.

In July of 2004 GSA established a campaign to address the agencies role in government acquisition, called the “Get it Right” campaign. This GSA sponsored campaign involves collaboration with agency customers to determine their needs and to ensure that GSA acquisition vehicles can be properly utilized to meet these needs. The five major objectives of this campaign are as follows.

1. Secure the best value for Federal agencies and American taxpayers through an efficient and effective acquisition process, while ensuring adequate competition, and instilling integrity and transparency in the use of GSA contracting vehicles.
2. Make acquisition policies, regulations and procedures clear and explicit.
3. Improve education/training of the Federal acquisition workforce on the proper use of GSA contracting vehicles and services.
4. Ensure compliance with Federal acquisition policies, regulations and procedures.
5. Communicate with the acquisition community, including agencies, industry partners, Office of Management and Budget (OMB), Congress and other stakeholders regarding the use of GSA contracting vehicles and services.

GSA will work with its customers, associates and stakeholders in the coming years to support the accomplishment of this agency wide initiative.

In addition, the GSF will fund $4 million in FY 2005 and $5 million in FY 2006 for an expanded effort to conduct pre-award audits or contract performance assessments of Government-wide contracts by the GSA IG. These funds will be used by the OIG to ensure that contract activities result in reasonable pricing for customers and adherence to fundamental contracting principles in the Federal Acquisition Regulations. Programs will work closely with the Office of the Inspector General to develop a performance assessment program to target possible areas of management weaknesses or contracts of particular significance because of price, value or Government-wide importance.

Program Assessment Rating Tool (PART) Reviews

In FY 2002 through FY 2004, seven programs were analyzed through a joint effort with the Office of Management and Budget (OMB) using the PART process to find ways in which program effectiveness and accountability can be improved. The programs assessed were the Multiple Awards Schedules, Supply Depots and Special Order, Vehicle Acquisition, Vehicle Leasing, Personal Property Management, Regional IT Solutions and National IT Solutions programs The findings of the evaluations will be discussed in the individual business line sections of this document.

PART FUNDING SUMMARY

	FY 2004 Actual	FY 2005 Current	FY 2006 Estimate
Multiple Awards Schedules	463,074	479,010	505,774
Supply Depots and Special Order	1,074,888	1,167,926	1,227,505
Vehicle Acquisition	1,292,254	1,321,627	1,363,763
Vehicle Leasing	1,116,573	1,200,265	1,224,788
Personal Property Management Program	31,838	29,619	30,942
Regional IT Solutions	5,401,053	5,216,944	5,311,336
National IT Solutions	1,843,911	1,847,400	1,936,647

Other Strategic Initiatives

In addition to Acquisition Excellence, these strategic priorities are reflected in the initiatives detailed in the business line descriptions.

1. Improve integration of service delivery and development to better meet customer needs across services and business lines
   - Leverage cross service delivery opportunities across business lines.
   - Coordinate service development across business lines.
   - Formalize the mechanism to aggregate individual solution requirements.
   - Apply a formal process to identify emerging cross-agency requirements.

2. Mature the Customer Relationship Management capability
   - Improve the standard, baseline capability throughout the organization (people, process and technology).
   - Improve the communication of CRM value and benefits
   - Build a common understanding of CRM across GSA.
   - Change organizational behaviors to support CRM.
   - Increase coordination of national and regional account strategies for client agencies.

3. Continue building, developing and retaining a workforce that is aligned with workload demands

   - Institute standard training for core service delivery (acquisition, project management, financial management, account management, program management).
   - Strengthen core business skills in associates where required (communication, time management, people management, leadership, etc.).
   - Implement a strategy to obtain required technical expertise (internally or externally).
   - Apply individual competencies and roles to strengthen organizational capabilities.

4. Strengthen cost management capabilities
   - Refine and improve billing, and expense and cost allocation for services.

GSA Global Supply

Strategic Direction

The Global Supply program provides quick fulfillment of recurring customer needs for basic business and mission supplies by leveraging best practices in supply chain management. The supply distribution system provides critical support to the government's national defense, wildfire suppression, disaster relief and other strategic missions worldwide.

Global Supply is currently focused on improving its business processes and will continue its work on this front in FY 2006 and beyond. One of the major focuses of the program is to optimize the use of commercial sources to meet customer needs. This area not only includes the expansion of product offerings to meet the mission critical needs of customer agencies, but also includes improvements in product delivery and efficiency of program operations.

The operations of the Global Supply business line are financed through a mark-up on the products it provides customers. This mark-up is applied to the cost that is paid by GSA for each product and is used to finance all aspects of the program from acquisition, warehousing, distribution and program management. Over the past several years management has made a concerted effort to reduce this markup through reducing program operating expenses. The savings that have been generated have been passed on to customer agencies through lower costs and reduced markups on items supplied through this business line. In FY 2004 there was a reduction to the mark-up for stocked items that became effective on April 1, 2004; at this time the mark-up was reduced by 2 percent from a planned mark-up of 46.5% to 44.5%. It is estimated that this reduction generated approximately $6.4 million in cost-avoidance savings, in the remainder of FY 2004. The Global Supply program ended FY 2004 with an actual mark-up for stocked items of 42.8% based on the commodity mix sold during the year.

PART Status

The office of Global Supply initially had a PART review conducted in FY 2002 for which the program received a rating of "Results not Demonstrated". Additionally the action items listed below were recommended for the program.

1. *Develop adequate long-term measures.*

2. *Develop aggressive annual goals that support the achievement of long-term outcome goals.*

3. *Evaluate the program to identify opportunities to increase efficiency and effectiveness by ensuring that redundancy with commercial sources is minimized and delivery models are standardized and/or consolidated.*

Following the FY 2002 review, Global Supply focused on making program improvements and addressing OMB's recommendations. As a result of this action the program was again reviewed utilizing the PART tool in FY 2004. The program's score on the rating improved from being classified as "Results not Demonstrated" to "Adequate". In order to further improve the program's performance rating, GSA will work toward achieving the following recommendations.

1. *Benchmark program performance against similar federal agencies.*

2. *Evaluate program information technology systems to improve automation and become more customer-oriented.*

3. *Continue to evaluate the program to identify opportunities to increase efficiency and effectiveness by ensuring that redundancy with commercial sources is minimized and delivery models are standardized and/or consolidated.*

Strategy and Action Plans

In the current and coming year Global Supply plans to implement and further execute several strategies to better meet its customers' needs. The documentation of these strategies is a result of the GSA Performance Management Process and the analysis of the current business environment. These strategies and their implementation are discussed below.

Global Supply will continue to foster its relationship with the Department of Defense (DOD) and will work with DOD to better meet its needs as Global Supply's largest customer. Global Supply has been an active partner on TRANSCOM's Distribution Transformation Task Force and will continue on this front in FY 2006. Involvement on this task force will focus on providing enhancements to standard product delivery to assist DOD in meeting its mission.

Radio frequency identification (RFID) is one such enhancement which will enable DOD to more effectively manage commodities that are ordered through Global Supply. This has become more important as DOD's presence around the globe has increased and with this involvement comes a need for supplies to support troops and their work. The ability to more effectively manage orders and products as they are delivered will enable military units to deploy orders to where they are needed in a timelier manner. Global Supply's focus on logistics and improvements in this area will add significant value to the service provided to DOD and such enhancements will also be usable by other customers, thereby providing a net benefit to all Federal customers.

Key mission support of wildfire suppression and providing products to respond to natural disasters will continue to be of paramount importance for Global Supply. Global Supply is also actively participating with the Department of Homeland Security and NORTHCOM in the development of a national response plan as it relates to overall logistics management functions for naturals disasters or emergencies. Concentration on these types of initiatives is important for national security and public safety as response times and availability of key products or commodities is critical during an emergency.

Global Supply will continue to educate its customers on the services offered by Global Supply and the value that using its services can provide. The program will also work to better understand customers' needs through research and more aggressive management of its customer relationships. This will help the organization adapt to a changing environment and will help uncover new practices and products needed by Federal customers.

Long-Term Outcome Goal

The Global Supply business line has developed the following long-term outcome goal to drive its operations in FY 2006 and the out-years.

Long-Term Goal: Provide supply chain solutions for the global needs of our strategic customers (DOD, Homeland Security, USDA, DOI, et.al.) by delivering reliable and timely supplies at best value.

Performance Goal: Reduce mark-up for GSA stocked items from 45.9% to 40% -- toward goal of 33.5%.

This goal is directly related to the cost of items that are purchased by customers from the stock program. In order for Global Supply to fund its operations the cost of operations must be recovered through the sale of goods and services to customers. The goods and services provided to agencies have mark-ups based on the associated costs of operations. By focusing on program efficiency and reducing operating costs, the program is able to reduce the mark-up on stocked items, reducing the cost for customer agencies.

The following annual performance measure is used in conjunction with this goal.

Performance Measure: Supply mark-up for stocked items (percent).

This measure focuses on the average mark-up that Global Supply places on Stock items and is a measure of the mark-up needed to recover operating costs for the program.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
45.9%	42.8%	43.5%	40%
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
37.5%	35%	34%	33.5%

Performance Goal: Increase by 10% the compliance rate with DOD (Department of Defense) goals for processing time for stock shipments to the military.

The military is Global Supply's largest customer and as such it is important that its needs are met in a timely fashion to support our troops at home and abroad. Through reliable and timely delivery military customers are better able to fulfill their mission critical functions and as such this is an important focal point in the Global Supply distribution chain.

The following performance measure is used in conjunction with this goal.

Performance Measure: Compliance rate with DOD Time Definite Delivery (TDD) shipment processing standards.

DOD has established processing time goals for eleven segments of the distribution chain, ranging from submission of the order by the customer to receipt of the order by the customer. This is known as "Time Definite Delivery". For stock shipments to the military, GSA "owns" two segments: processing the customer order through the ICP (inventory control point), and processing by the storage activity (i.e., shipment from the GSA distribution center.). Research has shown that Global Supply historical success rate for these shipments is highly affected by the Iraq conflict influx of high proportions of urgent requisitions. A variable baseline standard has been developed to predict Global Supply performance based upon the proportion of these urgent requisitions in the workload. The goal will be to improve actual performance by 10% over the variable baseline.

During FY 2005, Global Supply will establish a data tool that emulates the DOD TDD measurement system and expects to implement this measure for FY 2006.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
NA	NA	TBD	TBD
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
TBD	TBD	TBD	TBD

Performance Goal: Increase program efficiency and value to Global Supply customers by minimizing program operating costs.

Program operating costs are a key component of the Global Supply program and are passed on to customer agencies through the mark-up. Therefore, lower operating costs result in savings for customer agencies.

Performance Measure: Operating costs per $100 business volume.

In order to monitor the efficiency of Global Supply operating costs are tracked relative to business volume. The program strives to minimize its operating costs over time. Through tying this measure to business volume the program is able to ensure that costs are in check relative to the sales of the program.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
$18.13	$17.58	$17.63	$17.38
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
$17.18	$17.03	$16.93	$16.88

Performance Goal: Maintain customer satisfaction at the 75th percentile or greater (currently 79) for customer satisfaction in government.

Customer satisfaction is of major importance as Global Supply is not a mandatory source of goods and services to its customers. Federal agencies are free to purchase goods and services from commercial vendors or other Government agencies that may provide like services. Customers are concerned with getting the best value for their dollar. External customer surveys are a valuable barometer of how well the program is doing at meeting customer needs and are used for this reason.

The following annual performance measure is used in conjunction with this goal.

Performance Measure: Customer satisfaction survey score.

This measure and corresponding targets focus Global Supply on meeting its customers' needs and improving its operations into the future and evolving with its customers.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
79.6	79.0	79.8	79.9
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
80	80.1	80.2	80.3

FY 2006 Budget Request / Performance Goal
Budget Links
GSA Global Supply
$ (Thousands)

Long Term Outcome Goal		FY 2004		FY 2005 Current		FY 2006 Request		Change FY05 to FY06	
Performance Goals	Performance Measure	Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Provide supply chain solutions for the global needs of our customers (DOD, Homeland Security, USDA, et.al.) by delivering dependable, reliable and timely supplies at best value.									
Reduce mark-up for GSA stocked Supply items from 45.9% to 40% -- toward goal of 33.5%	Supply mark-up for stocked items (percent)	42.8%	$ 43,516	43.5%	$ 46,552	40.0%	$ 48,879	-3.5%	$2,327
Increase by 10% the compliance rate with DOD processing time goals for stock shipments to the military	Compliance rate with DOD TDD shipment processing standards	New	$ 25,501	TBD	$ 27,236	TBD	$ 28,598	-	$1,362
Increase program efficiency and value to Global Supply customers by minimizing program operating costs	Operating cost per $100 business volume	$ 17.58	$ 64,423	$ 17.63	$ 69,325	$ 17.38	$ 72,791	$ (0.25)	$3,466
Maintain customer satisfaction at the 75th percentile or greater for customer satisfaction in government	Customer satisfaction survey score	79.0	$ 37,705	79.8	$ 42,588	79.9	$ 44,717	0.1	$2,129
	Total	-	$171,145	-	$185,701	-	$194,985	-	$9,284

Commercial Acquisition

Strategic Direction

The Commercial Acquisition business line offers Federal agencies consistent, efficient and effective access to millions of competitively priced, state-of-the-art services and products that meet Federal customer needs. The mission of the business line is to provide commercial solutions to customers worldwide and reduce costs to the Government. This is accomplished through the Multiple Award Schedule (MAS) program and Information Technology GWAC's. These services and products offered through these contract vehicles cover a vast array of items, from hardware to scientific and information technology applications. Commercial Acquisition also focuses on training customers to use these contract vehicles to best fit their needs.

The e-Government Act of 2002, section 211, authorizes state and local governments to purchase IT products and services from Commercial Acquisition's Schedule 70. Program initiatives will focus on taxpayer savings envisioned by the legislation. GSA will make a concerted effort to maintain high levels of customer satisfaction and superior service during the implementation of this legislative initiative.

PART Status

The MAS program received a rating of *"Results Not Demonstrated"* on its FY 2004 PART review. GSA has worked to implement the recommendations that resulted from the review. Implementation of these findings will be incorporated in program operations and in future PART reviews and should result in improved PART ratings.

1. Adjust administrative fee to .75 percent and develop mechanisms for evaluating the effect of this adjustment on programs.

The MAS program administrative fee was reduced effective January 1, 2004. Tracking MAS program financials is used as a mechanism to monitor the effect of the administrative fee adjustment on the program ensuring that program revenue is sufficient to cover program costs. GSA will also reduce the fee again in FY 2006.

2. *Develop adequate long-term measurable goals*

The Commercial Acquisition business line is revising its long-term goals. The interim long-term goals that were formulated are stated and discussed in the "Long-Term Goal" section of this document. GSA is continuing to refine its long-term goals to ensure that goals are outcome-oriented and adequately represent business line operations.

3. Develop annual goals that are ambitious, meaningful and linked to the achievement of long-term outcome goals.

In addition to the long-term outcome goals, annual performance goals and performance measures have been formulated to drive program performance toward the accomplishment of the long-term goals. Annual targets are assigned to each of the annual performance measures; these targets are intended to drive program performance improvement and the achievement of the long-term outcome goals. Documentation and discussion of these goals and measures is in the "Long-Term Outcome Goal" section.

4. *Improve training to help agencies achieve best value on negotiated procurements*.

GSA instituted aggressive training strategies and actions for FY 2003. A no cost on-line training course, "Using GSA Schedules," was developed for Government customers and is available through the Center for Acquisition Excellence Virtual Campus website (www.fss.gsa.gov/umas). The training course provides assistance to ensure customers are fulfilling agency's requirements for services or products at the best value from the participating contractors. A classroom version of the on-line training course started in May 2003. The course is presented by professional trainers at locations throughout the country, as well as provided on-site to agencies if requested. The success of these courses is monitored through customer satisfaction surveys, which assist in insuring that participants are receiving valuable and helpful information.

Strategy and Action Plan

The Commercial Acquisition Business Line seeks to improve its program operations and enhance services to customer agencies to enable agencies to focus on their core mission by providing contracting vehicles needed to support these missions. During FY 2005, business processes within each Acquisition Center of the business line will be evaluated. Through this evaluation disparities in the cycle time to process offers and modifications on contracts will be studied and redundancies and inefficiencies will be identified. These findings will be used to refine and standardize the business processes across all Acquisition Centers capitalizing on the most efficient means of conducting business. When these refinements are implemented in FY 2006 the performance of these business processes will be monitored to determine the success of this process. Additionally, in FY 2006 programs within the business line and supporting administrative processes will be evaluated to find enhancements that can improve program efficiency.

Understanding the current needs and requirements of the Government and areas for product growth is important. The Commercial Acquisition Business line will work with agencies to address their needs and better serve the government. During FY 2006 attention will be focused on achieving this through market research and the development of an outreach strategy to encourage the use of Commercial Acquisition Business line contracts. Following the implementation of these strategies, agency usage of Commercial Acquisition services and products will be monitored to determine the impact of the strategies.

The success of the Commercial Acquisition business line has created additional program management challenges. The costs of operating the business line programs is recovered through the Industrial Funding Fee (IFF) that is accessed based on customers use of the program. When the MAS program was established it was determined that a 1% IFF would be sufficient to cover the costs of operations. Conservative cost management and rapid growth of the program resulted in a revenue surplus.

In FY 2003 management conducted a study of the program and determined that reducing the IFF was appropriate. On January

1, 2004, GSA implemented a new IFF of 0.75% of contractor sales, a 25% reduction.

Despite 2004 fee reduction, the business line continues to generate revenue in excess of costs due to continued sales growth. As a result, GSA is again faced with the decision of how to maximize the value of the excess revenue for customers and stakeholders. Complicating matters is the difficulty in predicting future use of Schedules. It is not known whether growth will continue, or be impacted by recent legislation impacting the use of Schedules by DOD. Costs are also increasing to support the “Get it Right” campaign and Government-wide training programs. GSA will balance these needs against the benefits of a larger fee reduction.

Long-Term Outcome Goals:

The Commercial Acquisition business line has developed two long-term outcome goals to drive its operations in FY 2006 and the out years. The long-term goals that have been developed also have annual performance goals and performance measures that are linked to these goals to monitor the progress and success in the accomplishment of the goals.

Long-Term Outcome Goal:

Aggressively pursue best value for the Government by reducing cost and enhancing operational efficiency.

This long-term goal is directly related to providing customers with the solutions they need in an ever-changing business environment while working to minimize the costs of providing these services. There are three annual performance goals and measures that are used in conjunction with this goal, and focus program operations toward the accomplishment of the goal.

Performance Goal: Reduce operating costs per $100 of business volume to $0.57 by FY 2006.

Through monitoring program operating costs relative to revenue the Commercial Acquisition business line is able to concentrate on reducing its direct costs. Through reducing costs needed to administer the program, savings are generated for customer agencies.

The following annual performance measure is used in conjunction with this goal.

Performance Measure: Operating cost per $100 business volume.

This measure is tracked by monitoring program operating costs relative to the business volume that is generated by the program each fiscal year.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
$0.60	$0.50	$0.58	$0.57
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
$0.56	$0.55	$0.54	$0.53

Performance Goal: Reduce the time associated with processing contract offers to 91 days by FY 2006.

The time necessary to complete a contract is critical to support our customer's needs. By reducing contract award time customers will gain access to goods or services in a timelier manner enabling work to precede earlier on projects; supporting program operations and missions. The integration of technology in business processes in integral to the accomplishment of this goal.

The following annual performance measure is used in conjunction with this goal.

Performance Measure: Cycle time to process contract offers (days).

Cycle times are used to measure the efficiency of a business process, as the timely completion of a task is a reasonable barometer of the efficiency of an organization. Additionally, the process used to complete a task is expected to improve over time and as a result the time period should become shorter until the maximum level of efficiency is reached.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
94	87	92	91
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
90	89	88	87

Performance Goal: Reduce the time associated with processing contract modifications to 12 days by FY 2006.

Like the previous goal relating to contract offers this goal also addresses the ability of the business line to stay abreast of changes and process improvements that develop over time, and measure program efficiency.

The annual performance measure below is used in conjunction with this goal.

Performance Measure: Cycle time to process contract modifications (days).

Cycle times are used to measure the efficiency of a business process, as the timely completion of a task is a reasonable barometer of the efficiency of an organization. Additionally, the process used to complete a task is expected to improve over time and as a result the time period should become shorter until the maximum level of efficiency is reached.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
16	14	13	12
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
11.5	11	10.5	10

FY 2006 Budget Request / Performance Goal
Budget Links
Commercial Acquisition
$ (Thousands)

Long Term Outcome Goals		FY 2004		FY 2005 Current		FY 2006 Request		Change FY05 to FY06	
Performance Goal	Performance Measure	Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Aggressively pursue best value for the Government by reducing costs and enhancing opertional efficiency									
Reduce operating costs per $100 of business volume to $0.45 by FY 2006	Operating cost per $100 business volume	$ 0.50	$ 91,550	$ 0.58	$ 119,011	$ 0.57	$ 124,961	$ (0.01)	$ 5,950
Reduce the time associated with processing contract offers to 91 days by FY 2006	Cycle time to process contract offers	87	$ 32,872	92	$ 42,826	91	$ 44,967	-1	$ 2,141
Reduce the time associated with processing contract modifications to 12 days by FY 2006	Cycle time to process contract modifications	14	$ 32,872	13	$ 42,826	12	$ 44,967	(1)	$ 2,141
	Total	-	$ 157,294	-	$ 204,663	-	$ 214,895	-	$ 10,232

Vehicle Acquisition and Leasing

Strategic Direction

The Office of Vehicle Acquisition and Leasing Services (OVALS) business line provides two distinct services.

GSA Automotive manages the acquisition of vehicles for all Federal agencies through consolidated acquisitions and the Multiple Awards Schedules program. By consolidating customer requirements, they are able to leverage their buying power to achieve significant discounts. In fiscal year 2004, GSA Automotive contracted for over 64,000 sedans, trucks and other non-tactical vehicles with a total cost of more than $1.5 billion. Through acquiring vehicles in large volume, GSA Automotive has achieved savings of over 25 percent off manufacturer's invoice prices in recent years. This service is funded through fees paid by Federal agencies.

GSA Fleet manages a fleet of more than 193,000 vehicles. GSA Fleet provides non-tactical vehicles needed by civilian and military customer agencies with a comprehensive "cradle to grave" leasing program. GSA Fleet handles vehicle acquisition, maintenance and repairs, accident management, fuel expenses, and resale of the used vehicles. Costs are recovered through monthly and mileage charges based on vehicle use.

The major trend that is facing the OVALS business line today is that customers are increasingly looking for more turnkey, integrated solutions as they consolidate operations around core functions. Additionally, as business practices evolve customers are requiring improved and more timely information for making decisions that affect their vehicle needs.

The first approach is to streamline order processing for customers. Through easing the ordering process for OVALS' customers, customers will need to spend less time on fulfilling their vehicle needs and focus more on mission critical tasks in turn increasing the efficiency of the customer organization. Some of the steps through which this will be achieved include improving the accuracy of shipping dates, notifications and order modifications. An emphasis will also be placed on reducing the number of paper-based orders and transition more toward an electronic platform. The continued integration of the ordering process with manufacturer's systems and business process will assist in meeting these challenges.

Customer relationship management is the second element of providing turnkey solutions for customers. This will be achieved through expanded training and outreach efforts to identify special needs and requirements of customer organizations. Through more intense customer outreach OVALS will be more in touch with changes in the marketplace and will be able to change its practices and buying patterns to reflect these changes.

PART Status

There were two FY 2004 PART reviews conducted for the OVALS business line, one for each of its two programs, both programs received a rating of *"Results Not Demonstrated"*.

The Vehicle Leasing Program responded to the PART recommendations and as a result was reviewed again using the PART tool during the FY 2006 cycle. This follow up review resulted in the program's rating improving to a classification of "Moderately Effective" with the following action items being assigned to further improve program performance.

1. *More aggressively pursue the marketing of unbundled fleet management services to federal agencies.*

2. *Use GSA's Performance Management Process to improve the linkages between program performance and funding needs.*

3. *Commission regular, independent outside evaluations of this program to assess the performance of the various components (e.g., maintenance management, accident control, management reporting, etc.) as well as overall performance against commercial and other fleet service providers.*

The Vehicle Acquisition Program responded to the PART recommendations and as a result was reviewed using the PART tool during the FY 2006 cycle. This follow up review resulted in the program's rating improving to a classification of "Adequate" with the following action items being assigned to further improve program performance.

1. *Use GSA's Performance Management Process to continue to improve the linkages between program performance and funding needs.*

2. *Commission regular, independent outside evaluations of this program that would assess its performance against commercial and other vehicle acquisition programs.*

3. *Strive to meet the program's performance targets*.

The OVALS Business Line will incorporate the findings of the PART process in the coming year and focus on continuing to improve program performance for the Vehicle Acquisition and Vehicle Leasing programs.

Strategy and Action Plan

The strategy which is the keystone to the success of GSA Automotive is the consolidation of automotive purchases across the Federal government. Through volume purchases GSA Automotive is able to realize discounts of approximately 25 percent or more for customer agencies. However, buying in volume alone is not all that is needed for this program to remain successful. Customer agencies are working with fewer people while their workload continues to grow in complexity and volume and as such efficiencies are needed to bridge this gap. Incorporation of technology has proven to be an effective strategy in realizing GSA Automotives core mission and objectives.

AutoChoice, an on-line ordering module that allows customers to choose and compare vehicle models and contract prices for many vehicle types is an example of an application employing these concepts. Some of the benefits of this system include allowing customers to view base prices as well as prices of equipment options, choose delivering dealers and place orders. Additionally, customers can check the status of orders placed, download a copy of the Federal Vehicle Standards and link to NHTSA's crash test results website. AutoChoice will calculate the prices for the selected vehicles and provide a price summary, including the GSA surcharge. This type of all inclusive interface that is able to accomplish multiple tasks for customers will continue to be an integral part of business processes in the future.

GSA Fleet is able to provide value to customer agencies through a number of mechanisms including total vehicle management and by providing leases that are unique to customer needs. Customers save money in the form of reduced personnel costs as GSA associates take over the management of the customers' fleet. Through shifting management of an agency's fleet to GSA the customer agency is able to realign its personnel to work on mission critical activities and redundancies in fleet management activities are eliminated. Savings are also generated through the economies of scale generated by the GSA Fleet program. GSA Fleet will continue to generate savings for the government in FY 2006 through the consolidation of other agency fleets into the GSA Fleet, when proven through a consolidation study that such action will create a savings.

Managing operating costs as measured by cost per mile and keeping these costs as low as possible is important to ensure that customers are receiving favorable terms for services at a good value to the taxpayer. In order to accomplish this, an emphasis is placed on purchasing the least costly vehicle while meeting the needs of the customer's mission. Minimizing the cost of maintenance and repairs is also an important part of this equation, by staying abreast of service providers that provide optimal service and recommending customers use these providers, GSA Fleet is able to ensure that resources are being used efficiently. GSA Fleet also monitors vendors to ensure competitive pricing and quality work.

Fleet Service Representatives (FSRs) also are an integral part of keeping maintenance and repair costs as low as possible. FSRs use of technology to manage the GSA fleet is at the forefront of the program's success. FSRs continue to add valuable features to services to benefit customers. FSRs are able to review costs to assure that only necessary expenditures are incurred on vehicles assigned to customers, preventing waste, fraud and abuse through the analysis of information that is readily available as a result of automation. Wise management decisions also result from this type of analysis as FSRs look for less expensive solutions where applicable.

To further align program resources to meet customer demands GSA Fleet is offering a buyout to fine tune its workforce. The buyout authority was extended through January 31, 2005 and will reduce the size of the workforce by approximately 70 associates. Once complete, it is expected that one position of every three positions reduced by the buyout will be replaced to refresh the workforce skills. The savings generated through lower personnel costs will enable the Fleet program to operate more efficiently and pass these savings on to its customers.

Long-Term Outcome Goals:

The Office of Vehicle Acquisition and Leasing Services business line has developed two long-term outcome goals to drive its operations in FY 2006 and the out years. The long-term goals are supported by annual performance goals and performance measures.

Long-Term Outcome Goal: Continue to achieve acquisition cost savings for customer agencies by providing vehicles at 20% or more below manufacturers' invoice price.

This long-term outcome goal is designed for the Vehicle Acquisition portion of the business line. The purchase of vehicles is a major component of the OVALS business line as vehicles are purchased for customer agencies as well as for the GSA Fleet. Through volume purchasing OVALS is able to purchase vehicles below manufacturer's invoice price.

There are two annual performance goals that link to this goal, discussed below.

Performance Goal: Maintain 20% or better discount from manufacturer's invoice price.

Achievement of this goal increases the value that customer agencies realize through using Vehicle Acquisition services.

The following annual performance measure is aligned with this goal.

Performance Measure: Percentage discount from invoice price.

The percentage discount that Vehicle Acquisition receives from invoice prices is the measure of the actual price that is paid for vehicles purchased in relation to the invoice price. Significant discounts are possible due to the large orders that are placed with manufacturers and the coordination of these orders to fit manufacturers' production schedules.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
26.3%	33.1%	= >27.5%	= >28%
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
= >28.5%	= >28.7%	= >28.9%	= >29%

Performance Goal: Manage program resources to meet its future needs while maximizing program efficiency.

GSA seeks to minimize the resources used and to position resources properly to ensure the necessary tasks are completed as efficiently as possible. This goal focuses on program resource alignment and strives to maximize productivity.

The following annual performance measure is aligned with this goal.

Performance Measure: Number of vehicles purchased per FTE.

Vehicle Acquisition is a service type organization and as such the major input for this program is personnel cost. Through effectively managing the workforce, the organization structure can be transformed as business processes change over time. In recent years the incorporation of technology in business processes has reduced the manual workload of the organization and has enabled more to be accomplished by fewer associates.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
1191	1350	1275	1300
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
1310	1320	1330	1335

Long-Term Outcome Goal: Continue to achieve leasing rates to customer agencies that are 20% or more below commercial rates.

This long-term goal is based on the Vehicle Leasing portion of the OVALS business line. The cost of leasing a vehicle is the most relevant measure of the value that a customer agency is realizing by using this portion of the OVALS business. GSA Fleet is able to provide services at such low discounts due to operating efficiencies that are created based on the scale of its operations and its expertise in the industry. In order to track this long-term goal there are two annual performance goals and three annual measures that focus operations on areas that will affect the achievement of this long-term goal.

Performance Goal: Maintain the gap between GSA Fleet rates and commercial rates at 20% or more.

The difference between GSA Fleet rates and commercial rates is a valuable measure as customer agencies are able to acquire fleet services through commercial vendors should they find a commercial source that provides services at a better value. This goal is based on weighted average rates of sedans, SUVs and minivans.

The following two annual performance measures are used in conjunction with this goal.

Performance Measure: Percentage GSA Fleet leasing rates below commercial rates on the GSA Vehicle Leasing Schedule.

In order to measure the accomplishment of this goal GSA leasing rates are tracked in comparison to industry rates.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
36.86%	31.67%	= > 27%	= > 29%
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
= > 29.25%	= > 29.5%	= > 29.75%	= > 30%

Performance Measure: Program support and operational expenses per vehicle year of operation.

This measure focuses on the expenses that are incurred by the program to support operations. Through setting targets relative to program support and operational costs and striving to reduce these costs the program is able to continue providing services to customer agencies at the lowest possible cost. The targets below display a spike as a result of the buyout discussed earlier. Program support costs are expected to drop significantly in FY 2005 as a result of the buyout and savings in salaries. However, one third of these positions will be backfilled and will result in potentially higher personnel costs in FY 2006; the FY 2006 personnel levels will then establish the base going forward.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
$507	$556	$482	$504
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
$500	$495	$490	$485

Performance Goal: Aggressively pursue consolidation opportunities to reduce overall government expenses.

Through the formulation of consolidation plans for customer agencies GSA Leasing is able to reduce the cost of managing non-tactical vehicles. In return customer agencies will have fleet services that can manage every aspect of their vehicle requirement from purchasing the vehicle to the scheduled maintenance and repair of the vehicle. Reducing the number of vehicles needed by customers through replacement of older less efficient vehicles with more efficient vehicles that have lower maintenance, repair and operating costs results in significant savings. Pursuing consolidation opportunities when savings can be realized will translate to overall savings to the taxpayer.

The following annual performance measure is used in conjunction with this goal.

Performance Measure: Number of vehicles managed per onboard associate.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
271	275	322	335
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
340	345	350	355

In order to achieve this annual and long-term goal GSA Fleet will manage the additional vehicles without increasing staffing. This is made possible through automation and business process refinements that allow associates to handle an increased workload. Management of the number of vehicles managed per onboard associate also focuses on keeping the staffing levels of the GSA Fleet organization in check.

FY 2006 Budget Request / Performance Goal
Budget Links
Vehicle Acquisition and Leasing
$ (Thousands)

Long Term Outcome Goals		FY 2004		FY 2005 Current		FY 2006 Request		Change FY05 to FY06	
Performance Goal	Performance Measure	Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Continue to achieve acquisition cost savings for customer agencies by providing vehicles at 20% or more below manufacturers' invoice price									
Maintain 20% or better discount from manufacturer's invoice price	Percentage discount from invoice price	33.1%	$ 6,022	27.5%	$ 5,661	28%	$ 5,944	0.5%	$ 283
Manage progam resources to meet its future needs while maximizing program efficiency	Number of vehicles purchased per FTE	1,350	$ 4,703	1,275	$ 4,089	1,300	$ 4,293	25	$ 204
Continue to achieve leasing rates to customer agencies that offer 20% or more savings when compared to commercial rates									
Maintain the gap between GSA Fleet rates and commercial rates at 20% or more	Percentage GSA Fleet leasing rates below commercial rates on the GSA Vehicle Leasing Schedule	31.67%	$ 48,874	= > 27%	$ 44,038	= > 29%	$ 46,240	= > 2%	$ 2,202
	Program support and operational expenses per vehicle year of operation	$ 556	$ 28,899	$ 482	$ 27,349	$ 504	$ 28,717	$ 22	$ 1,368
Aggressively pursue consolidation opportunities at the regional level to reduce overall government expenses	Vehicles managed per on-board associate	275	$ 15,272	322	$ 16,464	335	$ 17,288	13	$ 824
	Total	-	$ 103,770	-	$ 97,601	-	$ 102,482	-	$ 4,881

Personal Property Management

Strategic Direction

The Personal Property Management program specializes in asset management and property sales. Property no longer needed by one Federal agency may fill a need in another, thereby avoiding new procurements or it may be donated through state agencies for surplus property to approved public or non-profit organizations. Property whose value cannot be extended by reuse or donation is sold to the public. As part of its disposal services, GSA Auctions® as the preferred method of surplus property sales on behalf of executive agencies. The Personal Property Sales Program is funded by a portion of the receipts from the sales of personal property that passes through the system.

In addition to the funding that this program receives through the General Services Fund, funding is also provided through the Operating Expenses account of GSA. The Utilization and Donation (U&D) portion of the program receives funding through this source. The responsibility of this segment of the program is to transfer excess personal property from one government agency to another when the current owner no longer has a use for the given property. In the event that the property cannot be used within the Federal Government it may be donated to approved public or non-profit organizations. The request for funding in FY 2006 to fund the U&D portion of the business line is $12,732 thousand under the Operating Expenses request for GSA. Further explanation of the use of these funds is given in that section of the budget request.

The Personal Property Management business line will continue to improve its business processes to better meet customers' needs by promoting a fully integrated disposal system to streamline the disposal process. More sales transactions will be conducted electronically in the future as technology gains acceptance across the government. Increased use of these methods will generate savings in time and resources for GSA and its customers. GSA Auctions® and the Federal Asset Sales (FAS) E-Gov initiative are examples of how this is being accomplished.

GSA will also improve relationships with customers by providing additional customer education and offering guidance and training on property programs and systems. Through this type of involvement the business line will also be able to adapt its services to better fit their customers' needs.

PART Status

The Personal Property Management program was included in the FY 2005 OMB PART review and received a rating of *"Results Not Demonstrated"*. The recommendations of this review are described below and actions taken to address them.

1. *Develop long-term outcome goals with ambitious targets that benchmark to other government agencies or the private sector.*

GSA established a new long-term outcome goal with annual goals and measures for the FY 2005 budget cycle for the Personal Property Management Program. The long-term goal that was developed is discussed in the "Long-Term Outcome

Goal" section of this document. GSA is continuing to work on its long-term goals to ensure that goals are in place, which represent business line operations.

2. Develop acceptable efficiency measures for the full range of program activities.

GSA has developed efficiency measures as a result of these findings. These measures are included in the Long-Term Goals section of this document.

3. Consolidate the presentation of total program resources and related performance goals, regardless of funding sources.

During the FY 2005 budget cycle the budget presentation for this program was changed to include all funding sources and the total cost of operation for the program. This new format was approved by OMB and continues to be used in subsequent external budget documents.

4. Develop performance-based agreements with the State Agencies for Surplus Property.

There was tentative agreement between Personal Property Management and the National Association of State Agencies for Surplus Property (NASASP) in August of 2004 to use two performance measures to track the performance of State Agencies, beginning in FY 2005. Personal Property Management will now work with the Office of Governmentwide Policy (OGP) to ensure sufficient guidance in the regulations to allow the use of these measures.

5. Develop an acceptable independent assessment process for this program.

An independent assessment of the Utilization and Donation (U&D) component of the Personal Property Management program began in FY 2003 as part of the Federal Asset Sales e-gov initiative. This study included a sweeping review of the state of U&D across the Federal government, with significant concentration on GSA's U&D program. The report made recommendations for incremental improvements in the U&D program; the program is undertaking action to implement these findings. In regard to the sales program, the IG will review the sales portion of the program for FY 2006.

6. Clarify the relationship between the policy and operational aspects of this program.

Personal Property Management associates met with OGP associates in an offsite meeting in May of 2003 to discuss issues relative to "boundary conditions" and to improve the relationship between the offices. Both groups have continued to work cooperatively to strengthen the relationship between these offices and improve service to all customers and stakeholders.

Strategy and Action Plan

The Personal Property Management program has two major strategies that will continue to be the foundation of this business line's operations in FY 2006 and going forward. The business line plans to further implement process improvements that will optimize reliable, timely and quality service for customers. Leveraging information technology to maximize the use of and also to improve online tools and technology for a fully integrated disposal system will be the other major strategy incorporated.

To achieve these strategies, the Personal Property Management's Sales Program must offer Federal agencies state-of-the-art systems and services that meet Federal customer needs. The program will continue to work to expand the selection of innovative services available to customers and improve its e-systems in ways that transform GSA's interaction with customers and taxpayers. This program also focuses resources on training customers to use the Sales Program's on-line systems to the best advantage.

The use of tools such as the FAS vendor solution and GSA Auctions® are examples of how information technology will be integrated into the Personal Property Management business model and influence operations in the future. FAS and GSA Auctions® are not location-dependent, as is the more traditional sealed bid process. This sales approach facilitates consolidation of its sales functions. FAS and GSA Auctions® are expected to generate significant savings annually within the business line through reduced printing, mailing, advertising and travel expenses.

Customer education and training will be incorporated through field representatives who will be available and receptive to customer inquiries (customer outreach), and customer training needs. Personal Property Management will segment the market by customer agency needs to better serve each segment of the market. Additionally, an aggressive nationwide customer outreach/training schedule will promote the benefits of using our exchange/sale and utilization/donation programs to key and new customers at national events and during regional customer visits/training opportunities.

Through the use of the FAS vendor solution and GSA Auctions®, an electronic solution for revolutionizing and streamlining the management of surplus Federal assets, operating efficiencies will be realized. These auctions are completely web-enabled, allowing all registered participants to bid on items or lots of items within specified timeframes. The sites will offer the general public the opportunity to bid electronically, in an easy-to-use format. The on-line capabilities of both the FAS vendor solution and GSA Auctions® provide competitive bidding and on-line photos; and as a consequence, GSA can now offer assets located across the country to any interested buyer, regardless of location. While this electronic platform is non-mandatory, it nevertheless provides a most cost effective and efficient means for the speedy sale of property.

Long-Term Outcome Goals

The Personal Property Management business line has developed one long-term outcome goal that relates to the sale of personal property.

Long-Term Outcome Goal: Provide optimal property disposal solutions for Federal agencies to maximize cost avoidance (Utilization/Donation), while efficiently and effectively managing the exchange/sale of surplus property. There are two annual performance goals with annual performance measures that focus on the actions that address the accomplishment of this goal.

Performance Goal: Decrease the time it takes to complete disposal action for excess property from 83 days to 76 days by FY 2006.

Reducing the amount of time that a given item is in the disposal system directly impacts operating costs and program efficiency. Through reducing the total number of days that an item is held in the property disposal system warehousing costs, personnel costs and all operating costs are reduced.

The following annual performance measure is used to track performance of this goal.

Performance Measure: Cycle time for disposal process (days)

Measurement of the number of days of cycle time to dispose of a given item is a direct measure of the days that an item was in the possession of GSA as part of this process. The days that an item is in the U&D portion of the disposal cycle is also included in this measure as this is the first phase of the disposal process.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
83	72	77	76
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
75	74.5	74	73.5

Performance Goal: Align program operating costs relative to revenue generated by the Sales Program, and strive to maximize the return on these resources.

Through monitoring program operating costs relative to revenue the Personal Property Sales program is able to concentrate on the resources used to maintain and run the program. This type of focus will allow management to realize efficiencies in operations that can be capitalized on and further reduce program costs. In addition to the recognition of positive trends the presence of situations that are not generating a favorable financial result will be recognized in a more timely fashion and can be addressed.

The following annual performance measure is used to track performance of this goal.

Performance Measure: Direct cost of Sales Program as a percent of revenue.

Direct program cost can be readily affected by changes in operations and as such management has an ability to impact these costs more than total operating costs. With this relationship in mind it is in the best interest of the program to measure these costs relative to revenue to encourage managers to make sound business decisions that have a favorable effect on the bottom line.

FY 03 Actual	FY04 Actual	FY 05 Target	FY 06 Target
N/A	48%	47%	46%
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
45%	44%	43.5%	43%

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FY 2006 Budget Request / Performance Goal
Budget Links
Personal Property Management
Total Sources of Funding
$ (Thousands)

Long Term Outcome Goals										
Performance Goal	Performance Measure	Funding Source	FY 2004		FY 2005 Current		FY 2006 Request		Change FY05 to FY06	
			Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Provide optimal property disposal solutions for Federal agencies to maximize cost avoidance (Utilization/Donation) while efficiently and effectively managing the exchange/sale of surplus property.										
Decrease the time it takes to complete disposal action for excess property from 83 days to 76 days by FY 2006	Cycle time for disposal process	General Services Fund	72	$ 7,653	77	$ 7,174	76	$ 7,533	-1	$ 359
		OE Direct		$ 7,184		$ 7,838		$ 7,982	0	$ 144
Align program operating costs relative to revenue generated by the Sales Program, and strive to maximize the return on resources	Direct cost of Sales Program as a percent of revenue	General Services Fund	48%	$ 4,954	47%	$ 4,530	46%	$ 4,756	-1%	$ 226
									0	$ -
Increase the usage of on-line systems for reporting of excess property by Federal civilian agencies	Percent of property reported electronically by civilian agencies through FEDS	OE Direct	91%	$ 3,868	89%	$ 4,220	90%	$ 4,298	1%	$ 78
Funds not allocated to measures (flow through expenses, corporate overhead etc.)		General Services Fund		$ 6,278		$ 3,156		$ 3,615		$ 459
	Total General Services Fund Funding			$ 18,885		$ 14,860		$ 15,904		$1,044
	Total OE Direct Funding			$ 11,052		$ 12,058		$ 12,280		$ 222
	Total OE - Reimbursable Funding			$ 1,900		$ 2,701		$ 2,757		$ 56
	Subtotal			$ 31,837		$ 29,619		$ 30,941		$1,322

Travel and Transportation

Strategic Direction

The Travel and Transportation business line helps control the government's direct and administrative costs for travel and transportation services. GSA leverages the Government's $27.9 billion travel and transportation budget to establish favorable rates and provide significant savings to Federal agencies. Travel and Transportation programs are generally non-mandatory and funded through the fees customers pay. Travel services include commercial travel agency services, negotiated airline contracts, travel consulting, travel charge card services, lodging and employee relocation services. Transportation services include express package delivery, freight services and household goods moves as well as relocation of government employees.

The business line also oversees the use of audit contractors to examine the government's air passenger, freight and household goods transportation billings to identify and seek recovery of incorrect billings and overpayments for the federal government. This program is financed from the collection of these overcharges from the transportation carriers.

Currently the most notable trend in the travel and transportation environment is the desire of customers to have more turnkey, integrated solutions as customers consolidate operations around core agency functions. Customers are seeking simplified travel processes to better suit changing customer needs. This will be addressed through further implementation and process improvements to systems and business processes that are currently in place to meet these needs. Additionally, prepayment audits of all transportation billings are now required by Public Law 105-264 so the business line must adapt to meet this requirement for customer agencies. GSA will continue to educate its customers on this requirement and increase the service level on this offering. The use of integrated systems to accomplish interconnected tasks will also address this trend. Often transportation functions such as prepayment audits, payment and dispute resolution are disconnected processes that when combined in one application can be completed more efficiently.

Additionally, in Fiscal Year 2006, GSA will organizationally align the agency's travel operations programs to guide Federal agencies in managing their travel more efficiently and effectively. This consolidated and centralized organizational change will unite the knowledge and experience of associates and reinforce the one GSA Travel program and will continue to provide federal customers with a world class travel program. GSA will work to continue an aggressive campaign to improve Federal travel policy by responding to the needs of Federal travelers, working collaboratively with Federal partners, and enhancing communication with travel industry to model private sector best practices. In FY 2006, GSA will work to change GSA's current business model for travel by integrating Government-wide travel management programs, and promoting the adoption of GSA travel programs for which eTravel Service (eTS) will be the platform for Federal agency users.

PART Status

This program is scheduled to be reviewed as part of the FY 2007 PART cycle.

Strategy and Action Plan

The Transportation business line strategy includes further implementation of the Transportation Management Services Solution (TMSS), a web-based, fully automated, end-to-end system to handle all of our customers' transportation management needs, from rate and routing through pre-pay audit, payment, post-pay audit and dispute resolution. Within the government, there is considerable fragmentation in the transportation sector. This is most seen in the shipment of freight as many agencies have their own in house transportation offices that handle this function. TMSS can be a valuable tool to these agencies as end-to-end services may be purchased from this schedule, bypassing the need for independent transportation experts within smaller agencies or agencies that have a limited need for this type of expertise.

The use of Travel Services Solutions (TSS) Schedule, a comprehensive contracting vehicle that will encompass a variety of distinct commercial travel services in support of the Government's travel needs, strives to implement process improvements for travel functions. This schedule includes, but is not limited to, travel agent services and travel consultants. The goal of the TSS Schedule is to provide the Federal Government with flexible, streamlined acquisition tools to meet its travel needs, obtain quality services at the best value, reduce acquisition time, reduce cost, minimize resource requirements, meet regulatory requirements, and achieve socio-economic goals.

The Travel and Transportation business line will also work to strengthen customer relations in FY 2006. Government functions continue to change and with these changes come a need for new business process and products to accomplish mission critical tasks. Through engaging customers in strategic level discussions and increasing one on one interaction with customer agencies the business line will be more in tune to what is needed in the market place. This knowledge will allow for quicker adaptation and changes to current systems and processes to insure that the offerings of this business line do not become outdated or obsolete.

In FY 2006 the Federal Premier Lodging Program (FPLP) will also transition its operations from OGP. In FY 2005, the FPLP has transitioned from an incubation-model, government-managed to a vendor-managed program with government oversight. This innovative governmentwide program puts government travelers in Federal Emergency Management Agency (FEMA) compliant rooms; at or below Per Diem rates. This effort is another example of GSA's campaign to create a world class travel program in the federal government while achieving financial savings for the taxpayers.

Through the implementation of these strategies any Federal agency utilizing GSA's Travel and Transportation services will benefit from GSA's cost savings and technology enhancements. Federal agencies will derive administrative cost savings with the establishment of web based end-to-end transportation (TMSS), eTravel and travel solutions to manage transportation and more efficient ways to manage travel processes.

Long-Term Outcome Goals

The Travel and Transportation business line has developed one long-term outcome goal which will serve as a beacon for the operation of the program in FY 2006 and the out years.

Long-Term Outcome Goal: Provide an end-to-end fully integrated management system/solutions to increase value for agency customers, in both travel and transportation.

There are four annual performance goals and annual performance measures that help serve as guides to achieving this long-term goal.

Performance Goal: Increase the number of Federal agency customers through TMSS.

TMSS utilizes technology to improve transportation and bundles all functions of the transportation process in one package. The automation of formerly paper intensive tasks not only saves time but these automated processes are more cost efficient. Increasing the number of TMSS users will generate significant savings of tax payer dollars. For this reason the business line will strive to maximize the number of customers using this tool.

The performance measure discussed below is being incorporated to track the success of this goal.

Performance Measure: Number of TMSS users.

Tracking the number of TMSS users, like the business volume will give management a measure of the success and acceptance of the application. The number of users should increase over time.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
New	1718	1950	2050
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
2075	2100	2125	2150

Performance Goal: Maximize percentage discount savings from the City Pair Program (CPP).

The CPP is the contract vehicle through which Government employees purchase airline tickets for official travel. Through using this program customer agencies are able to purchase air travel at significant savings over commercial rates, reducing travel costs and operating costs of customer agencies.

The following annual performance measure is used in coordination with this goal.

Performance Measure: Percentage discount from walk-up fare.

Measuring the fares that Government agencies pay for travel using CPP and comparing these fares to average commercial fares on the same trip provides the data needed to calculate the percentage discount generated by CPP. This measure can also be used to track the overall savings realized on

Government travel through the use of CPP and track the performance of the program.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
72%	74%	74%	74%
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
74%	74%	74%	74%

Performance Goal: Expand the number of vendors and services under the TSS Schedule.

In order to ensure that the TSS Schedule is a valuable tool to customer agencies it must have the services available that the market demands and needs. In order to accomplish this there should be a wide umbrella of services to choose from and a selection of vendors so customers are not forced to use a tool that does not actually fit their true need and support their mission. The expansion of the total number of services and vendors that participate on this schedule will address this concern.

The following annual performance measure is used in coordination with this goal.

Performance Measure: Number of vendors participating on TSS Schedule.

Tracking the number of vendors that are on this schedule will assist management in gauging competition and the breadth of products that are on the schedule.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
New	28	35	40
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
45	47	49	50

Performance Goal: Reduce business line operating costs per $100 business volume of the program.

Through monitoring program operating costs relative to the business volume of the business line, management is able to concentrate on reducing its direct costs per work unit performed. Through reducing operating costs the resources needed to administer the programs are decreased and these savings can be passed on through reduced pricing to customer agencies.

The performance measure discussed below is being incorporated to track the success of this goal.

Performance Measure: Direct cost as a percent of revenue.

Direct program cost can be readily affected by changes in operations and as such management has an ability to impact these costs more than total operating costs. With this relationship in mind it is in the best interest of the program to measure these costs relative to revenue to encourage managers to make sound business decisions that have a favorable effect on the bottom line.

FY 03 Actual	FY04 Actual	FY 05 Target	FY 06 Target
40%	57%	65%	64%
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
63%	62%	61%	60%

Long-Term Outcome Goals

The following long-term outcome goal, annual goal and annual performance measures were developed by the eTS program to drive its operations. These goals and measures focus on the deployment and acceptance of the program across Federal Government.

Long-Term Outcome Goal: Provide a fully integrated travel management program from the Federal Government that implements world-class travel "best practices" across the Federal Government.

Performance Goal: Provide policy compliant, consolidated and fully integrated end-to-end travel services Governmentwide.

Performance Measure: Number of vouchers serviced through the eTS (percent of total voucher population).

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
New	576 (0.02%)	100,000 (3%)	900,000 (26%)
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
2,800,000 (80%)	3,150,000 (90%)	3,150,000 (90%)	3,150,000 (90%)

Performance Measure: Percentage of agencies using eTS.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
N/A	8%	62.5%	100%
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
100%	100%	100%	100%

The number of vouchers serviced and the percentage of agencies using eTS demonstrates progress toward the transformation of Government-wide travel transactions into a common, automated and integrated approach. As agencies begin eTS deployment, the focus of the program will shift toward ensuring that agencies are not only effectively migrating to eTS, but also that they are establishing a framework for a world-class travel management service.

FY 2006 Budget Request / Performance Goal
Budget Links
Travel and Transportation
$ (Thousands)

Long Term Outcome Goals / Performance Goal	Performance Measure	FY 2004 Actual	FY 2004 Dollars	FY 2005 Current Target	FY 2005 Current Dollars	FY 2006 Request Target	FY 2006 Request Dollars	Change FY05 to FY06 Target	Change FY05 to FY06 Dollars
Provide an end-to-end fully integrated management system/solutions to increase value for agency customers, in both the travel and transportation sector									
Increase the number of Federal agency customers through Transportation Management Services Solution (TMSS)	Number of TMSS users	1,718	$ 1,877	1,950	$ 2,141	2,050	$ 2,187	100	$ 46
Maximize savings from the City Pair Program (CPP)	Percentage discount from walk-up fare	74%	$ 2,192	74%	$ 2,516	74%	$ 2,573	0%	$ 57
Expand number of vendors and services under the Travel Services Solution (TSS) Schedule.	Number of vendors participating on the TSS Schedule	28	$ 1,662	35	$ 1,900	40	$ 1,942	5	$ 42
Reduce business line operating costs per $100 business volume of the programs	Direct cost as a percent of revenue	57%	$ 4,294	65%	$ 4,808	64%	$ 4,913	-1%	$ 105
	Total	-	$ 10,025	-	$ 11,365	-	$ 11,615	-	$ 250

FY 2006 Budget Request / Performance Goal
Budget Links
e-Travel Service
$ (Thousands)

Long Term Outcome Goals / Performance Goal	Performance Measure	FY 2004 Actual	FY 2004 Dollars	FY 2005 Current Target	FY 2005 Current Dollars	FY 2006 Request Target	FY 2006 Request Dollars	Change FY05 to FY06 Target	Change FY05 to FY06 Dollars
Provide an end-to-end fully integrated travel management program for the Federal Government that implements world-class travel "best practices" across the Federal Government									
Provide policy compliant, consolidated and fully integrated end-to-end travel services Governmentwide	Number of vouchers services through eTS (percent of total voucher population)	576	$ 4,800	100,000	$ 5,682	900,000	$ 3,000	800,000	$ (2,682)
	Percentage of agencies using eTS	8%	$ 4,799	62.5%	$ 5,681	100%	$ 3,000	38%	$ (2,681)
	Total	-	$ 9,599	-	$ 11,363	-	$ 6,000	-	$ (5,363)

IT Solutions

The IT Solutions Business Line provides acquisition, project management and financial services to assist federal agencies in identifying, acquiring, deploying, managing and using technology solutions, and also provides information security services to help agencies protect their data and related systems.

Services are provided worldwide through 11 regional offices and 5 national programs. The Regional IT Solutions offices provide IT products and services within a particular region, while the national program offices provide large-scale, agency-wide products and services.

Performance Analysis and Reporting Tool Status

A PART review was completed for the National IT Solutions Program for the FY 2006 budget cycle. This program received a rating of "Results Not Demonstrated." GSA is in the process of implementing a corrective action plan that will address the following:

1. Develop long-term outcome goals with ambitious targets that benchmark to other government agencies or the private sector.
2. Develop a limited number of annual goals and performance measures, including efficiency measures that are linked to the long-term outcome goals.
3. Take a more active role in assisting agencies with their major acquisitions by participating in the full development of the business case.
4. Implement a mechanism to collect and report performance information on capital projects to ensure that cost and schedule goals are met.

A PART review was completed for the Regional IT Solutions Program for the FY 2005 budget cycle with similar results. Implementation of a corrective action plan continues to address the development of long-term goals, efficiency goals and targets that capture the savings (cost or time) agencies realize when using the IT Solutions services. The review also addressed existing management issues that need long-term resolution.

Strategic Direction

The strategy of the program is to provide the best source of assisted acquisition services to maximize mission-related results of Federal Information Technology investments. IT Solutions helps Federal agencies fulfill their missions by leveraging information technology program services and providing expertise in a comprehensive set of services to include acquisition, project and financial management services in support of the full project lifecycle from requirements identification to project completion. The IT Solutions business model, which reflects a centralized (but non-mandatory) approach to government procurement of IT, provides a center of expertise to assist federal agencies with their IT acquisitions. Use of IT Solutions allows agencies to focus more of their own resources on their core missions and reduces costs to the government and the taxpayers by reducing redundancies across the government.

The IT Solutions Business Line must evolve as a Government-wide leader for IT acquisition management. As a result of its assessment of current and future opportunities and corresponding strengths, weaknesses and threats, IT Solutions must:

1. Strategically focus our efforts to provide service to an information technology market by focusing on civilian agency needs as well as maintaining DoD business.

2. To leverage capabilities in order to provide our customers with a complete offering of services and products, it will be necessary to leverage our own cross-organizational capabilities. This can be achieved through more integration along business lines and the Headquarters/Regional client support centers. This will also require building strategic partnerships with other GSA Services, industry partners and customers.

3. Improve customer relationship management by developing a more in-depth understanding of our customers' missions and enterprise business direction and moving from transaction based to transformational support.

4. Invest in IT Solutions associates to strengthen skills and competencies so that they will be better equipped to satisfy the complex requirements of our customers and be able to provide for their needs on an end-to-end basis. IT Solutions must also be able to attract, recruit and keep individuals who reflect GSA values and who have the skills to contribute to our organizational goals.

5. Optimize and standardize IT Solutions business processes in order to best meet support customers needs and ensure compliance with acquisition regulations and management controls.

6. Strengthen our business relationships, both internally and externally. Internally we will continue our partnerships with other GSA services and offices (i.e. PBS and OGP) and ensure we collaborate. Externally we will provide our customers with information regarding new solution offerings, new contracting vehicles and procedures to convert from one vehicle to another. We will also work with industry in order to educate them about our customer's requirements. There is a need for us to educate our partners on the use of GSA Preferred, IT Solutions fee structures, performance based contracting and other tools.

7. Improve business performance metrics to be better able to benchmark our services against other government agencies or private sector organizations that provide similar services (e.g., timelines or cost) and measure and manage costs for operations and solutions delivery.

Action Plan and Performance Overview:

In order for IT Solutions to achieve the outlined strategies, the following initiatives will be undertaken in FY 2006:

1. Adopt and further employ the GSA enterprise-wide Customer Relationship Management (CRM) strategy to equip ourselves to better understand our customer's needs; productively pursue the opportunities for future support of customers; increase customer satisfaction; and enable us to make better business decisions, while providing best value to the federal community.

2. Complete a Government-wide IT market analysis and develop agency-specific targets. These strategies will identify whether or not IT Solutions should take a national (headquarter led) approach with particular customers or a more localized approach (regionally led).

   Specifically, GSA has worked with the Department of Homeland Security (DHS), at their request, to execute a Memorandum of Understanding between DHS and GSA to provide acquisition support to the DHS Office of the Chief Procurement Officer. GSA will provide a single point-of-contact and on-site expertise representing the three business lines (IT Solutions, Network Services, and Professional Services) with national and regional representation to DHS to assist in the qualification, analysis and execution of requirements.

3. IT Solutions will provide appropriate training to develop associates' skills, as outlined in the Human Capital Strategy, to enable associates to better satisfy customer requirements.

   - IT Solutions will continue to strengthen core capabilities in acquisition, project management and financial management and continue to increase the number of certified project managers and ensure contracting officers have received the required training.

   - Efforts will also focus on ensuring associates have appropriate training on the contract vehicles used (e.g., multiple award schedules), available acquisition tools (e.g., e-Buy), and the required government and GSA ethics training.

   - IT Solutions is working with DoD to request that project managers and contracting officers be able to attend the Defense Acquisition University to become more familiar with the Defense Federal Acquisition Regulations.

4. With the implementation of GSA Preferred, IT Solutions acquisition and financial management business processes will be standardized utilizing the software's inherent business processes that have been designed based upon industry best practices.

5. IT Solutions will use its unique cross-government vantage point and expertise to develop, oversee, and maintain a Government-wide Enterprise Software Licensing Agreement initiative known as SMARTBuy. Program management of the SMARTBuy program was established in IT Solutions in April 2004 to leverage the buying power of the Federal government and provide Government-wide software-licensing through enterprise agreements that provide best prices and terms and conditions for commercial software. The aggregation of software requirements across the

government will help to achieve cost avoidance savings in the hundreds of millions of dollars annually

6. Further develop the capability for measuring the effectiveness of IT Solutions operations and solutions delivery.

Impact on performance:

The outlined initiatives above are expected to result in the following:

1. An integrated CRM platform will provide GSA with a unified view of the customer, plus the agency-wide data and metrics needed to optimize GSA's support to customers. Through improved customer relationship management, IT Solutions will have an in-depth understanding of our customers' missions and enterprise direction.
2. Completion of a Government-wide market analysis will aid in the development of target sales plans and facilitate expansion of service to civilian agencies and maintain DoD business. With regard to the support of DHS, the Office of the Chief Procurement Officer estimates the value of requirements to be $2 billion per year. This process will ensure that all potential GSA acquisition solutions are considered and the appropriate resources are in place to efficiently and effectively execute DHS requirements.
3. Provision of appropriate training to develop associates' skills, as outlined in the Human Capital Strategy, will enable ITS to better satisfy customer requirements. Increased skill levels in acquisition and project and financial management will promote outstanding customer services.
4. The implementation of the GSA Preferred system facilitates the removal of homegrown stovepipe systems into a single environment with formal repeatable processes and control mechanisms. This will be done through the use of defined role-based access to the system. In addition, the implementation of standard acquisition processes will help to ensure that established control mechanisms are adhered to, that acquisitions are adequately reviewed, and that procurements are in compliance with the Federal Acquisition Regulations (FAR).
5. The implementation of SMARTBuy will result in the aggregation of software requirements across the government which will help to achieve cost avoidance savings in the hundreds of millions of dollars annually.
6. Fully developing and implementing the capability for measuring effectiveness of ITS operations and solutions delivery will allow IT Solutions to verify that effective acquisition management is being achieved.

Long-Term Outcome Goal: Provide IT solutions that best meet the client agencies' mission needs at competitive prices.

Performance Goal: Manage acquisitions to ensure industry provides solutions that meet client agencies' mission needs.

Two performance measures will be used to monitor the success of this goal. These measures are discussed below.

Performance Measure: Percentage of dollar value of eligible service orders awarded with performance-based statements of work.

Clients obtain best value solutions through performance-based contracting, which allows the client to define intended objective(s) rather than developing specification requirements. In addition, performance-based contracting uses positive and negative incentives to ensure timely and cost-effective delivery of solutions.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not Measured	61%	50%	60%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
62%	65%	70%	75%

Performance Measure: Percentage of projects meeting agreed performance according to the Quality Assurance Surveillance Plan (QASP).

Performance-based services acquisition utilizes performance metrics and the quality assurance surveillance plan (QASP) to ensure that industry provides solutions that meet the customer's needs. Periodic monitoring determines whether agreed performance is being met and allows course corrections during implementation of the project.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not Measured	Not Measured	Not Measured	75%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
75%	76%	76%	77%

Performance Goal: Improve performance against business performance metrics, including timeliness, cost-effectiveness, and efficiency to verify best value and effective acquisition management are achieved.

Performance Measure: Percentage of negotiated award dates for services and commodities that are met or bettered.

To improve performance concerning task order requirements and service expectation, Client Support Centers will track and report actual task order award dates for services and commodities against task order award dates that are negotiated with customers.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
90%	88%	>94%	>95%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
96%	96%	96%	97%

Long-Term Outcome Goal: Provide effective management of client agency IT acquisitions, including compliance with statutes, policy, regulations, and internal procedures.

Performance Goal: Provide quality IT solutions services through appropriate consistency in the acquisition management process from pre-award through closeout.

Two performance measures will be used to monitor the success of this goal. These measures are discussed below.

Performance Measure: Percentage of Government-wide Acquisition Contracts (GWAC) task and delivery orders subject to the fair opportunity process.

As an executive agent, GSA is authorized to award and administer task and delivery orders against GWACs on behalf of other federal agencies. This performance metric measures the competition fostered in placing orders against these contracts. It tracks the percentage of task orders where all contract holders were afforded a fair opportunity to be considered for the award.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
80%	96%	>95%	>95%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
95%	96%	96%	97%

Performance Measure: Percentage of schedule task orders solicited using e-Buy.

GSA Schedule acquisitions must be competed for each order exceeding $2,500. Solicitations included on GSA's e-Buy website satisfy the requirement of Section 803 of the National Defense Authorization Act of 2002 for fair and equal competition.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not Measured	Not Measured	80%	90%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
90%	91%	91%	92%

Long-Term Outcome Goal: Provide a high-quality, cost-effective source of assisted IT acquisition services for client agencies.

Performance Goal: Improve the financial condition of the GSF Fund.

Performance Measure: Total program expense as a percentage of gross margin.

The operating expense to gross margin ratio provides an efficiency measure of the rate structure of the Fund. It gives an indication of the ability of a business unit to properly price with the goal to recover full costs. The ratio also considers the needs of the fund for reserves to meet future requirements.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
48%	59%	78%	76%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
75%	76%	76%	76%

Total program expense includes both Regional and National IT Solutions.

Performance Goal: Provide cost management solutions delivery.

Performance Measure: Percentage of solutions that are met at or below initial cost estimates.

Value added IT acquisition services include developing accurate cost estimates for client agency requirements and negotiating with industry to obtain the best price for the customer. The comparison of initial cost estimates and award amounts will improve IT Solutions capability to manage solutions delivery costs.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not Measured	Not Measured	Not Measured	90%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
90%	91%	91%	92%

FY 2006 Budget Request / Performance Goal
Budget Links
IT Solutions
$ (Thousands)

Long Term Outcome Goal / Performance Goals	Performance Measure	FY 2004		FY 2005 Current		FY 2006 Request		Change FY05 to FY06	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Provide IT solutions that best meet the client agencies' mission needs at competitive prices.									
Manage acquisitions to ensure industry provides solutions that meet client agencies' mission needs.	Percentage of dollar value of eligible service orders awarded with performance-based statements of work.	61%	$ 35,705	50%	$ 37,773	60%	$ 35,490	10%	($2,283)
	Percentage of projects meeting agreed performance according to the Quality Assurance Surveillance Plan (QASP).	Not Measured	$ 31,504	Not Measured	$ 33,329	75%	$ 31,315	N/A	($2,014)
Improve performance against business performance metrics, including timeliness, cost-effectiveness, and efficiency to verify best value and effective acquisition management are achieved.	Percentage of negotiated award dates for services and commodities that are met or bettered.	88%	$ 42,005	>94%	$ 44,439	>95%	$ 41,753	1%	($2,686)
Provide effective management of client agency IT acquisitions, including compliance with statutes, policy, regulations, and internal procedures.									
Provide quality ITS services through appropriate consistency in the acquisition management process from pre-award through closeout.	Percentage of GWAC task and delivery orders subject to the fair opportunity process.	96%	$ 39,905	>95%	$ 42,217	>95%	$ 39,666	0%	($2,551)
	Percentage of schedule task orders solicited using e-Buy.	Not Measured	$ 33,604	80%	$ 35,551	90%	$ 33,403	10%	($2,148)
Provide a high-quality, cost-effective source of assisted IT acquisition services for client agencies.									
Improve the financial condition of the GSF Fund.	Total program expense as a percentage of gross margin.	59%	$ 4,201	78%	$ 4,445	76%	$ 4,176	-1%	($269)
Provide cost management for solutions delivery.	Percentage of solutions that are met at or below initial cost estimates.	Not Measured	$ 23,103	Not Measured	$ 24,441	90%	$ 22,964	N/A	($1,477)
	Total		$210,027		$222,195		$208,767		$ (13,428)

Regional Telecommunications

The Regional Telecommunications business unit provides national program leadership and delivers voice and data telecommunications services to customers through eleven regional offices. Switched services are currently provided through more than 600 local telecommunications systems, which offer all the features of the most modern systems. GSA contracts deliver substantial price reductions in local telephone markets by taking advantage of increased competition as permitted by the Telecommunications Act of 1996. Our customers value the services GSA can provide in dealing with the changing industry and technology environment, as well as full service support in acquiring and managing telecommunications services. This allows our client agencies to concentrate on their core mission.

Strategic Direction

The strategic objective of the Regional Telecommunications business unit is to provide the best source of local voice and data telecommunications and expanded services. Regional Telecommunications continues to provide local services, while growing expanded services to focus on the first/last mile connectivity and implement agency network architecture strategies.

The business unit will continue to strive to meet customer requirements and to address the changes in the telecommunications environment in the coming years. Our environmental scan has led us to the following conclusions regarding the trends of Regional Telecommunications.

1. From FY99 to FY04 the Regional Telecommunications business unit customer base, measured in revenue, has grown from $285 million to $600 million, a 16% average annual increase. One of the most striking trends has been the customer's increasing reliance on expanded services.

2. Customer needs and perspectives are changing. Customers are beginning to address their telecommunications requirements on an enterprise basis. The challenge and opportunity for GSA is to support all of these customers as they take different paths, make different choices, and as they result in different buying patterns.

3. Voice over Internet Protocol (VoIP) is changing the way customers operate and may significantly impact how GSA provides local telephone service. GSA will have to monitor developments in VoIP to ensure that we are positioned to change our processes and customer approach to avail ourselves of the opportunities that VoIP presents to us.

4. Internally, Regional Telecommunications needs to have more comprehensive program and business planning to implement strategic objectives including:

   a. Continuing to mature 5-year acquisition planning for expiring contracts and meeting changing competition in the marketplace.
   b. Documenting business processes and criteria for decisions.
   c. Assessing the existing regional business mix.

Strategy and Action Plan

1. Provide the full compliment of best value solutions that client agencies expect.

2. Provide effective acquisition management, implement a standard acquisition methodology, and strengthen regional business planning and implementation.

3. Improve quality of service and solutions offered to national and regional client agencies.

Action Plan and Performance Overview:

The following Action Plan outlines how Regional Telecommunications will achieve these strategies:

1. Provide the full compliment of best value solutions that client agencies expect.

- Provide diverse service offerings to meet client agency demand for first mile/last mile connectivity and to help implement agency network architecture strategies.
- Provide a robust portfolio of services to leverage government volume.
- Manage alignment of industry performance to customer requirements.
- Improve Customer Relationship Management (CRM) resulting in increased client agency satisfaction and being better able to meet their requirements through in-depth understanding of their missions and enterprises.
- Invest in human capital to develop associates' skills.
- Support the Department of Homeland Security.

2. Provide effective acquisition management, implement a standard acquisition methodology, and strengthen regional business planning and implementation.

- Improve acquisition review procedures, which will ensure acquisition methods and procedures are compliant with applicable statutes, policy, regulations, and internal procedures.
- Ensure adherence to the Management Plan, Management Control Program, and Procurement Management Reviews to achieve consistency in the acquisition review process.
- Improve strategic and business planning resulting in strengthened program management of regional service.

3. Improve quality of service and solutions offered to national and regional client agencies.

- Continue to offer traditional services to all client agencies, while aggressively pursuing growth opportunities for Expanded Services.
- Develop the capability to measure the cost of solutions delivery. Regional Telecommunications must deliver solutions that achieve best value for our clients. This includes factors such as cost avoidance, budget conformity, and schedule adherence.
- Employ GSA Preferred to track project milestones and costs in order to better meet client agency mission requirements. Improve information technology systems to enhance project management, reporting capabilities, and business performance.

Impact on performance:

The program expects this Action Plan to result in the following:

1. Providing a full compliment of best value solutions will:

- Maximize Expanded Services offerings to client agencies.
- Ensure industry provides solutions that meet client agencies' mission needs.
- Strengthen the CRM process within Regional Telecommunications. Improve performance against business performance metrics, including timeliness, cost-effectiveness, and efficiency.

2. Providing effective acquisition management, implementing a standard acquisition methodology, and strengthening regional business planning and implementation will:

- Ensure acquisitions are conducted and managed properly using prescribed acquisition review procedures.
- Provide quality telecommunications services through appropriate consistency.
- Improve long-term strategic and business planning for Regional Telecommunications services.

3. Improving quality of service and solutions offered to national and regional client agencies will:

- Grow the customer base to extend the benefits of telecommunications programs and government volume to more agencies.
- Provide cost management for solutions delivery.

Long-Term Outcome Goal: Provide telecommunications solutions that best meet the client agencies' mission needs at competitive prices.

Performance Goal: Manage acquisitions to ensure industry provides solutions that meet client agencies' mission needs.

Two performance measures will be used to monitor the success of this goal. These measures are discussed below.

Performance Measure: Percentage of dollar value of eligible service orders awarded with performance-based statements of work.

Clients obtain best value solutions through performance-based contracting, which allows the client to define intended objective(s) rather than developing specification requirements. In addition, performance-based contracting uses positive and negative incentives to ensure timely and cost-effective delivery of solutions.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not Measured	47%	40%	50%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
51%	51%	53%	53%

Performance Measure: Percentage of projects meeting agreed performance according to the Quality Assurance Surveillance Plan (QASP).

Performance-based services acquisition utilizes performance metrics and the Quality Assurance Surveillance Plan (QASP) to ensure that industry provides solutions that meet the customer's needs. Periodic monitoring determines whether agreed performance is being met and allows course corrections, during implementation of the project.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not Measured	Not Measured	Not Measured	75%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
76%	76%	78%	78%

Performance Goal: Improve performance against business performance metrics, including timeliness, cost-effectiveness, and efficiency to verify best value and effective acquisition management are achieved.

Performance Measure: Percentage of negotiated award dates for commodities and services that are met or bettered.

To improve customer communications concerning task order requirements and service expectation, regional offices will track and report actual task order award dates for services and commodities against task order award dates that are negotiated with customers.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not Measured	89%	75%	76%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
77%	77%	78%	79%

Long-Term Outcome Goal: Provide effective management of client agency telecommunications acquisitions, including compliance with statutes, policy, regulations, and internal procedures.

Performance Goal: Provide quality telecommunications services through appropriate consistency in the acquisition management process from pre-award through closeout.

Two performance measures will be used to monitor the success of this goal. These measures are discussed below.

Performance Measure: Percentage of task and delivery orders subject to the fair opportunity process.

GSA is an executive agent authorized to award and administer orders on behalf of other Federal agencies. This metric measures the competition fostered in placing orders against these contracts and tracks the percentage of orders where all contract holders were afforded an opportunity to be considered for an award.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not Measured	96%	70%	80%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
80%	81%	82%	82%

Performance Measure: Percentage of schedule task orders solicited using e-Buy.

GSA Schedule acquisitions must be competed, with all Schedule holders given the opportunity to be considered for each order exceeding $2,500. Section 803 of the National Defense Authorization Act for 2002 requires that three realistic bids must be received for consideration for every GSA Schedule award. Solicitations included on GSA's e-Buy website satisfy the requirement for fair and equal competition.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not Measured	Not Measured	Not Measured	80%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
90%	91%	91%	92%

Long-Term Outcome Goal: Provide a high-quality, cost-effective source of assisted telecommunications acquisition services for client agencies.

Performance Goal: Improve the financial condition of the GSF Fund.

Performance Measure: Total program expense as a percentage of gross margin.

The program expense to gross margin ratio provides an efficiency measure of the rate structure of the fund. It gives an indication of the ability of a business unit to properly price with the goal to recover full costs. The ratio also considers the needs of the Fund for reserves to meet future requirements.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
59%	56%	64%	66%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
66%	66%	65%	65%

Performance Goal: Provide cost management for solutions delivery.

Performance Measure: Percentage of solutions that are met at or below initial cost estimates.

Value added telecommunications acquisition services include developing accurate cost estimates for client agency requirements and negotiating with industry to obtain the best price for the customer. The comparison of initial cost estimates and award amounts will improve Regional Telecommunications capability to manage solutions delivery costs.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not Measured	Not Measured	Not Measured	80%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
90%	90%	92%	92%

FY 2006 Budget Request / Performance Goal
Budget Links
Regional Telcommunications
$ (Thousands)

Long Term Outcome Goal / Performance Goals	Performance Measure	FY 2004 Actual	FY 2004 Dollars	FY 2005 Current Target	FY 2005 Current Dollars	FY 2006 Request Target	FY 2006 Request Dollars	Change FY05 to FY06 Target	Change FY05 to FY06 Dollars
Provide telecommunications solutions that best meet the client agencies' mission needs at competitive prices.									
Manage acquisitions to ensure industry provides solutions that meet client agencies' mission needs.	Percentage of dollar value of eligible service orders awarded with performance-based statements of work.	47%	$ 11,991	40%	$ 15,058	50%	$ 15,498	10%	$440
	Percentage of projects meeting agreed performance according to the Quality Assurance Surveillance Plan (QASP).	Not Measured	$ 3,997	Not Measured	$ 5,019	75%	$ 5,166	N/A	$147
Improve performance against business performance metrics, including timeliness, cost-effectiveness, and efficiency to verify best value and effective acquisition management are achieved.	Percentage of negotiated award dates for services and commodities that are met or bettered.	89%	$ 7,994	75%	$ 10,038	76%	$ 10,332	1%	$294
Provide effective management of client agency telecommunications acquisitions, including compliance with statutes, policy, regulations, and internal procedures.									
Provide quality telecommunications services through appropriate consistency in the acquisition management process from pre-award through closeout.	Percentage of task and delivery orders subject to the fair opportunity process.	96%	$ 23,972	70%	$ 30,115	80%	$ 30,996	10%	$881
	Percentage of task orders solicited using e-Buy.	Not Measured	$ 7,994	Not Measured	$ 10,038	80%	$ 10,332	N/A	$294
Provide a high-quality, cost-effective source of assisted telecommunications acquisition services for client agencies.									
Improve the financial condition of the GSF Fund.	Total program expense as a percentage of gross margin.	56%	$ 15,998	64%	$ 20,078	66%	$ 20,665	2%	$587
Provide cost management for solutions delivery.	Percentage of solutions that are met at or below initial cost estimates.	Not Measured	$ 7,994	Not Measured	$ 10,038	80%	$ 10,332	N/A	$294
	Total		$ 79,940		$100,384		$103,321		$ 2,937

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Long Distance

The Long Distance business unit provides an integrated, solutions approach to the Federal government as a wholesale buyer and reseller of telecommunication services using Government-wide contracts.

GSA provides long distance telecommunications services to customers primarily through the FTS2001 contracts. FTS2001 provides Federal agencies with integrated voice, data, video and wireless telecommunications, and provides agencies with flexible billing options and direct access to the industry partners.

Strategic Direction

The mission of the Long Distance program is to "Provide network services that deliver the best value to support customers' missions worldwide". This program is set around its customers and industry partners so that GSA can leverage long-term relationships and develop in-depth knowledge of their missions and strategic plans.

In an effort to improve the organization of the business unit, business process re-engineering initiatives to provide timely and effective service delivery have been implemented. The business unit is focusing on achieving a reduction in processing time of FTS2001 and Crossover contract modifications.

Most of the current networks contracts are well along in their life cycle. The two initial FTS2001 contracts are scheduled to expire in December 2006 and January 2007 and will be replaced by the Networx program. The Networx program will provide comprehensive, best-value telecommunications and networking services and technical solutions to all Federal agencies. The Networx draft Request for Proposal (RFPs) was released on November 1, 2004. Following receipt of the comments and changes on the draft RFP this information will be incorporated and the final RFP will be issued on April 1, 2005. The awards are planned for April of 2006.

As was the practice with the current contracts, GSA is continuing to involve customer agencies throughout the entire planning and acquisition phases of the programs. GSA will continue to work closely with the Interagency Management Council and Chief Information Officers Council to coordinate customer requirements.

An economic issue is the financial viability of the telecommunications sector. The extensive changes in the telecommunications sector including mergers, bankruptcies, and acquisitions could impact the total sector.

Strategy and Action Plan

To achieve best value solutions for client agencies, the business line will continually demonstrate superior value and exemplify management efficiencies, and superb product and service offerings. The program will offer a robust portfolio of offerings expanding beyond the current suite of offerings in order to attract and sustain customers, and it will utilize the Customer Relationship Management (CRM) process to better understand customer needs and to provide integrated functionality for marketing, sales and customer support. The program will recognize diverse customer buying trends to expand the customer base. Additionally, the business line focus will evolve to managing design solutions for satisfying complex customer requirements. Skilled solutions teams will be required to assist customers during the early stages of requirements identification to service order placement. The delivered solutions may cross organizational boundaries and, while boundaries may exist, the organization will seek a means to deliver a “One GSA” solution to its customers.

Action Plan and Performance Overview:

The Long Distance business line will implement a standardized solutions design process and will contain an automated review process by all responsible parties including legal, contracting and program management. The program will adopt and further employ the GSA enterprise-wide CRM strategy to better understand customer needs. In addition, the Networx program will offer customers a replacement for expiring services contracts.

Impact on Performance:

By achieving these goals we should be able to better support our customers across all telecommunications platforms. GSA will be able to provide the necessary expertise, work with DHS and other customers to implement existing and new platforms.

Long-Term Outcome Goal: Provide telecommunications solutions that best meet client agencies’ mission needs at competitive prices.

Performance Goal: Provide robust portfolio of telecommunications services and value added solutions to satisfy diverse customer requirements.

Two performance measures will be used to monitor the success of this goal. These measures are discussed below.

Performance Measure: Customer satisfaction with value added solutions.

This measure reflects the level of customer satisfaction with the custom designed service offerings being provided by the Long Distance Program.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not Measured	77%	79%	80%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
80%	81%	81%	82%

Performance Measure: Percentage of solutions reviewed compliant with policy and regulations and internal policies and procedures.

This measure indicates the percentage of customer design solutions compliant with internal policies and procedures.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not Measured	Not Measured	100%	100%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
100%	100%	100%	100%

Long-Term Outcome Goal: Provide effective management of Network Services acquisitions, including compliance with statutes, policies, regulations and internal procedures.

Performance Goal: Provide effective management of Network Services acquisitions.

Two performance measures will be used to monitor the success of this goal. These measures are discussed below.

Performance Measure: Networx Program Milestones planned versus actual.

This measure is a comparison of the planned milestone data with the actual milestone data in the Networx acquisition process.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not Measured	100%	100%	100%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
100%	100%	100%	100%

Performance Measure: Completed Transition Planning Milestones planned versus actual.

This measure is a comparison of the planned milestone data with the actual milestone data associated with Networx transition.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not Measured	Not Measured	Not Measured	80%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
80%	81%	81%	82%

Long-Term Outcome Goal: Provide a high quality, cost effective source of Network services for Client agencies.

Performance Goal: Improve the financial condition of the GSF.

Performance Measure: Total program expense as a percentage of gross margin.

The operating expenses to gross margin ratio provide an efficiency measure of the rate structure of the fund. It gives an indication of the ability of a business unit to properly price with the goal to recover full costs. The ratio also considers the needs of the fund for reserves to meet future requirements.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
95%*	41%**	56%	55%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
55%	55%	54%	54%

Notes:
*The FY 03 ratio is skewed as a result of $18.6M prior year financial adjustment.
** The FY 04 ratio is skewed as a result of $22.1M refund related to prior year.

Performance Goal: Provide substantially lower cost services to customer agencies.

Two performance measures will be used to monitor the success of this goal. These measures are discussed below.

Performance Measure: Percentage of Network Services prices are below best commercial prices.

This measure is a comparison of the best commercial prices to the Network Services prices.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not Measured	Not Measured	50%	50%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
50%	51%	51%	52%

Performance Measure: Savings provided to customers.

This measure indicates the savings in millions of dollars the Government realizes by utilizing Network Services offerings in lieu of commercial industry services.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
$574M	$705M	$780M	$825M
FY07 Target	FY08 Target	FY09 Target	FY10 Target
$825M	$825M	$825M	$825M

Performance Goal: Grow customer base to increase market share and maximize savings to the government.

Performance Measure: Percentage of agencies serviced by Network Services.

This measure defines the percentage of total Federal addressable market served by Network Services.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not Measured	Not Measured	80%	90%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
91%	91%	92%	92%

General Services Administration
GENERAL SERVICES FUND

FY 2006 Budget Request / Performance Goal
Budget Links
Long Distance
$ (Thousands)

Long Term Outcome Goal / Performance Goals	Performance Measure	FY 2004 Actual	FY 2004 Dollars	FY 2005 Current Target	FY 2005 Current Dollars	FY 2006 Request Target	FY 2006 Request Dollars	Change FY05 to FY06 Target	Change FY05 to FY06 Dollars
Provide telecommunications solutions that best meet client agencies' mission needs at competitive prices.									
Provide robust portfolio of telecommunications services and value added solutions to satisfy diverse customer requirements.	Customer satisfaction with value added solutions.	77%	$ 10,802	79%	$ 13,932	80%	$ 14,384	1%	$452
	Percentage of solutions reviewed compliant with policy and regulations, internal policies and procedures.	Not Measured	$ 2,160	100%	$ 2,786	100%	$ 2,877	0%	$91
Provide effective management of Network Services acquisitions including compliance with statutes, regulations and internal policies.									
Provide effective management of Network Services acquisitions.	Netrworx Program Milestones planned vs. actual.	100%	$ 8,641	100%	$ 11,145	100%	$ 11,507	N/A	$362
	Completed Transition Planning Milestones-planned vs. actual.	Not Measured	$ 4,321	Not Measured	$ 5,573	80%	$ 5,753	N/A	$180
Provide a high-quality, cost-effective source of Network services for Client agencies.									
Improve the financial condition of the GSF.	Total program expense as a percentage of gross margin.	41%	$ 2,160	56%	$ 2,787	55%	$ 2,875	-1%	$88
Provide substanially lower cost services to customer agencies.	Percentage of Network Service prices are below best commercial prices.	Not Measured	$ 2,160	50%	$ 2,786	50%	$ 2,877	N/A	$91
	Savings provided to customers.	$705M	$ 2,160	$780M	$ 2,786	$825M	$ 2,877	$45M	$91
Grow customer base to increase market share and maximize savings to the government.	Percentage of agencies serviced by Network Services.	Not Measured	$ 10,802	80%	$ 13,932	90%	$ 14,384	10%	$452
	Total		$ 43,206		$ 55,727		$ 57,534		$ 1,807

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Professional Services

Strategic Direction

Professional Services is in the process of administering its new reimbursable program in the areas of acquisition management, project management and financial management under eight specific GSA multiple award schedules. The Long-Term Outcome Goals are as follows:

- Provide solutions that best meet the client agencies' mission needs at competitive prices.
- Provide effective management of client agency acquisitions, including compliance with statutes, policy, regulations, and internal procedures.
- Provide a high-quality, cost-effective source of assisted acquisition services for Federal agencies.

Professional Services identified several initiatives based on customer needs.

- Conduct market research and improve marketing outreach to key customers to build long-term mutually beneficial partnerships. Develop Customer Relationship Management strategies to increase civilian sector sales and to develop stronger partnerships with the private sector to increase external awareness and sales with customers.
- Improve internal capabilities and skills so that Professional Services can proactively build the proper infrastructure to support smart growth and ensure customer satisfaction.
- Provide guidance to the client support centers in order to develop a business foundation that allows for consistent service delivery across the organization.

- Provide best value by being efficient, effective and innovative.

Strategy and Action Plan

To provide solutions that best meet the client agencies' mission needs at competitive prices, Professional Services will responsibly develop and mature the product line by building a solid program foundation serving our existing and potential Federal customers and responding to their changing demands for Professional Services acquisition assistance.

Customers have options for service delivery and are looking at the cost of doing assisted acquisitions outside of their agencies. We need to be dominant in our ability to provide quality acquisitions at a fair and competitive price.

Action Plan and Performance

In order to be responsive in the longer term to current and prospective customers Professional Services recognizes the need to unveil diverse and robust product offerings. Additionally, Professional Services is developing a channel management program to more effectively work with industry partners.

Impact on Performance:

By providing robust service offerings Professional Services will expand to a full complement of all services schedules. In implementing an effective channel management program, aspects such as developing a full understanding of the market and private sector partner's offerings and implementing consistency nationwide for better leverage will result. Expanding the customer base will allow Professional Services to support a wide range of civilian markets and national initiatives such as Homeland Security and the Census.

Long-Term Outcome Goal: Provide solutions that best meet the client agencies' mission needs at competitive prices.

Performance Goal: Manage acquisitions to ensure industry provides solutions that meet client agencies mission needs.

Two performance measures will be used to monitor the success of this goal. These measures are discussed below.

Performance Measure: Percentage of dollar value of eligible service orders awarded with performance-based SOWs.

Clients obtain best value solutions through performance-based contracting, which allows the client to define intended objective(s) rather than developing specification requirements. In addition, performance-based contracting uses positive and negative incentives to ensure timely and cost-effective delivery of solutions.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not measured	43%	50%	50%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
52%	53%	54%	54%

Performance Measure: Percentage of projects meeting agreed performance according to the Quality Assurance Surveillance Plan (QASP).

Performance-based services acquisition utilizes performance metrics and the QASP to ensure that industry provides solutions that meet the customer's needs. Periodic monitoring determines whether agreed performance is being met and allows course corrections during implementation of the project.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not measured	Not measured	Not measured	75%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
76%	77%	78%	79%

Performance Goal: Improve performance against business performance metrics, including timeliness, cost-effectiveness, and efficiency to verify best value and effective acquisition management are achieved.

Performance Measure: Percentage of negotiated award dates for services and commodities that are met or bettered.

To improve customer communications concerning task order requirements and service expectation, Client Support Centers will track and report actual task order award dates for services and commodities against task order award dates that are negotiated with customers.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not measured	83%	>93%	>95%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
>96%	>97%	>97%	>98%

Long-Term Outcome Goal: Provide effective management of client agency acquisitions, including compliance with statutes, policy, regulations, and internal procedures.

Performance Goal: Provide quality services through appropriate consistency in the acquisition management process from pre-award through closeout.

Two performance measures will be used to monitor the success of this goal. These measures are discussed below.

Performance Measure: Percentage of task and delivery orders subject to the fair opportunity process.

As an executive agent, GSA is authorized to award and administer task and delivery orders against on behalf of other Federal agencies. This performance metric measures the competition fostered in placing orders against these contracts. It tracks the percent of task orders where all contract holders were afforded a fair opportunity to be considered for the award.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not measured	83%	>85%	>86%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
>86%	>87%	>87%	>88%

Performance Measure: Percentage of Schedule task orders solicited using e-Buy.

GSA Schedule acquisitions must be competed with all Schedule holders given the opportunity to be considered for each order exceeding $2,500. Section 803 of the National Defense Authorization Act for 2002 requires that three realistic bids must be received for consideration for every GSA Schedule award. Solicitations included on GSA's e-Buy website satisfy the requirement for fair and equal competition.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not measured	Not measured	80%	90%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
90%	91%	91%	92%

Long-Term Outcome Goal: Provide a high-quality, cost-effective source of assisted acquisition services for Federal agencies.

Performance Goal: Improve the financial condition of the Program.

Performance Measure: Total program expense as a percentage of gross margin.

The operating expense to gross margin ratio provides an efficiency measure of the rate structure of the fund. It gives an indication of the ability of a business unit to properly price with the goal to recover full costs. The ratio also considers the needs of the fund for reserves to meet future requirements.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not measured	64%	82%	66%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
65%	65%	64%	63%

Performance Goal: Provide cost management for solutions delivery.

Performance Measure: Percentage of solutions that are met at or below initial cost estimates.

Value-added Professional Services acquisition services include developing accurate cost estimates for client agency requirements and negotiating with industry to obtain the best price for the customer. The comparison of initial cost estimates and award amounts will improve Professional Services' capability to manage solutions delivery costs.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
Not measured	Not measured	Not measured	90%
FY07 Target	FY08 Target	FY09 Target	FY10 Target
90%	91%	91%	92%

FY 2006 Budget Request / Performance Goal
Budget Links
Professional Services
$ (Thousands)

Long Term Outcome Goal / Performance Goals	Performance Measure	FY 2004 Actual	FY 2004 Dollars	FY 2005 Current Target	FY 2005 Current Dollars	FY 2006 Request Target	FY 2006 Request Dollars	Change FY05 to FY06 Target	Change FY05 to FY06 Dollars
Provide IT solutions that best meet the client agencies' mission needs at competitive prices.									
Manage acquisitions to ensure industry provides solutions that meet client agencies' mission needs.	Percentage of dollar value of eligible service orders awarded with performance- based SOWs.	43%	$ 2,393	50%	$ 3,637	50%	$ 3,845	0%	$208
	Percentage of projects meeting agreed performance according to the Quality Assurance Surveillance Plan (QASP).	Not Measured	$ 2,393	Not Measured	$ 3,637	75%	$ 3,845	N/A	$208
Improve performance against business performance metrics, including timeliness, cost-effectiveness, and efficiency to verify best value and effective acquisition management are achieved.	Percentage of negotiated award dates for services and commodities that are met or bettered.	83%	$ 3,189	>93%	$ 4,849	>95%	$ 5,127	>2%	$278
Provide effective management of client agency acquisitions, including compliance with statutes, policy, regulations, and internal procedures.									
Provide quality services through appropriate consistency in the acquisition management process from pre-award through closeout.	Percentage of task and delivery orders subject to the fair opportunity process.	83%	$ 2,393	>85%	$ 3,637	>86%	$ 3,845	>1%	$208
	Percentage of Schedule task orders solicited using e-Buy.	Not Measured	$ 2,393	80%	$ 3,637	90%	$ 3,845	10%	$208
Provide a high-quality, cost-effective source of assisted acquisition services for Federal agencies.									
Improve the financial condition of the Program.	Total program expense as a percentage of gross margin.	64%	$ 798	82%	$ 1,213	66%	$ 1,283	-16%	$70
Provide cost management for solutions delivery.	Percentage of solutions that are met at or below initial cost estimates.	Not Measured	$ 2,393	Not Measured	$ 3,637	90%	$ 3,845	N/A	$208
	Total		$ 15,952		$ 24,247		$ 25,635		$ 1,388

General Services Administration
INFORMATION TECHNOLOGY FUND

Overview

The FY 2006 President's Budget proposes changes to the funding mechanism of the Federal Supply Service (FSS) and the Federal Technology Service (FTS). The Budget proposes to establish a new General Services Fund by merging the Information Technology Fund and the General Supply Fund. The proposed General Services revolving fund merges the programs and activities currently performed under the two separate revolving funds, (1) the General Supply Fund and (2) the Information Technology Fund. In addition, the Budget proposes changes to the organization of the Federal Supply and Federal Technology Services by merging the two services into a Federal Supply and Technology Service. The current business lines for FSS and FTS would continue under the new fund and new service.

Since the FY 2006 President's Budget proposes the merger of Federal Technology Service (FTS) into the new service and to be financed through the new General Services Fund, a detailed discussion of the FTS business lines is included in the new General Services Fund. An Income Statement and Object Class Schedule for fiscal years 2004 and 2005 for the ITF are included in this document.

Results of Operations $ (Thousands)			
	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Income			
Long Distance	596,094	669,065	0
Regional Telecommunications	623,574	633,704	0
Regional IT Solutions	5,407,711	5,223,509	0
National IT Solutions	1,831,266	1,834,559	0
Subtotal Income	8,458,645	8,360,837	0
Expense			
Long Distance	585,206	661,176	0
Regional Telecommunications	596,944	616,342	0
Regional IT Solutions	5,392,785	5,213,126	0
National IT Solutions	1,843,313	1,846,616	0
Subtotal Expense	8,418,248	8,337,260	0
Net Income from Operations	40,397	23,577	0
Less Reserve/Requirements	9,407	14,425	0
Final Adjusted Profit (Loss)	30,990	9,152	0
Net Outlays	39,082	31,000	0
FTE	1,416	1,456	0

INFORMATION TECHNOLOGY FUND Obligations by Object Class $(Thousands)				
		FY 2004 Actual	**FY 2005 Current**	**FY 2006 Request**
	Personnel Compensation:			
11.1	Full-time permanent	113,235	115,647	0
11.3	Other than full-time permanent	934	954	0
11.5	Other personnel compensation	4,760	4,861	0
11.9	**Total personnel compensation**	**118,928**	**121,462**	**0**
12.1	Civilian personnel benefits	28,038	28,636	0
13.0	Benefits for former personnel	39	40	0
21.0	Travel and transportation of persons	4,184	4,247	0
21.0	Motor pool travel	556	564	0
22.0	Transportation of things	351	355	0
23.1	Rental payments to GSA	15,364	16,392	0
23.3	Communications, utilities, and misc. charges	2,788	2,831	0
24.0	Printing and reproduction	203	206	0
25.2	Other services	8,315,901	8,025,617	0
25.3	Purchases of goods and services from Government accounts	98,313	105,101	0
26.0	Supplies and materials	1,062	1,077	0
31.0	Equipment	84,175	85,438	0
99.9	**Total Obligations**	**8,669,902**	**8,391,965**	**0**

General Services Administration
GENERAL SUPPLY FUND

Overview

The FY 2006 President's Budget proposes changes to the funding mechanism of the Federal Supply Service (FSS) and the Federal Technology Service (FTS). The Budget proposes to establish a new General Services Fund by merging the Information Technology Fund and the General Supply Fund. The proposed General Services revolving fund merges the programs and activities currently performed under the two separate revolving funds, (1) the General Supply Fund and (2) the Information Technology Fund. In addition, the Budget proposes changes to the organization of the Federal Supply and Federal Technology Services by merging the two services into a Federal Supply and Technology Service. The current business lines for FSS and FTS would continue under the new fund and new service.

Since the FY 2006 President's Budget proposes the merger of Federal Supply Service (FSS) into the new service and to be financed through the new General Services Fund, a detailed discussion of the FSS business lines is included in the new General Services Fund. An Income Statement and Object Class Schedule for fiscal years 2004 and 2005 for the GSF are included in this document.

General Services Administration
GENERAL SUPPLY FUND

Results of Operations $ (Thousands)	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Income			
Supply	1,109,330	1,182,102	0
Commercial Acquisition	564,860	576,870	0
Vehicle Acquisition & Leasing	1,724,344	1,783,109	0
Personal Property Management [1]	17,740	15,089	0
Travel and Transportation [1]	11,264	11,881	0
E-Government Initiatives [2]	10,447	1,463	0
Integrated Acquisition Environment (OCAO)	0	35,000	0
Acquisition Workforce Training Fund (AWTF)	-9,905	-16,520	0
Professional Services	490,090	753,505	0
Subtotal Income	3,918,170	4,342,499	0
Expense			
Supply	1,074,888	1,167,926	0
Commercial Acquisition	463,074	479,010	0
Vehicle Acquisition & Leasing	1,691,368	1,737,635	0
Personal Property Management [1]	18,886	14,860	0
Travel and Transportation [1]	12,465	14,831	0
E-Government Initiatives [2]	32,708	17,092	0
Integrated Acquisition Environment (OCAO)	0	35,000	0
Professional Services	491,496	751,529	0
Subtotal Expense	3,784,885	4,217,883	0
Net Income from Operations	133,285	124,616	0
Less Reserve/Requirements	41,101	40,029	0
Final Adjusted Profit (Loss)	92,184	84,587	0
Net Outlays	-120,790	0	0
FTE	2,977	3,016	0

[1] The overall Fund and major business lines reflect positive net operating results. These small or new business lines experienced negative operating results in FY 2004. These business lines are projected to reflect improvement in FY 2005.

[2] E-Gov Initiatives for FY 2004 and FY 2005 include Integrated Acquisition Environment, Federal Asset Sales, and e-Travel.

General Supply Fund Obligations by Object Class $ (Thousands)		FY 2004 Actual	FY 2005 Current	FY 2006 Request
	Personnel Compensation:			
11.1	Full-time permanent	192,775	199,522	0
11.3	Other than permanent	2,686	2,780	0
11.5	Other personnel compensation	5,577	5,772	0
11.9	Total personnel compensation	201,038	208,074	0
12.1	Civilian personnel benefits	46,588	48,219	0
13.0	Benefits for former personnel	1,839	0	0
21.0	Travel and transportation of persons	8,174	8,378	0
21.0	Motor pool travel	537	551	0
22.0	Transportation of things	55,094	56,471	0
23.1	Rental payments to GSA	38,923	37,366	0
23.3	Communications, utilities and misc. Charges	15,693	15,842	0
24.0	Printing and reproduction	9,595	9,835	0
25.2	Other services	191,897	196,695	0
25.3	Purchases of goods/svcs from Gvmt. Accounts	96,508	98,921	0
26.0	Supplies and materials	3,078,056	3,034,035	0
31.0	Equipment	699,265	768,280	0
42.0	Insurance claims and indemnities	-3,613	0	0
	Total Obligations	4,439,594	4,482,667	0

FORMER PRESIDENTS

General Services Administration
ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

INTRODUCTION

The appropriation for Allowances and Office Staff for Former Presidents provides for an annual pension and compensation of office staffs and other related operating expenses for each former President pursuant to P.L. 85-745, as amended. The annual pension for the widow of Former President Johnson and costs of franking privileges for the widows of Former President Johnson and Former President Reagan are also funded in this appropriation.

The fiscal year 2006 budget request allows GSA to carry out the provisions of the Former Presidents Act at a level commensurate with that of the previous fiscal year. The fiscal year 2006 request includes the increased cost of pensions, rent, equipment and service contracts for the former Presidents.

BUDGET AUTHORITY
$(Thousands)

	FY 2004 Actual	FY 2005 Current	FY 2006 Request	FY 05 - FY 06 Change
Former Presidents	$3,115	$3,081	$2,952	-$129
Net Outlays	$2,996	$3,125	$2,963	-$162

General Services Administration
ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

EXPLANATION OF ESTIMATES

The fiscal year 2006 Budget request reflects a net decrease of $129 thousand below the amount for fiscal year 2005. A decrease of $200 thousand is due to the death of Former President Reagan and the closing of his office in fiscal year 2005. This decrease is offset by an increase of $71 thousand consisting of: (1) $5 thousand for Former President Ford, providing $2 thousand for increased pension costs, and $3 thousand for increased costs of goods and services; (2) $18 thousand for Former President Bush, providing $2 thousand for increased pension costs, $4 thousand for increased costs of goods and services, and $30 thousand for computer equipment offset by a reduction of $18 thousand for a one-time cost increase for computer equipment in fiscal year 2005; (3) $23 thousand for Former President Clinton, providing $2 thousand for increased pension costs, $1 thousand for increased costs of health benefits, $12 thousand for increased rent, $6 thousand for increased costs of goods and services, and $2 thousand for a Mail Handling Contract; (4) $2 thousand for increased pension cost for Former President Carter, offset by a reduction of $2 thousand in costs of goods and services, and (5) a $25,000 increase for infrastructure contingency planning.

General Services Administration
ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

EXPLANATION OF BUDGET CHANGES IN PRIORITY ORDER
APPROPRIATION
$(Thousands)

FY 2005 Congressional Justification Request	**$3,449**
Less: Former President Reagan FY 2005 Allowance	-345
Franking Privileges for the Widow of Former President Reagan	2
FY 2005 Current Enacted Level	**$3,106**
Less: Rescission (0.8%)	-25
FY 2005 Current Availability	**$3,081**
Decreases:	
FY 2005 Computer Equipment Upgrade for Former President Bush	-18
Decrease in goods and services for Former President Carter	-2
Decrease for Former President Reagan FY 2005 Allowance	-200
Increases:	
Benefits for Former Presidents	9
Increased cost of goods and services	13
Rent increase for Former President Clinton	12
Mail Handling Contract for Former President Clinton	2
Increased Cost of Equipment for Former President Bush	30
Infrastructure Contingency Planning	25
FY 2006 Budget Request	**$2,952**

General Services Administration
ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

OBLIGATIONS BY OBJECT CLASS
$(Thousands)

		FY 2004 Actual	FY 2005 Current	FY 2006 Request
11.8	Special personnel service payments	480	480	384
11.9	Total personnel compensation	480	480	384
12.1	Civilian personnel benefits	163	186	139
13.0	Benefits for former personnel	845	755	764
21.0	Travel and transportation of persons	158	154	164
23.1	Rental payments to GSA	951	879	855
23.3	Communications, utilities, and misc.	145	150	177
24.0	Printing and reproduction	67	36	33
25.2	Other services	203	335	313
26.0	Supplies and materials	61	53	52
31.0	Equipment	42	53	71
99.9	Total	3,115	3,081	2,952

GENERAL SERVICES ADMINISTRATION
ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

	FY 2006 REQUEST					
	FORMER PRESIDENTS					
	$(000)					
	FORD	CARTER	BUSH	CLINTON	WIDOWS	TOTAL
Personnel Compensation........................	96	96	96	96	0	384
Personnel Benefits.................................	22	2	51	64	0	139
Benefits for Former Presidents……………….	184	184	184	192	20	764
Travel..	45	2	54	63	0	164
Rental Payments to GSA........................	105	102	175	473		855
Communications, Utilities and Miscellaneous charges						
Telephone...................................	15	10	15	75	0	115
Postage.......................................	9	15	13	15	8	60
Printing..	5	5	14	9	0	33
Other Services.......................................	38	76	65	111	0	290
Supplies & Materials..............................	17	5	14	16	0	52
Equipment..	6	7	47	11	0	71
Total Obligations……………………………	**542**	**504**	**728**	**1,125**	**28**	**2,927**
Infrastructure Contingency Planning	0	0	0	0	0	25
Total Obligations……………………………	**542**	**504**	**728**	**1,125**	**28**	**2,952**

INSPECTOR GENERAL

General Services Administration
OFFICE OF INSPECTOR GENERAL

Strategic Assessment

The Office of Inspector General (OIG) was established by the Inspector General Act of 1978 as an independent unit, charged with responsibility for promoting economy, efficiency, and effectiveness and detecting and preventing fraud, waste, and mismanagement in GSA's programs and operations. This is accomplished primarily through a comprehensive, nationwide audit and investigative program covering GSA's internal operations and external contractors.

The OIG's primary operational components consist of the following:

Office of Audits: A multidisciplinary staff of analysts, financial, information systems, and performance auditors who provide audit coverage of GSA's internal operations and external contractors.

Office of Investigations: An investigative unit that provides nationwide investigative services and conducts criminal and other investigations into allegations of fraud, waste, or abuse to prevent and detect illegal and improper activities involving GSA programs, operations, and personnel.

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

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

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

Role of the OIG

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

Following are our strategic goals:

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

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

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

Strategic Goal No. 4: Enhance our organizational performance.

Activities

The OIG will accomplish its mission by several methods:

1) Conducting independent reviews of GSA's programs, systems, and internal operations to identify opportunities for improvement;

2) Conducting independent audits of GSA's contractors to ensure GSA and Federal customers are getting the best value for the taxpayers' dollars;

3) Providing research, benchmarking, and other proactive initiatives to help GSA improve its operations;

4) Conducting investigations of GSA's programs and operations when circumstances indicate potential fraud, criminal activity, or mismanagement;

5) Working with Congress, OMB, and GSA management to identify and implement program improvements by leveraging our knowledge and expertise to evaluate and refine GSA-related legislative, regulatory, and other policy initiatives;

6) Working with GSA management and employees to ensure that appropriate internal controls and performance measures are in place to help optimize the fulfillment of GSA’s mission; and

7) Working with GSA managers and employees to increase their knowledge and awareness of fraud to help reduce and prevent its occurrence in GSA’s programs and operations.

Budget in Summary

The Office of Inspector General’s appropriation request is for $43,410 thousand which will support 309 FTEs during FY 2006. This request reflects a net increase of $1,398 thousand over the comparable amount of $42,012 thousand for FY 2005. The net change of $1,398 thousand consists of: (1) $879 thousand for increased pay and inflation costs; and (2) $519 thousand for the Management Information System Local Area Network Upgrade.

In addition, GSA proposes to transfer $5,000 thousand from the proposed General Services Fund (heretofore the General Supply Fund and the Information Technology Fund), to expand preaward audits and contract performance assessments of the new Federal Supply and Technology Service. Also, funds in the amount of $300 thousand will be made available to the OIG by the General Services Fund for increased oversight and investigatory activities relating to fraud, waste, and abuse in the Fleet Services card program.

In FY 2006, the OIG will continue to provide audit and investigative services across the broad spectrum of GSA's activities. We will continue to commit substantial audit resources to: program evaluations of GSA's major programs, reviews of GSA’s major information systems and related security issues, financial statement and accountability reviews, attestation reviews of GSA contractual activities[1] and statutorily required reviews. We will focus our investigative efforts on detecting and preventing fraudulent activity in GSA's procurement, property disposal, and leasing activities, and identifying program vulnerabilities.

[1] In June 2003, the Comptroller General of the United States reissued auditing standards that impact the nature, scope, and terms of traditional contract audit services. The changes impose restrictions on the kinds of work auditors may perform, establish new requirements for documentation and evidence gathering, and substantially alter audit terminology and reporting standards for audits ending on or after January 1, 2004. Attestations, designed to address those instances where an auditor is engaged to provide assurances on an assertion (this instance, the contract proposal or submission) that is the responsibility of another party (the contractor), replaced our traditional contract reviews.

The OIG will continue to seek better ways to provide high-level service to GSA by: identifying and implementing internal steps to improve, eliminate, and reduce our administrative processes; using state-of-the-art computer capabilities; addressing our human capital needs; and focusing on customer service and satisfaction.

Explanation of requested additional funding:

1. <u>Management Information System (MIS) Local Area Network Upgrade:</u> The OIG requires funding of $519 thousand to begin work towards upgrading the OIG Local Area Network (LAN). The OIG Information Technology (IT) environment consists of thirteen geographically dispersed servers that are independently managed and controlled by the OIG at the GSA Central Office. The OIG LAN is separate and distinct from GSA's LAN environment and funded through the GSA OIG annual appropriation. This separation is necessary to maintain our independence and ensure the integrity of the OIG data. Also, the separation is critical because it allows us to control sensitive and proprietary information arising from criminal and civil investigations, including investigations involving GSA employees or government contractors. Each LAN consists of a network server, an intrusion detection server, communication switch, and associated cabling providing access to the GSA backbone communication network.

The legacy OIG LAN as designed is currently 7 years old. The intrusion detection system servers are approximately 5 years old. With advances in information technology, the continuing and growing move to a portable IT environment, and the crucial and sensitive nature of the information contained within our MIS, we find the current OIG LAN to be significantly out-of-date and increasingly susceptible to outside interruption and is therefore in danger of no longer meeting the needs of the OIG.

As the work of the OIG's audits and investigative work takes on more national significance with the increase and demand for nationwide audits as well as the nationwide impact from criminal and civil investigations, the legacy OIG LAN has struggled to provide the needed interconnectivity, data-sharing, and remote access. The lack of these attributes has significantly impacted the OIG users' ability to complete their tasks in accordance with scheduled and mandated deadlines.

While the mission of the OIG remains mandated by law, the changing technological environment has caused us to change the way we do our work. For example, various electronic tools and analysis techniques that did not exist a few years ago, such as electronic work papers, specialized analysis software, computer seizures and forensic analysis, and system penetration and security analysis, are now important aspects of our audit and investigative work. In addition, the move to cross-regional audits, enhanced publications, and remote-site audits and investigations are becoming more important as we continue to strive to meet our mission responsibilities. These activities have placed an excessive burden on the legacy OIG LAN. Our system needs extensive internal upgrades to remain effective and to reduce the dependence on third-party vendor support.

2. <u>Suspension and Debarment Team:</u> In July 2002, the President signed into law the Sarbanes-Oxley Act of 2002. The law provides for criminal prosecution of persons who alter or destroy evidence or defraud investors of publicly traded securities. The premise for the legislation was recent events in corporate America that led to major scandals involving many U.S. corporations. Watchdog organizations have issued reports questioning why many of the largest U.S. Government contractors have either repeatedly broken Federal law or engaged in unethical practices but continue to receive additional Federal contracts. As GSA increases its scrutiny of American corporations due to an increasing lack of corporate integrity, more investigations are initiated. Consequently, these investigations have led to more criminal and civil actions. Once GSA has found a company lacks corporate integrity, it will move to suspend it.

To aid as a result of this increased workload, the OIG will shift $864 thousand from audits to investigations to establish a Suspension and Debarment Team. The new special agents will be responsible for ensuring the integrity of the Federal acquisition process at GSA by actively conducting investigations involving corporate integrity issues, and for providing adequate investigative coverage in suspension and debarment investigations. A new special agent would be assigned to each of our five OIG Office of Investigations Zonal Offices. A sixth agent would be located in our National Capital Zone office and serve as the nationwide coordinator with responsibilities to interact with GSA's Office of Acquisition Policy as well as the GSA's Office of Counsel and the OIG Counsel to the Inspector General.

Impediments to Mission Accomplishment:

1. <u>Staff Development and Training</u>: The changed business and workforce environments confronting the OIG require that we revise how we do business, refocus and retool our operations. The continuing problems with attracting highly qualified staff, plus the increased demand for computer knowledge, financial management and accounting skills, and the need for specialized investigative skills, has created a pressing need for significant staff development and training. As we continue the rapid pace of moving into the E- Government environment, the type of training our professional and technical support staffs need is changing. The increased emphasis on technical training has had a direct impact on our budget resources. For example, since FY 1999 through the current year, the average expenditure to train our professional staff has increased from $630 per person to over $2,100 per person. Even at this level many training requirements are going unfilled. The cost is projected to increase even further as the demand for technical training increases, particularly in our financial and information systems audit areas and in the computer investigation techniques that our criminal investigators need to function in the changing world of high-tech, white-collar crime.

Associated with training is an increasing demand for professional certification for our auditors and IT professional staffs. Training and professional certification are important parts of our overall approach to human capital management and developing and maintaining our various management information systems. Such IT activities as PC support, local and nationwide LAN maintenance, maintaining connectivity with the GSA backbone network, Oracle programming support, Microsoft applications support, and Web development and access are all functions that require continued training and professional certification. Other operational costs such as facilities improvements, telecommunications, and motor pool are steadily increasing.

- **Office of Audits:** Key staff losses have started to occur in this office and additional losses are likely in FY 2005 and beyond. Approximately 35 percent of our remaining senior graded managers (GS 15) in the Office of Audits were eligible to retire by the end of FY 2004. In addition approximately 40 percent of our second level managers, auditors, and analysts are either eligible to retire, or will be eligible to retire, by the end of FY 2005. Further, the staff losses that have occurred have resulted in promotions for our most highly qualified staff. The result is a significant drain of institutional knowledge and audit experience and a decreasing pool of experienced staff at midlevels.

  We have started to transition the Office as a result of recent key staff losses. We have brought in or promoted new senior managers to fill recent losses, and we will continue to do so as additional losses occur. However, we have few experienced staff members ready to backfill these positions during this transition because of a decade of low recruitment and downsizing. We must rely on less experienced staff to backfill vacant positions who must quickly gain GSA, auditing, and supervisory knowledge and experience. To address this issue we will need to provide guidance and training to new managers and senior level staff to rapidly develop the skills necessary for our managerial positions. We will also need to continue to fill vacant positions with entry level hiring, supplemented with hiring at the journeyman and supervisory levels.

- **Office of Investigations.** The Office of Investigations has a very young and comparatively inexperienced investigative workforce. Therefore, we are faced with having to devote considerable resources to training and developing new special agents. Additionally, guidelines for OIG law enforcement personnel issued by the Attorney General require us to provide each special agent with periodic law enforcement refresher training in skills needed to function as a criminal investigator.

  We have also seen a rise in the need for our agents to assume undercover roles to perform investigations. Undercover operations require highly specialized training, both for the agents involved and for those responsible for managing the investigations and assuring their safety. Additional specialized training is needed for special agents in order to develop and maintain the skills required to conduct investigations involving electronic (computer) crimes. We foresee the need for increased training expenditures due to these investigative training requirements.

2. <u>Travel Costs</u>: The downsizing and reorganization we have undergone during the past few years have required additional travel to ensure proper audit and investigative coverage. We perform national program reviews and other audits, as well as nationwide investigations, using teams staffed with auditors and investigators from various parts of the country. This interregional team approach is necessary to sufficiently staff, train, and provide expertise on our more complex and large projects. The team approach and the need to perform our contract review and other work effectively by going to where the work is, has substantially increased our job-related travel. Per diem travel costs have risen more than 30 percent in recent years, accompanied by increases in airfares and a growing number of service fees and user taxes. We expect these costs to continue to increase in FY 2005 and beyond.

3. <u>Increased Demand for Audit and Investigative Services:</u>
Demands for our audit and investigative services keep increasing with Congressional mandates and OMB requirements covering such things as information system security reviews, Government Performance and Results Act (GPRA) reviews of Agency performance measures, reviews of Agency PART reports, and increased oversight of audited financial statements. The OIG is challenged to meet these and other new demands at its current funding level. A prime example of a new demand is the need to expand the OIG's Information Systems Audit Office. Information technology is profoundly impacting all aspects of government and business operations. Our audits are increasingly focusing on evaluating IT systems and the data produced by those systems. The IT Audit Office has been, and needs to be, in the forefront of this expanding role, performing audits of the reliability of GSA's computer systems, the cost-effectiveness of the development processes to create replacement systems, and the security of GSA's technological innovations. The OIG IT Audit Office has been supporting a large workload of key IT audits and has identified numerous system weaknesses and recommended corrective actions. The expansion of this staff was considered crucial if we were to continue to provide audit coverage over GSA's nearly 100 major computer systems, hundreds of local area networks, IT security efforts, and a multitude of system development projects. In addition, without this additional staff, we could not be responsive to the increasing requests from GSA management and from Congress for IT- related reviews. This workload is critical to the GSA OIG statutory mission, and it will only continue to expand. Consequently, we have

had to shift audit resources from other audit groups and locations and from other programmatic work to meet this increasingly important responsibility.

Another example of the increasing and changing demands placed upon the OIG involves our work to support the integrity of the government's acquisition process. The OIG has always devoted a portion of our resources to assist GSA in its efforts to suspend and debar unscrupulous government contractors. The recent wave of high profile corporate financial scandals has resulted in an increase in our investigative workload in this area far beyond what was planned for in our performance plans for FY 2003 and FY 2004 and in projections for FY 2005. Also, the OIG's Office of Investigations is seeing its role increasing in cases related to electronic crimes and seizure of computer evidence. In addition, the costs associated with updating and maintaining our various information systems keep increasing, and will soon require major modifications to replace outmoded technology and to comply with the increased emphasis for securing and protecting confidential contractor and criminal investigations information.

Long-Term Outcome Goals

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

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

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

Following are highlights of our office's initiatives and performance measures with related budgetary requirements.

Operational Strategies for Meeting Long-Term Outcome Goals

<u>Office of Audits</u>
The OIG has become a force for positive change within GSA by repositioning itself to provide more value-added services to our clients. We are striving to develop our own expertise in GSA's business lines to complement our audit and evaluation skills. This enables us to better understand the complex issues and challenges faced by program officials, to design evaluations in the context of specific programs, and to facilitate resolution of audit recommendations.

We have reorganized the Office of Audits by creating centers of expertise for the core functions critical to GSA's success. This restructuring enables us to develop technical or specialized expertise in all key areas of GSA, so we can better identify and address the most significant issues and vulnerabilities facing the Agency.

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

Our office has been successful in fostering clear lines of communication with all of our stakeholders. We maintain an ongoing dialogue with the Congressional oversight committees and OMB. We work closely and exchange information with GSA managers and personnel. To enhance our understanding of GSA's programs and initiatives and to improve our annual planning process, we have maintained contacts with GSA officials in each of the major Services and Staff Offices. In addition to our traditional services in the areas of management and systems control reviews as well as selected reviews of GSA's multi-billion dollar contract programs, we will continue to focus our resources on large scale program reviews, IT system reviews, and financial reviews.

1. **Program Reviews.** These reviews produce formal audit reports that provide GSA management with an independent assessment of whether or how well a program is meeting its mission and identify specific areas where program outcomes can be improved. Program reviews have been a staple of our organization for the past several years, and we are constantly refining and improving our approaches. We now focus on program goals and results, and how the program officials measure their successes. We provide managers with optional solutions to issues when appropriate. We expect to continue to direct resources to this area.

2. **Information Technology and Systems Reviews.** Information technology in GSA is expanding exponentially and influences all aspects of business operations. GSA relies on its automated information systems to perform its mission and manage its operations. Many of these systems store sensitive information such as personal employee data and contractors' proprietary information. The Office of Audits faces the challenge of performing the necessary reviews in the areas of IT, systems, and telecommunications. We have dedicated 17 FTEs to the Information Technology Audit Office whose mission is to identify the IT workload in GSA, establish an OIG presence in this critical and growing area, develop the technical expertise to perform these complex reviews, and to perform IT and systems review work. However, our capabilities in IT and systems must continue to grow. GSA has an extensive IT universe with about 100 major automated information systems, many smaller systems, and numerous local area networks. GSA's IT universe also dictates that we must apply more audit resources to systems development efforts and to security issues associated with operating GSA systems and networks. In addition, the Federal Information Security Management Act of 2002 requires Inspectors General to conduct independent annual evaluations of their agencies' information security programs. Finally, we must address local, long distance, voice, data, and other issues associated with telecommunications. The fundamental changes IT has brought to the way GSA does business will require a corresponding increase in our technical and other training for existing and new staff associated with this effort. IT applications are fast becoming the mainstay of all Agency business and the entire audit staff needs to develop and enhance technology skills to keep up. Only a few members of the audit staff currently possess sufficient IT knowledge and skills to do this work.

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

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

We believe there are opportunities to enhance the efficiencies of operations and accountability of assets at the other levels of reporting. To this end, we seek to increase the numbers of evaluations of GSA major individual financial accounts and major financial subsystems. In addition, there are new and increasing requirements imposed on our office due to the Government Performance Results Act (GPRA) and other legislation. These issues require that we have sufficient staff with the financial background and expertise to perform the necessary reviews. We intend to enlarge our financial audit group, by shifting existing resources, over the next several years to keep up with the increasing demands. As in the IT area, we must expand our financial and technical systems' training and staffing to accomplish our goals.

We will continue to offer our traditional audit services in the following areas:

1. **Management Control Reviews.** The Office of Audits will continue to test management controls built into programs and systems to ensure they function as intended and provide reasonable safeguards over assets. We believe control systems are becoming more important in an evolving work environment which calls for fewer supervisors, more decentralization of authority, and more individual empowerment. We will work closely with management to share our expertise in internal controls throughout GSA.

2. **Attestation Reviews.** As the central civilian procuring Agency within the Federal Government, GSA annually awards billions of dollars in contracts for goods and services. The OIG will continue to support the contract program. When appropriate, we will review vendors' records and develop financial information needed by GSA's contracting officers to negotiate favorable pricing arrangements on contract awards and to help administer existing contracts.

   As GSA moves to implement new procurement initiatives, we will continue dedicating resources to support contracting officers. Over the past 2 years, our audits have evaluated over $3.6 billion in proposed costs and have resulted in over $556 million in monetary avoidances. We expect this trend to continue. In FY 2005, we intend to work with GSA's Federal Supply and Technology Service (FSTS) to increase the number of preaward reviews of Multiple Award Schedule (MAS) vendors. The MAS program, which awards commercial item contracts for Federal agencies, is valued in excess of $28 billion. These reviews will help contracting officers negotiate fair and reasonable pricing on selected MAS awards and will assist FSTS in accomplishing its best value performance measure.

3. **Supplemental Financial Support for Attestation Reviews.** In order to fully support the rapidly expanding procurement program of FSTS, we initially received a total of $4,000 thousand from the General Supply Fund and the Information Technology Fund for FY 2005, to provide for an enhanced level of support for their contracting programs. We expect this funding to be continued through FY 2006 with a funding level of $5,000 thousand from the proposed new General Services Fund (formerly the General Supply Fund and the Information Technology Fund).

There are now in excess of 10,000 vendors doing over $30 billion in new business annually under this contracting program. Given this tremendous level of business activity and the fact that all agencies of the Federal Government rely on GSA to deliver high quality, fairly priced goods and services, it is imperative GSA employ appropriate measures to ensure the fiscal soundness and operational integrity of these procurement programs.

The majority of these supplemental funds will be used to increase the number of precontract award reviews of contractor submitted pricing and sales practices data. Possessing such information before negotiations materially increases the contracting officer's ability to make an effective award. Past history has shown that for every dollar invested in preaward contract reviews, at least $10 in lower prices or more favorable terms and conditions are attained for benefit to the government and the taxpayer.

The supplemental funds will also be applied to increase the number of contract performance reviews conducted. Because most contracts are now written to be renewed on a 5-year basis, it is important that contractor performance be spot tested periodically to ensure compliance with pricing, billing and terms provisions of their contracts. This helps ensure that Federal agencies continue to receive goods and services as agreed throughout the contract period. In addition to contract performance reviews, the OIG will also conduct periodic program evaluations to assess the efficiency, economy, and effectiveness of contracting activities. These reviews will also test internal controls to ensure they are adequate to provide program integrity.

We anticipate that this level of funding of contract related audit work will enable us to produce between $180 and $230 million in cost avoidances and recoveries.

Office of Investigations

The Office of Investigations is responsible for conducting criminal, civil, and administrative investigations nationwide. The office is the OIG's fully accredited Federal law enforcement component and provides expert investigative services to GSA, the Department of Justice, United States Attorneys' offices throughout the country, and other Federal and state agencies. The Office of Investigations is committed to identifying and preventing fraud, waste, and abuse in GSA programs and operations and promoting economy and efficiency within GSA. Our investigative action plan contains the following elements:

- Investigations of criminal violations by contractors, employees, and others, relating to GSA acquisition programs.
- Criminal investigations relating to the integrity of GSA programs, operations, or personnel.
- The development and implementation of proactive investigations which address systemic investigative issues that cross GSA regional boundaries.
- Investigative support to the Office of Audit, Office of Counsel, and GSA Regional officials.
- Investigations of serious misconduct by high ranking GSA officials which are conducted on a limited and as needed basis.

The major component of the Office of Investigations operations plan during the coming fiscal year is the detection and investigation of major criminal violations associated with GSA acquisition programs.
We anticipate devoting significant investigative resources to criminal fraud violations associated with violations such as: substandard products or material, false claims, criminal false statements, schemes seeking unfair advantage in the procurement, supply, property acquisition and disposal, and construction programs. Relatedly, the Office of Investigations will ensure the integrity of GSA programs and operations by thoroughly investigating allegations of criminal activity by GSA employees and officials. Bribery, extortion, acceptance of

gratuities, conflict of interest, and procurement integrity violations will be emphasized and remain investigative priorities. Another major investigative emphasis in this area is associated with ensuring the integrity of GSA's procurement programs by conducting investigations and making recommendations for suspension and debarment of corporations which appear to/or lack corporate integrity. Funds in the amount of $300,000 will be made available to the Office of Inspector General by the proposed General Services Fund (formerly the General Supply Fund and the Information Technology Fund) during Fiscal Year 2006 for increased oversight and investigatory activities relating to fraud, waste, and abuse in the Fleet Services card program.

We also focus investigative resources on providing support to the Office of Audits, Office of Counsel, and regional officials on civil fraud or serious administrative matters. This includes serious allegations of official misconduct; investigations of this nature are only conducted on a very selected basis.

As part of our action plan we included the need to partner with GSA and assist in seeking ways to improve Agency programs and operations and prevent fraud from occurring. The Office of Investigations will continue to present fraud integrity awareness briefings to Agency employees and develop effective proactive investigative initiatives that will serve to identify wide ranging problems relating to fraud, waste, or abuse in GSA operations. Effective proactive cases have proven to be excellent techniques to prevent and deter program deficiencies from becoming major operational problems. Unfortunately, in a reduced manpower and budgetary environment, it may become necessary to de-emphasize or eliminate these cases when faced with overwhelming and immediate reactive investigative demands.

THE FY 2006 PERFORMANCE PLAN

The OIG will increasingly focus its efforts in areas intended to enhance the management and overall performance of GSA and will increasingly align its activities so that they more directly support the strategic goals and business objectives of the GSA. We will allocate approximately 70 percent of our audit and investigation resources to addressing the significant management challenges and vulnerabilities facing the Agency.

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

Strategic Goal No. 1

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

Discussion

GSA is a 12,000 person Agency that oversees Federal buildings, major supply and procurement programs, a fleet of 190,000 vehicles worldwide, telecommunications systems, and child-care facilities. It also provides policy leadership in areas such as acquisition, travel, real property, and other administrative services for the entire Federal sector.

GSA realizes that changes in today's environment require it to be flexible in its business approaches and innovative in developing integrated solutions to longstanding and new challenges. Current Agency goals and initiatives, continuing government reform, high-risk areas defined by GAO, and management challenges identified by our office remain areas that must be addressed.

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

Anticipated Results

This strategic goal anticipates that changes in focus of OIG operations will accelerate over the next 5 years. This will result in: 1) a greater number of evaluations of GSA programs, management structures, and information systems; 2) increased financial accountability and legislatively mandated reviews; 3) enhanced testing of internal controls and security measures; and 4) a substantial amount of savings.

In addition, we anticipate an increased number of reviews of preaward and contract performance assessments of governmentwide contracts relating to the Federal Supply and Technology Service.

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

During FY 2006, the OIG will devote approximately $17,600 thousand in direct and $2,000 thousand in reimbursable of its requested resources to accomplish the planned outcomes related to this strategic goal.

Strategic Goal No. 2

Protect the integrity of GSA programs and operations.

Discussion

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

The OIG has a special concern that in an era of rapid change and emerging technology, these changes may present unintended increased opportunities for illegal and improper activities. As the evolving technology and the effects of a downsized and aging workforce take hold throughout GSA, the OIG emerges as the primary entity within GSA to assess the impact of this transformation. The OIG is concerned that many of the beneficial attributes of reforms designed to produce economy, efficiency, and increased effectiveness may be offset by new or modified practices that create unintended waste and contribute to increased opportunities for fraud. We believe it is important to assess whether a new initiative increases the potential for fraud, waste, and abuse and if so, mitigate these vulnerabilities early in the process.

Anticipated Results

During FY 2006, as part of a comprehensive initiative, the OIG will direct its efforts to protect the integrity of GSA operations by identifying and assessing vulnerabilities associated with its rapidly changing environment. The OIG intends to take a risk-based approach and focus its expertise in areas most susceptible to fraud, waste, and wrongdoing. We will perform various types of reviews to ensure programs operate within legal and regulatory limits. We will aim our efforts at detecting systematic vulnerabilities. We will investigate and deter illegal activities to the fullest extent of our abilities and resources. Our investigative resources will concentrate on high-impact cases, and we will respond to indications of illegal activities in a direct and timely manner. These areas include procurement integrity, facilities and personnel, management control, asset management, information technology, and financial accountability. We will particularly emphasize the controls over charge cards, security, and emerging technology issues. The efforts of the OIG will be directed towards reducing the overall level of waste and wrongdoing in GSA, increasing the awareness of GSA managers regarding the prevention of fraud and waste, improving the detection of and response to corruption, and increasing the public trust in GSA's programs and operations.

During FY 2006, the OIG plans to devote approximately $14,500 thousand in direct and $3,300 thousand in reimbursable of its requested resources to accomplish this strategic goal.

Strategic Goal No. 3

Implement an efficient and effective human capital strategy.

Discussion

Our people are our most important resource. A skilled, focused, flexible, and diverse workforce is essential if we are to continue to improve and provide the services necessary to carry out our mission. Beginning in the mid-1990s, the OIG realized the need to better align our resources to meet our mission responsibilities. We took numerous actions to redefine our mission, restructure our operations, reduce management layers, redistribute management positions to direct line positions, and to more closely interact with our clients. Our goal was to become more results-oriented, and better serve GSA, the Congress, and the taxpayer. These actions were consistent with the stated goals of OMB Bulletin 01-07 "Workforce Planning and Restructuring."

Despite these actions, events over the past few years have combined to exacerbate our human capital issues. Specifically, we have had a difficult time hiring at mid-level positions and replacing and retaining qualified staff. Salaries, Federal hiring requirements and constraints, and stiff competition from the private sector and other government agencies have impacted our ability to hire people with the necessary skills. We are losing our younger staff to other agencies, while our older staff is retiring. We are faced with the potential loss of over 67 percent of our senior managers over the next 2 to 3 years. This has increased our need for managerial and leadership training for mid-level staff to prepare them to assume more senior leadership positions in the organization. In addition, the skills we need to do our work have changed. We have had a difficult time in hiring accountants and mid-level IT specialists. Major statutes aimed at increasing the fiscal and managerial accountability of Federal agencies have impacted our work and increased our emphasis on financial issues. In addition, technology has had a tremendous effect on how the government conducts business and consequently we need to apply technology in our audits, investigations, and internal management operations.

To meet the challenges ahead, the OIG has developed a human capital plan and continues to refine that plan. The OIG will implement its human capital management strategy to provide the highly competent professionals necessary to complete our mission and meet future demands. We will incorporate these efforts into our overall work planning, budgeting, and evaluation processes. This will include a commitment to recruit, develop, train, retain, and reward a workforce that possesses the skills required to meet the changing and challenging demands for our services. We will address continuity of operations and skills through succession planning. The OIG will increase its commitment to both technical and managerial training to sustain functional expertise and encourage professional development.

Anticipated Results

Among the initiatives we plan to accomplish are: enhancing our college recruiting program; completing a skills inventory and identification analysis; refining programs such as a career intern program, and various programs aimed at recruiting and retaining quality staff; streamlining and improving the efficiency of our hiring process; developing the required technical and managerial training programs needed to provide and maintain needed skills; and revising our performance appraisal system to ensure that employee performance is mission related.

During FY 2006, the OIG will devote approximately $5,300 thousand of its resources to accomplish this goal.

Strategic Goal No. 4

Enhance our organizational performance.

Discussion

This goal focuses on our work environment and business processes. We believe that this goal will serve two purposes—to make us more efficient in serving our clients and to help attract and retain a world-class workforce in our organization.

Our office's performance should be held to the highest standards. To achieve this, we will continue to emphasize improving the delivery of OIG products and services and create a more efficient work environment by investing in the office infrastructure, both technological and physical, that supports our strategic goals.

Timely, cost-effective, and quality products and services are critical in today's fast-paced and changing environment. Our work products must be responsive to Agency and customer needs. Continued improvements in timeliness and operating efficiency will require reassessing existing business processes, employing technology to the extent possible, and improving management and coordination efforts. Further, we must better utilize the power of E-Government to make our products and services more accessible to our stakeholders.

We believe that appropriate and modern technological and physical work environments are important elements in successfully achieving our goals. We also believe that our audit and investigative functions must work closely with our administrative support activities to enhance our ability to meet mission requirements. We will ensure that we have the best possible work environment in several ways.

First, we recognize the benefits of technology in the work environment, and we have made great strides in incorporating it into our management approach and processes. We want to continue this progress toward providing reliable, integrated technology to our staff. We will maintain management information systems and networks that enhance our ability to exchange information, both inside and outside the OIG, and to conduct our work and perform analyses in a more secure paperless environment. This will also help us better plan and manage our resources by providing timely and reliable performance information and financial data. Also, providing sufficient, portable technology to the staff will help streamline our processes and better leverage our limited human capital resources.

Next, we need to make an investment in our physical environment in order to support our human capital strategies. Initiatives in this area will affect where we locate our staff and how it is configured.
Lastly, administrative activities and processes supporting our line operations need to be better integrated and improved.
Real-time fiscal information, comprehensive information systems support, and full-range human resource support are essential to improve our operations. It is imperative that we enhance and integrate this infrastructure to support our strategic planning, human capital initiatives, and business goals.

Anticipated Results:

1. Provide our customers with timely, quality OIG products in accordance with the standards established for the different types of audit and investigative reports we produce.

2. Provide comprehensive IT support and information systems availability necessary for our professional and support staffs to meet their mission requirements.

3. Provide timely and relevant budgetary, administrative, and human resource support to help our managers properly manage their resources and help them meet their mission needs.

4. Begin implementation of a nationwide office modernization process, which will enhance the working environment of selected regional and Central Office locations.

During FY 2006, the OIG will devote approximately $6,300 thousand of its resources to accomplish this goal.

Following is the OIG's Performance Plan that details the performance measures for each strategic goal.

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

Performance Goal: The OIG will direct its resources to help GSA achieve its strategic goals and address its management challenges. We consider our past work in GSA, the Presidential Initiatives, GSA's Strategic Plan, and areas of vulnerability identified by our office, GSA management, or GAO in identifying key program issues. The following issues represent the key management challenges and vulnerabilities that the OIG believes merit attention: protection of Federal facilities and personnel, information technology, management controls, asset management (including aging Federal buildings), human capital, procurement activities, financial accountability, contract management, and policy and administration.

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:

- Providing best value for customer agencies and taxpayers;
- Achieving responsible asset management;
- Operating efficiently and effectively; and
- Ensuring financial accountability.

The following table reflects the proportion of OIG products and services (audit reports and comments on proposals and other efforts) that had an identifiable positive impact on improving Agency performance of the following GSA goals: (1) providing optimum value for the customer agencies and the taxpayers, (2) responsible asset management, and (3) operational efficiency.

Performance Measure	Performance Indicators		
	FY 2004 Actual	FY 2005 Current	FY 2006 Target
Performance audits	73%	70%	72%
Reviews of legislative/regulatory or policy initiatives	52%	60%	60%

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

Performance Goal: This measure reflects OIG management's decision to allocate greater audit resources to major programmatic, control, systems, and other efforts which are aimed at helping GSA management achieve more positive outcomes in their operations. While these types of reviews require significantly more resources, and their immediate impact is not always quantifiable, their long-term benefits offer the potential for significant improvements in GSA performance and benefits to customers and taxpayers. Results from these audit efforts are based on actual reports issued and the resulting recommended avoidances, recoveries, and resolved management decisions.

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:

- Providing best value for customer agencies and taxpayers;
- Achieving responsible asset management;
- Operating efficiently and effectively; and
- Ensuring financial accountability.

Performance Measure	Performance Indicators		
	FY 2004 Actual	FY 2005 Current	FY 2006 Target
Total reports	167	197	201
Internal audit reports	46	54	56
Attestation reviews	121	143	145
Reimbursable reviews		31	75
Value of results			
Avoidances & recoveries/Reimbursable	$499M	$273M/$60M	$278M/$138M
Management decisions/Reimbursable	$381M	$236M/$41M	$276M/$96M

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

Performance Goal: The OIG intends to focus its resources and expertise on areas that are susceptible to waste, fraud, and wrongdoing. Our intent is to: increase awareness of the potential for wrongdoing, identify and mitigate program and operational vulnerabilities and control deficiencies, pursue potential wrongdoing to the fullest extent of our ability, and produce a decrease in the overall level of waste and wrongdoing experienced by GSA beyond that which would be expected if this initiative were not undertaken. Our efforts will be directed to areas that our risk-based assessments determined are most susceptible to waste and wrongdoing. These areas include the protection of Federal facilities and personnel, information technology, management controls, asset management, procurement activities, and financial accountability. The combined efforts of the Office of Audits and the Office of Investigations will be directed towards the achievement of our outcomes.

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:

- Providing best value for customer agencies and taxpayers;
- Achieving responsible asset management;
- Operating efficiently and effectively; and
- Ensuring financial accountability.

The percentages shown for each outcome reflect the proportion of OIG products (audit reports, investigations, awareness initiatives, and other initiatives or evaluations) that have an identifiable positive impact on protecting the integrity of the Agency's programs and operations. We measure positive impact of internal audits based on input we receive from GSA managers on our customer surveys. On attestation reviews, we measure positive impact based on the actual savings resulting from the audit as evidenced by our assessment of the price negotiation memorandum prepared by the GSA contracting officer.

Performance Measure	Performance Indicators		
	FY 2004 Actual	**FY 2005 Current**	**FY 2006 Target**
Impacted program integrity in the following areas:			
• Control, compliance, and accountability issues	98%	65%	68%
• Integrity issues	78%	60%	60%

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

Performance Measure	Performance Indicators		
	FY 2004 Actual	FY 2005 Current	FY 2006 Target
Number of Criminal Referrals	288	110	110
Number of Civil Referrals	43	28	28
Number of Admin. Referrals	378	267	267
Civil Settlements	11	6	6
Indictments/Information	121	40	40
Successful Criminal Prosecutions	97	38	38
Contractors Suspended/Debarred	149	110	150
Investigative Recoveries	$58.0M	$5.2M	$5.2M
Fraud Awareness Briefings	18	14	14
High Priority Investigations	76%	70%	70%

The following table reflects the planned reallocation of Office of Audit resources between contract audit issues, internal GSA program and operational issues. *(OIG Strategic Goals #1 and #2)*

Type of Audit	FY 2004 Actual		FY 2005 Current		FY 2006 Request		Change FY 05 to FY 06	
	Target	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Attestation Reviews:								
Direct		$5.4M		$6.8M		$7.6M		
Reimbursable				$2.8M		$3.4M		
Total	**25%**	**$5.4M**	**37%**	**$9.6M**	**41%**	**$11.0M**	**4%**	**$1.4M**
Internal Audits								
Direct		$16.1M		$15.2M		$14.4M		
Reimbursable				$1.2M		$1.6M		
Total	**75%**	**$16.1M**	**63%**	**$16.4M**	**59%**	**$16.0M**	**-4%**	**-$.4M**

Shift internal audit resources from reviews that focus on compliance with regulations to reviews that focus on assisting GSA achieve its program goals. *(OIG Strategic Goals #1 and #2)*

Internal Audit Types	FY 2004 Actual		FY 2005 Current		FY 2006 Request		Change FY 05 to FY 06	
	Target	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Non-Compliance:								
Program	45%	$7.2M	44%	$6.7M	42%	$6.0M	-2%	-$0.7
Administration	2%	$0.3M	1%	$0.2M	1%	$0.2M	0%	$0.0
IT Systems	13%	$2.1M	14%	$2.1M	12%	$1.7M	-2%	-$0.4
Financial	12%	$1.9M	10%	$1.5M	11%	$1.6M	1%	$0.1
Non-Compliance	72%	$11.5M	69%	$10.5M	66%	$9.5M	-3%	-$1.0
Compliance	28%	$4.5M	31%	$4.7M	34%	$4.9M	3%	$0.2
Total	**100%**	**$16.1M**	**100%**	**$15.2M**	**100%**	**$14.4M**		**-$0.8**

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

Performance Goal: The OIG will implement a human capital management strategy to better support our mission. The purpose of the strategy is to ensure that we have a highly qualified workforce focused on our mission, and that we have identified key Agency problem areas. As part of our approach, we will identify and use available tools, such as the Career Intern Program, to more effectively recruit and retain staff. For staff development, we will address the critical technical, managerial, and leadership skills needed for continuity and improvement in operations. Additionally, we will ensure that our performance evaluation system provides meaningful feedback and fully recognizes individual and team accomplishments.

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:

- Maintaining a world-class workforce and a world-class workplace; and
- Carrying out social, environmental, and other responsibilities as a Federal Agency.

Performance Measure	Performance Indicators			
	Standard	FY 2004 Actual	FY 2005 Current	FY 2006 Target
Reassess our human capital strategy and identify specific initiatives that will foster improvement in: • Recruitment and retention • Staff development • Employee appraisal and recognition • Quality of life • Cost savings to OIG	Formalize a human capital management plan by the end of FY 2001 and implement plan initiatives over the following 4 years.[2]	An additional 20 percent of the plan was implemented; the plan is 80 percent complete.	The plan will be fully implemented.	Reassess human capital strategy and develop implemented plans.

[2] Each FY performance report will provide detail on each part of the human capital management plan implemented that year.

OIG Strategic Goal #4. Enhance our organizational performance.

Performance Goal: This performance measure reflects how our customers perceive our products and services. Our three main components each use customer surveys to gauge the level of customer satisfaction. The areas that are covered by the surveys are: meeting customer needs, clarity of information provided, relevancy, timeliness, and value added. Activities are evaluated against a "standard" that reflects "expected average performance."

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:

- Providing best value for customer agencies and taxpayers;
- Achieving responsible asset management;
- Operating efficiently and effectively;
- Ensuring financial accountability;
- Maintaining a world-class workforce and a world-class workplace; and
- Carrying out social, environmental, and other responsibilities as a Federal Agency.

Performance Measure	Performance Indicators			
	Standard	**FY 2004 Actual**	**FY 2005 Current**	**FY 2006 Target**
Effectiveness- Customer Surveys	Scale: 1-5 (5 high)			
• Audit/attestation review products	4.0	92%	90%	90%[3]
• Administrative products and services (internal to the OIG)	4.0[4]	N/A[5]	90%	90%

[3] Ninety percent of the customer surveys have a score of 4.0 or higher on a scale from 1 to 5, where 1 indicates the individual strongly disagrees and 5 indicates that the individual strongly agrees.
[4] This represents a composite score on various OIG products.
[5] A survey was not developed due to other priorities.

OIG Strategic Goal #4. Enhance our organizational performance.

Performance Goal: This performance measure demonstrates the timeliness and effectiveness of our products and services. OIG products and services are evaluated against a standard that reflects “expected average performance.” For example, if a performance standard for completion of a particular type of audit or investigation is 30 days, it means that the average time it will take to complete the review will be 30 days or less. If the target is 65 percent that means that 65 percent of the OIG reports will be completed within 30 days. Of the activities listed, the following are noteworthy:

GSA-wide Goal: This OIG goal is linked to the following GSA strategic goals:

- Providing best value for customer agencies and taxpayers;
- Achieving responsible asset management;
- Operating efficiently and effectively;
- Ensuring financial accountability;
- Maintaining a world-class workforce and a world-class workplace; and
- Carrying out social, environmental, and other responsibilities as a Federal Agency.

The Office of Audits establishes two unique performance targets for each type of audit—one measures the days (timeliness) and the other measures the direct work hours (cost effectiveness) it takes to complete an audit project. The performance standards listed below reflect the percentage of time that the office performs audits from beginning to end within the established standards.

Performance Measure	Performance Indicators			
	Standard	FY 2004 Actual	FY 2005 Current	FY 2006 Target
Audits and Reviews: Cost effectiveness • Contract/Attestation • Internal	Direct hours to perform audits based on a unique performance standard for each type.	65% 67%	55% 67%	57% 67%
Timeliness • Contract/Attestation • Internal	Days to perform audits based on a unique standard for each type of audit.	50% 47%	55% 62%	57% 65%

We perform preaward MAS, preaward cost or pricing, and claims audits among others. Similarly, we perform internal audits, attestation reviews, program compliance, management control reviews, and many others. We have identified different performance standards in terms of days and hours for each type of audit/review. The performance and target goals represent the composite result, in terms of percentage of time, that the office meets various product standards measured in direct hours and days estimated to accomplish audit work products.

OIG Strategic Goal #4. Enhance our organizational performance.

The Office of Investigations has established a standard that reflects a dramatic improvement in the time frame within which they will conduct nearly all of their activities.

Performance Measure	Performance Indicators			
	Standard	**FY 2004 Actual**	**FY 2005 Current**	**FY 2006 Target**
Investigations:	Days to perform different types of investigations based on a unique standard for each type of investigation.	Percentage of investigations that meet unique performance standards.		
Timeliness				
• Fraud/Other Crime	Class I is 480 days; Class II is 240 days	83%	75%	75%
• Suspensions/ Debarments	Class I and II is 45 days.	96%	80%	80%
• Administrative	Class I is 180 days; Class II is 90 days.	86%	80%	80%

OIG Strategic Goal #4. Enhance our organizational performance.

The Office of Administration, Internal Evaluation Staff, and Office of Counsel to the IG applied standards to reflect the need to improve performance in specific targeted areas.

Performance Measure	Performance Indicators			
	Standard	**FY 2004 Actual**	**FY 2005 Current**	**FY 2006 Target**
	Days to perform different types of legal, field office reviews, and administrative type activities.[6]	Percentage of administrative activities that meet unique performance standards.		
• FOIA/PA Requests	30 days to process a FOIA/PA request	89%	90%	90%
• System Availability	Systems are available to all OIG users 97% of the time.	97%	97%	97%
• Provide Information Resources	Requests to review hardware/software applications are handled within 5 days.	95%	94%	95%
• Budget and Management Reports	Reports are completed within 5 days of a reporting period.	97%	97%	98%
• Procurement Actions	95% of procurement actions are completed within 3 days	95%	95%	97%
• Personnel Actions/Requests	Time varies depending upon the nature of the action/request; it varies between the same day and 21 days depending on the action/request.	95%	95%	97%
• Formalize plans for modernizing work environment (physical and technological) and implement initiatives.		Completed requests	N/A[7]	N/A[8]

[6] Each of the performance measures listed has performance standards in terms of days to complete.
[7] New target goals have not been established for FY 2005 due to the possible renovations of GSA Central Office and NCR.
[8] New target goals have not been established for FY 2006 due to the possible renovations of GSA Central Office and NCR.

Performance Plan: Allocation of OIG Resources												
Organization	Performance Indicators (in thousands)											
	FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009	
Total OIG	**$38,500**	**100%**	**$42,012**	**100%**	**$43,410**	**100%**	**$43,410**	**100%**	**$43,410**	**100%**	**$43,410**	**100%**
Audits	$21,824	57%	$24,900	59%	$26,357	60%	$26,357	60%	$26,357	60%	$26,357	60%
Investigations	$10,455	27%	$11,559	27%	$11,179	26%	$11,179	26%	$11,179	26%	$11,179	26%
Administration	$3,951	10%	$3,173	8%	$3,473	8%	$3,473	8%	$3,473	8%	$3,473	8%
Counsel	$1,200	3%	$1,290	3%	$1,255	3%	$1,255	3%	$1,255	3%	$1,255	3%
IG Office/Evaluations	$1,070	3%	$1,090	3%	$1,146	3%	$1,146	3%	$1,146	3%	$1,146	3%

Allocated Resources to Each Strategic Goal							
	Audits	Audits Reimb.	Invest.	Invest. Reimb.	Admin.	Counsel	IG Office/ Evaluations
Strategic Goal No. 1: Enhance the performance of GSA and ensure optimum value for the taxpayer.	16.6	2.0	0.1		0.0	0.5	0.4
Strategic Goal No. 2: Protect the integrity of GSA programs and operations.	5.4	3.0	8.2	0.3	0.1	0.5	0.4
Strategic Goal No. 3: Implement an efficient and effective human capital strategy.	3.2		1.2		0.4	0.1	0.1
Strategic Goal No. 4: Enhance our organizational performance.	1.2		1.6		3.4	0.1	0.0
	26.4	**5.0**	**11.1**	**0.3**	**3.9**	**1.1**	**0.9**

Budget Authority
$(Thousands)

	FY 2004 Actual	FY 2005 Current	FY 2006 Request	FY 05/06 Change
Direct Program:	$38,500	$42,012	$43,410	$1,398
Reimbursable Program:				
FSTS Program	1,265	4,000	5,300	1,300
Other Reimbursable	0	450	450	0
Net Outlays	$37,479[9]	$41,801	$43,326	$1,525
Employment (FTE)				
Direct	269	303	309	6

[9] FY 2004 Net Outlays overstated in MAX 1.5 Million

EXPLANATION OF ESTIMATES

The Office of Inspector General's appropriation request is for $43,410 thousand which will support 309 FTEs during FY 2006. This request reflects a net increase of $1,398 thousand over the comparable amount of $42,012 thousand for FY 2005. The net change of $1,398 thousand consists of: (1) $879 thousand for increased pay and inflation costs; and (2) $519 thousand for the Management Information System Local Area Network Upgrade.

In addition, GSA proposes to transfer $5,000 thousand from the proposed new General Services Fund (formerly the General Supply Fund and the Information Technology Fund), to expand preaward audits and contract performance assessments of the Federal Supply and Technology Service (FSTS). Also, funds in the amount of $300 thousand will be made available to the OIG by the General Services Fund for increased oversight and investigatory activities relating to fraud, waste, and abuse in the Fleet Services card program.

Explanation of Budget Authority Changes in Priority Order Appropriation $(Thousands)		
FY 2005 Appropriation Enacted	**303**	**$42,351**
Less: Rescission		-339
FY 2006 Base (Guidance)	**303**	**$42,012**
Increased Payraise/Annualization		635
Inflation		244
Management Information System Local Area Network Upgrade		519
Suspension and Debarment Team	6	0
Subtotal of Direct Obligations		**$43,410**
Reimbursables: FSTS Other		 5,300 450
FY 2006 Total	**309**	**$49,160**

OFFICE OF INSPECTOR GENERAL Obligations by Object Class $(Thousands)				
		FY 2004 Actual ($000)	FY 2005 Current ($000)	FY 2006 Request ($000)
	Personnel Compensation:			
11.1	Full-time permanent	18,570	20,485	20,887
11.5	Other personnel compensation	4,075	3,822	3,914
11.9	**Total personnel compensation**	**22,645**	**24,307**	**24,801**
12.1	Civilian personnel benefits	5,453	5,554	5,688
21.0	Travel and transportation of persons	1,033	1,619	1,643
21.0	Motor Pool	130	160	162
22.0	Transportation of things	47	50	51
23.1	Rental payments to GSA	3,327	3,381	3,508
23.3	Communications, utilities and miscellaneous charges	229	200	203
24.0	Printing and reproduction	135	158	158
25.2	Other services	464	963	977
25.3	Purchases of goods and services from Government Accounts	4,179	4,600	4,669
26.0	Supplies and materials	205	720	731
31.0	Equipment	653	300	819
99.0	**Total**	**38,500**	**42,012**	**43,410**
99.0	Reimbursable obligations	1,265	4,450	5,750
99.9	**Total Direct & Reimbursable**	**39,765**	**46,462**	**49,160**

WORKING CAPITAL FUND

INTRODUCTION

In support of the President's Management Agenda (PMA) and government-wide management initiatives, GSA developed the following goals: provide best value for customer agencies and taxpayers, achieve responsible asset management, operate efficiently and effectively, ensure financial accountability, maintain a worldclass workforce and worldclass workplace, and carry out social, environmental, and other responsibilities as a federal agency.

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

The Working Capital Fund (WCF) is a fully reimbursable revolving fund that finances the full range of administrative support services to GSA and select services to other Federal organizations. The agency-level management activities funded through the WCF include the Chief Financial Office, Chief People Office, Chief Information Office, Chief Acquisition Office, the Office of General Counsel, the Office of Small Business Utilization, the Office of Civil Rights, the Office of Performance Improvement, and the Office of Emergency Management. The total WCF program level for FY 2006 is estimated to be $453 million with 1,432 full-time equivalent (FTE) positions.

The following describes some of the specific services provided through the WCF. Centralized Administrative Support (CAS) represents the largest portion of the WCF, at approximately 62% of total obligations. The CAS functions are provided to internal GSA customers and include agency-wide functions such as finance, budget and accounting support, information technology, personnel administration, acquisition policy, and legal services. Centralizing administrative support functions has enabled GSA to achieve economies of scale, reducing costs and increasing operational efficiencies, and allowed GSA's program areas to focus on and accomplish their goals.

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

STRATEGIC ASSESSMENT

Centralized Administrative Support (CAS)

Chief Financial Officer (CFO)

The GSA Office of the Chief Financial Officer (OCFO) provides "corporate" shared services and full service financial management for all of GSA and more than 40 external customers. OCFO directly supports GSA's mission by providing high quality financial management services so the three Services can focus on delivering customer services.

The OCFO provides financial management services that encompass strategic planning, budget, and performance management; financial analysis; financial operations (accounts payable, accounts receivable, cost allocation, asset management, payroll); financial reporting, internal controls and audit follow-up.

The overall OCFO vision and mission is to provide professional financial management services, guidance, and innovative solutions to our customers. The OCFO has developed a long-term goal to deliver timely and accurate financial and performance management policies and services needed for management decision-making and financial reporting. To accomplish the long-term goal, the following six supporting objectives are:

(1) Provide strategic business and financial advice to advance management decision-making and financial reporting.
(2) Provide strategic direction of management control policies and procedures.
(3) Provide executive direction of the Performance Management Process (PMP) program to ensure budget and performance linkage.
(4) Provide executive direction on financial system life cycle management, including implementation of the e-Travel services application within GSA.
(5) Provide strategic direction for the financial management line of business activities.
(6) Provide strategic direction of GSA's financial management human capital.

To link budget and performance, the OCFO implemented the Performance Management Process (PMP). This process has facilitated face-to-face discussion among Senior Managers throughout the year about planning, budget prioritization, and performance results. The OCFO continues to improve the PMP process since its initial implementation. By constantly gathering feedback and adjusting to the Service and Staff Offices needs, the OCFO can improve the facilitation and effectiveness of the PMP.

Timely and accurate financial reporting and analysis is the cornerstone of the OCFO's plans and operations in ensuring GSA's financial health. The OCFO will continue to develop and improve in the following areas: standardizing financial reporting, financial accountability, managing follow-up actions of audit findings (FFMIA), and improving the annual reporting process and results.

The OCFO is actively working to achieve the right mix of skills, abilities and knowledge in a diverse workforce ready to meet the challenges that come with being a world-class provider of financial management services. A balanced approach to improving and sustaining our human capital through identifying future needs (recruitment and retention) and realizing competitive sourcing opportunities to achieve better performance and greater efficiency will be a pertinent issue for OCFO over the next few years.

Strategies

The OCFO is also developing a business driven Enterprise Architecture (EA) that will serve as the roadmap for systems integration decisions. Further, implementation of an enterprise lifecycle methodology for all systems development and operations, as well as the professional certification of key staff in project management will position the Office of Financial Management Systems to ensure reliable systems are in place and meeting customer needs. The Financial Management Enterprise Architecture (FMEA) will be an instrument to promote synergy and foster coordination between IT projects and e-Government initiatives that touch the business side of the GSA Enterprise.

The OCFO plans to further mature the PMP by facilitating implementation of long-term outcome goals, action plans, and performance measures. The OCFO will make the necessary changes to the process for the fiscal year 2007 cycle by reflecting customer input and "lessons learned".

The OCFO will provide executive direction for all business process reengineering studies to ensure "best fit" for financial systems operation and maintenance.

Long-Term Outcome Goal:
Deliver timely and accurate financial and performance management policies and services needed for management decision-making and financial reporting.

Performance Goal: Increase the percentage of vendor invoices received electronically by Electronic Data Interchange (EDI) or through the Internet.

Performance Measure: Percentage of vendor invoices received electronically by EDI through the Internet

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
44%	56%	56%	58%

Performance Goal: Increase the percentage of vendor payments made by electronic media such as Electronic Funds Transfer (EFT) and purchase card.

Performance Measure: Percentage of electronic invoices paid by electronic means such as EFT and purchase card.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
88%	92%	95%	95%

Chief People Officer (CPO)

The Office of the Chief People Officer's (OCPO) mission is to contribute to GSA's business success by providing human capital management strategies, policies, advice, information, services and solutions consistent with merit system principles. In order to remain focused on this mission, the OCPO will continue to lead the implementation of GSA's Human Capital Strategic Plan (HCSP). By FY 2006, current initiatives to identify and close skills gaps in mission-critical occupations, attract and retain talent, and create a performance-driven culture will be in the operational phase. At the same time, the OCPO must also address its own internal workforce needs. The development of an OCPO Human Capital Strategy will provide a roadmap for success. Also, OCPO will continue to provide human resource support to GSA competitive sourcing activities, and will continue to execute its own internal competitive sourcing strategy.

The OCPO will examine the information technology strategy and priorities established in previous years, and adjust it based upon changes in customer needs, the external environment, and the Federal HR Line of Business (LOB) environment. Some e-HR initiatives (E-Payroll, GoLearn, Recruitment One Stop, and e-Clearance) have fairly clear project plans and are already in the implementation stage. The OCPO has identified succession planning as a critical issue in FY 2005 and FY 2006. There is the likelihood of an acute loss of talented HR associates over the next several years as they become eligible for optional or early-out retirement. The office is at a point where only few individuals have knowledge of a specific functional field. The loss of any of these individuals would seriously hinder the capacity of the HR Office to deliver staffing, training, employee relations and other services to its clients. Of the nationwide staff of 247, 38% will be eligible for optional retirement within the next five years. The OCPO will implement a nationwide Intern Program in FY 2005 and FY 2006. The OCPO also faces the challenge to implement within GSA the Federal HR IT architecture developed by the e-HR Line of Business Initiative.

Strategies

The goal of the OCPO is to move from an organization focused primarily on meeting customer needs by responding to requests for specific actions, to one that is more focused on the strategic management of human capital solutions. The OCPO Business Model will include understanding our customer's business, determining workforce needs based on business requirements, conducting workforce analyses, developing organization-specific and corporate human capital solutions, and ensuring that GSA has the talent to successfully accomplish its mission, values, and goals. Much of the day-to-day transaction work will be accomplished through improved business processes and technology solutions.

Through the continued implementation of its human capital strategies, OCPO will continue to refocus its workforce to provide human capital solutions to meet its customers' needs. The OCPO will continue to enhance its training, recruitment, placement, and outplacement programs to help GSA acquire and develop the needed skills and talent identified in human capital programs. Also, OCPO will determine best value solutions for GSA on human capital information management systems. The OCPO will also continue to transform business processes across all Central Office and Regional Human Resources Offices to improve internal efficiency and services to its customers and, at the same time, continue to improve the accuracy and availability of information needed in the strategic management of human capital.

Long-Term Outcome Goal:

Develop and deliver human capital programs, policies and services that promote GSA's strategic management of human capital, in order to enhance GSA's capability to achieve its mission, strategic goals, and performance outcomes.

Performance Goal: Enhance training, recruitment, and placement/outplacement programs to help GSA develop/acquire the needed skills/talents identified in organization-specific human capital strategies. Specific focus will be placed on improved diversity of workforce training/learning (Enhance ability to attract talent to GSA).

Performance Measure: Number of days to fill a vacancy.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
N/A	N/A	45 days	45 days

Performance Measure: Q-12 Grand Mean Score.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
3.83	3.89	3.94	3.94

Chief Information Officer (CIO)

The mission of the Office of the Chief Information Officer (OCIO) is to provide high quality, enterprise IT services and solutions at best value by leveraging IT resources to support GSA business needs and electronic government. OCIO provides five major services to GSA and its external customers. They are: 1.) Enterprise-wide IT infrastructure services, 2.) IT portfolio management and policy development, 3.) Management of IT security programs, 4.) Enterprise architecture linking business to IT, and 5.) IT leadership. These services are provided through two major business lines: IT Direction and Management, and Enterprise Infrastructure Operations.

The Office of the Chief Information Officer (CIO) developed in FY 2002 a GSA IT Strategic Plan to guide the agency's IT effort over the next five years.

OCIO is focused on maintaining the One-GSA Enterprise Architecture and developing a configuration management system to capitalize on prior fiscal year investments. The OCIO needs to improve the execution of information technology portfolio management to ensure that they continually meet the standards for Earned Value Management Systems.

Strategies

GSA is establishing Enterprise Architecture (EA) as a strategic asset in support of capital planning and investment control, business performance planning and monitoring, and systems engineering and integration across the GSA enterprise. The Enterprise Architecture will define the business activities supporting GSA's mission, the information necessary to perform these activities, and the technologies that support them. The long-term outcome goal of EA is to develop agency-wide enterprise architecture, focused on developing the One-GSA EA.

Investment evaluation and control will consist of systematic management of the Agency's IT investment portfolio. It will be founded upon the use of an Earned Value Management system for all development, modernization, or enhancement, and the use of an operational analysis for all steady state projects

Long-Term Outcome Goal:

Ensure GSA's information technology investments increase Federal productivity, customer satisfaction, and legal compliance.

Performance Goal: Ensure that all IT systems have a full Certification and Accreditation.

Performance Measure: % of IT systems that have completed a full certification and accreditation.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
61%	97%	100%	100%

Performance Goal: Align Business & IT Strategy using Enterprise Architecture & Capital Planning.

Performance Measure: GSA Enterprise Architecture Assessment (score 3 on 1-5 scale on both maturity and degree of alignment).

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
N/A	2.25	3	3.5
FY07 Target	**FY08 Target**	**FY09 Target**	**FY10 Target**
4	5	5	5

Performance Goal: Improve IT Investment Control & Project Management.

Performance Measure: Cost and Schedule variances for major IT investments. The IT Portfolio's Development, Modernization and Enhancement (DM&E) performance, as measured by earned value, should reflect actual cost and schedule variances that are within 10% of their planned cost and schedule.

FY03 Actual	FY04 Actual	FY05 Target	FY06 Target
N/A	N/A	10%	10%

Other Centralized Administrative Support Offices

The **Office of General Counsel (OGC)** provides sound and timely legal support to GSA's programs in areas such as contracting, information technology, travel and transportation, e-government initiatives, disposal of government property, real estate, construction, leasing, environmental issues, litigation, personnel and labor relations, equal employment opportunity (EEO), appropriations, finance, the Freedom of Information Act, the Privacy Act, and the Federal Advisory Committee Act. OGC also supports GSA's responses to Congressional inquiries, develops and manages GSA's ethics program and supports the agency's alternative dispute resolution efforts.

The **Office of Small Business Utilization (OSBU)** has nationwide responsibility for GSA's small business programs. OSBU focuses on programs, policy and outreach to the small business community and is GSA's advocate for small business. The mission of the OSBU is to promote and facilitate programs and activities that provide "Access to Opportunity" to small, small disadvantaged, women-owned, HUBZone certified, and service-disabled veteran-owned businesses in GSA contracting nationwide. The OSBU is the lead office for a nationwide network of regional Small Business Utilization Centers (SBUC). The SBUCs provide information, assistance, and counseling to private sector concerns seeking to do business with the Government.

In FY 2003, GSA's contracts with small businesses totaled more than $4 billion. This amount included $519.5 million for women-owned small businesses, $978 million for minority-owned small businesses, $96.8 million for HUBZone small businesses, and $30.9 million for Service-Disabled Veteran-Owned small businesses.

The **Office of Civil Rights (OCR)** and regional counterparts are responsible for implementing both the internal and external Civil Rights Programs at GSA. The internal civil rights program ensures equal employment opportunity for all GSA associates and applicants for employment on the basis of sex, race, color, national origin, religion, disability, age (40 and over), and retaliation for protected EEO activity. The internal civil rights program processes EEO complaints of discrimination pursuant to 29 C.F.R. Part 1614. The external civil rights program ensures nondiscrimination on the basis of race, color, sex, age (40 and over), national origin, and disability by recipients of GSA's Federal Financial Assistance and Federally Conducted Programs. Both the internal and external civil rights programs have enforcement and prevention as the cornerstones of their programs.

The **Office of Performance Improvement (OPI)** directs GSA's performance planning initiatives by ensuring that there is a robust and rigorous process in place to identify, develop, and execute changes necessary to achieve performance improvements. OPI directs and oversees the competitive sourcing process. Also, OPI ensures PMA goals and milestones are met by providing technical and analytical performance measurement advice and counsel to GSA's decision makers. Finally, the Office is responsible for facilitating the successful implementation of the five management agenda items included in the President's Management Agenda.

The **Office of Emergency Management (OEM)** is responsible for the GSA Nationwide Continuity of Operations Plan (COOP) Program and the GSA Interagency Emergency Response Program. OEM sets all GSA Emergency Management policies, procedures, and guidance for COOP and Emergency Response. These policies and procedures guide GSA's role in support of FEMA's Emergency Support Function #7 and GSA's course in providing COOP Training to other Government Agencies.

In addition to its governmentwide policy role, the **Office of the Chief Acquisition Officer (OCAO)** has agency-wide responsibility for planning, directing, and controlling functions that affect GSA contracting activities. It is responsible for establishing and maintaining GSA acquisition policies, regulations, and procedures through issuance of the General Services Acquisition Manual and other policy documents. It establishes and monitors agencies contracting activities to ensure compliance with applicable statutes, regulations and directives; performance measures for GSA's acquisition system; establishes and administers acquisition quality workforce programs, such as the Contracting Officer Warrant Program and 1102 Occupational Certification Program; and determines non-federal entities' eligibility to use GSA sources of supply. It performs the debarment and suspension functions, the agency protest function, the agency ombudsmen function and serves as the Head of Contracting Activity for GSA.
GSA's **Regional Acquisition Management (RAM) Staffs** are located in the GSA Regional Offices and are responsible for monitoring and reviewing GSA Regional Office contractual and other procurement activities to ensure compliance with applicable procurement statutes, regulations and directives in conjunction with the Office of the Chief Acquisition Officer.

Other Reimbursable

Other Reimbursable activities provide services to both GSA and non-GSA clients. Included in Other Reimbursable are Centralized Charges ($75,397 thousand), Enterprise Infrastructure Operations ($62,450 thousand), and External Reimbursable ($29,221 thousand).

Centralized Charges, a clearing account for agency-wide costs paid by GSA, includes programs such as Unemployment Compensation, Workman's Compensation, Postage, FTS 2001 Long Distance Services, Wireless Cell Phone, etc.

Enterprise Infrastructure Operations (EIO) provides network support to GSA and several external clients through remote access servers, wide area backbone networks, local area backbone networks, agencywide licenses and web portal projects.

Support for **External Reimbursable** activities includes providing administrative services similar to those described under

"Centralized Administrative Support," including accounting, payroll, budget, personnel and procurement. Customers include small agencies and Presidential committees and commissions.

The OMB has approved GSA to be a provider of financial management services to other Federal agencies. The Financial Management Line of Business (FM LOB) program utilizes Centers of Excellence (COEs) to provide information technology hosting, while leveraging Government-wide standardized business processes. These COEs will consist of some combination of Federal Agencies and/or private sector contractors supporting a JFMIP-compliant financial management solution. The COE will be engaged in tasks such as project management, system migration, system implementation, change management, training, independent validation and verification, certification & accreditation testing, help desk, and other functions. COEs may offer additional value-added services to agencies, such as core financial operations support, and/or hosting and processing for subsidiary systems such as procurement, fixed asset management, real property, fleet management, and investment management.

The GSA OCFO has demonstrated it has the technology infrastructure, capacity, and expertise to be a Center of Excellence and has been selected by OMB to be a FM LOB provider. The establishment and sustainment of GSA as a Center of Excellence supports the overall GSA mission and OCFO mission to provide both internal and external customers with high quality, best value financial products, services, and support. GSA will serve as the manager of a private/public partnership providing IT hosting of GSA's JFMIP-certified core financial system, while adopting and leveraging Government-wide standardizing business processes and data. In addition, GSA has the capability to offer additional value-added services to agencies, beyond just core financial operations support, and will develop an agile business model that will meet our Federal customers' needs.

Comprehensive planning and "standing up" a Center of Excellence (COE) within the GSA OCFO will occur during the FY 2006 time frame. Concurrent, and coordinated with the planning and execution work related to becoming a COE, the GSA OCFO will be completing the integration of its core financial system by defining and implementing the solutions for cost allocation, asset management, accounts receivable, as well as robust data warehousing and business intelligence functionality. Because GSA intends to partner with the private sector to provide IT hosting and support, time to "scale" up is minimized and significant Government capital costs outlays are avoided. Detailed planning for standing up the COE will occur during FY 2005. During FY 2006, GSA will establish itself as a COE and be prepared to demonstrate its operational capability with migration planning and execution of client agencies to occur thereafter.

General Services Administration
WORKING CAPITAL FUND

Resources and Obligations

	FY 2004 Actual	FY 2005 Current	FY 2006 Request	FY 05 - FY 06 Change
Resources Available for Obligation				
Operating Programs:				
Centralized Administrative Support *1/*	265,746	238,921	279,651	40,730
Other Reimbursable *1/*	65,610	157,029	167,106	10,077
Major Equipment Acquisition and Development *2/*	10,582	11,250	6,450	(4,800)
				-
Total Resources	341,938	407,200	453,207	46,007
Obligations				
Operating Programs:				
Centralized Administrative Support	269,178	238,921	279,651	40,730
Other Reimbursable	65,861	157,029	167,106	10,077
Major Equipment Acquisition and Development *2/*	7,341	11,250	6,450	(4,800)
Total Obligation	342,380	407,200	453,207	46,007
Net Outlays	(10,088)	(975)	(10,817)	(9,842)
Total Employment	1,356	1,406	1,432	26

1/ Explanation for the decrease in Centralized Administrative Support (CAS) and increase in Other Reimbursable from FY04 to FY05:
- As part of a restructuring of the Working Capital Fund, beginning in FY 2005 we are classifying Enterprise Infrastructure Operations, and External Reimbursable amounts as Other Reimbursable. Previously they were reflected under CAS.

2/ Includes IG and OCFO Lapsed Balances.

Explanation of Estimates:

The fiscal year 2006 operating program level of $453,207 thousand reflects a net increase of $46,007 thousand above the fiscal year 2005 program level of $407,200 thousand. The net change of $46,007 thousand provides $61,887 thousand for increases of:

- $4,891 thousand for salaries and incentives increases;
- $4,188 thousand for increased costs of goods and services due to inflation;
- $480 thousand for increased Rent costs;
- $35,607 thousand for one-time building relocation costs;
- $1,414 thousand and 2 FTE for increased Centralized Charges and Information Infrastructure payable from the Centralized Administrative Support Program, and for Regional Staffing increase;
- $1,300 thousand for Enterprise Architecture, and Enterprise Application Integration
- $228 thousand and 2 FTE for Emergency Management Staffing;
- $100 thousand for Office of General Counsel travel;
- $139 thousand and 1 FTE for Native American Business Center;
- $504 thousand and 2 FTE for Internal Administrative Policy;
- $1,290 thousand and 1 FTE for GSA OCSC InSite Information Architecture, and CIO InSite Infrastructure
- $4,500 thousand and 18 FTE for Office of Governmentwide Policy reorganization transfer of CIO functions;
- $3,000 for Directory Services;
- $3,050 thousand for Enterprise Infrastructure Operations (EIO) Operations & Maintenance;
- $1,196 thousand for Centralized Charges programs.

These increases are offset by decreases of $15,880 thousand related to:

- $10,850 thousand for one time FY2005 Relocation Costs in FY 2005;
- $230 for Office of the Chief Acquisition Officer Contract Writing System;
- $4,800 for Financial Systems Development.

General Services Administration
WORKING CAPITAL FUND

	Centralized Administrative Support		Other Reimbursable		Major Equip. Acquisition & Development	Total	
	FTE	$	FTE	$	$	FTE	$
FY 2005 Operating Program	**1,225**	**$ 194,828**	**140**	**$ 148,600**	**$ 11,250**	**1,365**	**$ 354,678**
Salary, Incentives and Training increases		3,014					3,014
Corporate Costs		403					403
Office of Chief Acquisition Officer (OCAO)	19	5,237				19	5,237
Pegasys Operation & Maintenance		7,500					7,500
Financial Systems Security		500					500
Finance MOU		10,000					10,000
Emergency Management MOU		315					315
OCPO Intern Program	6	309				6	309
Enterprise Architecture & Application Integration	2	2,693				2	2,693
Earned Value Management		300					300
Title VII EEO & Nationwide Training	1	484				1	484
Office of Performance Improvement	2	820				2	820
GSA.gov/InSite Regional Editor	1	98				1	98
Regional Staffing Increases	10	1,570				10	1,570
Relocation Costs		10,850					10,850
Centralized Charges programs				10,429			10,429
Federal PLP transfer to GSF				(2,000)			(2,000)
Adjusted FY 2005 Operating Program	**1,266**	**$ 238,921**	**140**	**$ 157,029**	**$ 11,250**	**1,406**	**$ 407,200**
Salaries and Incentives increases		4,437		454			4,891
All Other Inflation		2,527		1,661			4,188
Rent Inflation		314		166			480
Relocation Costs		35,607					35,607
Corporate Charges & Regional Staffing increase	2	1,414				2	1,414
Enterprise Architecture & Application Integration		1,300					1,300
Emergency Management	2	228				2	228
Office of General Counsel Travel		100					100
Native Amercan Business Center	1	139				1	139
Internal Administative Policy	2	504				2	504
GSA Insite	1	740		550		1	1,290
Office of Governmentwide Policy Reorganization	18	4,500				18	4,500
Directory Services				3,000			3,000
EIO Operation & Maintenance				3,050			3,050
Centralized Charges Programs				1,196			1,196
Relocation Costs - FY2005 one-time cost		(10,850)					(10,850)
Contract Writing System - OCAO		(230)					(230)
Financial Systems Development					(4,800)		(4,800)
Fiscal Year 2006 Total Request	**1,292**	**$ 279,651**	**140**	**$ 167,106**	**$ 6,450**	**1,432**	**$ 453,207**

OBLIGATIONS BY OBJECT CLASS $(Thousands)				
		FY 2004 Actual	**FY 2005 Current**	**FY 2006 Request**
	Personnel Compensation:			
11.1	Full-time permanent	86,941	99,270	101,306
11.3	Other than full-time permanent	664	0	0
11.5	Other personnel compensation	15,221	18,546	21,280
11.8	Special personal services payment	101	0	0
12.1	Civilian personnel benefits	38,160	41,701	42,972
13.0	Benefits for former personnel	945	600	600
21.0	Travel and transportation of persons	3,994	3,801	3,951
22.0	Transportation of things	249	561	561
23.1	Rental payments to GSA	14,119	14,253	14,733
23.2	Rental payments to other	2	106	108
23.3	Communications, utilities and miscellaneous charges	26,212	25,696	26,019
24.0	Printing and reproduction	1,843	2,963	2,986
25.1	Advisory and assistance services	77,550	123,434	134,663
25.2	Other services	6	8,057	8,008
25.3	Purchases of goods and services from Government Accounts	50,504	38,216	63,734
25.4	Operation & maintenance of facilities	0	132	132
25.6	Medical Care	3	0	0
25.7	Operation & maintenance of equipment	7,055	8,484	9,509
26.0	Supplies and materials	1,431	1,941	1,946
31.0	Equipment	17,188	19,439	20,699
43.0	Interest and Dividends	1	0	0
44.0	Refunds	191	0	0
99.0	**Total Working Capital Fund**	**342,380**	**407,200**	**453,207**

ELECTRONIC GOVERNMENT FUND

General Services Administration
ELECTRONIC GOVERNMENT FUND

MISSION

This program will support interagency “electronic government” or “e-gov” initiatives, i.e., projects that will use the Internet or other electronic methods to provide individuals, businesses, and other Government agencies with simpler and timelier access to Federal information, benefits, services, and business opportunities. The program will also further the Administration’s implementation of the Government Paperwork Elimination Act (GPEA) of 1998, which calls upon agencies to provide the public with optional use and acceptance of electronic information, services, and signatures, when practicable. E-Gov initiatives will eliminate duplicative systems and accelerate the ability to unify agency information around customers.

These initiatives will lead to savings compared to old system investments and provide a base to build a citizen centric Government. E-gov will simplify and unify Government systems, and allow the public to have 24-hour access to Government information and services. Proposals for funding will be required to meet capital planning guidelines and include adequate documentation to demonstrate a sound business case, attention to security and privacy, and a way to measure performance against planned results. A detailed spending plan including a list of proposed projects will be provided to the Committees on Appropriations.

For the past three years, the President’s Management Agenda (PMA) initiative to Expand E-Government has delivered significant results to the taxpayer and Federal employees alike. Several of these results were provided for by allotments from the E-Government Fund. Some of the major accomplishments include:

E-Authentication – E-Gov Funds were used to develop an automated e-authentication risk assessment tool and to complete certification and accreditation on the E-Authentication Gateway. The technical architecture for E-Authentication was released in FY 2004. The E-Authentication technical architecture features an open standards-based, federated approach. This approach allows E-Authentication to meet the diverse authentication needs of its many customers with one service offering based on a single set of policies, but supported by multiple technologies and interoperable products. This gives E-authentication the ability to deliver a uniform approach to authentication Government-wide, and it gives agencies value by providing a choice of technologies and interoperable products to achieve their authentication needs.

GovBenefits - E-Gov funds were used to support the first release of GovBenefits.gov in April 2002. The GovBenefits.gov website provides a single point of access for citizens to locate and determine potential eligibility for Government benefits and services. During FY 2002 the GovBenefits Program Management Office developed a cross-agency technical and business infrastructure and launched the GovBenefits.gov website on April 29, 2002; 55 federal benefit programs were listed. GovBenefits.gov had three subsequent releases in June, July and August 2003 that enhanced site-functionality and increased the total number of benefit programs to 110. At the end of FY 2003, GovBenefits.gov had benefit programs from all 10 funding partners (Agriculture, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, State, Veterans Affairs and the Social Security Administration) and received over 300,000 visits to the site per month.

GovBenefits.gov has grown to provide Government benefit eligibility information to more than 13 million visitors. The site now features a total of 712 Federal and state-administered benefit programs and has earned numerous awards from private industry and government organizations, including an Excellence.gov Award from the Industry Advisory Council and a Gracie Award for Excellence in Government Technology from Government Executive Magazine. The efforts of the FY 2003 partnership and the resources provided from the FY 2002 E-Gov Fund allocation enabled the GovBenefits initiative to develop into the program that it is today – a successful example of citizen-centric E-Government collaboration.

Business Gateway (formerly Business Compliance One-Stop) - The Business Gateway e-Gov initiative began as the Business Compliance One-Stop initiative in fiscal year 2002. E-Gov funds were used to design and create a website to help business find and understand Federal regulations. This website, BusinessLaw.gov, centralized access to a significant amount of legal and regulatory content that is relevant to businesses, and provides compliance assistance tools for businesses. The website has won numerous E-Government awards since its launch. E-Gov Fund resources were also used to develop an integrated application for state registration and federal Employer Identification Number that allowed business owners to file one time for both.

Based on a recommendation by the 2002 Small Business Paperwork Relief Task Force, the project took on a larger scope and was renamed the Business Gateway initiative. Additional e-Gov Funds were allocated to this initiative in fiscal years 2003 and 2004 to develop an online E-Forms catalog to simplify electronic access to public use Federal forms, and to rollout a redesigned content-managed website for businesses (www.business.gov). Business.gov unifies multiple Government websites, including Business Compliance One-Stop (businesslaw.gov), the U.S. Business Advisor (business.gov), and Fed Forms (fedforms.gov) to provide a single face of Government to business.

FirstGov Content Management System - E-Gov funds were used to evaluate needs, compile requirements, purchase, and implement Vignette Content Management System (CMS) software. As a result, FirstGov is now able to more efficiently and effectively develop new content on web pages and update existing web pages, thereby increasing service to the public. FirstGov is also making the Vignette CMS available to other Federal agencies at a marginal incremental cost.

Lines of Business Opportunity –E-Gov Funds were used to perform an analysis of information Technology (IT) investments across several lines of business (LoB) within the Federal Government. This assessment identified potential savings opportunities of over $1 billion through the FY08 planning period. Joint agency business cases were developed for four of the cross-agency collaboration opportunities identified: Financial Management, Human Resources Management, Case Management, and Federal Health Architecture.

FY 2005 E-Gov Fund budget authority will be allocated to projects, such as: (1) Strengthening the Presidential E-Government initiatives through the Independent Validation and Verification (IV&V) and expanding marketing and utilization program to all Initiatives; and (2) Lines of business analysis for cyber security and health information technology.

(1) Strengthening the Presidential E-Gov initiatives through the IV&V and expanding marketing and utilization program to all initiatives – E-Gov Funds will be used strengthen any gaps that were identified in the FY 2004 review of the E-Gov initiatives. Funding will also be used to expand utilization of these services to existing and new customer segments via marketing strategy development.

(2) Lines of business analysis for cyber security and health information technology- E-Gov funding will be used to:

- Support the joint development of an action plan, solution and architecture for Government-wide health information technology standards that are aligned with the efforts of the Federal Health Architecture and the overall Federal Enterprise Architecture.
- Provide improved and more consistent security management, processes and controls across Government to consolidate the Federal Information Security Management Act of 2002 requirement that each agency implement a security program compromising many common processes.

General Services Administration
ELECTRONIC GOVERNMENT FUND

BUDGET AUTHORITY
$(Thousands)

	FY 2004 Actual	FY 2005 Current	FY 2006 Request	FY 2005/FY 2006 Change
New Direct Budget Authority	$2,968	$2,976	$5,000	+2,024
Reimbursable Budget Authority	0	0	40,000	+40,000
Prior Year Carryover	4,700	2,740	1,000	-1,740
Total Budget Authority	7,668	5,716	$46,000	+40,294
Total Obligations	$4,928	$4,716	$46,000	+41,294
Net Outlays	$2,673	$3,184	$4,856	+1,672

EXPLANATION OF ESTIMATES

The fiscal year 2006 budget request provides for an increase of $2,024 above the fiscal year 2005 level for total direct budget authority of $5 million. The FY 2006 budget also anticipates $40 million in reimbursable funding from the proposed new GSA General Services Fund, formerly the GSA General Supply Fund and Information Technology Fund. Authority to collect reimbursable funding from the GSA General Services Fund is provided by a proposed GSA general provision in the FY 2006 Budget. The general provision reads as follows:

SEC 410. 40 U.S.C. 321 is amended by adding the following new paragraph at the end of subsection (f):

> “(2) From any uncommitted balances of the Fund, less amounts retained under subsection (1), the Administrator may, after consulting with the Office of Management and Budget, retain not to exceed $40,000,000 in each fiscal year to be available for allocation to Federal agencies for governmentwide electronic Government (E-Gov) projects, authorized under 44 U.S.C. 3604: Provided, That such allocations may not be made until 10 days after a proposed spending plan and justification for each project to be undertaken has been submitted to the Committees on Appropriations.”

EXPLANATION OF BUDGET CHANGES
APPROPRIATION
$(Thousands)

FY 2005 Appropriation..	**$3,000**
Reduction for .80% Rescission	-24
FY 2005 Enacted	**$2,976**
Increase to Electronic Government Fund	+2,024
FY 2006 New Direct Budget Authority	**$5,000**

OBLIGATIONS BY OBJECT CLASS
$(Thousands)

		FY 2004 Actual	FY 2005 Current	FY 2006 Request
	Personnel Compensation:			
11.1	Full-time permanent	0	0	0
11.3	Other than full-time permanent	0	0	0
11.5	Other personnel compensation	0	0	0
11.9	Total personnel compensation	0	0	0
12.1	Civilian personnel benefits	0	0	0
21.0	Travel and transportation of persons	4	0	0
23.1	Rental payments to GSA	0	0	0
23.3	Communications, utilities and miscellaneous charges	0	0	0
24.0	Printing and reproduction	0	0	0
25.1	Commercial Service Contracts	0	3,000	5,000
25.2	Other Services	1,896	1,716	1,000
25.3	Purchases of goods and services from Government Accounts	3,027	0	0
26.0	Supplies and materials	1	0	0
31.0	Equipment	0	0	0
99.0	Subtotal direct obligations	4,928	4,716	6,000
99.0	Reimbursable obligations	0	0	40,000
99.9	Total obligations	4,928	4,716	46,000

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Public Buildings Service
FY 2006 Congressional Justification

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Strategic Assessment

- *Overview*

The Public Buildings Service (PBS) is the largest public real estate organization in the nation and a provider of workspace and workplace solutions to more than 100 federal departments and agencies. The mission of PBS is to provide a superior workplace for the federal worker and superior value for the American taxpayer. Business processes are designed to manage the dynamic tension between these two objectives.

All PBS resources are deployed in two fundamental activities. The first is space acquisition, either by lease, construction or purchase. The second fundamental activity is asset management. These activities are funded through five budget activities: Construction and Acquisition of Facilities, Repairs and Alterations, Installment Acquisition Payments, Rental of Space, and Building Operations.

- *Strategic Assessment Summary*

Changes in real estate practices and technology have altered the nature of PBS business. As a result, PBS needs updated work processes, a highly skilled labor pool, and better integration of new technologies. In response to the President's Management Agenda, PBS developed a Human Capital Strategy with an emphasis on retention, training and accountability. As part of this strategy, PBS developed and implemented a new organizational architecture for the National Office, structured in accordance with its fundamental activities. PBS will further review its business processes as executed in the regional offices and each region will realign its organizational structure accordingly. This reshaping of the workforce will result in more consistent and efficient work processes and ensure that PBS continues to progress as a high-performing organization. PBS has also launched a number of Information Technology initiatives aimed at more efficient workflow and improved allocation of financial resources. As an example, the new Property Management Services system will improve tracking of real property asset usage, maintenance, and warranties, thus saving both money and time. Finally, PBS continually looks for opportunities to enhance customer satisfaction.

- *Trends, Issues, and Concerns*

Customer Service is a primary concern for PBS. PBS customers have requested greater consistency of work processes across regions and greater efficiency of operations as this relates to timeliness and cost control.

Increased use of technology for data management, electronic communications for marketing and sales, and other market trends such as changed real estate financing techniques provide opportunities for improved financial performance and prudent allocation of resources.

Trends in the labor market such as the pending rise in retirements and increased competition for highly skilled workers makes PBS's focus on its Human Capital Strategy a top priority.

Several of PBS's large customers are experiencing serious budget constraints. We are providing assistance to agencies to reduce rent bills and lower operating costs, however this will affect future revenues for the Federal Buildings Fund and, in turn, affect funds availability for the New Construction and Repairs and Alterations programs. We anticipate that this trend will continue.

In September 2004, the Judicial Conference of the United States announced that it is implementing a number of cost-containment measures, including a two-year moratorium on 42 federal courthouse construction projects. The Judiciary continues to support four projects where judicial space emergencies were declared -- Los Angeles, CA, El Paso, TX, Las Cruces, NM, and San Diego, CA. GSA is currently assisting the Judiciary with evaluating how the courts' space needs can continue to be satisfied at the least cost.

Summary of Program Assessment and Rating Tool (PART) Reviews

Three PART reviews pertaining to the Federal Buildings Fund have been completed to date – Asset Management, Leasing and New Construction. The findings and suggestions from these reviews are summarized by program, as follows:

Asset Management – PBS has developed new long-term, outcome goals and related performance measures and targets, and has demonstrated significant progress in achieving them. As a result, this program has been rated “Effective” in OMB’s latest analysis.

New Construction – The New Construction PART suggested that PBS develop program specific long-term, outcome oriented goals and efficiency measures, and recommended a review of the current organizational structure for the program. PBS is currently developing new goals and measures for the program.

Leasing – In its first PART analysis for this program, OMB recommended that PBS develop program specific long-term, outcome oriented goals and efficiency measures. It was also recommended that PBS implement brokerage service contracts with provisions designed to hold contractors and managers accountable for achieving program goals. PBS is in the process of procuring a national broker contract (multiple award). The contract is structured as a “no cost” contract and brokers will apply part of their commission to lower lease costs. PBS will propose that this program be reassessed in the FY 2007 PART process.

PBS Performance Plan Goals and Measures

2006 Budget Program	Long-term Outcome Goal	2006 Performance Goal	Performance Measure	2004 Actual	2005 Target	2006 Target
New Construction	**GSA will execute the new construction program on the schedule committed to our customers 90% of the time by FY 2010, and reduce the percentage of escalations on the program to at or below 1%.**	New construction projects on schedule 86% of the time by FY 2006	Construction projects on schedule	80%	85%	86%
		Reduce the percentage of escalations on construction projects at or below 1% by FY 2006	Percent of escalations on construction projects	1.6%	≤1%	≤1%
Leasing Program	**By 2010, the leasing program will deliver new leases at 9.5% below the industry average cost for office space and concurrently receive 88% overall customer satisfaction scores.**	Award leases at an average rental rate of not less than 8.5% below industry averages for comparable office space by FY 2006	Cost of leased space relative to market	-10.6%	-8.3%	-8.5%
		Achieve an Overall Customer Satisfaction Score of 87% on the Realty Transaction Survey for the lease transaction process	Overall customer satisfaction on the Realty Transaction Survey	86.7%	87%	87%
	By 2010, the leasing program will receive 80% customer satisfaction scores for existing leases and will have reviewed 90% of targeted current leases (i.e., leases greater than 25 thousand square feet, for which market data exists) for market opportunities while maintaining vacant space at or below 1.5%	Achieve a "highly satisfied" overall customer satisfaction rating 72% of the time by FY 2006	Customer Satisfaction - tenants in leased space	70%	70%	72%
		Review 50% of targeted current leases by FY2006	Percentage of targeted current leases reviewed	N/A	N/A	50%
		Maintain percent of vacant space in leased buildings less than or equal to 1.5% by FY 2006	Percent of vacant space in leased inventory	1.2%	≤1.5%	≤1.5%
		Maintain Funds from Operations (FFO) for leased space between 0% and 2% of the leased inventory revenue by FY 2006.	Percent of FFO from total leased space inventory revenue	1.9%	0% ≤ 2%	0% ≤ 2%

PBS Performance Plan Goals and Measures

2006 Budget Program	Long-term Outcome Goal	2006 Performance Goal	Performance Measure	2004 Actual	2005 Target	2006 Target
Asset Management	**Achieve a viable, self-sustaining inventory with an average Return on Equity of at least 6% by FY 2010 for 80% of our government owned assets.**	Increase to 71% the percentage of government-owned assets with a Return on Equity of at least 6% by FY 2006	Percentage of government-owned assets with an ROE of at least 6 percent	70%	68%	71%
		Increase the percentage of government-owned assets with a positive FFO to 85% by FY 2006	Percentage of government-owned assets achieving a positive FFO	78%	80%	85%
		88% of R&A projects on schedule by FY 2006	R&A projects on schedule	78%	86%	88%
		Obligate 75% of minor repairs and alterations budget for planned projects by the end of FY 2006	Percent of minor R&A budget obligated on planned projects by the end of the fiscal year	87%	75%	75%
		Decrease the vacant (available and committed) space to 7% of the owned inventory by FY 2005 and maintain thereafter.	Percentage of vacant and committed space in government-owned inventory	7.9%	7%	7%
		Maintain the percent of escalations on R&A projects less than or equal to 1% by FY 2006	Percent of escalations on R&A projects	0.5%	≤1%	≤1%
		Achieve an overall "highly satisfied" customer rating of 74% on the ordering official survey by FY 2006	Percent of highly satisfied customers on the ordering official survey	68%	73%	74%
	Reduce energy consumption by 35% by FY 2010 over the FY 1985 baseline while maintaining overall operating costs 12% below the private sector and customer satisfaction levels at or above 80%.	Reduce energy consumption in GSA federal buildings by 31%(as measured by Btu/GSF) over the FY 1985 baseline by FY 2006	Percent reduction in energy consumption over the FY 1985 baseline	-22.4%	-30%	-31%
		Execute energy conservation goals while increasing GSA's Customer Satisfaction scores to 73% by FY 2006	Customer Satisfaction – tenants in owned space	72%	72%	73%
		Maintain operating service costs in office and similarly serviced space at 12% or more below private sector benchmarks by FY 2006	Percent below private sector benchmarks, the cleaning, maintenance and utility costs in office and similarly serviced space	-14.5%	-12%	-12%

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FY 2006 Budget Request
Performance Plan
Budget Link Summary
(dollars in thousands)

	FY 2004	FY 2005	FY 2006	Change FY05 to FY06
Linked Budget Summary				
Asset Management	***$2,383,503***	***$2,393,327***	***$2,725,298***	***$331,971***
Repairs and Alterations:	*$901,729*	*$855,490*	*$1,029,165*	*$173,675*
Basic	$296,155	$280,676	$434,992	$154,316
Line-Item	$605,574	$574,814	$594,173	$19,359
Building Operations	$1,443,140	$1,537,837	$1,696,133	$158,296
Total Indefinite Authority	$38,634	[$40,620]	[$42,120]	$0
New Construction	***$1,035,491***	***$956,149***	***$845,193***	***($110,956)***
New Construction	$832,580	$760,353	$640,317	($120,036)
Installment Acquisition Payments	$169,677	$161,442	$168,180	$6,738
Building Operations	$33,234	$34,354	$36,696	$2,342
Leasing	***$3,722,200***	***$4,164,374***	***$4,198,304***	***$33,930***
Rental of Space	$3,278,873	$3,657,315	$4,046,031	$388,716
Building Operations	$131,690	$137,331	$152,273	$14,942
Rental of Space - Indefinite Authority	$311,637	$369,728	[$388,931]	($369,728)
Total New Obligational Authority:	**$7,141,194**	**$7,513,850**	**$7,768,795**	**$254,945**
Indefinite Authority Not Included in NOA				
Asset Management	--	$40,620	$42,120	$1,500
Leasing	--	--	$388,931	$388,931
Total Obligational Authority (NOA + IA)	**$7,141,194**	**$7,554,470**	**$8,199,846**	**$645,376**

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SCHEDULE OF RESOURCES, NEW OBLIGATIONAL AUTHORITY, AND FUND BALANCE
FY 2004 - FY 2006
(Dollars in Thousands)

	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Resources:			
Available from prior year for reauthorization	487,170	636,533	549,327
Redemption of Debt	(53,598)	(40,573)	(39,990)
Reprogramming Authority	48,358	33,079	0
Appropriation	459,669	0	0
Rescission	(2,712)	0	0
Transfer to Department of Homeland Security	(450,811)	0	0
Revenue from operations:			
Rent	6,913,785	6,999,425	7,710,363
Indefinite Authority for Rental of Space	311,637	369,728	[388,931]
Other Indefinite Authorities	38,634	[40,620]	[42,120]
Miscellaneous	1,757	4,480	4,547
Outleasing	6,140	6,004	6,094
Retention of Proceeds/Sale of Real Property	0	40,000	73,010
SSA/CDC/CMS Payments	14,936	14,501	14,771
Subtotal, Revenue	7,286,889	7,434,138	7,808,785
Total Resources Available	7,774,965	8,063,177	8,318,122
New Obligational Authority:			
Construction and Acquisition	832,580	760,353 [3]	640,317
Repairs and Alterations	914,429 [1]	855,490 [2, 3]	1,029,165 [2]
Installment Acquisition Payments	169,677	161,442	168,180
Rental of Space	3,590,510 [1]	4,027,043 [1]	4,046,031 [2]
Building Operations	1,633,998 [1]	1,709,522 [2]	1,885,102 [2]
Total New Obligational Authority	7,141,194	7,513,850	7,768,795
Fund Balance			
Total Resources Available	7,774,965	8,063,177	8,318,122
Total New Obligational Authority	(7,141,194)	(7,513,850)	(7,768,795)
Prior Year Recoveries	2,762		
Fund Balance (Available for Reauthorization)	636,533	549,327	549,327
Net Budget Authority	(143,217)	87,206	0

Notes:

[1] Includes indefinite authority.

[2] Excludes indefinite authority.

[3] Includes proposed reprogramming of $74,600 thousand (Construction - ATF Headquarters, Washington, DC ($47,503 thousand), U.S. Mission to UN, New York, NY ($7,053 thousand), and Courthouse, Springfield, MA, ($9,750 thousand) and Repairs and Alterations - Eisenhower Executive Office Building, Washington, DC ($6,576 thousand) and Bannister Federal Complex, Building 2, Kansas City, MO ($3,718 thousand)). Also includes $106,000 thousand rescission pursuant to P.L. 108-447. ($12,495 thousand New Construction - $93,505 thousand Repairs and Alterations)

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Crosswalk of the FY 2005 New Obligational Authority

FY 2005 Appropriations Act to FY 2006 Congressional Justifications

(Dollars in Thousands)

	P.L. 108-447 dated 12/8/04	Rescission, GSA General Provision Sec. 409	Proposed Reprogramming		Indefinite Authority for Leased Space	FY 2005 Current
New Obligational Authority:						
Construction and Acquisition	708,542	(12,495)	64,306			760,353
Repairs and Alterations	980,222	(93,505)	(31,227)			855,490
Installment Acquisition Payments	161,442					161,442
Rental of Space	3,657,315				369,728	4,027,043
Building Operations	1,709,522					1,709,522
Total New Obligational Authority	7,217,043	(106,000)	33,079	*	369,728	7,513,850

Notes:

Proposed reprogramming of $74,600 thousand (Construction - ATF Headquarters, Washington, DC ($47,503 thousand), U.S. Mission to UN, New York, NY ($7,053 thousand), and Courthouse, Springfield, MA ($9,750 thousand) and Repairs and Alterations - Eisenhower Executive Office Building, Washington, DC ($6,576 thousand) and Bannister Federal Complex Building 2, Kansas City, MO ($3,718 thousand))

*Prior year funding reprogrammed from R&A project (FOB 8, Washington, DC). The balance ($41,521 thousand) is from current year funding; no increase in total new obligational authority is required.

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FY 2006 BUDGET
INDEFINITE AUTHORITIES
(Dollars in Thousands)

	FY 2004 ACTUAL	FY 2005 CURRENT	FY 2006 REQUEST
RESOURCES			
Repairs and Alterations (Line-Item)			
Recycling	$208	[$320]	[$320]
Historical Outleasing	$11,943	[$11,500]	[$12,000]
Energy Rebates	$549	[$500]	[$500]
Building Operations			
International Trade Center	$18,989	[$20,400]	[$21,400]
Cooperative Use Act - Outleasing	$4,776	[$5,000]	[$5,000]
National Antenna Program	$1,369	[$2,000]	[$2,000]
Teleworking	$800	[$900]	[$900]
TOTAL (Excludes Leased Expansion Space)	$38,634	[$40,620]	[$42,120]
Rental of Space			
Leased Expansion Space	$311,637	$369,728	[$388,931]

Bracketed numbers are projections not included in budget totals.

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SCHEDULE OF FTE, OBLIGATIONS, AND NET OUTLAYS
(Dollars in Thousands)

	FY 2004 Actual		FY 2005 Current		FY 2006 Request		Increase/(Decrease) For FY 2006 Change	
	FTE	**Obligations**	**FTE**	**Obligations**	**FTE**	**Obligations**	**FTE**	**Obligations**
FTE and Obligations:								
1. Construction and Acquisition	-	658,504	-	1,003,006	-	1,150,499	-	147,493
2. Repairs and Alterations	-	784,721	-	878,686	-	1,190,050	-	311,364
3. Design and Construction Services	-	978	-	44	-	-	-	(44)
4. Installment Acquisition Payments	-	166,101	-	169,287	-	168,180	-	(1,107)
5. Construction of Lease Purchase Facilities	-	11,367	-	6,364	-	-	-	(6,364)
6. Pennsylvania Avenue Activities								
a) Repairs and Alterations	-	760	-	10,000	-	10,945	-	945
b) Building Operations	-	8	-	325	-	275	-	(50)
7. Rental of Space	-	3,665,412	-	4,116,912	-	4,046,031	-	(70,881)
8. Building Operations								
a) Cleaning	100	234,881	71	249,605	71	263,556	-	13,951
b) Utilities/Fuel	-	271,000	-	289,988	-	333,026	-	43,038
c) Maintenance	402	240,236	401	255,544	216	274,617	(185)	19,073
d) Other Building Services	953	234,243	930	197,967	930	213,773	-	15,806
e) Space Acquisition	1,379	145,042	1,350	166,522	1,350	173,446	-	6,924
f) Staff Support	2,644	305,511	2,715	349,019	2,727	340,954	12	(8,065)
g) CIO	170	125,016	175	134,820	175	151,008	-	16,188
h) Centralized Services	-	124,919	-	113,283	-	134,722	-	21,439
i) International Trade Center	-	21,287	-	2,360	-	-	-	(2,360)
Subtotal, Building Operations	5,648	1,702,135	5,642	1,759,108	5,469	1,885,102	(173)	125,994
9. Reimbursable	182	992,143	117	1,074,144	117	1,003,081	-	(71,063)
Total FTE/Obligations	5,830	7,982,129	5,759	9,017,876	5,586	9,454,163	(173)	436,287
Net Outlays:		(500,565)		226,440		(11,557)		(237,997)

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OBLIGATIONS BY OBJECT CLASS
(Dollars in Thousands)

		FY 2004 Actual	FY 2005 Current	FY 2006 Request
	Personnel Compensation:			
11.1	Full-time permanent	418,230	414,713	413,056
11.3	Other than full-time permanent	4,136	4,169	4,255
11.5	Other personnel compensation	8,272	8,338	8,510
11.9	Total personnel compensation	430,638	427,220	425,821
12.1	Civilian personnel benefits	103,071	104,088	103,719
13.0	Benefits for former personnel	1,741	924	5,549
21.0	Travel and transportation of persons	17,566	17,852	18,119
21.0	Motor pool travel	2,153	2,185	2,218
22.0	Transportation of things	2,125	2,135	2,167
23.2	Rental payments to others	3,662,941	4,116,912	4,046,031
23.3	Communications, utilities, and misc. charges	344,221	358,221	397,854
24.0	Printing and reproduction	2,159	2,186	2,015
25.1	Advisory and assistance services	806	824	840
25.2	Other services	2,454,405	2,913,360	3,262,596
25.4	Operation and maintenance of facilities	627,307	691,694	860,967
25.7	Operation and maintenance of equipment	40,279	41,197	42,003
26.0	Supplies and materials	45,252	50,100	52,450
31.0	Equipment	51,350	52,384	53,608
32.0	Land and structures	42,579	76,130	19,494
41.0	Grants, subsidies, and contributions	96	97	98
42.0	Insurance claims and indemnities	225	229	232
43.0	Interest and dividends	153,215	160,138	158,382
99.9	Total Obligations	7,982,129	9,017,876	9,454,163

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SUMMARY OF TOTAL INVENTORY, GOVERNMENT-OWNED AND LEASED SPACE
FY 2004 - FY 2006
(Rentable Square Feet in Thousands)

TYPE OF SPACE	FY 2004 ACTUAL	CHANGE FROM FY 2003	FY 2005 CURRENT	CHANGE FROM FY 2004	FY 2006 REQUEST	CHANGE FROM FY 2005
Government Owned Space						
Assigned	166,484	247	168,703	2,219	169,725	1,022
Vacant	14,300	(685)	12,698	(1,602)	12,775	77
Total	**180,784**	**(438)**	**181,401**	**617**	**182,500**	**1,099**
GSA Leased Space						
Assigned	163,742	6,938	171,468	7,726	175,911	4,443
Vacant	1,955	127	2,611	656	2,679	68
Total	**165,697**	**7,065**	**174,079**	**8,382**	**178,590**	**4,511**
Government Owned and Leased						
Assigned	330,226	7,185	340,171	9,945	345,636	5,465
Vacant	16,255	(557)	15,309	(946)	15,454	145
Total Space in Inventory	**346,481**	**6,628**	**355,480**	**8,999**	**361,090**	**5,610**
% of Total Space Vacant	4.69%		4.31%		4.28%	
% of Govt-Owned Space Vacant	7.91%		7.00%		7.00%	
% of Leased Space Vacant	1.18%		1.50%		1.50%	

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SUMMARY OF SPACE ASSIGNED, TOTAL INVENTORY
GOVERNMENT-OWNED AND LEASED SPACE
(Rentable Square Feet in Thousands)
FY 2004 - FY 2006

AGENCY	FY 2004 ACTUAL	FY 2005 CURRENT	FY 2006 REQUEST	CHANGE FROM FY 2005
U.S. COURTS	39,175	39,941	40,754	813
JUSTICE DEPARTMENT	38,851	39,574	39,739	165
TREASURY	35,183	35,396	35,898	502
HOMELAND SECURITY	28,091	28,831	30,794	1,963
SOCIAL SECURITY ADMINISTRATION	27,854	27,878	27,891	13
DEPARTMENT OF DEFENSE	17,296	17,199	17,094	(105)
INTERIOR DEPARTMENT	15,072	14,938	15,011	73
HEALTH AND HUMAN SERVICES	13,783	14,393	14,669	276
ALL OTHERS	114,921	122,021	123,786	1,765
Total Space Assigned	330,226	340,171	345,636	5,465

Construction

Strategic Direction

- *Overview*

The Public Buildings Service (PBS) surveys the housing needs of its client agencies and the availability of federal housing in communities nationwide. New construction is recommended to meet new or unique space needs, replace antiquated facilities, or consolidate agencies with long-term requirements when ownership is the low-cost solution. GSA contracts with architectural firms to design projects, and general contractors and subcontractors to construct federal buildings. GSA benchmarks construction project budgets against other similar projects and external data sources. PBS has demonstrated that construction durations are within industry norms for other similar project types.

- *Strategic Assessment*

The new construction program, headed by the Office of the Chief Architect (OCA), has a clear purpose to meet client agency space needs in those cases where GSA, the client, and the Office of Management and Budget (OMB)/Congressional stakeholders determine that new construction is preferred to leasing. The program is first and foremost a program of technical construction knowledge. All of its design, architecture, and engineering efforts are focused on improved environments for Federal employees. The management, dissemination, and preservation of knowledge within the OCA are critical to the effectiveness of the program. Moreover, OCA must continuously improve its core capabilities of design, architecture, and engineering, and keep current on issues and innovations in the related industries.

The ability to provide on time, on budget, and within scope projects to our customers ultimately defines our value. Successful management of programs and projects, including the appropriate oversight of their progress, is a key requirement for achieving program goals. Program and project managers are challenged to use their expertise and to apply innovative techniques to improve performance while remaining within schedule, cost and scope.

- *Trends, Issues, and Concerns*

The primary concern for the construction program is on-time, on-budget capital project delivery. Project status is being closely monitored throughout design and construction to identify and correct problems in a timely manner. For projects over $25 million, evaluations are scheduled at 15%, 60% and 100% of construction completion. In addition, a new performance measurement tool has been developed and implemented, which compares a project's construction schedule and outlays to standards, and reports variances for both measures.

PART Status for Construction

In the PART analysis of the new construction program, OMB recommended that GSA develop long-term, outcome goals and efficiency measures. These new measures are currently under development. In addition, OMB recommended PBS review the organizational structure for the new construction program. PBS is studying how best to address this concern.

Strategy and Action Plan – Construction

Long-Term Outcome Goal *

GSA will execute the new construction program on the schedule committed to our customers 90% of the time by FY 2010, and reduce the percentage of escalations on the program to at or below 1%.

*Note: A new Long-Term Outcome Goal is under development.

Strategies

- Continue focus on training/mentoring. Develop a checklist/exam for project managers to identify training needs.
- Develop a comprehensive Project Management Manual that integrates new and existing guidance and related tools.
- Develop and implement best practices design and project delivery guides specific to Interior Design and Historic Buildings.
- Continue construction peer reviews.
- Perform quality reviews of construction documents prior to construction and project reviews at planned construction intervals.
- Use IT tools to enhance the flow of information and improve construction management.

Action Plan and Performance

All of the action items and initiatives proposed by the OCA are designed to contribute to successfully delivering quality projects on time and within budget constraints. Minimizing project scope changes is key to achieving this goal. To achieve these goals for its construction program in FY 2006, the OCA will:

1. <u>Continue Training Programs for Project Managers</u>

Project Managers will participate in the Certified Construction Manager (CCM) program offered by the Construction Management Association of America. This training provides the latest techniques and industry standards in project management. PBS will develop a checklist/exam for project managers to identify training needs. New Project Managers will be assigned a regional mentor.

2. <u>Provide Integrated Policy Guidance and Instruction Manuals</u>

PBS will support the success of its project managers through development and implementation of a Project Management Manual that will integrate and update existing guidance and related tools. The goal is to develop and implement a web-based project management desk guide that will be continuously updated. The desk guide will delineate the necessary steps at each stage of a project and will provide web-based links to templates and related materials to enhance the topics addressed. In order to improve the quality of the product offered to the customer, PBS will also develop and implement design and delivery guides dealing with the unique requirements and best practices related to Interior Design for Federal Buildings and Renovations and Alterations of Historic Buildings. In addition to improving the product offered, these initiatives will ensure PBS's compliance with the National Historic Preservation Act, Executive Order 13287 "Preserve America," and the Archeological Resources Protection Act. In FY 2006, $2,835 thousand is requested for 12 related initiatives, studies, and IT or database upgrades.

3. Improve Planning Processes

PBS will improve the review process for all capital submissions, resolving any deficiencies or missing requirements before requests are forwarded to OMB. Project teams will continue to agree upon business and project goals prior to design prospectus, construction prospectus and construction. Using the Construction Industry Institute's Project Definition Rating Index (PDRI), the team will evaluate a project's potential for successful completion.

4. Improve Design to Minimize Scope Changes

Project teams will use a Design Management Evaluation process that is currently being developed. This will ensure that project designs are in compliance with congressionally approved scope and budget, local regulations, applicable industry design standards, and specific applicable federal design initiatives such as blast mitigation, glass fragmentation, and Leadership in Energy and Environmental Design (LEED) certification. A team of GSA and private sector Peer Reviewers will perform Quality Assurance Reviews on Preliminary Concept Drawings, Design Concept Drawings, and Construction Documents, with early integration of architectural and engineering design. Independent estimates of construction costs will also be done in this phase. In FY 2006, $2,000 thousand is requested to perform Quality Assurance Reviews on each FY 2006 new design start.

Project managers will utilize Interoperable Object Mode Technology (3D-4D) for the design of projects. This tool allows "virtual" construction of the project, including automated design standards checking and automated cost estimating. This will result in fewer scope changes and fewer escalations. The tool allows full transfer of design information into construction, facility management, and operations/maintenance projections. PBS plans to implement this technology in four regions in FY 2006 and requests funding of $550 thousand for the test implementation.

5. Conduct Project Evaluations and Budget Estimates at Scheduled Intervals

PBS will conduct Peer Reviews by private sector professionals to evaluate projects at 15%, 60% and 100% of construction completion for all projects over $25 million. PBS will continue to utilize independent government estimates at 30%, 60%, and 90% of design completion for all prospectus level projects.

6. Use Earned Value Management Principles and Related Tools

PBS will continue to apply performance measures to compare a project's monthly payments to the agreed-upon "cost loaded" schedule. This allows a comparison between a project's predicted cash flows and the value of the work in place at given time intervals. This method of tracking gives early warning of potential cost overruns if actual costs exceed projected (without commensurate acceleration of the work accomplished) and early warning of potential delays if actual costs and value of the work accomplished is less than what is projected for that point in time. A number of related tools make tracking this data possible, including the Project Information Portal. PBS will continue improve upon these tools.

7. Incorporate Provisions in Contracting Vehicles that Support Program Goals

PBS will continue to incorporate contract specifications that incentivize construction contractors and contract Construction Managers (CMs) to meet schedule, budget and scope targets. Construction Management of America standards will be incorporated in all new CM contracts. PBS will explore using a source selection process for construction contracts that prioritizes contractors' history of project delivery as the most heavily weighted selection factor.

8. <u>Improve the "Product" by Reforming the Art in Architecture Process</u>

PBS will reform the Art in Architecture program to parallel the Design Excellence process and streamline the commissioning of art for federal buildings. The implementation of an automated, integrated and interactive artist commissioning process, supported by a modern Artist Registry database is necessary to more efficiently select project artists to work with project architects selected through the Design Excellence program. Current technological obsolescence places the Art in Architecture program in danger of becoming disconnected from the design and construction phases of PBS construction projects, which can adversely affect the timeliness of project delivery. A one-time cost of $800 thousand is requested for FY 2006 to make necessary technological upgrades.

Impact on Performance:

With the implementation of these strategies and initiatives, PBS expects to see improvement in the skill sets of its project managers and improvement in its processes that will result in a higher percentage of projects being delivered on time, within scope, and within budget. Moreover, PBS expects to see continued improvement in the quality of the product delivered to customers through improved processes related to its Design Excellence programs and Art-in-Architecture programs.

Long-term Outcome Goal:*

GSA will execute the New Construction Program on the schedule committed to our customers 90% of the time by FY 2010, and maintain the percentage of escalations on the program at 1%.

*Note: A new Long-Term Outcome Goal is under development.

Performance Goal: New Construction projects on schedule 86% of the time by FY 2006.

Performance Measure

- Construction projects on schedule

GSA anticipates it will deliver and complete construction of new projects on the schedule committed to its customers 90% of the time by 2010. The earned value technique is used to assess construction project performance on all projects over $10,000 thousand. Results are measured as the percent of the project dollars outlaid on or ahead of schedule. This measurement method is designed to provide greater weight to larger construction projects.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
68%	*80%*	*85%*	*86%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
87%	*88%*	*89%*	*90%*

Performance Goal: Reduce the percentage of escalations on construction projects to at or below 1% by FY 2006.

Performance Measure

- Percent of escalations on construction projects

PBS manages the capital program within budgets provided by Congress. Projects are considered within budget until PBS escalates or requests a reprogramming or an additional appropriation for the project that raises total project cost above the original appropriation amount. By concentrating on the financial aspects of construction projects, PBS helps to ensure that taxpayers are getting the best value.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
0.6%	*1.6%*	*1%*	*1%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10*
1%	*1%*	*1%*	*1%*

Construction Financial Summary

To achieve all performance goals for the New Construction program, PBS requests funding of $845,193 thousand. Funding in the amount of $49,540 thousand ($28,910 thousand of New Construction funding and $20,630 thousand of Building Operations funding) is dedicated to project management efforts to reduce the percentage of escalations on construction projects to 1% or below. This will be achieved by implementing the Construction Industry Institute's Project Definition Rating Index (PDRI), and by utilizing independent government estimates at 30%, 60%, and 90% of design. PBS plans to dedicate $795,653 thousand ($611,407 thousand of New Construction funding, $168,180 thousand of Installment Acquisition Payments, and $16,066 thousand of Building Operations funding) to completing projects on schedule. This amount will provide design, site, and construction funding and program funding for enhancements to the GSA information system containing data on prospectus level projects nationwide, better training for GSA project managers in administration of the new scheduling specifications, and allow for the revision of construction management contracts to include new scheduling requirements.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

FY 2006 Budget Request / Performance Plan
Budget Links
New Construction
(dollars in thousands)

Long-term Outcome Goal(s)

GSA will execute the new construction program on the schedule committed to our customers 90% of the time by 2010, and reduce the percentage of escalations on the program to at or below 1%.

Performance Goal	Performance Measure	FY 2004		FY 2005		FY 2006		Change FY05 to FY06	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
New construction projects on schedule 86% of the time by FY 2006	Construction projects on schedule	80%	$ 964,873	85%	$ 911,749	86%	$ 795,653	1%	$ (116,096)
Budget Links:	New Construction		$ 780,433		$ 735,443		$ 611,407		$ (124,036)
	Installment Acquisition Pmts		$ 169,677		$ 161,442		$ 168,180		$ 6,738
	Building Operations		$ 14,763		$ 14,864		$ 16,066		$ 1,202
Reduce the percentage of escalations on construction projects at or below 1% by FY 2006	Percent of escalations on construction projects	1.6%	$ 70,618	≤ 1%	$ 44,400	≤ 1%	$ 49,540	0%	$ 5,140
Budget Links:	New Construction		$ 52,147		$ 24,910		$ 28,910		$ 4,000
	Building Operations		$ 18,471		$ 19,490		$ 20,630		$ 1,140
Budget Activities:									
New Construction			$ 832,580		$ 760,353		$ 640,317		$ (120,036)
Installment Acquisition Pmts			$ 169,677		$ 161,442		$ 168,180		$ 6,738
Building Operations			$ 33,234		$ 34,354		$ 36,696		$ 2,342
Total New Obligational Authority			**$ 1,035,491**		**$ 956,149**		**$ 845,193**		**$ (110,956)**

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

CONSTRUCTION AND ACQUISITION OF FACILITIES
SUMMARY OF FY 2006 PROGRAM
(Dollars in Thousands)
IN PRIORITY ORDER

	ESTIMATED TOTAL PROJECT COST					FY 2006 REQUEST				
	SITE	DESIGN	CONSTRUCTION	M&I	TOTAL	SITE	DESIGN	CONSTRUCTION	M&I	TOTAL
New Construction:										
Montgomery County, MD, FDA Consolidation……………………	1,200	54,846	795,265	31,172	882,483	-	12,500	108,000	7,100	127,600
Washington, DC, St. Elizabeths West Campus Infrastructure……	-	7,645	10,847	889	19,381	-	7,645	5,080	370	13,095
Washington, DC, Coast Guard Consolidation……………………	-	24,900	270,000	24,900	319,800	-	24,900	-	-	24,900
Calais, ME, Border Station…………………………………………	1,428	4,554	43,844	3,589	53,415	1,096	1,617	43,844	3,589	50,146
Champlain, NY, Border Station……………………………………	650	7,000	75,941	7,750	91,341	241	3,609	43,429	5,231	52,510
Blaine, WA, Peace Arch Border Station…………………………	7,060	3,790	42,497	2,999	56,346	-	1,038	42,497	2,999	46,534
Massena, NY, Border Station………………………………………	990	5,828	54,230	5,381	66,429	458	1,450	45,994	1,881	49,783
Jackman, ME, Border Station………………………………………	1,312	2,252	25,553	1,445	30,562	812	657	11,319	-	12,788
Washington, DC, Southeast Federal Center Site Remediation….	-	-	85,857	-	85,857	-	-	15,000	-	15,000
Lakewood, CO, Denver Federal Center Infrastructure……………	-	4,658	33,863	4,114	42,635	-	4,658	-	-	4,658
Nonprospectus Program……………………………………………	-	-	9,500	-	9,500	-	-	9,500	-	9,500
Subtotal, Executive Agencies……………………………………	**12,640**	**115,473**	**1,447,397**	**82,239**	**1,657,749**	**2,607**	**58,074**	**324,663**	**21,170**	**406,514**
Subtotal, Federal Judiciary (see attached listing)……………	**43,916**	**19,361**	**283,028**	**12,185**	**358,490**	**3,000**	**1,718**	**221,345**	**7,740**	**233,803**
Total Construction and Acquisition of Facilities Program…..	**56,556**	**134,834**	**1,730,425**	**94,424**	**2,016,239**	**5,607**	**59,792**	**546,008**	**28,910**	**640,317**

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

CONSTRUCTION AND ACQUISITION OF FACILITIES
SUMMARY OF FY 2006 PROGRAM
(Dollars in Thousands)
IN PRIORITY ORDER

	ESTIMATED TOTAL PROJECT COST					FY 2006 REQUEST				
	SITE	DESIGN	CONSTRUCTION	M&I	TOTAL	SITE	DESIGN	CONSTRUCTION	M&I	TOTAL
Federal Judiciary:										
San Diego, CA, U.S. Courthouse.......	31,916	13,711	221,345	7,740	274,712	-	1,718	221,345	7,740	230,803
Austin, TX, U.S. Courthouse…………	12,000	5,650	61,683	4,445	83,778	3,000	-	-	-	3,000
Subtotal, Federal Judiciary ……….	**43,916**	**19,361**	**283,028**	**12,185**	**358,490**	**3,000**	**1,718**	**221,345**	**7,740**	**233,803**

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Construction and Acquisition of Facilities
FY 2006 Project Descriptions

CALIFORNIA

San Diego – U.S. Courthouse ……….…………………………………$230,803,000

The General Services Administration proposes the construction of a 619,644 gross square foot U.S. Courthouse Annex, including 105 indoor parking spaces in San Diego, CA. The courthouse Annex will provide 18 district courtrooms/chambers, 3 appellate judge chambers, a circuit satellite library, a district clerk's office, pre-trial services, and space to meet the expansion requirements of the courts and court-related agencies. The courthouse Annex will meet the 30-year space needs of the courts and court-related agencies in conjunction with the Edward J. Schwartz Federal Building and U.S. Courthouse (FB-CT).

The District Court currently occupies space in the existing Federal Building - Courthouse. This building cannot accommodate the Courts' total space requirements and was not designed to accommodate needed expansion on the site. Some of the modifications to the building resulted in courtrooms that are less than adequate size. The Judicial Conference, in September 2003, declared a space emergency in San Diego to recognize the effect of aggressive border enforcement initiatives on the court's facilities and the security and operational problems at this location.

Site ($31,916 thousand) was funded in fiscal years 1999, 2002, 2003, and 2005. Design ($11,993 thousand) was funded in fiscal year 2003. This request is for additional design funds of $1,718 thousand, construction funds of $221,345 thousand and management and inspection funds of $7,740 thousand. The estimated total project cost is $274,712 thousand.

COLORADO

Lakewood, Denver Federal Center Infrastructure……………………$4,658,000

The General Services Administration proposes alterations of the utilities infrastructure serving 90 buildings at the 670-acre Denver Federal Center Facility in Lakewood, CO. The primary goal of this project is to provide a reliable utility infrastructure to continue providing utility services to tenant agencies over the next fifty years.

The major work items include water system upgrades, firewater protection, domestic water systems replacements, sanitary sewer system, electrical system, and communications systems alterations.

The Denver Federal Center is a federal campus located in Lakewood, CO. It was originally the site of a small arms ammunition manufacturing plant built in 1941 to support World War II. After the war, the site was adapted as a Federal complex for office, lab, and warehouse use. It comprises approximately 3.9 million rentable square feet in 90 buildings, and parking for 7,000 vehicles. Approximately 30 agencies and bureaus are housed at the center.

This request is for design ($4,658 thousand). The balance of funding for construction ($33,863 thousand) and management and inspection ($4,114 thousand) will be requested in a future fiscal year. The estimated total project cost is $42,635 thousand.

DISTRICT OF COLUMBIA

Southeast Federal Center Site Remediation..……..………………$15,000,000

The General Services Administration (GSA) proposes environmental mitigation efforts and operating costs as efforts continue on the SEFC project. Through

DISTRICT OF COLUMBIA – continued

Southeast Federal Center Site Remediation - Continued

Public Law 106-407, the Southeast Federal Center Public-Private Development Act of 2000 (the SEFC Act), Congress provided GSA with the authority to redevelop this property as a mixed-use site through private sector developers. The goal of this project is to enhance the value of the site to the Government.

The SEFC is an underutilized Federal property with significant potential for development. It is a 55.3-acre parcel located within the District of Columbia's southeast boundary along the Anacostia River. The site consists of two projects configured for development. The first project is on 11 acres of land designated for the Department of Transportation Headquarters. The second project is on approximately 42 acres and is the subject of a Request for Proposals (RFP) for development with a mixture of land uses.

Construction ($44,122 thousand) was funded in fiscal years 1997, 1999, 2002, 2003, and 2005. An internal budget escalation ($1,735 thousand) increased project funding in fiscal year 2000.

This request covers the administrative and review costs related to the property transfer, rezoning, and design development, as well as design and oversight of the remedial development and investigation efforts, based on an EPA order ($15,000 thousand). This request will also fund soil remediation and groundwater monitoring for a portion of the 42 acres. The estimated total project cost is $85,857 thousand.

St. Elizabeths West Campus Infrastructure……..………………$13,095,000

The General Services Administration (GSA) proposes to redevelop the West Campus of St. Elizabeths Hospital, a 182-acre site including 61 buildings. This proposal seeks funding for planning, pre-development, and infrastructure repair costs necessary to redevelop the site for future tenancy.

The site is aptly suited to provide a high security campus for federal agencies due to its topography, limited access, and significant setbacks from neighboring properties. The property is easily accessible from Washington D.C.'s central employment area, and is the last, large, developable site under federal control in the District of Columbia. Developing the St. Elizabeths West Campus is a valuable opportunity under the federal government's complete control.

The federal government, until 1987, administered St. Elizabeths Hospital. Most recently it housed the Department of Health and Human Services (HHS). Since then, these administrative duties have been assumed by the District of Columbia's Commission on Mental Health Services (CMHS) with the use of selected buildings on the West Campus governed by a use permit agreement with HHS. In early 2003, CMHS vacated the buildings and relinquished the use permit agreement. HHS reported the West Campus as excess and GSA accepted the property in December 2004.

The primary goal of this project is to prepare the West Campus for redevelopment as a federal facility by providing a reliable infrastructure that will serve the needs of tenants in future years. These buildings contain approximately 1.1 million gross square feet (gsf) of space with the potential to develop another 2 million gsf of federally constructed space. A secondary goal is to relocate federal tenants to federally owned space from federally leased space.

This request is for design ($7,645 thousand), construction ($5,080 thousand) and management and inspection ($370 thousand). The balance of project funding, construction ($5,767 thousand) and management and inspection ($519 thousand), will be requested in future fiscal years. The estimated total project cost is $19,381 thousand.

Construction and Acquisition of Facilities
FY 2006 Project Descriptions

DISTRICT OF COLUMBIA – continued

Coast Guard Consolidation……………………………………..$24,900,000

The General Services Administration (GSA) proposes to redevelop the West Campus of St. Elizabeths Hospital, a 182-acre site including 61 buildings with approximately 1.1 million gross square feet (gsf) of space. Approximately two million gsf can currently be constructed at this location. This proposal requests the design necessary to accommodate future tenancy. Initial redevelopment will provide housing for the U.S. Coast Guard (USCG) consolidation. The site will also be evaluated for the housing needs of other high security federal tenants and the potential for road access and traffic control.

The USCG is currently housed in several leased locations that are no longer suitable for its needs. Due to recent hiring efforts, USCG has outgrown its current location. A lack of suitable housing close to their current location dictates a need to relocate. The USCG also plans to consolidate up to 1 million gsf to gain operational efficiencies. A federally-owned solution on a campus facility will provide the needed security at a cost beneficial to the government. The USCG's largest lease expires in 2008, providing an opportune time to effect the consolidation.

This request is for design. The balance of project funding, construction ($270,000 thousand) and management and inspection ($24,900 thousand) will be requested in future fiscal years. The estimated total project cost is $319,800 thousand.

MAINE

Calais – Border Station………………………………...…………$50,146,000

The General Services Administration proposes to construct two new border stations and renovate one existing border station all of which are located in Calais, ME.

The first new facility will replace the commercial functions of the two existing border stations (Ferry Point and Milltown). The facility will provide agency expansion space that cannot be accommodated at the two smaller facilities. In addition, GSA proposes to redevelop the existing Ferry Point border station to meet future needs. The proposed renovation will allow GSA to extend the useful life of an existing building and reconfigure the current traffic flow to accommodate changes in traffic volume. Further, GSA proposes to demolish the Milltown border station and construct a second larger facility to accommodate the growth in non-commercial vehicle traffic.

The existing Calais Ferry Point and Milltown border stations are among the busiest ports of entry on US-Canadian border. The construction of a new bridge crossing has been a topic of local and regional discussion for more than twenty-five years, mainly due to the congestion created in the Central Business Districts of both Calais, ME and St. Stephen, New Brunswick, as a result of increased commercial traffic. Relocation of all commercial traffic from Ferry Point and Milltown to the new crossing will alleviate this congestion.

The existing two-story main port building at Ferry Point is situated on a site of less than one acre. Currently, the agencies are housed in space that lacks sufficient office space, search and inspection rooms, and detention cells as well as insufficient storage, locker, lunch, and conference/training space to house the projected staff level of eighty-nine employees.

MAINE – continued

Calais – Border Station - continued

The site itself lacks sufficient size to accommodate a modern commercial inspection facility. The site does not provide room for sufficient parking, maneuvering areas or a clear and well-defined traffic pattern for visitors and employee parking. Additionally, there is no secure parking for impounded vehicles.

The existing single story wood frame Milltown building is in poor condition and the 796 square foot interior is inadequate to support the mission at the port. The site is limited by its very small land area and location within the 100-year flood plain of the St. Croix River. This site does not provide room for sufficient parking and for efficient traffic flow.

The Ferry Point and Milltown border stations can no longer efficiently and effectively process traffic given the stringent security standards imposed since the terrorist attacks of September 11, 2001. The introduction of security equipment such as Vehicle and Cargo Inspection Service (VACIS) and Radiation Portal Monitors (RPM), require that the flow of traffic be reconfigured in a manner that will allow this equipment to function properly, without causing significant traffic delays.

Site acquisition ($332 thousand) and design ($2,937 thousand) were funded in fiscal year 2005. This request is for additional site ($1,096 thousand), additional design ($1,617 thousand), construction ($43,844 thousand), and management and inspection ($3,589 thousand). The estimated total project cost is $53,415 thousand.

Jackman - Border Station……………………………………..……$12,788,000

The General Services Administration (GSA) proposes the construction of a new 61,581 gross square feet Border Station in Jackman, ME. The proposed facility will replace the existing facility, which has deteriorated beyond repair and is not equipped to process the increased volume of traffic. The new border station will be constructed to meet the existing and future requirements of the tenant agencies in terms of size, efficiency, and security.

The proposal amends an earlier request due to changes in scope resulting from post September 11th security additions. Specifically, this amended prospectus includes the construction of a permanent facility for the Vehicle and Cargo Inspection Service (VACIS). It also includes changes to site work that is necessary to install a Radiation Portal Monitor (RPM).

The present facility at Jackman, ME has reached the end of its useful life. The new facility will replace the existing border station that is overcrowded and functionally obsolete. The existing station is no longer equipped to process the increased volume of traffic and does not meet the Custom and Border Patrol's (CBP) existing or future requirements in terms of size, efficiency and security. The new border station facility will be constructed on land sufficient to accommodate the overall need, while utilizing the site of the existing station that will be demolished. Temporary off-site inspection facilities will be used during construction

Since the events of September 11, 2001, CBP's mission has shifted overwhelmingly towards counter-terrorism. CBP now requires a VACIS and RPM to be installed at this border station. The addition of VACIS and the RPM resulted in additional site requirements necessary to accommodate these programs.

MAINE – continued

Jackman - Border Station - continued

Design ($1,595 thousand) was appropriated in fiscal years 2002 and 2003. Site funding ($500 thousand) was appropriated in fiscal year 2003, management and Inspection funding ($1,445 thousand) was appropriated in fiscal year 2004, and construction funding ($14,234 thousand) was appropriated in fiscal years 2003 and 2004. This request is for additional site funds of $812 thousand, additional design funds of $657 thousand, and additional construction funds of $11,319 thousand. The estimated total project cost is $30,562 thousand.

MARYLAND

Montgomery County – FDA Consolidation…………………………$127,600,000

The General Services Administration (GSA) proposes to continue constructing new headquarters and laboratory facilities for the Food and Drug Administration (FDA) at the White Oak Federal Center in White Oak, MD.

The FDA is currently being consolidated in Maryland's Montgomery (White Oak) and Prince George's Counties. The FDA has consolidated two centers in Prince George's County, occupying approximately 584,000 gross square foot (gsf). The proposed White Oak facility will provide approximately 4.6 million gsf of consolidated office, laboratory, and parking space for the FDA headquarters. Increases in office space and parking are a result of programmatic growth over the years and recent congressional legislation that added additional functions to the FDA.

Since the September 11, 2001 terrorist attack, Congress required that the proposed FDA consolidation include counter terrorism support functions for Bio Terrorism. Additionally, the FDA requires office locations for the Centers for Veterinary Medicine (CVM) to be located at the White Oak facility. The Center for Drug Evaluation and Research (CDER) and the Center for Devices and Radiological Health (CDRH) were each assigned a new program function. Through Public Law 107-188, the CDER was tasked with implementing the Prescription Drug User Fee Act (PDUFA). Through Public Law 107-250, the CDRH was tasked with implementing the Medical Device User Fee & Modernization Act (MDUFMA). In addition to the FDA's programmatic growth, these new programs require staffing and space for operations. Since the support functions are analogous to the centers for biological sciences that are currently being consolidated at White Oak, they are incorporated into the development of the 130-acre - White Oak Federal Center. This and future funding requests will help GSA and the FDA meet these facility requirements at White Oak on an incremental basis.

<u>Prior Authority and Funding</u>

Fiscal Year 1992	$200,000,000
Fiscal Year 1994	73,921,000
Reprogramming from other construction project (1994)	6,000,000
Fiscal Year 1995	45,000,000
Rescission (P.L. 104-19)	(228,000,000)
Transfer (Seafood Research Facility, 1995)	(5,000,000)
Fiscal Year 1996	55,000,000
Fiscal Year 2000	35,000,000
Fiscal Year 2001	92,179,000
Fiscal Year 2002	19,060,000
Fiscal Year 2003	37,600,000
Fiscal Year 2004	42,000,000
Fiscal Year 2005	88,710,000
Total	$461,470,000

MARYLAND – continued

Montgomery County – FDA Consolidation - continued

Prince George's County

The Center for Veterinary Medicine (CVM) in Laurel ($43,842 thousand) and the Center for Food Safety and Applied Nutrition (CFSAN) in College Park ($86,123 thousand) were funded in fiscal year 1992. The CVM and CFSAN projects have been completed. The CVM project provides 174,000 gsf. The CFSAN project provides 410,000 gsf.

Montgomery County – White Oak

Funding received prior to fiscal year 2000 for FDA White Oak included planning and technical support ($12,366 thousand) and infrastructure costs ($4,590 thousand). Funding for fiscal year 2000 for the CDER Life Sciences Laboratory included design ($2,120 thousand), construction ($30,800 thousand), and management and inspection ($2,080 thousand).

Funding for fiscal year 2001 included funds to complete construction ($8,800 thousand) of the CDER Life Sciences Laboratory and funds for the CDER Office Building construction ($83,379 thousand).

Funding for fiscal year 2002 included M&I costs ($2,960 thousand) for the CDER Office, design ($3,800 thousand) of the Center for Devices and Radiological Health (CDRH) Laboratory, design ($3,600 thousand) of the Central Shared Use facility - Phase I, design ($5,600 thousand) of the CDER Office, demolition and abatement ($1,500 thousand) for Building One, and funds to complete the CDER Office construction ($1,600 thousand).

Fiscal year 2003 funding included construction ($26,000 thousand) of the Central Shared Use facility - Phase I, construction ($6,000 thousand) funds for converting the 3rd and 4th floors of the CDER Life Sciences Laboratory from office to laboratory space, CDRH Laboratory foundation construction ($2,800 thousand), and design ($2,800 thousand) of the CDER Office expansion.

Fiscal year 2004 funding was provided for construction ($42,000 thousand) of the CDRH Laboratory

Fiscal year 2005 funding was provided for the site acquisition ($1,200 thousand) of the road and bridge; design ($5,500 thousand) for the road and bridge, the CDRH Office Building, and Central Shared Use facilities; M&I costs ($1,710 thousand) for Central Shared Use facilities and the CDER Office; and partial construction ($80,300 thousand) costs for the CDRH Laboratory, CDER Office expansion, Central Shared Use facilities, road and bridge, and parking garage.

This request is for Phase III construction ($3,724 thousand) of Infrastructure (water/sewer/landscaping) for the north road, which provides secondary access to the site; design ($4,100 thousand) and construction ($8,690 thousand) of Infrastructure (water/sewer/landscaping) for the south road to the planned parking structure; M&I costs ($7,100 thousand) for construction of the CDRH Laboratory and Office, infrastructure for north and south roads, the CDER Office expansion, the Building One front entrance, and parking structure; construction ($66,694 thousand) of CDRH Office; construction ($20,766 thousand) of Central Shared Use facility - Phase 2; design ($6,900 thousand) of Office of the Commissioner and Office of Regulatory Affairs; design ($1,500 thousand) for renovation of Building One; and construction ($8,126 thousand) of Building One front entrance and parking. Funding for the remaining phases will be requested in future fiscal years.

Construction and Acquisition of Facilities
FY 2006 Project Descriptions

NEW YORK

Champlain – Border Station……………………..……………………$52,510,000

The General Services Administration proposes the acquisition of an additional 29 acres of land, and the design and construction of additional scope for the redevelopment of the Champlain, NY U.S. Border Station. This proposal amends the earlier fiscal year 2004 project to reflect the expanded operational requirements and personnel increases of the Department of Homeland Security. The proposed project includes the expansion of the existing facility to provide more administrative and inspection space, additional building support and vehicle ground maneuvering facilities, and upgrades to employee and visitor security.

The project includes construction of a new administration building, relocated and expanded commercial vehicle queuing lanes, nine primary commercial cargo inspection lanes, a commercial secondary inspection warehouse and office building, an export control building, a vehicle impound area and service building, an outdoor firing range, a cargo x-ray facility, an eight-bay commercial secondary inspection dock, an employee and visitor parking, a veterinary services processing center, and site utility improvements with relocation of the International Gas Pipeline access road.

The existing border station is inadequate for current inspection operations. The building facilities are too small and/or functionally deficient, or nonexistent, and cannot adequately accommodate personnel and work operations. Additionally the facilities are in a poor overall condition from aging, use, and limited maintenance over the years. It would be costly to repair the facility with the intent of long-term occupancy or to meet current operational standards. Vehicular surface transiting facilities are inadequate to handle vehicular traffic. Inspection and queuing lanes, staging areas, and parking facilities are insufficient or nonexistent. Border traffic is chronically backed up several miles into Canada, posing severe traffic and health hazards from accidents and vehicular exhaust pollution. The traffic volume at this station ranks sixth amongst all entry ports nationwide.

Design ($500 thousand) was funded in fiscal year 2000 through TEA-21 Legislation. Design ($2,800 thousand) was transferred from Department of Transportation (Public Law 106-345) in fiscal year 2001. Site ($409 thousand) and additional design ($91 thousand) were funded in fiscal year 2002. Construction ($4,000 thousand) was funded in fiscal year 2003. In fiscal year 2004, construction ($28,512 thousand) and management and inspection ($2,519 thousand) were funded. This request is for the balance of site ($241 thousand), design ($3,609 thousand), construction ($43,429 thousand) and management and inspection ($5,231 thousand) funds. The estimated total project cost is $91,341 thousand.

Massena – Border Station……………………………………………$49,783,000

The General Services Administration (GSA) proposes the acquisition of 40 acres of land and the design and construction of a 66,075 gsf border station to replace the existing border station at Seaway International Bridge on New York State Route 37 near Massena, NY.

This proposal reflects the expanded security and operational requirements of the Department of Homeland Security (DHS). The following items were not included in the original prospectus: construction of a new headhouse, a new facility for the New York State Department of Transportation, a facility for Vehicle and Cargo Inspection Service (VACIS), a VACIS staging area, and a realignment of New York State Highway 37. The proposed project includes the construction of an administration building, primary inspection lanes with booths, a primary inspection canopy, a cargo inspection warehouse, an export control building, a vehicle maintenance, a storage garage, a vehicle impound area with a service

Construction and Acquisition of Facilities
FY 2006 Project Descriptions

NEW YORK - continued

Massena – Border Station – continued

building, a headhouse, vehicle circulation and facility access roadways, and a highway interchange.

GSA proposes to replace the Massena border station because it is currently inadequate to handle inspections. The station is in poor overall condition while functionally and operationally obsolete and lacking key support facilities. Its buildings are too small and functionally deficient for personnel; its vehicle surface facilities, i.e. roads, parking, and access space, are functionally insufficient to handle current traffic. The current security level does not meet the requirements of the DHS. The station's lack of vehicular surface facilities is causing traffic backups, extended delays, and unsafe roadway conditions.

Site ($532 thousand) and design ($4,378 thousand) were appropriated in fiscal years 2003 and 2005. Construction ($8,236 thousand) and management and inspection ($3,500 thousand) were funded in fiscal year 2005. This request is for additional site ($458 thousand), design ($1,450 thousand), construction ($45,994 thousand), and management and inspection ($1,881 thousand). The estimated total project cost is $66,429 thousand.

TEXAS

Austin – United States Courthouse……………….…………………$3,000,000

The General Services Administration proposes the construction of a 229,483 gross square foot Courthouse, including 65 indoor parking spaces, in Austin, TX. The building will meet the 10-year requirements of the District Court and court-related agencies with a site large enough to accommodate the projected 30-year expansion requirements.

Currently, there are two district and magistrate courtrooms in the old building. Court requirements call for three additional district courtrooms and one additional magistrate courtroom with one of the active district judges slated for senior status The current building cannot accommodate these increased space needs or the security requirements related to judges and prisoner circulation. In addition, as the number of cases and judges increases, the need for clerks' space (records access and retention) grows along with the pretrial and probation activities.

Site ($9,000 thousand) and design ($4,809 thousand) were funded in fiscal year 2003. This request is for additional site costs ($3,000 thousand) to demolish the remains of a partially constructed building that exists on the already acquired site. Additional design ($841 thousand), construction ($61,683 thousand) and management and inspection ($4,445 thousand) will be requested in a future fiscal year. The estimated total project cost is $83,778 thousand.

WASHINGTON

Blaine – Peace Arch Border Station…………………………………$46,534,000

The General Services Administration proposes to replace the Port of Entry in Blaine, WA. The current facility does not meet the existing or future need of the Customs and Border Protection (CBP). To meet the needs of the CBP total replacement of the existing facility is required.

The proposed project includes eight inbound primary lanes with a canopy and two without a canopy, 40 outbound primary lanes with a canopy and 20 without a canopy, four outbound primary lanes, 20 outbound secondary lanes, and 156 parking spaces. The existing port is functionally and operationally obsolete. The facility is too small and does not meet CBP's current or future requirements in terms of size, efficiency, safety or security. Overcrowding in the inspection and

Construction and Acquisition of Facilities
FY 2006 Project Descriptions

WASHINGTON - continued

Blaine – Peace Arch Border Station - continued

lobby areas impose serious safety hazards for travelers and the inspection officers. The facility does not meet current building codes, and had obsolete mechanical, electrical, and fire and life safety systems. The Port of Entry lacks adequate parking, maneuvering areas and a clear well-defined traffic pattern for visitors and employee parking. Currently there is no secure parking for impounded vehicles and the existing detention cells do not meet current standards

Site ($7,060 thousand) and design ($2,752 thousand) were funded in fiscal year 2004. This request is for additional design ($1,038 thousand), construction ($42,497 thousand), and management and inspection ($2,999 thousand). The estimated total project cost is $56,346 thousand.

NATIONWIDE

Nonprospectus Construction…………………………………………..$9,500,000

Funds in the amount of $9,500 thousand are requested for the development of projects below the $2,470 thousand prospectus threshold. Nonprospectus funds have been used to erect special purpose storage buildings, border station facilities, depot service and warehouse buildings, and a small courthouse. The funds have also been used to acquire a motor pool, build parking lots, purchase sites, build childcare facilities, and purchase property in conjunction with Presidential National Historic Sites.

Leasing

Strategic Direction

- *Overview*

The Leasing program, which is managed by the Office of National Customer Service Management, is responsible for acquiring and administering leasehold interests when client space requirements cannot be met with available federal space and new construction is not merited for the requirement. GSA has a total leased inventory of more than 165 million square feet located in 6,200 buildings across the United States and its territories. The leasing program provides the flexibility required to meet the dynamic housing needs of customer agencies and for managing the PBS portfolio and temporary space to allow renovations, consolidations and other strategic realignments within agencies housed in Government-owned space.

- *Strategic Assessment*

The leasing program has a clear purpose and mission: *Help Federal agencies better serve the public by offering superior workplaces at best value.* PBS's leasing program associates are real estate and market trend experts with strong negotiation skills. The primary goal of the program is to provide superior leased workspaces when needed at or below market rates. To maintain high customer satisfaction, PBS's leasing program must continue to keep procurement costs and rental rates down, provide timely acquisition and lease administration services, and develop efficient work processes that are consistent across regions. Strategies to keep leasing costs at or below market levels include increasing competition through earlier procurement starts, using published market sources for sub-market information, piloting a revised lease form (Credit Tenant Lease) to lower financing costs, and partnering with the private sector for brokerage services. Data accuracy is also critical to customer satisfaction and the consistency and efficiency of the leasing program's operation. Our performance goals are subdivided into two broad functions - management of existing leases, and acquisition of new leases. Existing lease management goals center around receiving high tenant satisfaction scores and proactively reviewing leases on a cyclic basis to spot market opportunities for GSA and our customers. New lease acquisition goals center around providing cost effective, timely, quality, process friendly leases for our customers.

- *Leasing Trends, Issues, and Concerns*

The top priority for the Leasing Program is to implement the National Broker Contract (NBC). Use of "no cost" contracts will help meet future space needs, lower costs and provide a higher level of customer service and satisfaction.

PBS is responding to customer requests for more efficient and consistent services through its Human Capital Strategy. PBS is planning to improve workload allocation, use new information technology tools to improve processes and provide uniform training nationwide.

PBS has reviewed its lease delegation program and is analyzing it to better understand how the program is working and how best to compete for this work.

PART Status for Leasing

A PART review has been completed for the PBS Leasing program. PBS has responded to OMB's recommendations by implementing a corrective action plan that includes the following:

- Development of program-specific long-term, outcome goals
- Revision of NBC terms to hold brokers accountable for the same performance goals as those set for the leasing program
- Incorporation of criteria in performance evaluations of managers at the Senior Executive Service level to hold them accountable for achieving performance goals

Strategy and Action Plan

Long-term Outcome Goal:

By FY 2010, GSA will effectively manage our lease program by delivering new leases at not less than 9.5% below industry averages for office space and concurrently receive 85% overall customer satisfaction scores as reported on the Realty Transaction Survey. By FY 2010, the leasing program will receive 80% customer satisfaction scores for existing leases and will have reviewed 90% of targeted (i.e., leases greater than 25 thousand square feet, for which market data exists) current leases for market opportunities while maintaining vacant space at or below 1.5%.

Strategies

- Continue development and implementation of the Customer Relationship Management (CRM) IT platform to improve responsiveness to customer agencies and to better offer cross-service solutions to clients' housing and operational needs.
- Implement NBC to address the increased capacity needs of the Leasing Program, to achieve cost savings and to improve customer service.
- Develop and implement a coherent, consistent national business process using the E–Lease tool.
- Revise the standard lease form for large projects to allow lessors to obtain better interest rates on financing and pass savings on to the Government as lower rent rates.
- Award a national contract to ensure a consistent approach and data entry accuracy required for customer billing and financial reporting.
- Develop training on the Transaction Management Playbook (TMP) and develop the TMP into an interactive, on-line tool.
- Review the lease delegation program.
- Pilot the Credit Tenant Lease

Action Plan and Performance

PBS has identified eight key areas of focus for FY 2006 to improve the effectiveness of the leasing program.

1. Develop GSA-Wide Customer Relationship Management (CRM) process

The CRM system will document and manage information regarding the missions, strategies, and priorities of PBS's customers. PBS has detailed staff to the Office of Citizen Services and Communications to participate in the development and rollout of CRM business processes, related training, and change management strategies. PBS will also include CRM measures in associates' performance evaluations. These are key steps for GSA to move from a provider of space and discrete goods and services to a provider of cross-service operational solutions for its customers.

2. National Brokers Contract (NBC)

GSA will award the NBC and implement the administration plan as quickly as possible. Cost of these services will be paid as commissions from lessors to brokers, as is done in the private sector. PBS currently contracts out 20% of its lease acquisition and administrative workload. Faced with expiration and replacement of over 7,000 leases between FY 2003 and FY 2008 and a permanent reduction in the size of the workforce, PBS anticipates contracting out up to 50% of its workload in FY 2005, and increasing it to 80% over the life of the NBC, depending on contractor performance. Some Realty Specialists will be realigned as Project Managers with responsibility for contractor oversight. Regional training for all Realty Specialists on the NBC has been concluded. Periodic follow-on training is planned. A Contract Administration Guide has been developed for broker and regional Realty Specialists' use.

3. E-Lease

PBS is currently placing documents into a web-based application called E-Lease for the first three phases of the leasing process-requirements development, pre-solicitation actions, and procurement actions. The remaining leasing phases of build-out, occupancy, lease administration, and closeout will be incorporated into E-Lease in FY 2006. E-Lease will bring coherent, consistent processes to the leasing program and streamline documentation and document management. PBS customers will have access to project status and contract information. Moreover, the program facilitates GSA's ability to respond in the event of a catastrophe involving Federally owned or leased buildings by having the documents available electronically.

4. National Tenant Credit Lease

Since Government transactions qualify for the highest market credit rating, capital markets offer a lower overall cost of debt to lessors for GSA leases. Traditionally, this benefit has accrued to lessors post–award, when lessors have negotiated certain changes to the standard lease clauses. GSA can leverage its credit rating by implementing a financially re-engineered lease form for large (greater than 100 thousand square feet) projects prior to award, allowing the government to benefit from the lessors' decreased cost of capital in the form of lower rent rates.

5. National Billing Contract

Data accuracy is critical to customer satisfaction and successful performance measurement. A national billing contract covering all eleven regions would ensure consistency and accuracy of data input and better maintenance of the source data required for customer billing and ongoing financial/operational reporting. Regional pilots are underway, and the estimating process needed for procurement has begun. Funding in the amount of $10,000 thousand is requested for FY 2006 to implement the national billing contract.

6. <u>Review GSA Lease Delegations Program</u>

PBS measures the number and associated square footage of the lease acquisition authority delegations issued annually. An upward trend has been noted and may be a long-term threat to the financial health of the Federal Buildings Fund. PBS is investigating the reasons agencies forego GSA lease acquisition services. PBS is gathering data on the timeliness of delivery under delegated acquisitions, costs compared to GSA including PBS 8% fee, quality of space acquired, and overall customer satisfaction. After analysis of the facts and input from our customers, a plan to address agency concerns will be developed with the goal of leveling or reducing the number of lease acquisition delegations requested.

Impact on performance:

PBS is striving to improve financial performance, reduce costs for customers, improve data accuracy and document management, improve consistency and efficiency of operations through IT solutions and better training for associates, and improve customer satisfaction through better communications and workload management. All of the strategies discussed focus on one or more of these goals. PBS expects these initiatives to result in continued improvements to the leasing program.

Long-term Outcome Goal:

By 2010, the leasing program will deliver new leases at 9.5% below the industry average cost for office space and concurrently receive 88% overall customer satisfaction scores.

Performance Goal: Award leases at an average rental rate of not less than 8.5% below industry averages for comparable office space by FY 2006.

Performance Measure

- Cost of leased space relative to market

PBS benchmarks its leasing costs in office space to the private sector. By consistently paying lease rates at or below comparable market rates, PBS ensures that it is achieving the best value for the taxpayer. When calculated by contract, this measure will provide information as to the effectiveness of our brokers in negotiating favorable contract rates.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
-7.4%	*-10.6%*	*-8.3%*	*-8.5%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
-8.8%	*-9.0%*	*-9.3%*	*-9.5%*

Performance Goal: Increase the Overall Customer Satisfaction Score to 87% for the lease transaction process by FY2006.

Performance Measure

- Overall Customer Satisfaction - Realty Transaction Survey

PBS conducts the Realty Transaction Survey each year. Overall Satisfaction scores are calculated from various satisfaction measures including: getting space when needed, providing advance notice, space meeting needs, keeping the customer informed, and providing value.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
84.8%	*86.7%*	*87%*	*87%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
87.5%	*87.5%*	*88%*	*88%*

Long-term Outcome Goal:

By 2010, the leasing program will receive 80% customer satisfaction scores for existing leases and will have reviewed 90% of targeted current leases (i.e leases greater than 25 thousand square feet, for which market data exists) for market opportunities while maintaining vacant space at or below 1.5%

Performance Goal: Achieve a "highly satisfied" overall customer satisfaction rating of 72% by FY 2006.

Performance Measure

- Customer Satisfaction – Tenants in Leased Space

PBS, in Partnership with The Gallup Organization, polls one-third of its eligible leased buildings each year. The survey, developed in conjunction with the International Facilities Management Association (IFMA), measures customer satisfaction and allows building managers to target problem areas and develop tactics to improve scores.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
66%	*70%*	*70%*	*72%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
74%	*76%*	*78%*	*80%*

Performance Goal: Review 50% of targeted current leases by FY2006.

Performance Measure

- Percentage of targeted current leases reviewed.

PBS will review current leases to evaluate whether current market conditions present opportunities to improve our customers' lease costs

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
N/A	*N/A*	*N/A*	*50%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
60%	*70%*	*80%*	*90%*

Performance Goal: Maintain percentage of vacant space in leased buildings at less than or equal to 1.5% in FY 2006.

Performance Measure

- Percent of vacant space in leased inventory

This measure evaluates our effectiveness at maximizing the use of leased space in the inventory. Vacant space includes any space for which we currently have no tenant, including space that we have committed to a customer but is not yet occupied.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
1.4%	*1.2%*	*1.5%*	*1.5%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
1.5%	*1.5%*	*1.5%*	*1.5%*

Performance Goal: Maintain Funds from Operations (FFO) for leased space at 0% to 2% of leasing revenue in FY 2006.

Performance Measure

- Percent of FFO from total leased space inventory revenue

FFO is the amount of income left after PBS pays all of the expenses associated with GSA-controlled leased space (including rental payments to lessors). This measure ensures that all costs associated with the leasing program are covered through the rent and the 8% leasing fee charged to customers. By achieving a leasing FFO between 0% and 2% of leased inventory revenue, PBS ensures recovery of all costs associated with the leasing program without overcharging its customers.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
1.2%	*1.9%*	*0% ≥ 2%*	*0% ≥ 2%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
0% ≥ 2%	*0% ≥ 2%*	*0% ≥ 2%*	*0% ≥ 2%*

Leasing Program Financial Summary

To support the leasing program's performance, PBS is requesting $4,587,235 thousand. $388,931 thousand of indefinite authority will be dedicated to delivering new space to our clients at not less than 8.5% below industry averages for office space in FY 2006. $54,162 thousand in Building Operations funding will be dedicated to decreasing the vacant leased space to 1.5%. $32,737 thousand of Building Operations funding will go towards the increase of the customer satisfaction rating to 72% "highly satisfied". $51,851 thousand of Building Operations funding will be dedicated to delivering leased space when the customer needs it. Building Operations will also fund $253 thousand towards maintaining the FFO for Leased Inventory between 0% and 2% of leased inventory revenue. $13,270 thousand of Building Operations funding and $4,046,031 thousand of Rental of Space funding will be dedicated to reviewing current leases and market conditions to identify potential opportunities.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

FY 2006 Budget Request / Performance Goal
Budget Links
Leasing Program
(dollars in thousands)

Long-term Outcome Goal(s)

By 2010, the leasing program will deliver new leases at 9.5% below the industry's average cost for office space and concurrently receive 88% overall customer satisfaction scores.

Performance Goal	Performance Measure	FY 2004			FY 2005			FY 2006			Change FY05 to FY06		
		Actual	Dollars		Target	Dollars		Target	Dollars		Target	Dollars	
Award leases at an average rental rate of not less than 8.5% below industry averages for comparable office space by FY 2006	Cost of leased space relative to market	-10.6%	$	311,637	-8.3%	$	369,728	-8.5%	$	388,931	-0.2%	$	19,203
Budget Links:	Rental of Space Indefinite Authority		$	311,637		$	369,728		$	388,931 1/		$	19,203
Achieve an Overall Customer Satisfaction Score of 87% on the Realty Transaction Survey for the leased transaction process.	Overall Customer Satisfaction - Realty Transaction Survey	86.7%	$	44,948	87%	$	45,937	87%	$	51,851	0.0%	$	5,914
Budget Links:	Building Operations		$	44,948		$	45,937		$	51,851		$	5,914
Budget Activities:													
New Construction			$	-		$	-		$	-		$	-
Rental of Space - Indefinite Authority			$	311,637		$	369,728		$	388,931 1/		$	19,203
Repairs and Alterations:													
Basic			$	-		$	-		$	-		$	-
Line-Item			$	-		$	-		$	-		$	-
Building Operations			$	44,948		$	45,937		$	51,851		$	5,914
Other			$	-		$	-		$	-		$	-
Total New Obligational Authority			**$**	**356,585**		**$**	**415,665**		**$**	**440,782**		**$**	**25,117**

1/ Indefinite Authority not included in the New Obligational Authority amount

General Services Administration
PUBLIC BUILDINGS SERVICE
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FY 2006 Budget Request / Performance Goal
Budget Links
Leasing Program
(dollars in thousands)

Long-term Outcome Goal(s)

By 2010, the leasing program will receive 80% customer satisfaction scores for existing leases and will have reviewed 90% of targeted current leases (i.e., leases greater than 25 thousand square feet, for which market data exists) for market opportunities while maintaining vacant space at or below 1.5%.

Performance Goal	Performance Measure	FY 2004		FY 2005		FY 2006		Change FY05 to FY06	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Achieve a "highly satisfied" overall customer satisfaction rating 72% of the time by FY 2006	Customer Satisfaction - tenants in leased space	70.0%	$ 28,711	70.0%	$ 30,828	72.0%	$ 32,737	2.0%	$ 1,909
	Building Operations		$ 28,711		$ 30,828		$ 32,737		$ 1,909
Maintain percent of vacant space in leased buildings at less than or equal to 1.5% by FY 2006.	Percent of vacant space in leased inventory	1.2%	$ 44,948	≤1.5%	$ 47,131	≤1.5%	$ 54,162	0.0%	$ 7,031
	Building Operations		$ 44,948		$ 47,131		$ 54,162		$ 7,031
Maintain Funds from Operations (FFO) for leased space between 0% and 2% of the leased inventory revenue by FY 2006.	Percent of FFO from total leased space inventory revenue	1.9%	$ 180	0 ≤ 2%	$ 232	0 ≤ 2%	$ 253	0.0%	$ 21
	Building Operations		$ 180		$ 232		$ 253		$ 21
Review 50% of targeted current leases by FY 2006.	Percentage of targeted current leases reviewed.	N/A	$ 3,291,776	N/A	$ 3,670,518	50%	$ 4,059,301	N/A	$ 388,783
	Building Operations		$ 12,903		$ 13,203		$ 13,270		$ 67
	Rental of Space		$ 3,278,873		$ 3,657,315		$ 4,046,031		$ 388,716
Budget Activities:									
New Construction			$ -		$ -		$ -		$ -
Rental of Space			$ 3,278,873		$ 3,657,315		$ 4,046,031		$ 388,716
Repairs and Alterations:									
Basic			$ -		$ -		$ -		$ -
Line-Item			$ -		$ -		$ -		$ -
Building Operations			$ 86,742		$ 91,394		$ 100,422		$ 9,028
Other			$ -		$ -		$ -		$ -
Total New Obligational Authority			**$ 3,365,615**		**$ 3,748,709**		**$ 4,146,453** #		**$ 397,744**

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

RENTAL OF SPACE
Explanation of Budget Changes
(Dollars in Thousands)

	New Obligational Authority (NOA)
Fiscal Year 2005 Program	**3,657,315**
Full year cost of Lease Expansions acquired through IA in FY 2004	175,225
Part year cost of Lease Expansions acquired through IA in FY 2005	194,503
Fiscal Year 2005 Current	**4,027,043**
Part year cost of Lease Expansions acquired through IA in FY 2005	(194,503)
Annualization of remaining FY 2005 program changes	92,645
Fiscal Year 2006 Base	**3,925,185**
Rental Rate Increases	55,642
Lump Sum Payments for real estate taxes and lease buyouts	57,750
Lease Cancellations	(20,001)
Full year cost of Lease Expansions acquired through IA in FY 2005	[306,076]
Part year cost of Lease Expansions acquired through IA in FY 2006	[82,855]
Lease Expansions (other than indefinite)	27,455
Fiscal Year 2006 Request	**4,046,031**

Note: The FY 2006 Request excludes lease expansions acquired through Indefinite Authority (IA).
Amounts reflected in brackets are projections not included in budget totals.

General Services Administration
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CHANGES IN RENTAL OF SPACE
(Dollars and Square Feet in Thousands)

	FISCAL YEAR 2004 ACTUAL		FISCAL YEAR 2005 CURRENT		FISCAL YEAR 2006 REQUEST	
	SQ FT	OBLIGATIONS	SQ FT	OBLIGATIONS	SQ FT	OBLIGATIONS
PRIOR YEAR COST	159,718	$3,413,762	165,697	$3,665,412	174,079	$4,116,912
Annualization of Rental Increases	[149,316]	41,056	[154,995]	56,078	[160,624]	97,384
Lump Sum - Real Estate Taxes; Lease Buyouts	-	(50,793)	-	(55,260)	-	(69,321)
Annualization of Lease Cancellations	[-5,524]	(30,930)	[-4,723]	(21,711)	[-5,073]	(49,883)
Annualization of Lease Expansion - Indefinite	[9,198]	67,614	[6,689]	68,583	[11,123]	[111,573]
Lease Expansion acquired in FY 2005	-	-	-	-	-	(194,503)
Annualization of Lease Expansion - All Other	[1,911]	17,378	[4,013]	77,425	[2,332]	24,596
BASE COST	159,718	$3,458,087	165,697	$3,790,527	174,079	$3,925,185
Current Year Cost of Rental Increases	[154,995]	52,795	[160,624]	80,926	[172,329]	55,642
Lump Sum - Real Estate Taxes; Lease Buyouts	-	55,260	-	69,321	-	57,750
Current Year Cost of Lease Cancellations	(4,723)	(41,222)	(5,073)	(58,530)	(1,750)	(20,001)
Current Year Cost of Lease Expansion - Indefinite	6,689	106,642	11,123	194,503	4,930	[82,855]
Current Year Cost of Lease Expansion - All Other	4,013	33,850	2,332	40,165	1,331	27,455
CURRENT YEAR COST	**165,697**	**$3,665,412**	**174,079**	**$4,116,912**	**178,590**	**$4,046,031**
Additional Information:						
New Obligational Authority (NOA)		$3,280,187		$3,657,315		$4,046,031
Rescission		-$1,314		$0		$0
Indefinite Authority for Leased Expansion Space		$332,159		$369,728		[388,931]
Lapsed Indefinite Authority		-$20,522		$0		$0
TOTAL AUTHORITY		$3,590,510		$4,027,043		$4,046,031
Obligations (-)		$3,665,412		$4,116,912		$4,046,031
Prior Year Balances/Recoveries		$203,129		$89,869		$0
Reprogrammings		-$38,358 [1/]		$0		$0
Unobligated Balances		$89,869		$0		$0

1/ Includes approved reprogrammings for Gulfport, MS, CT ($1,200 thousand), Las Cruces, NM, CT ($600 thousand), Detroit, MI, Ambassador Bridge ($15,566 thousand), New York, NY, Jacob K. Javits FB ($12,094 thousand), Rockford, IL, CT ($2,000 thousand), Fresno, CA, CT ($4,898 thousand) and Washington, DC, Prettyman CT($2,000 thousand).

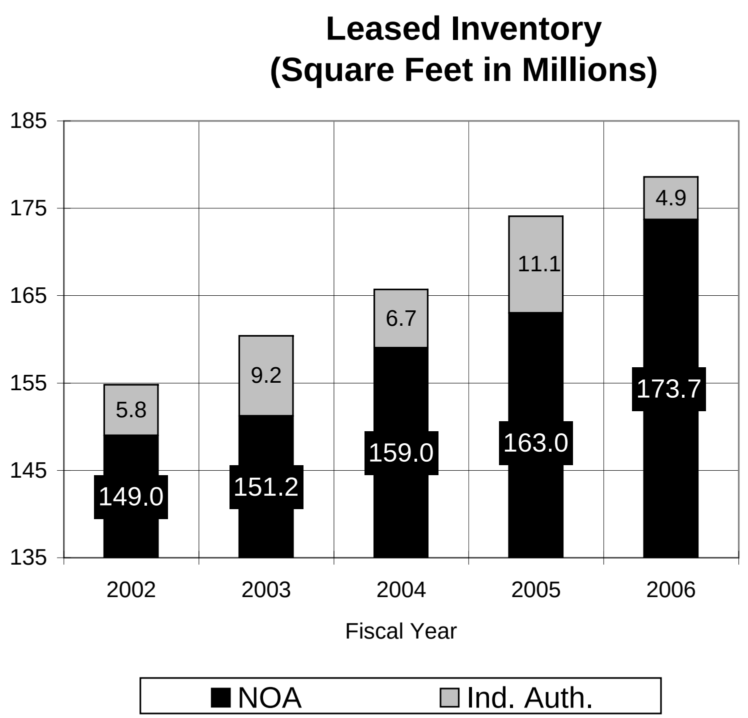
Note: Bracketed numbers are projections not included in budget totals.

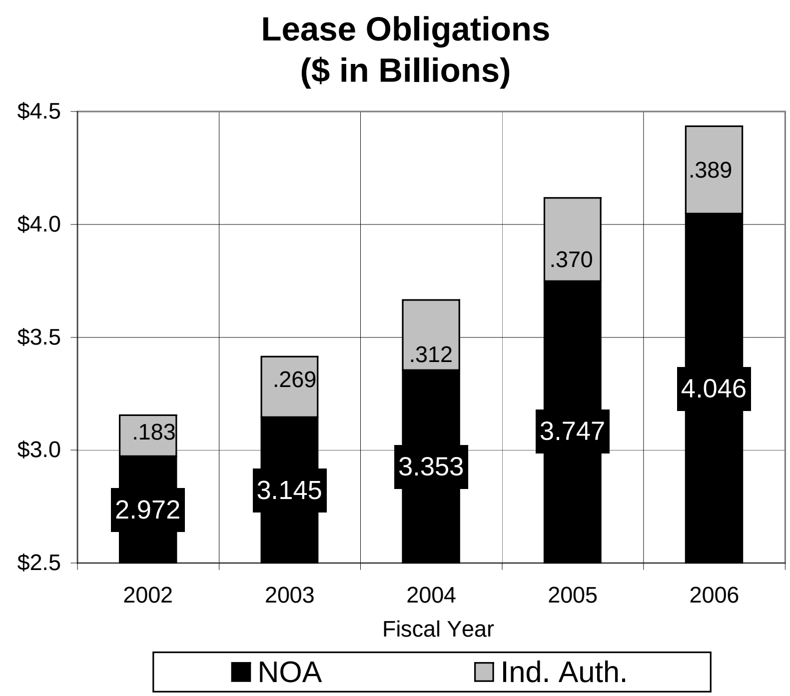
General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

RENTAL OF SPACE DELEGATIONS INCLUDED IN GSA APPROPRIATIONS
(Dollars in Thousands)

AGENCY	FY 2004 ACTUAL	FY 2005 CURRENT	FY 2006 REQUEST
Department of Commerce	63,629	46,249	46,989
Department of Defense	112,896	118,479	120,375
Total	176,525	164,728	167,364

Rental of Space





The FY 2006 year-end inventory and obligations will be higher than the amounts shown to the extent that GSA utilizes indefinite authority for expansion space.

The Leased Inventory for indefinite authority represents only new space entering the inventory.

Asset Management

Strategic Direction

- *Overview*

Asset Management encompasses all functions necessary to house tenant agencies in federally owned space that meets quality standards and mission needs at a competitive price.

- *Strategic Assessment*

To achieve our long-term goal of a viable, self-sustaining inventory, PBS has initiated a comprehensive review of its owned buildings to best align the portfolio with GSA's mission – *helping federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies.* This initiative is known as The PBS Strategy for Restructuring and Reinvesting in the Owned Inventory.

For GSA to meet our customers' expectations and remain cost competitive with the private sector, we must maintain below-market operating costs and reduce energy consumption, while simultaneously maintaining a high level of customer satisfaction. Our strategy is to leverage buying power through better planning, using national tools like the Federal Supply Schedule and holding contractors accountable for performance. Asset Management must leverage its workforce via user-friendly contracting vehicles, multi-regional operations/maintenance and energy contracts, electronic data systems, contractual data sharing, and inter-regional workload rebalancing. In addition, the financial position of GSA's inventory will improve as GSA disposes of non-performing assets that are unable to generate sufficient income for their reinvestment requirements.

- *Trends, Issues, and Concerns*

A critical concern for the Asset Management program is the aging workforce and the need to replenish talent that has been or soon will be lost through attrition. PBS is developing a comprehensive Human Capital Strategy that will guide the recruiting, training, management and deployment of its associates. The use of IT, web-based applications and e-communications for better data management, training and automation of processes will be key to optimal associate performance.

Improving customer service is a major concern. The Asset Management Program is improving financial performance while enhancing the efficiency and consistency of operations to meet and surpass customer expectations. Cost effective means of addressing customers' post-9/11 security concerns and concerns related to environmental risks in owned assets are also under development.

PART Status for Asset Management

The Asset Management program has a clear program purpose; *housing federal agencies in space that meets their needs*. GSA has displayed solid management by holding senior managers and associates accountable for their performance.

The PART evaluation for Asset Management recently received an "Effective" rating.

PBS has put in place long-term measurable goals that assess the performance of its asset management program and annual stretch goals that are linked to the long-term goals. For example, PBS is measuring average return on equity for its government-owned assets. PBS has also instituted a measure to track whether major repair and alteration projects are meeting performance expectations. Monthly monitoring of project activity will allow PBS to develop mitigating strategies before escalations are required. For repair and alteration projects, PBS will utilize government estimates at 30%, 60% and 90% of design completion to control project costs. This system of status reporting will alert management to potential problems allowing timely corrective action.

Long-term Outcome Goals:

Achieve a viable, self-sustaining inventory with an average return on equity of at least 6% by FY 2010 for 80% of government-owned assets.

Reduce energy consumption by 35% by FY 2010 over the FY 1985 baseline while maintaining overall operating costs 12% below the private sector and customer satisfaction levels at or above 80%.

Strategies

- Restructure the owned portfolio to consist primarily of strong income-producing properties generating sufficient funds to meet their own capital reinvestment needs.
- Ensure that owned assets meet established financial performance benchmarks.
- Conduct asset business planning.
- Conduct quarterly performance reviews to ensure that the program meets established performance measure targets.
- Reduce operating costs by better leveraging buying power and managing contract vehicles.
- Implement Energy Demand Side Management Strategies such as developing occupant awareness/incentive programs and incorporating energy conservation in R & A projects.
- Develop new, and better utilize existing IT and communication tools to improve customer satisfaction, track vendor performance, track asset operation costs and target reinvestment in owned assets to improve quality.
- Reduce both cost increases and schedule slippages in R&A projects by using the Property Management Services tool, by monitoring projects monthly and using independent government estimates.
- Complete development of Environmental Risk Index performance measures and supporting database to measure environmental risks in PBS's government-owned assets and better manage associated financial liabilities.
- Develop policy guidance for security cost allocation and a judgment model to perform cost/benefit analysis of security capital costs.
- If the authority to retain proceeds from real property transactions becomes permanent, the funds will be used to offset direct and indirect real property transactional costs in meeting capital needs.

Action Plan and Performance

PBS has identified seven key areas where it must improve in order to achieve the overall goal of a sustainable inventory of owned buildings.

1. <u>Establish financial performance expectations and benchmark owned assets</u>

Annually, the Office of Real Property Asset Management runs diagnostic tests early in the fiscal year to determine the financial viability of each owned asset in the portfolio. Assets are categorized into performance tiers: Performing, Under Performing, and Non-Performing. This process identifies assets capable of generating sufficient income to fund their own operations, repairs, and capital needs, and assists GSA with decisions about the best use of limited funds among competing priorities. Through reinvestment in assets that are sound financial performers, GSA will produce a portfolio of owned assets that generate sufficient income to cover their own reinvestment requirements.

2. Asset Business Planning

Annually, regional asset business teams are formed with real estate, property management, and portfolio management representation. Each regional team conducts a strategic review of its assets based on the results of the annual diagnostic tests. An asset-specific strategy and action plan is updated and the Asset Business Plan is revised as appropriate. In this process, anticipated customer expansion, contraction, and moves are considered. Additionally, market changes are analyzed, possible redeployments of assets are identified, and reinvestment priorities are established.

The U.S. Department of Health and Human Services has excessed the 182-acre West Campus of St. Elizabeths Institute in the Anacostia neighborhood of Washington, DC to GSA. Due to its size and location in an area with high demand for federal space, this property, if redeveloped, would be a viable federal complex, which when leased to federal customers will be a sound financial performer. The property has been transferred into GSA's inventory. Funding of $12,604 thousand is requested in Building Operations for FY 2006 (see Changes in Building Operations, Building Services in New Space), $4,419 thousand of which will be devoted to protection and maintenance of this National Historic Landmark, and $8,185 thousand of which will be used to conduct feasibility and related studies in order to produce a Master Plan. As noted under the Construction activity we are also requesting funds for planning, pre-development, and infrastructure repair.

3. Operating Costs

PBS will maintain operating service costs in office and similarly serviced space at 12% below private sector benchmarks. The operating service cost benchmark will be achieved while maintaining PBS's Customer Satisfaction scores at 80% or better by FY 2006.

To achieve this goal, PBS will:

- Align Vendor Alliance and Vendor Acquisition Divisions by market segment as part of Human Capital Strategy organizational restructuring.
- Manage vendor relationships to improve the procurement of goods and services.
- Use Multiple Award Schedules (MAS) to reduce pricing/contract costs.
- Consolidate contract requirements when it is cost effective.
- Use aggregated utility procurements to mitigate price volatility in deregulated markets.
- Utilize data from the Property Management Services IT application to track operation and maintenance costs, contractor performance and to make cost effective repair/replacement decisions.
- Hire and retain only the most cost effective operations and maintenance contractors. Since labor rates are increasing above the inflation rate for contractual services, GSA requests funding of $5,602 thousand for cleaning and maintenance contract labor rates in FY 2006.
- Provide guidance to regions to reduce and allocate security costs and complete the Judgment Model, a tool to perform cost/benefit analysis of proposed structural security enhancements.

4. Energy Consumption

GSA will reduce energy consumption in owned buildings and leased building (where GSA contracts directly for utilities) by 35% (as measured by Btu/GSF) as compared to the FY 1985 baseline by FY 2010. Energy conservation measures will be executed while achieving a Customer Satisfaction Goal of 80% by 2010. To achieve the energy consumption targets, GSA will implement Demand Side Management strategies to conserve energy through:

- Revised operating practices
- Addressing energy conservation in repair and alterations
- Occupant awareness and incentive programs
- Operating contractor incentive programs and accountability
- Purchasing renewable power, which counts as a reduction in energy consumption. In order to meet the requirements of Executive Order 13123, PBS must procure significant amounts of renewable power in either delivered or renewable energy certificate forms. Funding of $4,996 thousand is requested for FY 2006 for renewable power (Green Power).

5. Customer Ratings

PBS will achieve an overall “Highly Satisfied” customer rating of 74% on the Ordering Official Survey by FY 2006. To meet this target, PBS will:

- Develop a “serviceability tool” which matches building attributes to customer requirements.
- Implement efficient, timely reinvestment in owned assets consistent with the Portfolio Restructuring Initiative.
- Continue design excellence initiatives.
- Continue implementation of a Customer Relationship Management Program using CRM IT tool.
- Utilize Property Management Services System to improve service provided to tenants.
- Implement Workplace 20/20, a new method for planning, designing and implementing federal workplaces that links the workplace to strategic business objectives by integrating IT, human resources, real estate, and finance.
- Complete the development of the Environmental Risk Index and supporting database, which measures 13 environmental risk categories for each asset to prioritize and manage costs of environmental liabilities of owned assets.

6. STAR Master Plan and Other e-Government Initiatives

For FY 2006, the PBS Chief Information Officer is requesting an additional $8,776 thousand to accomplish e-Government initiatives supporting PBS operations in accordance with the President’s Management Agenda.

- A funding increase in Building Operations is requested to upgrade the System for Tracking and Administering Real Property (STAR) to GSA PBS Enterprise Architecture Standards, to improve integration of PBS enterprise applications and to improve end user STAR experience by reducing rework required in multiple systems. These improvements will facilitate the restructuring of the inventory by ensuring that source data systems accurately describe the assets and track asset performance. Moreover, a consistent real property asset management database vocabulary will be developed. This will allow all regional inventories captured in STAR to be validated annually, coded into appropriate categories, and segmented as assignable or non-assignable.

Other initiatives requiring additional funding are as follows:

- STAR E-Leasing to support Leasing program goals
- Customer Relationship Management (CRM)
- Inventory Reporting and Information System (IRIS)
- GSA Infrastructure (Secondary Network services, application licenses, National Information Infrastructure)

Impact on Performance:

The ultimate outcome of the PBS Strategy for Restructuring and Reinvesting in the Owned Inventory is to provide quality workplaces, increase customer satisfaction, constrain operating costs, and enhance the value of our real estate portfolio for the benefit of the taxpayer.

PBS fully expects portfolio performance to improve as a result of implementing this strategy. The performance measures developed to monitor progress in the strategy implementation were adopted from private sector portfolio management benchmarks and concepts.

Decreasing the amount of vacant available space and redeploying assets where there is no longer a federal need will also improve performance. Non-performing assets that are unable to generate sufficient income for their reinvestment requirements will be culled from the inventory.
More aggressive tracking and better scheduling through existing systems will refine the capture of reinvestment needs and facilitate prioritization of reinvestment projects.

Through gradual, continuous improvement in FY 2006 and beyond, and by meeting the targets of the individual performance measures, PBS will realize its long-term outcome goals.

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Long-term Outcome Goal:

Achieve a viable, self-sustaining inventory with an average Return on Equity (ROE) of at least 6% by FY 2010 for 80% of government-owned assets.

Performance Goal: Increase to 71% the percentage of government-owned assets with a Return on Equity of at least 6% by FY 2006.

Performance Measure

- Percentage of government-owned assets with an ROE of at least 6%.

"Return on Equity" is the ratio of annual net operating income to the amount of "equity" (generally fair market value) in the asset. Assets with an ROE of at least 6% are solid financial performers that fulfill the long-term needs of our customers by generating enough money to fund their own operations, repairs and capital needs.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
64%	*70%*	*68%**	*71%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
74%	*77%*	*80%*	*80%*

* Note: GSA expects a slight decrease in FY 05 due to an impending change in the capitalization policy.

Performance Goal: Increase the percentage of government-owned assets with positive Funds from Operations (FFO) to 85% by FY 2006.

Performance Measure

- Percent of government owned assets achieving a positive FFO.

FFO is a measure of PBS's rent revenue minus all expenses (excluding depreciation) associated with running PBS's owned and leased buildings, such as salaries, supplies, lease payments, cleaning, maintenance, utilities and other costs. Increasing the percentage of buildings with a positive FFO will ultimately result in a self-sustaining inventory, improved quality of space for our customers, and superior value for taxpayers.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
73%	*78%*	*80%*	*85%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
90%	*90%*	*90%*	*90%*

Performance Goal: 88% of R&A projects on schedule by FY 2006.

Performance Measure

- R&A projects on schedule.

It is critical that projects be completed on time to meet commitments to customers, avoid escalations and meet financial plans. This measure shows the percentage of projects on schedule, weighted so that more costly projects will have a greater impact on the measure.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
*78%**	*78%**	*86%*	*88%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
88%	*88%*	*89%*	*90%*

*Delays in the renovation of the Brooklyn Courthouse will make target achievement problematic until completed and removed from the measure.

Performance Goal: Maintain the percent of escalations on R&A projects at less than or equal to 1% by FY 2006.

Performance Measure

- Percent of escalations on R&A projects

PBS manages the capital program with budgets provided by Congress. Projects are considered within budget until PBS escalates, requests a reprogramming, or requests additional appropriations for a project. By remaining within original budgets on R&A projects, PBS ensures that taxpayers are getting the best value.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
0.5%	*.5%*	*≤1.0%*	*≤1.0%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
≤1.0%	*≤1.0%*	*≤1.0%*	*≤1.0%*

Performance Goal: Obligate 75% of minor R&A budget for planned projects by the end of FY 2006.

Performance Measure

- Percent of minor R&A budget obligated on planned projects by the end of the fiscal year

This measure is under development to encourage strategic reinvestment and disciplined spending that reward sound financial planning and budgeting. This measure focuses on how well PBS plans and executes the minor repair and alteration program.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
N/A	*87%*	*75%**	*75%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
75%	*75%*	*75%*	*75%*

***** Note: Target is lower than FY 04 actual due to a change in the method of measuring the percentage of planned work items.

Performance Goal: Decrease the vacant (available and committed) space to 7% of the owned inventory by FY 2005 and maintain thereafter.

Performance Measure:

- Percent of vacant and committed space in government-owned inventory

This measure evaluates our effectiveness at maximizing the use of the government-owned buildings in our inventory. Vacant space includes any space for which we currently have no tenant, including space that we have committed to a customer, but is not yet occupied.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
8.3%	*7.9%*	*7%*	*7%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
7%	*7%*	*7%*	*7%*

Performance Goal: Achieve an overall "highly satisfied" customer satisfaction rating of 74% on the ordering official survey by FY 2006.

Performance Measure

- Percent of highly satisfied customers on the ordering official survey

This is a survey of customer agency employees that represent their agencies when ordering services and workspace from PBS. This group is the best judge of how well PBS meets the expectations of customer agencies and the value PBS provides on a variety of products and services including space delivery, leasing, facility management, construction, alterations, security, and problem resolution.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
72%	*68%*	*73%*	*74%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
75%	*76%*	*77%*	*78%*

Long Term Outcome Goal:

Reduce energy consumption by 35% (as measured by Btu/GSF) by FY 2010 over the FY 1985 baseline while maintaining overall operating costs 12% below the private sector and customer satisfaction levels at or above 80%.

Performance Goal: Reduce energy consumption in GSA federal buildings by 31% (as measured by Btu/GSF) over the FY 1985 baseline by FY 2006.

Performance Measure

- Percent reduction in energy consumption over the FY 1985 baseline

PBS is a responsible steward of the environment and supports implementation of Executive Order 13123. PBS is committed to implementing energy saving solutions that improve the efficiency of operations and save taxpayer dollars.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
-18.6%	*-22.4%*	*-30%*	*-31%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
-32%	*-33%*	*-34%*	*-35%*

Performance Goal: Execute energy conservation goals while increasing GSA customer satisfaction scores to 73% by FY 2006.

Performance Measure

- Customer Satisfaction – tenants in owned space

This measure tracks the percentage of tenants in owned space that are satisfied with the building services they receive. The survey assists PBS managers with targeting problem areas within individual buildings.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
67.6%	*72%*	*72%**	*73%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
75%	*76%*	*78%*	*80%*

* Note - Fiscal Year 2005 Goal was adjusted due to better than expected customer satisfaction scores in Fiscal Year 2004.

Performance Goal: Maintain operating service costs in office and similarly serviced space at 12% or more below private sector benchmarks in FY 2006.

Performance Measure:

- Percent below private sector benchmarks for cleaning, maintenance, and utility costs in office and similarly serviced space

This measures PBS performance against the BOMA experience exchange report to ensure that PBS's operating costs are below the industry average.

FY03 Actual	*FY04 Actual*	*FY05 Target*	*FY06 Target*
15%	*14.5%*	*12%*	*12%*
FY07 Target	*FY08 Target*	*FY09 Target*	*FY10 Target*
12%	*12%*	*12%*	*12%*

Asset Management Financial Summary

To achieve a viable, self-sustaining inventory with an average return on equity of at least 6% for 80% of government-owned assets by FY 2010, PBS requests funding of $1,111,658 thousand ($434,992 thousand of Basic Repairs and Alterations, $538,473 thousand of Line Item Repairs and Alterations, $42,120 thousand of Indefinite Authority, and $96,073 thousand of Building Operations). As more assets become solid financial performers and fulfill the long-term needs of our customers, they will generate enough income to fund their own operating, repair, and capital needs. To keep repair and alteration projects on schedule, line-item repairs and alterations and building operations will dedicate $505,715 thousand and $29,792 thousand respectively. These funds are necessary to meet customer commitments and protect and enhance the government's real property assets. In Basic Repairs and Alterations, $326,244 thousand is requested to complete routine repairs and maintenance projects by the end of the fiscal year. Additionally, $4,251 thousand of Building Operations funds will go toward completing minor R&A projects by the end of the fiscal year. Line-Item Repairs and Alterations and Building Operations will dedicate $32,758 thousand and $24,121 thousand respectively toward maintaining the percent of escalations on R&A projects at 1% or below. PBS will dedicate

$2,665 thousand from Building Operations and $820 thousand from Indefinite Authority to increasing the percentage of government owned assets with a positive FFO to 85% in FY 2006. Likewise, $13,739 thousand from Building Operations and $41,300 thousand from Indefinite Authority will go towards decreasing the vacant (available and committed) space to 7% of the owned inventory by FY 2006.

To reduce energy consumption by 35% by 2010 while maintaining operating costs at 12% below the private sector and achieving customer satisfaction levels of 80% by FY2010, PBS requests funding of $1,655,760 thousand. Line-Item Repairs and Alterations of $30,000 thousand will be used to reduce energy consumption by 31% over the FY 1985 baseline in FY 2006. Building Operations will apply funding of $7,941 thousand to implement energy saving solutions and $25,700 thousand from Line Item Repairs and Alterations. In addition, Building Operations will focus $725,886 thousand on improving customer satisfaction. This amount consists of non-project related security, building studies, and corporate staff support. To maintain operating costs at 12% below the private sector, the cleaning, maintenance, and utility request is $866,233 thousand. This level of funding will enable PBS to operate efficiently and effectively at rates well below private industry.

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FY 2006 Budget Request / Performance Plan
Budget Links
Asset Management of Federally-owned Real Property
(dollars in thousands)

Long-term Outcome Goal(s)

Achieve a viable, self-sustaining inventory with an average Return on Equity of at least 6% by FY 2010 for 80% of our government owned assets.

Performance Goal	Performance Measure	FY 2004		FY 2005		FY 2006		Change FY05 to FY06	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Increase to 71% the percentage of government-owned assets with a Return on Equity of at least 6% by FY 2006	Percentage of government-owned assets with an ROE of at least 6 percent	70%	$ 74,039	68%	$ 70,169	71%	$ 129,748	3%	$ 59,579
Budget Links:	Basic Repairs & Alterations		$ 74,039		$ 70,169		$ 108,748		$ 38,579
	Building Operations		$ -		$ -		$ 21,000		$ 21,000
Increase the percentage of government-owned assets with a positive FFO to 85% by FY 2006	Percent of government-owned assets achieving a positive FFO	78%	$ 2,832	80%	$ 3,485	85%	$ 3,485	5%	$ -
Budget Links:	Indefinite Authority		$ 757		$ 820		$ 820		$ -
	Building Operations		$ 2,075		$ 2,665		$ 2,665		$ -
88% of R&A projects on schedule by FY 2006	R&A projects on schedule	78%	$ 567,895	86%	$ 529,638	88%	$ 535,507	2%	$ 5,869
Budget Links:	Line Item Repairs & Alterations		$ 550,564		$ 508,039		$ 505,715		$ (2,324)
	Building Operations		$ 17,331		$ 21,599		$ 29,792		$ 8,193

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FY 2006 Budget Request / Performance Plan
Budget Links
Asset Management of Federally-owned Real Property
(dollars in thousands)

Long-term Outcome Goal(s)

Achieve a viable, self-sustaining inventory with an average Return on Equity of at least 6% by FY 2010 for 80% of our government owned assets.

Performance Goal	Performance Measure	FY 2004		FY 2005		FY 2006		Change FY05 to FY06	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Obligate 75% of minor Repairs and Alterations budget for planned projects by the end of FY 2006	Percent of minor R&A budget obligated on planned projects by the end of the fiscal year	87%	$ 225,089	75%	$ 213,634	75%	$ 330,495	0%	$ 116,861
Budget Links:	Basic Repairs & Alterations		$ 222,116		$ 210,507		$ 326,244		$ 115,737
	Building Operations		$ 2,973		$ 3,127		$ 4,251		$ 1,124
Decrease the vacant (available and committed) space to 7% of the owned inventory by FY 2005 and maintain thereafter.	Percentage of vacant and commited space in government-owned inventory	7.9%	$ 50,527	7%	$ 51,943	7%	$ 55,039	0%	$ 3,096
Budget Links:	Building Operations		$ 12,650		$ 12,143		$ 13,739		$ 1,596
	Indefinite Authority		$ 37,877		$ 39,800		$ 41,300		$ 1,500

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FY 2006 Budget Request / Performance Plan
Budget Links
Asset Management of Federally-owned Real Property
(dollars in thousands)

Long-term Outcome Goal(s)

Achieve a viable, self-sustaining inventory with an average Return on Equity of at least 6% by FY 2010 for 80% of our government owned assets.

Performance Goal	Performance Measure	FY 2004		FY 2005		FY 2006		Change FY05 to FY06	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Maintain the percent of escalations on R&A projects at or below 1% by FY 2006	Percent of escalations on R&A projects	0.5%	$ 46,627	≤ 1%	$ 59,573	≤ 1%	$ 56,879	0%	$ (2,694)
	Line Item Repairs & Alterations		$ 25,010		$ 36,775		$ 32,758		$ (4,017)
	Building Operations		$ 21,617		$ 22,798		$ 24,121		$ 1,323
Achieve an overall "Highly Satisfied" customer satisfaction rating of 74% on the ordering official survey by FY 2006	Percent of highly satisfied customers on ordering offical survey	68%	$ 451	73%	$ 490	74%	$ 505	1%	$ 15
	Building Operations		$ 451		$ 490		$ 505		$ (15)
Budget Activities:									
New Construction			$ -		$ -		$ -		$0
Rental of Space			$ -		$ -		$ -		0
Repairs and Alterations:									
Basic			$ 296,155		$ 280,676		$ 434,992		$ 154,316
Line-Item			$ 575,574		$ 544,814		$ 538,473		$ (6,341)
Indefinite Authority			$ 38,634		$ 40,620		$ 42,120		$ 1,500
Building Operations			$ 57,097		$ 62,822		$ 96,073		$ 33,251
Other			$ -		$ -		$ -		$ -
Total New Obligational Authority:			**$ 967,460**		**$ 928,932**		**$ 1,111,658**		**$ 182,726**

General Services Administration
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FY 2006 Budget Request / Performance Goal
Budget Links
Asset Management of Federally-owned Real Property
(dollars in thousands)

Long-term Outcome Goal(s)

Reduce energy consumption by 35% by the year 2010 over the 1985 baseline whlie maintaining overall operating costs 12% below the private sector and customer satisfaction levels at or above 80%.

Performance Goal	Performance Measure	FY 2004		FY 2005		FY 2006		Change FY05 to FY06	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Reduce energy consumption in GSA federal buildings by 31% by FY 2006 over the FY 1985 Baseline	Percent reduction in energy consumption over the FY 1985 Baseline	-22.4%	$ 7,776	-30%	$ 32,859	-31%	$ 37,941	-1%	$ 5,082
Budget Links:	Line Item Repairs & Alterations		$ 5,000		$ 30,000		$ 30,000		$ -
	Building Operations		$ 2,776		$ 2,859		$ 7,941		$ 5,082
Execute energy conservation goals while increasing GSA customer satisfaction scores to 73% by FY 2006	Customer Satisfaction - tenants in owned space	72%	$ 653,870	72%	$ 677,019	73%	$ 751,586	1.0%	$ 74,567
Budget Links:	Building Operations		$ 628,870		$ 677,019		$ 725,886		$ 48,867
	Line Item Repairs & Alterations		$ 25,000		$ -		$ 25,700		$ 25,700
Maintain operating service costs in office and similarly serviced space at 12% or more below private sector benchmarks in FY 2006	Percent below private sector benchmarks for Cleaning/Maintenance/Utility costs in office and similarly serviced space	-14.5%	$ 754,397	-12%	$ 795,137	-12%	$ 866,233	0%	$ 71,096
Budget Links:	Building Operations		$ 754,397		$ 795,137		$ 866,233		$ 71,096
Budget Activities:									
New Construction			$ -		$ -		$ -		$ -
Rental of Space			$ -		$ -		$ -		$ -
Repairs and Alterations:									
Basic			$ -		$ -		$ -		$ -
Line-Item			$ 30,000		$ 30,000		$ 55,700		$ 25,700
Indefinite Authority			$ -		$ -		$ -		$ -
Building Operations			$ 1,386,043		$ 1,475,015		$ 1,600,060		$ 125,045
Total New Obligational Authority:			**$ 1,416,043**		**$ 1,505,015**		**$ 1,655,760**		$ 150,745

General Services Administration
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REPAIRS AND ALTERATIONS
SUMMARY OF FY 2006 PROGRAM
(Dollars in Thousands)
IN PRIORITY ORDER

	ESTIMATED TOTAL PROJECT COST				FY 2006 REQUEST			
	DESIGN	CONSTRUCTION	M&I	TOTAL	DESIGN	CONSTRUCTION	M&I	TOTAL
Nonprospectus (Basic) Repairs and Alterations Program……	**-**	**434,992**	**-**	**434,992**	**-**	**434,992**	**-**	**434,992**
Washington, DC, Heating, Operation, and Transmission District Repair……	1,096	16,200	1,487	18,783	1,096	16,200	1,487	18,783
New York City, NY, James Watson Federal Building and Courthouse……	720	8,892	829	10,441	-	8,892	829	9,721
Subtotal, Limited Scope Program	**1,816**	**25,092**	**2,316**	**29,224**	**1,096**	**25,092**	**2,316**	**28,504**
Full Scope Repairs and Alterations								
Washington, DC, Main Interior Building……	10,763	194,981	19,228	224,972	-	38,483	2,916	41,399
Washington, DC, GSA Headquarters Building……	15,071	172,972	10,463	198,506	2,071	172,972	10,463	185,506
Atlanta, GA, Martin Luther King, Jr., Federal Building……	2,351	41,573	3,356	47,280	-	28,137	1,992	30,129
Brooklyn, NY, Emanuel Celler Courthouse……	7,302	88,239	8,685	104,226	-	88,239	8,685	96,924
Washington, DC, Federal Office Building 8……	10,725	139,678	6,920	157,323	663	46,677	429	47,769
Washington, DC, Eisenhower Executive Office Building……	15,927	245,936	16,684	278,547	500	14,650	550	15,700
Tucson, AZ, James A. Walsh Courthouse……	1,588	14,029	2,107	17,724	-	14,029	2,107	16,136
Washington, DC, Herbert C. Hoover Building……	28,000	422,901	32,100	483,001	7,100	44,091	3,300	54,491
Subtotal, Full Scope Repairs and Alterations……	**91,727**	**1,320,309**	**99,543**	**1,511,579**	**10,334**	**447,278**	**30,442**	**488,054**
Design Program (see attached listing for specific projects)……	**27,237**	**288,499**	**23,955**	**339,691**	**21,915**	**-**	**-**	**21,915**
Glass Fragmentation Program……	-	106,000	-	106,000	-	15,700	-	15,700
Chlorofluorocarbons Program……	7,350	700,000	24,290	731,640	-	10,000	-	10,000
Energy Program……	23,748	264,400	17,070	305,218	-	30,000	-	30,000
Subtotal, Special Emphasis Programs……	**31,098**	**1,070,400**	**41,360**	**1,142,858**	**-**	**55,700**	**-**	**55,700**
Total Repairs and Alterations Program……	**151,878**	**3,139,292**	**167,174**	**3,458,344**	**33,345**	**963,062**	**32,758**	**1,029,165**

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REPAIRS AND ALTERATIONS
SUMMARY OF FY 2006 DESIGN PROGRAM
(Dollars in Thousands)
IN PRIORITY ORDER

	ESTIMATED TOTAL PROJECT COST				FY 2006 REQUEST			
	DESIGN	CONSTRUCTION	M&I	TOTAL	DESIGN	CONSTRUCTION	M&I	TOTAL
Design Program								
San Antonio, TX, 615 East Houston Post Office and United States Courthouse……………………	3,409	33,432	3,439	40,280	500	-	-	500
Indianapolis, IN, Birch Bayh Federal Building and United States Courthouse………………………	3,755	39,152	2,842	45,749	1,342	-	-	1,342
Bangor, ME, Margaret Chase Smith Federal Building, Post Office and United States Courthouse	1,587	14,490	1,677	17,754	1,587	-	-	1,587
Andover, MA, IRS Regional Customer Service Center Federal Building……………………………	4,885	50,640	2,627	58,152	4,885	-	-	4,885
Houston, TX, Leland Federal Building……………………………………………………………………	2,208	20,382	2,552	25,142	2,208	-	-	2,208
Jackson, MS, McCoy Federal Building……………………………………………………………………	3,529	35,626	3,753	42,908	3,529	-	-	3,529
Indianapolis, IN, Minton-Capehart Federal Building…………………………………………………	1,923	24,913	1,462	28,298	1,923	-	-	1,923
Atlanta, GA, Peachtree Summit Federal Building……………………………………………………	5,941	69,864	5,603	81,408	5,941	-	-	5,941
Total Design Program	**27,237**	**288,499**	**23,955**	**339,691**	**21,915**	**-**	**-**	**21,915**

Repairs and Alterations
FY 2006 Construction Phase Project Descriptions

ARIZONA

Tucson – James A. Walsh U.S. Courthouse…………...……………..$16,136,000

The General Services Administration proposes to renovate the historic James A. Walsh U.S. Courthouse. The building's prior tenants, the District Courts, were initially slated to move into the newly constructed Evo DeConcini Courthouse along with Bankruptcy Courts. However, due to unexpected rapid growth of the District Court, there was not enough room in the new courthouse to accommodate both District and Bankruptcy Courts. Therefore, GSA chose the Walsh building to house the Bankruptcy Court due to its size, location and architectural character.

Extensive renovation is required to prepare the building for long-term occupancy. Major work includes blast protection measures including replacement of all windows; electrical and fire sprinkler system upgrades; installation of a new chiller system for the HVAC system; restoration of the historic features; creation of a new courtroom; installation of a new skylight; removal of lead paint; creation of a public viewing and cashier/intake area; and Uniform Federal Accessibility Standards and Americans with Disabilities Act upgrades.

Design ($1,588 thousand) was funded in fiscal year 2004. This request is for construction ($14,029 thousand) and management and inspection ($2,107 thousand). The estimated total project cost is $17,724 thousand.

DISTRICT OF COLUMBIA

Eisenhower Executive Office Building……………………………..$15,700,000

The General Services Administration proposes to continue repairs and alterations to the Eisenhower Executive Office Building (EEOB) located at Pennsylvania Avenue and 17th Street, NW, Washington, DC. The EEOB, built in 1888, is on the National Register of Historic Places. This building functions as the principal support facility for White House operations, offering 691,783 gross square feet and 46 outside parking spaces. The building currently houses approximately 1,494 Executive Office of the President employees.

This project proposes to secure the 17th Street wing of the EEOB, currently unoccupied, against potential explosive threats. The security enhancements include replacement of existing windows with blast and ballistic resistant windows, where needed, and reinforcing the roof using a hardening material known as mansard. Installation of the high-security windows will require removal of existing window air-conditioning units. Therefore, a central air-conditioning system will be installed with an associated piping system and new chillers. The existing utility vault and electrical distribution system will be replaced with one that is capable of housing two new 500-ton chillers, switchgear, and transformer equipment. Interior work will be performed to restore affected areas associated with the demolition of existing systems and installation of new distribution systems and equipment. Interior construction will involve disrupting the plaster walls that contain intricate cornice work to perform electrical and HVAC work. The existing walls will be restored and replaced. Included in interior construction is the removal of existing flooring to perform necessary electrical work and replacing it with raised flooring.

This request will complete phase 1 of a 3-phase project. Partial design for Phase 1 ($1,674 thousand) was funded through the Emergency Response Fund in fiscal year 2002. The remaining design funds ($4,044 thousand and $515 thousand) were received in fiscal year 2003 and 2005, respectively. Construction funds for Phase 1 ($69,249 thousand) were funded in fiscal years 2004 and 2005. Management and Inspection funds for Phase 1 ($6,025 thousand) were received in fiscal years 2003, 2004, and 2005. This request is for the remaining design ($500 thousand), construction ($14,650 thousand) and management and inspection ($550 thousand) funds necessary to complete Phase 1. Phase II and Phase III funding ($181,340 thousand) will be requested in a future fiscal year. The estimated total project cost is $278,547 thousand.

Repairs and Alterations
FY 2006 Construction Phase Project Descriptions

DISTRICT OF COLUMBIA – continued

Federal Office Building 8……………………………...………………$47,769,000

The General Services Administration proposes to request additional funding for the renovation of Federal Office Building 8 (FOB 8). The amended proposal details changes to the initial scope of work that include façade improvements, renovation of the exterior to increase the number of windows, and allow for substantial commodity increases.

Built as laboratory space for the Food and Drug Administration between 1963 and 1965, FOB 8 located in Southwest Washington D.C., consists of 557,701 gross square feet with 59 indoor and 52 outdoor parking spaces. The building is obsolete and vacant. FDA is continuing the process of removing chemical, biological, and nuclear contaminants introduced during its occupancy. The FDA has relocated from FOB 8 to new facilities at College Park, MD. This creates an opportunity for GSA to renovate an existing asset and increase available office space in a prime location. FOB 8 will be converted to an office building within walking distance of the Capitol and other Federal departments and agencies. The conversion of this building from laboratory space to office space will allow the Government to house federal tenants, thereby avoiding the cost of leased space.

Design ($10,062 thousand) was funded in fiscal year 2002 and 2004. Construction ($126,080 thousand) and management and inspection ($6,491 thousand) were funded in fiscal year 2004. In fiscal year 2005, a reprogramming ($33,079 thousand) was approved to shift funding from this project to other GSA priorities. This request is for additional design ($663 thousand), management and inspection ($429 thousand) and construction ($46,677 thousand). The estimated total project cost is $157,323 thousand.

GSA Headquarters ……………………..………………......…………$185,506,000

The General Services Administration proposes repair and alterations to the GSA Headquarters. The renovation will completely modernize the building and create an additional 105,000 of rentable square feet.

The 1800 F Street Office Building, constructed in 1917, is a seven-story steel-framed structure with a limestone façade. The building was constructed in the shape of an “E” to allow maximum light and cross ventilation through the building. The building consists of 710,431 gross square feet with 139 outside parking spaces and is listed on the National Register of Historic Places.

The proposed project will replace HVAC, electrical, and plumbing systems, replace existing air-handling units, replace fire and life-safety systems, install energy-efficient lighting, install additional security items, renovate existing and install additional elevators, demolish and rebuild interior space, infill courtyards and repair the roof.

Design (13,000 thousand) was funded in fiscal year 2003. This request is for additional design ($2,071 thousand), construction ($172,972 thousand), and management and inspection ($10,463 thousand). The estimated total project cost is $198,506 thousand.

Heating, Operation, and Transmission District Repair…………….$18,783,000

The General Services Administration proposes the replacement of the steam service and condensate return pipelines of twenty-six Federal, District of Columbia, and quasi-government buildings. The Heating, Operation, and Transmission District Repair (HOTD) steam heating system is a mechanical structure of steam production equipment and distribution and condensate return piping of largely steel and wrought iron components. It is an energy utility

Repairs and Alterations
FY 2006 Construction Phase Project Descriptions

DISTRICT OF COLUMBIA – continued

Heating, Operation, and Transmission District Repair - continued

constructed in the 1940s and 1950s to provide steam heating to Federal and District of Columbia government buildings in downtown Washington, D.C.

The proposed project consists of the replacement of old and deteriorated underground steam service pipelines to twenty-six Federal and District governments buildings, including the replacement of steam supply and condensate return line systems.

This request is for design ($1,096 thousand), construction ($16,200 thousand), and management and inspection ($1,487 thousand). The estimated total project cost is $18,783 thousand.

Herbert C. Hoover Building…………………………….....…………$54,491,000

The General Services Administration proposes to modernize space to house the Department of Commerce, National Park Service – White House Visitors Center and the National Aquarium in the Herbert C. Hoover Building.

Completed in 1932, this seven-story building consists of 1,913,245 gross square feet, 32 indoor parking spaces, and 193 surface parking spaces. Over three thousand employees are housed in this location. Clad in gray Indiana limestone with a granite base, the building is on the National Register of Historic Places. The building is divided into three sections with colonnades, pavilions, and arched entrances. It also boasts ornamental public and ceremonial receiving spaces.

Design ($16,900 thousand) was funded in fiscal years 2003 and 2004. This request is for additional design ($7,100 thousand), construction phase 1 ($44,091 thousand) and management and inspection phase 1 ($3,300 thousand). Design ($4,000 thousand), construction ($378,810 thousand) and management and inspection ($28,800 thousand) of phases 2-4 will be requested in a future fiscal year. The estimated total project cost is $483,001 thousand.

Main Interior Building……………………..………………....…………$41,399,000

The General Services Administration is currently modernizing the seven-story 1,309,266 gross square foot main Interior building to extend and improve its utility as a Federal office building.

Upon project completion, the building will meet current building code, operational, and workspace standards. The project will also result in increased square footage and updated systems.

The proposed project includes the demolition and build out of interior space, upgrade of mechanical, electrical, plumbing, and fire safety systems, and refurbishment of interior finishes.

Design was funded in fiscal year 1994 ($7,971 thousand) and 2004 ($2,792 thousand). Phase I construction ($33,567 thousand) was funded in fiscal years 2000 and 2002. Phase II construction ($22,175 thousand) was funded in fiscal years 2002 and 2004. Phase 1 management and inspection ($3,929 thousand) was funded in FY2000 and FY2002. Phase II management and inspection ($2,876 thousand) was funded in fiscal years 2002 and 2004. This request is for construction ($38,483 thousand) and management and inspection ($2,916 thousand) for phase III. Construction ($100,756 thousand) and management and inspection ($9,507 thousand) for phases 4-6 will be requested in future fiscal years. The estimated total project cost is $224,972 thousand.

Repairs and Alterations
FY 2006 Construction Phase Project Descriptions

GEORGIA

Atlanta – Martin Luther King, Jr. Federal Building………………..$30,129,000

The General Services Administration (GSA) proposes alterations to the Martin Luther King, Jr. (MLK) Federal Building located at 77 Forsyth Street, Atlanta, GA. This will be a multi-phased modernization project. The MLK Building was constructed in 1931 as a United States Post Office. When the Postal Service vacated the building, GSA accepted it as an annex to the Richard B. Russell Federal Building (FB). The MLK Building contains 367,886 gross square feet, is seven stories tall with two sub-basement and one-basement level, and is eligible for the National Register of Historic Places. There are 54 surface parking spaces adjacent to the building.

GSA proposes to restore the building exterior, provide initial space alterations (ISA) for new tenants, and replace building systems that are old and failing. The exterior stone is loose and in danger of falling off the building. This stone will be removed and the walls repaired and anchored properly. The windows throughout the building will be repaired or replaced, the roof will be repaired, and two 1957 chillers need to be replaced. The ISA work for new agencies will allow the remaining portions of GSA's Regional Office to relocate from the Summit FB to the MLK Building.

Design ($2,351 thousand) was funded in fiscal year 2002. Construction ($13,436 thousand) and management and inspection ($1,364 thousand) of phase 1 were funded in fiscal year 2005. This request is for Phase 2 construction ($28,137 thousand) and management and inspection ($1,992 thousand). The estimated total project cost is $47,280 thousand.

NEW YORK

Brooklyn – Emanuel Celler Courthouse………………......…………$96,924,000

The General Services Administration proposes the modernization and asbestos removal at the Emanuel Celler Courthouse. This proposal addresses the changes to the Courts' housing requirements, which require a redesign of the original design package. Since the design, new judges have been appointed and require space in the renovated space. Additionally, the original design was based on construction occurring in an unoccupied building. The Celler Courthouse will now be partially occupied during construction and require a phased construction approach because of construction delays in the new courthouse.

The Emanuel Celler Courthouse, constructed in 1963, is an eight-story building which provides 323,833 gross square feet. The building originally comprised part of the Federal building complex in Downtown Brooklyn. The Emanuel Celler Courthouse currently houses approximately 615 employees of the District Courts and U.S. Marshals

Design ($3,791 thousand) was funded in fiscal year 2002. In FY 2004, construction ($61,046 thousand) and management and inspection ($4,465 thousand) were funded. In fiscal year 2004 $62,000 thousand of this amount was reprogrammed to other GSA priorities, the remaining $3,511 thousand was applied to additional Celler Courthouse design costs. This request is for construction ($88,239 thousand) and management and inspection ($8,685 thousand). The estimated total project cost is $104,226 thousand.

New York – James Watson Federal Building and Courthouse…$9,721,000

The General Services Administration proposes a building modification security enhancement project for the James L. Watson U.S. Court of International Trade. This building, completed in 1968, contains 157,580 gross square feet including

Repairs and Alterations
FY 2006 Construction Phase Project Descriptions

NEW YORK – continued

New York – James Watson Federal Building and Courthouse - continued

40 structured parking spaces. It consists of eight floors and a basement with integral garage and is connected to the Jacob K. Javits Federal Building in downtown Manhattan.

This project proposes a building modification to reinforce structural columns located in the open space below the Watson Building. The original design of this facility featured the building constructed over an open space and supported by columns. This design leaves the main facility vulnerable to blast. By strengthening the structural columns at the base of the building to withstand a blast event, the present vulnerability of the main facility is significantly reduced.

The project would relocate the building entrance out from under the building to a newly constructed security pavilion, which will add approximately 4,000 gross square feet of space to the building. Additionally, fresh air intakes will be relocated to improve safety for the building occupants.

Funding for design ($720 thousand) was from reprogramming in fiscal year 2003. This request is for construction ($8,892 thousand), and management and inspection ($829 thousand). The estimated total project cost is $10,441 thousand.

VARIOUS LOCATIONS

Chlorofluorocarbons Program..$10,000,000

This design/build program request will provide for projects during fiscal year 2005. This multi-year program is designed to replace or retrofit existing air-conditioning equipment, which presently uses chlorofluorocarbon (CFC) refrigerants. These CFCs, when vented or lost in the atmosphere, reduce the protective stratospheric ozone layer.

Scientific findings indicate that CFC emissions are depleting the stratospheric ozone layer, which leads to increased and harmful quantities of ultraviolet radiation reaching the Earth's surface. The Clean Air Act Amendments of 1990 (CAAA) (Public Law 101-549) established a phase-out schedule and yearly reduction percentages for ozone depleting chemicals.

The amendment promotes recycling, bans the deliberate venting or releasing of refrigerants during maintenance, service, repair or disposal, restricts emission of refrigerants, and establishes strict control over their use. In February 1992, the phase-out of the more adverse ozone-depleting refrigerants was accelerated from the year 2000, which was established by the CAAA, to the end of 1995.

We are making substantial progress toward our goals. Today, we produce 33% less of our refrigeration capacity by systems that use harmful Chlorofluorocarbons (CFCs). Additionally, we are accelerating the use of Hydro fluorocarbons (HFCs). HFC's are compounds that exhibit no Ozone Depleting Potential (ODP). GSA doubled the use of HFC refrigeration systems from the year 2000 by using the refrigerant HFC-134a.

The estimated total cost of the Chlorofluorocarbons Program (in thousands) is as follows:

	Design	Construction	M&I	Total
Current Funding	$4,625	$ 112,255	$ 9,389	$ 126,269
FY 2005	$ 0	$ 0*	$ 0	$ 0*
FY 2006 Request	$ 0	$ 10,000	$ 0	$ 10,000
Future Years	$2,725	$ 577,745	$ 14,901	$ 595,371
Total	$7,350	$ 700,000	$ 24,290	$ 731,640

*Note: $13,000 thousand was approved but is proposed for rescission pursuant to P.L. 108-447.

Repairs and Alterations
FY 2006 Construction Phase Project Descriptions

VARIOUS LOCATIONS

Energy Program…......……………...………………..............……......$30,000,000

This request will provide for the implementation of energy retrofit and conservation measures in Government-owned buildings during fiscal year 2006. The projects to be funded will have savings-to-investment ratios greater than one, and will provide reasonable payback periods that average six years. The estimated energy savings that would result from funding of these projects is 280,000 million BTUs and $4.5 million annually. Projects will address facility HVAC systems, lighting and controls, building automation systems, increased efficiency for motors and variable frequency drives, distributed generation, as well as other energy saving technologies.

The Federal Energy Management Improvement Act (Public Law 100-615) requires Federal agencies to reduce energy consumption by 10 percent (as measured by Btu/GSF) by the end of fiscal year 1995. Further, the Energy Policy Act of 1992 requires that all federal agencies reduce energy consumption by 20 percent (as measured by Btu/GSF) by the year 2000. In addition, Executive Order 13123 requires federal agencies to take actions to reduce energy consumption by 30 percent (as measured by Btu/GSF) by the year 2005 and by 35 percent by fiscal year 2010. GSA met both the 10 percent (as measured by Btu/GSF) goal in 1995 and the 20 percent (as measured by Btu/GSF) goal in 2000. GSA is now pursuing actions towards the fiscal year 2005 and 2010 goal.

The estimated total program cost (in thousands) is as follows:

	Design	Construction	M&I	Total
Current Funding	$ 5,373	$ 95,241	$ 6,608	$107,222
FY 2005	$ 0	$ 30,000	$ 0	$ 30,000
FY 2006 Request	$ 0	$ 30,000	$ 0	$ 30,000
Future Years	$ 18,375	$ 109,159	$ 10,462	$137,996
Total	$ 23,748	$ 264,400	$ 17,070	$305,218

Glass Fragment Retention……………………………………….…….$15,700,000

Executive Order 12977, establishes the need to increase the security measures in Federal facilities with high-volume public contact and high-risk agencies. On June 28, 1995, the DOJ issued security enhancement recommendations in a report entitled "Vulnerability Assessment of Federal Facilities" in which the President directed all executive departments and agencies to implement the recommendations. The report recommended that GSA provide as minimum standard glass fragment retention for windows in Level IV Federal buildings. Level IV buildings are facilities that have over 450 employees. In addition, the facility likely has more than 150,000 square feet, high-volume public contact, and contains high-risk law enforcement and intelligence agencies.

The application of a polymer film to windows will protect employees and visitors from flying glass fragments and reduce the possibility of damage due to flying glass fragments in the event of an explosion. Some buildings, however, may require alternative systems such as laminated glass, polycarbonate sheeting, blast curtains or fine metal mesh screens.

The estimated total program cost (in thousands) is as follows:

	Design	Construction	M&I	Total
Current Funding	$ 0	$ 66,000	$ 0	$ 66,000
FY 2005	$ 0	$ 0*	$ 0	$ 0*
FY 2006 Request	$ 0	$ 15,700	$ 0	$ 15,700
Future Years	$ 0	$ 24,300	$ 0	$ 24,300
Total	$ 0	$ 106,000	$ 0	$106,000

* $20,000 thousand was approved in FY 04 but is proposed for rescission pursuant to P.L. 108-447.

Repairs and Alterations
FY 2006 Construction Phase Project Descriptions

OTHER ACTIVITIES

BASIC REPAIRS AND ALTERATIONS
PROJECTS UNDER $2,470,000………………………………………..$434,992,000

Funds in the amount of $434,992 thousand are requested for all nonrecurring repairs and alterations projects where obligations at a single location within a fiscal year are above $10 thousand but are under the prospectus threshold of $2,470 thousand. Projects included in this category are generally short-term in nature and funds can normally be obligated within a one-year period. This category also includes projects that are recurring in nature, such as cyclic painting and the minor repair of defective building systems (e.g. mechanical, plumbing, electrical, fire safety, and elevator system components), and all repairs and alterations projects in leased facilities, regardless of size.

After initial build-out, any post-Government occupancy alterations in leased space require a prospectus when the estimated cost of the project exceeds the prospectus threshold of $1,235 thousand for alterations in leased space.

The basic (non-line item) repairs and alterations program is the source of funds to ensure the operational continuity of the 1,600 plus buildings owned by the General Services Administration. These buildings provide over 200 million gross square feet of space to support tenant agency mission requirements. The building inventory averages over 50 years of age and requires constant attention and significant funding to repair systems, improve health and safety features, alter space, and accomplish special emphasis programs. Without adequate reinvestment in the building inventory, its condition will deteriorate and service delivery to customers will degrade. In addition, the taxpayers' investment in these properties will not be adequately protected resulting in more costly corrective actions in the future. The line-item repairs and alterations program only addresses approximately 20 buildings per year, thus the basic program is extremely important in keeping the rest of the inventory functioning pending a modernization project on a 20-25 year cycle.

The amount provided for the basic program may also be used to pay claims against the Government arising from any projects under the heading "Repairs and Alterations."

Repairs and Alterations
FY 2006 Design Phase Project Descriptions

GEORGIA

Atlanta – Peachtree Summit Federal Building…………..………..……$5,941,000

The General Services Administration (GSA) proposes to renovate the Peachtree Summit Federal Building. The building was purchased in 1988 and occupied with very little modernization or alteration work done. The primary tenant in the Peachtree Summit Building is the Internal Revenue Service, which occupies over half of the available space in the building, with other smaller Executive agency tenants.

GSA proposes alterations, which include building systems improvements, exterior improvements, fire and life safety improvements, enhancements to public spaces and facilities, and recapture of current and future vacant space. The project would improve building operations, tenant comfort and satisfaction, and safety of pedestrians.

This request is for design ($5,941 thousand). The balance of funding for construction ($69,864 thousand) and management and inspection ($5,603 thousand) will be requested in a future fiscal year. The estimated total project cost is $81,408 thousand.

INDIANA

Indianapolis – Birch Bayh Federal Building and U.S. Courthouse.$1,342,000

The General Services Administration proposes to renovate the Federal Office Building and United States Courthouse situated in a two-acre site in Indianapolis, IN. It contains 459,121 gross square feet of space, and includes a 34-space indoor parking garage, and a 43-space parking lot. It was constructed in 1905 to house the district courts, main post office, and Federal agencies.

The proposed project consists of the replacement of HVAC system components on the basement, first, and penthouse floors, and in the historic courtroom; replacement of the main electrical switchboard, sub-power, and lighting panels, lighting protection system, light fixtures, and occupancy motion sensors; replacement of the firing range and restroom exhaust systems; installation of air mixing units, gas service lines, and three boilers; and repair of the cooling towers.

Design ($2,413 thousand) was funded in fiscal year 2005. This request is for additional design ($1,342 thousand). The balance of funding for construction ($39,152 thousand) and management and inspection ($2,842 thousand) will be requested in a future fiscal year. The estimated total project cost is $45,749 thousand.

Indianapolis – Minton-Capehart Federal Building……………..……$1,923,000

The General Services Administration proposes to renovate the Minton-Capehart Federal Building. It was built in 1974 to house Federal agencies, which still occupy the building today. It contains approximately 636,434 gross square feet of space, and includes an adjacent two-level 457-space parking deck with an entry control system. The building is generally sound overall, but has deteriorated and is functionally obsolete from aging and deferred maintenance. The building needs repairing to restore it to standard-level operating condition.

The proposed project consists of repairs and alterations to the building finishes and systems, overhauling of the air-handling units, replacement of the return air fans and fiberglass ductwork; installation of ceiling air diffusers and return grilles; replacement of the air mixing units and stairwell pressurization fans; installation

Repairs and Alterations
FY 2006 Design Phase Project Descriptions

INDIANA – continued

Indianapolis – Minton-Capehart Federal Building – continued

of a fire sprinkler system; and replacement of the firewater pump, emergency generator; and improvement of the lighting.

This request is for design ($1,923 thousand). The balance of funding for construction ($24,913 thousand) and management and inspection ($1,462 thousand) will be requested in a future fiscal year. The estimated total project cost is $28,298 thousand.

MAINE

Bangor – Margaret Chase Smith FB-PO-CT……………………………$1,587,000

The General Services Administration proposes to renovate the Margaret Chase Smith Federal Building – Post Office - Courthouse. It contains 165,807 gross square feet of floor space and 108 indoor and 28 outdoor parking spaces for building tenants. It presently houses 241 occupants representing fifteen different federal agencies.

The proposed project will recapture 21,500 rentable square feet of vacant postal workroom space. Other components of the project include upgrades to the electrical systems, hazardous materials abatement, elevator upgrades, upgrading the fire protection system to current code, energy and water conservation measures, and bringing the building into compliance with accessibility standards.

This request is for design ($1,587 thousand). The balance of funding for construction ($14,490 thousand) and management and inspection ($1,677 thousand) will be requested in a future fiscal year. The estimated total project cost is $17,754 thousand.

MASSACHUSETTS

Andover – IRS Customer Service Center………………………………$4,885,000

The General Services Administration proposes to renovate the IRS Customer Service Center. The building contains 334,283 usable square feet with 1,725 surface parking spaces and is situated on 36.25 acres. Built in stages during the 1960s, the building is of masonry and steel construction.

The proposed project will install new windows; conduct mechanical upgrades, electrical distribution system upgrades, lighting upgrades, and conference room upgrades, abate hazardous material, demolish and replace interior finishes including new raised flooring; replace air handling units and air duct distribution; relocate sprinklers; upgrade security; window blast upgrade; repair and reconfigure and grade site. The renovation will allow GSA to update outdated mechanical and electrical systems as well as bring the building up to current fire and life safety and disability codes. This request is for design ($4,885 thousand). The balance of funding for construction ($50,640 thousand) and management and inspection ($2,627 thousand) will be requested in a future fiscal year. The estimated total project cost is $58,152 thousand.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

Repairs and Alterations
FY 2006 Design Phase Project Descriptions

MISSISSIPPI

Jackson – McCoy Federal Building……………………..…………………..$3,529,000

The General Services Administration proposes to renovate the A. H. McCoy Federal Building. The building is a modern fifteen-story, concrete structure located on a two-acre site in the Jackson, MS, Central Business District. It was constructed in 1979 to house federal agencies as it still does today. It contains 422,602 gross square feet of floor space, and includes a 33 space indoor parking garage. The building presently houses 1,069 occupants of more than 20 different federal agencies. The building is sound, but is in critical need of some repairs to restore it to an acceptable level of operation. The building is deteriorated and most building systems are obsolete due to limited maintenance, wear, and the lack of improvements since its construction.

The proposed project consists of the interior construction; upgrades to the elevator, HVAC, electrical, and plumbing systems; upgrade of plumbing fixtures and the fire alarm system; replacement of the fire sprinkler system; abatement of asbestos; and repair of the exterior structure. Also included are landscaping improvements; security upgrades; window reinforcement; washing of exterior wall surfaces and replacement of exterior joint sealants; installation of exterior walkway railings; repair of the second floor patio and the garage slab; installation of building signage; renovation of the restrooms; and replacement of the exit stair railings.

This request is for design ($3,529 thousand). The balance of funding for construction ($35,626 thousand) and management and inspection ($3,753 thousand) will be requested in a future fiscal year. The estimated total project cost is $42,908 thousand.

TEXAS

Houston – Leland Federal Building……………………………………$2,208,000

The General Services Administration proposes to renovate the Leland Federal Building. The building contains 496,286 gross square feet and an adjacent six-story parking structure is connected by an outdoor plaza, breezeway and underground tunnel. The building population is currently 841 occupants. There are 373 structured parking spaces in addition to the 94 surface parking spaces.

The proposed project consists of the repair and replacement of building systems and minimal upgrades. This includes repair to the plaza, breezeway, electrical vault and garage to correct cracks, security and drainage issues; replacement of all window units; cleaning and recaulking of building exterior and application of protective sealant; upgrade of the fire protection system; replacement of chiller valve parts and upgrade of air-handling units; completion of elevator modernization excluding new controllers; upgrade of main entry and building lobby; replacement of concealed-spline ceilings; replacement of mercury vapor lighting fixtures; upgrade building for ADA compliance, and replacement of drinking fountains.

This request is for design ($2,208 thousand). The balance of funding for construction ($20,382 thousand) and management and inspection ($2,552 thousand) will be requested in a future fiscal year. The estimated total project cost is $25,142 thousand.

Repairs and Alterations
FY 2006 Design Phase Project Descriptions

TEXAS – continued

San Antonio – 615 E. Houston Post Office and U.S. Courthouse…..$500,000

The General Services Administration proposes tenant alterations, major structural, mechanical, electrical, and plumbing upgrades to the 67-year old, six-story post office–courthouse (PO-CT). Built in 1937, the PO-CT, located at 615 E. Houston Street, consists of 308,270 gross square feet with 28 indoor parking spaces. It is located in the Central Business District on Alamo Square. It houses the downtown substation of the Post Office and is important to the public because of its location across the street from the Alamo, and for the mural, itself historic, located in its lobby. The building is listed on the National Register of Historic Places, and currently houses 855 employees.

In addition, the following work items are included in the proposed project: modification of interior space; mechanical, electrical, and plumbing upgrades; elevator upgrades; restroom improvements; exterior improvements; including bullet resistant 1st floor areas; fire pump and occupancy sensors; lobby renovations; and art-in-architecture.

Partial funding ($2,909 thousand) for design was funded in fiscal year 2004. This request is for the balance of design ($500 thousand). The balance of funding for construction ($33,432 thousand) and management and inspection ($3,439 thousand) will be requested in a future fiscal year. The estimated total project cost is $40,280 thousand.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

BUILDING OPERATIONS
EXPLANATION OF BUDGET CHANGES
(Dollars in Thousands)

	FTE	Dollars
Fiscal Year 2005 Current	**5,642**	**1,709,522**
Building Services in New Space	-	39,948
Increase Cost of Supplies, Materials and Service Contracts (1.5%)	-	17,878
Part Year Increase for FY 2005 Pay Act (1.5%), Effective January, 2005	-	1,942
Wageboard and Pay Act Increase (2.3%), Effective January, 2006	-	9,359
Increase for Utilities and Fuel Rates	-	20,700
Increase for Cleaning and Maintenance Contract Labor Rates and Benefits	-	5,602
GSA Headquarters Move	-	21,000
Security Charges from Department of Homeland Security	-	21,000
Increases to the Working Capital Fund	-	11,029
National Billing Contract	-	10,000
Increase for IT Services	-	8,776
Green Power	-	4,996
Improvements to Capital Projects Delivery Process	-	3,350
Competitive Sourcing Estimated FTE Reduction	(185)	
Transfer 2 FTE to the Working Capital Fund - Office of Emergency Management	(2)	
Transfer 14 FTE from the Office of Governmentwide Policy	14	
Fiscal Year 2006 Request	**5,469**	**1,885,102**

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

CHANGES IN BUILDING OPERATIONS
Building Operations
(Dollars in Thousands)

	Cleaning	Utilities and Fuels	Main-tenance	Other Building Services	Space Acquisition	Staff Support	CIO	TOTAL
FY 2005 CURRENT	**249,605**	**289,988**	**255,544**	**182,276**	**156,499**	**440,790**	**134,820**	**1,709,522**
Building Services in New Space	8,147	12,992	11,815	6,586		408		39,948
Increase Cost of Supplies, Materials, and Service Contracts (1.5%)	3,519	4,350	3,143	1,227	671	4,156	812	17,878
Part-Year Increase for FY 2005 Pay Act (1.5%), Effective January, 2005	21		116	461	503	770	71	1,942
Wageboard and Pay Act Increase (2.3%), Effective January, 2006	103		558	2,223	2,423	3,708	344	9,359
Increase for Utilities and Fuel Rates		20,700						20,700
Increase for Cleaning and Maintenance Contract Labor Rates and Benefits	2,161		3,441					5,602
GSA Headquarters Move						14,815	6,185	21,000
Security Charges from Department of Homeland Security				21,000				21,000
Increases to the Working Capital Fund						11,029		11,029
National Billing Contract					10,000			10,000
Increase for IT Services							8,776	8,776
Green Power		4,996						4,996
Improvements to Capital Projects Delivery Process					3,350			3,350
FY 2006 REQUEST	**263,556**	**333,026**	**274,617**	**213,773**	**173,446**	**475,676**	**151,008**	**1,885,102**

Justification of Building Operations Program Increases for FY 2006
(Dollars in thousands)

GSA Headquarters Move $21,000

This amount represents the PBS portion of the total GSA relocation cost of $46,458 thousand.

Security Charges from DHS $21,000

Beginning in FY 2006, the Department of Homeland Security will begin fully charging GSA for security in space occupied by PBS. PBS is requesting $16,682 thousand to fund their security requirements. Additionally, DHS will begin charging GSA for security in space in GSA's inventory that is unoccupied in the amount of $4,318 thousand.

Increases to the Working Capital Fund $11,029

In fiscal year 2006, the Federal Buildings Fund (FBF) will pay the Working Capital Fund (WCF) for its increased support of the Public Buildings Service. The FBF will pay the WCF $8,492 thousand to cover new initiatives and workload increases taken on by GSA staff offices that support PBS. $1,404 thousand will fund the PBS portion of additional staff for the Chief People Officer, Chief Financial Officer, Office of Citizen Services, and the Regional Offices. In addition to costs associated with the increase in business volume, the FBF is also required to fund its share of increases to the WCF for the fiscal year 2006 Wageboard and Pay Act in the amount of $1,133 thousand.

National Billing Contract $ 10,000

Data accuracy is critical to the maintenance of customer satisfaction and the consistency and efficiency of our operations. By entering into a national contract, PBS will ensure both a consistent and correct approach to the input, management, and maintenance of the source data required for customer billing and for ongoing financial and operational management activities. The cost of implementing changes to correct our customer billing issues is significant.

Increase for IT Services $ 8,776

For FY 2006, the PBS Chief Information Officer is requesting funds in the amount of $8,776 thousand to accomplish the eGovernment initiatives established in the President's Management Agenda. It is the intent of GSA to provide an increased selection of web-based services, facilitate electronic data exchange, and gain productivity efficiencies. The proposed FY 2006 IT budget additions are as follows:

Customer Relationship Management	$ 3,450
Infrastructure Agreement	1,659
Inventory Reporting and Information System (IRIS)	1,111
System for Tracking and Administering Real Property	1,575
E-Leasing (STAR)	981

Green Power **$ 4,996**

Greening the Government through Efficient Energy Management (Executive Order 13123) requires Federal agencies to reduce energy consumption per gross square foot by 30% by 2005 relative to a 1985 baseline. As of March 2004, GSA reduced energy consumption per gross square foot by 20.8%. Although we are pursuing various energy reduction strategies, GSA will not make the 30% goal by simply reducing energy consumption. To encourage agencies to purchase renewable power, the Department of Energy (DOE) directed agencies to subtract all Btu's associated with renewable power consumption when submitting annual energy reduction reports. The only way GSA can reduce its reported energy consumption in less than a year is to procure significant amounts of renewable power. To meet the DOE energy goals, GSA will procure the renewable power from wind turbine and waste to energy production sources. The cost premium for renewable power represents less consistent production, and higher production and certification costs. These conditions increase the cost of renewable energy over traditional electricity production methods.

Improvement to Capital Project Delivery Process **$ 3,350**

Using Virtual Design and Construction (VDC) technology allows buildings to be constructed virtually through computer simulation before they are built in reality. Effective use of VDC technology will improve visualization, simulations, evaluation, and predictability of cost, schedule, and quality associated with the planning, construction, and management of public buildings. VDC technology promotes early discovery of anticipated conflicts that would have a cost, or schedule impact during project implementation. GSA's Long-term goal for the implementation of the Interoperable Object Modeling Technology is to execute the new construction program on the schedule committed to our customers 90% of the time by FY 2010 and maintain the percentage of escalations on the program at 1%.

PBS will reform the Art in Architecture Program to parallel the Design Excellence process and streamline the commissioning of art for Federal Buildings.

INSTALLMENT ACQUISITION PAYMENTS
EXPLANATION OF BUDGET CHANGES
(Dollars in Thousands)

FY 2005 Current	**161,442**
Increase in Capitalized Interest Payments	701
Increase in Interest Payments	6,037
FY 2006 Request	**168,180**

General Program Description

The Public Buildings Amendment of 1972 enabled GSA to contract for the construction of a backlog of authorized but unfunded new construction projects. We were granted borrowing authority for a selected number of these projects. Congress has also provided authority on numerous occasions to borrow funds to construct specific federal facilities. This program funds payments for interest, including capitalized interest, for facilities constructed under borrowing authority.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REIMBURSABLE PROGRAM
EXPLANATION OF BUDGET CHANGES
(Dollars in Thousands)

	FTE	Dollars
FY 2005 Current	**117**	**$1,074,144**
Inflation	--	16,112
Workload Increases (+)	--	41,850
Workload Decreases (-)	--	(129,025)
FY 2006 Request	**117**	**$1,003,081**

General Program Description

GSA provides tenant agencies with space and building services (e.g., cleaning, maintenance, utilities, and protection) commensurate with those offered in the private sector. When requested by a tenant, we also provide building services which exceed commercially equivalent levels on a reimbursable basis. The reimbursable program allows us to be fully responsive to the special needs of our tenants in the Government-owned and leased space that we operate. Reimbursable services include space adjustments, facility security, utilities, large projects, and janitorial services required for above standard levels of operations, as well as administrative support costs associated with providing the service.

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OF REVENUE

To carry out the purposes of the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 592), the revenues and collections deposited into the Fund shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving governmental agencies (including space adjustments and telecommunications relocation expenses) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings, and moving; repair and alteration of federally owned buildings including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; acquisition of options to purchase buildings and sites; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, and any other obligations for public buildings acquired by installment purchase and purchase contract; in the aggregate amount of [$7,217,043,000,]√ <u>$7,768,795,000</u> of which: (1) [$708,542,000]√ <u>$640,317,000</u> shall remain available until expended for construction (including funds for sites and expenses and associated design and construction services) of additional projects at the following locations:

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OF REVENUE

New Construction:

√ [California:
Los Angeles, Federal Bureau of Investigation Facility, $14,054,000.
Los Angeles, United States Courthouse, $314,385,000.
San Diego, United States Courthouse, $3,068,000.
District of Columbia:
Southeast Federal Center Site Remediation, $2,650,000.
Illinois:
Chicago, 10 West Jackson Place (Purchase), $53,170,000.
Maine:
Calais, Border Station, $3,269,000.
Madawaska, Border Station, $1,760,000.
Maryland:
Montgomery County, Food and Drug Administration Consolidation, $88,710,000.
Minnesota:
Warroad, Border Station, $1,837,000.
New Mexico:
Las Cruces, United States Courthouse, $60,000,000.
New York:
Alexandria Bay, Border Station, $8,884,000.
Massena, Border Station, $15,000,000.
North Dakota:
Dunseith, Border Station, $2,301,000.
Portal, Border Station, $22,351,000.
Texas:
El Paso, Paso Del Norte Border Station, $26,191,000.
El Paso, United States Courthouse, $63,462,000.
El Paso, Ysleta Border Station, $2,491,000.
Vermont:
Derby Line, Border Station, $3,190,000.
Norton, Border Station, $580,000.

California:
San Diego, United States Courthouse, $230,803,000.
Colorado:
Lakewood, Denver Federal Center Infrastructure, $4,658,000.
District of Columbia:
Coast Guard Consolidation, $24,900,000.
St. Elizabeths West Campus Infrastructure, $13,095,000.
Southeast Federal Center Site Remediation, $15,000,000.
Maine:
Calais, Border Station, $50,146,000.
Jackman, Border Station, $12,788,000.
Maryland:
Montgomery County, FDA Consolidation, $127,600,000.
New York:
Champlain, Border Station, $52,510,000.
Massena, Border Station, $49,783,000.
Texas:
Austin, United States Courthouse, $3,000,000.
Washington:
Blaine, Peace Arch Border Station, $46,534,000.
Non-prospectus Construction, $9,500,000.

Richford, Border Station, $589,000.
Non-prospectus Construction, $10,000,000.
Judgment Fund Repayment, $10,000,000.]

Provided, That each of the foregoing limits of costs on new construction projects may be exceeded to the extent that savings are effected in other such projects, but not to exceed 10 percent [of the amounts included in an approved prospectus, if required], unless √ notice is transmitted to advance [approval is obtained from] √ the Committees on Appropriations of a greater amount: *Provided further*, That all funds for direct construction projects shall expire on September 30,[2006] √ 2007 and remain in the Federal Buildings Fund except for funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date; (2) [$980,222,000]√ $1,029,165,000, shall remain available until expended for repairs and alterations, which includes associated design and construction services:

Repairs and Alterations:

√ [District of Columbia:
Eisenhower Executive Office Building, $5,000,000.
Federal Office Building 6, $8,267,000.
Hoover FBI Building, $10,242,000.
Mary E. Switzer Building, $80,335,000.
New Executive Office Building, $6,262,000.
Steam Distribution System, $2,000,000.
Theodore Roosevelt Building, $9,730,000.
Georgia:
Atlanta, Martin Luther King, Jr. Federal Building, $14,800,000.
Atlanta, United States Court of Appeals, $32,004,000.
Hawaii:
Hilo, Federal Building, $5,133,000.
Louisiana:
New Orleans, Boggs Federal Building,

Arizona:
Tucson, James A. Walsh United States Courthouse, $16,136,000.
District of Columbia:
Eisenhower Executive Office Building, $15,700,000.
Federal Office Building 8, $47,769,000.
GSA Headquarters Building, $185,506,000.
Heating, Operation, and Transmission District Repair, $18,783,000.
Herbert C. Hoover Building, $54,491,000.
Main Interior Federal Building, $41,399,000.
Georgia:
Atlanta, Martin Luther King, Jr., Federal Building, $30,129,000.

$22,581,000.
New Orleans, Wisdom Courthouse of Appeals, $8,005,000.
Maryland:
Baltimore, George H. Fallon Federal Building, $46,163,000.
Suitland, National Record Center, $7,989,000.
Woodlawn, SSA Altmeyer Building, $6,300,000.
Minnesota:
St. Paul, Warren E. Burger Federal Building-Courthouse, $36,644,000.
Missouri:
Kansas City, Richard Bolling Federal Building, $40,048,000.
New York:
New York, Foley Square Courthouse, $2,505,000.
Queens, Joseph P. Addabbo Federal Building, $5,455,000.
Ohio:
Cincinnati, Potter Stewart Courthouse, $37,975,000.
Cleveland, Celebrezze Federal Building, $37,375,000.
Washington:
Seattle, William Nakamura Courthouse, $50,210,000.
Special Emphasis Programs:
Chlorofluorocarbons Program, $13,000,000.
Energy Program, $30,000,000.
Glass Fragment Retention, $20,000,000.
Design Program, $48,699,000.
Basic Repairs and Alterations, $393,500,000.]

Provided further, That funds made available in this or any previous Act in the Federal Buildings Fund for Repairs and Alterations shall, for prospectus projects, be limited to the amount identified for each project, except each project in this or any previous Act may be increased by

<u>New York:</u>
<u>Brooklyn, Emanuel Celler Courthouse, $96,924,000.</u>
<u>New York, James Watson Federal Building and United States Courthouse, $9,721,000.</u>
<u>Special Emphasis Programs:</u>
<u>Chlorofluorocarbons Program, $10,000,000.</u>
<u>Energy Program, $30,000,000.</u>
<u>Glass Fragmentation Program, $15,700,000.</u>
<u>Design Program, $21,915,000.</u>
<u>Basic Repairs and Alterations, $434,992,000.</u>

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OF REVENUE

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an amount not to exceed 10 percent unless advance [approval is obtained from] √ the Committees on Appropriations of a greater amount: *Provided further*, That additional projects for which prospectuses have been fully approved may be funded under this category	notice is transmitted to
only if advance [approval is obtained from] √ the Committees on Appropriations: *Provided further*, That the amounts provided in this or any prior Act for "Repairs and Alterations" may be used to fund costs associated with implementing security improvements to buildings necessary to meet the minimum standards for security in accordance with current law and in compliance with the reprogramming guidelines of the appropriate Committees of the House and Senate: *Provided further*, That the difference between the funds appropriated and expended on any projects in this or any prior Act, under the heading "Repairs and Alterations", may be transferred to Basic Repairs and Alterations or used to fund authorized increases in prospectus projects: *Provided further*, That all funds for repairs and alterations prospectus projects shall	notice is transmitted to
expire on September 30, [2006]√ and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: *Provided further*, That the amount provided in this or any prior Act for Basic Repairs and Alterations may be used to pay claims against the Government arising from any projects under the heading "Repairs and Alterations" or used to fund authorized increases in prospectus projects	2007
(3) [$161,442,000]√ for installment acquisition payments including payments on purchase contracts which shall remain available until	$168,180,000
expended; (4)[$3,657,315,000] √ for rental	$4,046,031,000

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OF REVENUE

of space which shall remain available until expended; and (5) [$1,709,522,000]√ for building operations which shall remain available until expended: *Provided further*, That funds available to the General Services Administration shall not be available for expenses of any construction, repair, alteration and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses for the development of a proposed prospectus: *Provided further*, That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance [approval is obtained from] √ the Committees on Appropriations: [*Provided further,* That not withstanding any other provision of law, the Administrator of General Services is authorized and directed to proceed with site acquisition, design, and subject to availability of funds, construction and management and inspection, of a new Federal Building in Tuscaloosa, Alabama for which funds for site acquisition and design were provided in Public Law 108-199] *Provided further,* That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 592(b)(2)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056, shall be available from such revenues and collections: *Provided further*, That revenues and collections and any other sums accruing to this Fund during fiscal year [2005]√,

(5) [$1,709,522,000]√	$1,885,102,000
[approval is obtained from] √	notice is transmitted to
[2005]√	2006

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OF REVENUE

excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 592(b)(2)) in excess of the aggregate new obligational authority authorized for Real Property Activities of the Federal Buildings Fund in this Act shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts. *(Transportation, Treasury, Independent Agencies, and General Government Appropriations Act 2005.)*

General Services Administration
PUBLIC BUILDINGS SERVICE
FEDERAL BUILDINGS FUND

REAL PROPERTY ACTIVITIES
LIMITATIONS ON AVAILABILITY OR REVENUE

Explanation of Changes in Appropriation Language
for Fiscal Year 2006

For fiscal year 2006, the proposed language for the Federal Buildings Fund includes changes from previously enacted legislation as follows:

1. There are four instances in the appropriation language where the phrase “advance notice is transmitted to” the Committees has been substituted for the phrase “advance approval is obtained from” the Committees. The four instances include language providing authority to escalate Construction and Repairs and Alterations projects by an amount greater than 10 percent, authority to create additional repairs and alterations line-items within funds available, and authority to proceed with emergency repairs. With this change, the Committees will still retain control over projects while permitting GSA to conduct its capital program in a more timely and responsive manner.

MISCELLANEOUS ACCOUNTS

Strategic Assessment

The Transportation Audits program is a mandatory transportation audit function which recovers overpayments to carriers for Government moves resulting from rate and service agreements that are established by GSA or by other Federal agency traffic managers. The transportation audit function business strategies include the development of a web-based, fully automated, end-to-end system to handle all of our customers' transportation management needs, from rating and routing through pre-pay and post-pay audit as well as dispute resolution. This account is a permanent, indefinite appropriation that does not require annual Congressional action.

Business operations in this program still contain some manual processes and those that are automated are being realigned to promote program efficiency. One method through which this is being accomplished is through the deployment of the Transportation Management Solution (TMSS) schedule. Once this schedule is fully operational, the program's operating cost will be reduced by 5%, and additional efficiencies in the audit process will be created. The preliminary realization of these efficiencies has allowed the Transportation Audits program to reduce its workforce considerably. The Transportation Audits program was granted authority to offer buyouts to eligible associates that worked in the program during FY 2004; these buyouts were finalized by December 31, 2004. There were a total of 15 associates that chose to take the buyout, creating a net reduction of the program's workforce by over 15 percent.

Program Assessment Rating Tool (PART) Review

This program is scheduled to be reviewed as part of the FY 2007 PART cycle.

Strategy and Action Plans

Strategies adopted by the program include GSA working with agency payment offices, carriers and audit contractors to increase the number of electronic audits. This will help in achieving shorter cycle times for handling protests and claims. Currently, the benchmark to resolve protests and claims is approximately six months. Through converting to electronic audits and upgrading systems' capabilities, the timeframe will be reduced significantly as it will be possible to generate monthly reports to monitor the handling of claims and expedite the resolution of outstanding claims. The incorporation of improved technology into the business processes will not only create efficiencies in the time to complete an audit but will also allow for more intensive program management of current operating procedures that will lead to procedural improvements.

These strategies and key actions will help the Transportation Audits program improve its operating efficiency and save agencies money through prepayment audits and the recovery of funds from overpayment through post-payment audits. The funds recovered through post-payment audits in excess of expenses are returned to the U.S. Treasury, benefiting the taxpayer.

Long-Term Outcome Goal: Provide an end-to-end transportation/freight management system/solution to increase value for agency customers and improve internal and external business processes.

The Transportation Audits program shares the same long-term outcome goal as the transportation area of the Travel and Transportation business line discussed in the General Services Fund Budget. This goal is intended to focus on improving operations and efficiency that will in turn generate savings for the taxpayers in FY 2006 and in the out-years.

Performance Goal: Increase the number of audits that are conducted electronically through streamlining and automating the Transportation Audits process.

This goal focuses on increasing the number of audits that are conducted electronically. The achievement of this goal requires the incorporation of automated process improvements and the adoption of technology.

Two performance measures will be used to monitor the success of this goal, these measures are discussed below.

Performance Measure: Percent of audits performed electronically.

This measure will track the number of audits that are performed electronically relative to the entire population of audits that are conducted through manual processes. Increases in the percent of audits performed electronically of all audits performed by the Transportation Audits program will indicate the success of this goal.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
93.2%	92.1%	94.5%	95%
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
95%	95%	95%	95%

Performance Measure: Percent of claims processed within targeted timeframe, of 120 days or less.

This measure will track the number of claims processed within 120 days or less relative to the total number of claims processed. Increases in the number of claims processed within 120 days or less will indicate the success of this goal.

FY 03 Actual	FY 04 Actual	FY 05 Target	FY 06 Target
New	51.2%	40%	60%
FY 07 Target	FY 08 Target	FY 09 Target	FY 10 Target
80%	85%	90%	95%

The FY 2006 budget for this program supports the fulfillment of this long-term outcome goal and the annual performance goal and performance measures that accompany it.

General Services Administration
EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

FY 2006 Budget Request / Performance Goal
Budget Links
Expenses of Transportation Audit Contracts and Contract Administration
$ (Thousands)

Long-term Outcome Goal(s)

Provide an end-to-end transportation/freight management system/solution to increase value for agency customers and improve internal and external business processes.

Performance Goal	Performance Measure	FY 2004		FY 2005		FY 2006		Change FY 05 to FY06	
		Actual	Dollars	Target	Dollars	Target	Dollars	Target	Dollars
Increase the number of audits that are conducted electronically through streamlining and automating the Transportation Audits process.	Percent of audits performed electronically	92.1%	$7,504	94.5%	$8,980	95%	$9,475	.5%	$495
	Percent of claims processed within timeframe of 120 days or less	51.2%	$5,003	40%	$5,987	60%	$6,316	20%	$329
Total			$12,507		$14,967		$15,791		$824
Outlays			$12,507		$14,967		$15,791		$824
Employment (FTE)			71		61		61		0

Explanation of Dollar Changes:

The majority of the FY 2006 increase is a result of relocating 55 Central Office associates to a new facility. The total cost of the relocation ($1,485) will be offset by the savings achieved from the buyout of 15 associates. There are also minor increases in other object classes resulting from inflation.

Explanation of Budget Changes
Obligations
($Thousands)

FY 2005 Program Level	**14,967**
Pay Raise, January 2005	+165
Buyout Savings	-961
Inflation	+122
RENT Increase	+13
Relocation to new facility	+1,485
FY 2006 Budget Request	**15,791**

General Services Administration
EXPENSES OF TRANSPORTATION AUDIT CONTRACTS AND CONTRACT ADMINISTRATION

Obligations by Object Class
$(Thousands)

		FY 2004 Estimate	FY 2005 Current	FY 2006 Request
	Personnel Compensation:			
11.1	Full-time permanent	4,573	4,639	4,256
11.5	Other personnel compensation	189	218	226
11.9	Total personnel compensation	4,762	4,857	4,482
12.1	Civilian personnel benefits	851	878	757
13.0	Benefits for former personnel	125	250	0
21.0	Travel and transportation of persons	65	66	67
22.0	Transportation of things	0	1	1
23.1	Rental payments to GSA	739	758	771
23.3	Communications, utilities, and misc. charges	44	41	42
24.0	Printing and reproduction	52	42	43
25.2	Other services	3,710	5,421	6,935
25.3	Purchases of goods/svcs from Gvmt. accounts	2,065	2,330	2,365
26.0	Supplies and materials	94	113	115
31.0	Equipment	0	210	213
	Total Obligations	12,507	14,967	15,791

General Services Administration
PUBLIC BUILDINGS SERVICE
EXPENSES, DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY

Program Description

Expenses, Disposal of Surplus and Real and Related Personal Property is a permanent, indefinite appropriation authorized by section 204 (b) of the Federal Property and Administrative Services Act of 1949, as amended. This section was added by P.L. 83-760 (40 U.S.C. 485(b)) of August 31, 1954, and later recodified as 40 U.S. Code 572. This account finances contractual services of appraisers, auctioneers, and brokers familiar with local real estate markets to accelerate the utilization or sale of surplus real property. It also covers the costs of surveying, advertising, environmental, historic preservation services, highest and best of use of property studies, property utilization studies and deed compliance inspections. Financing is provided through receipts from sales of surplus property and outleasing of Government-owned space. In addition, these services are provided on a reimbursable basis for the Department of Defense non-base closure properties.

The Operating Expenses appropriation account reflects performance goals and measures for the Real Property Disposal Program. These goals include completing 85% of all 1949 Act real property disposals within 320 days by fiscal year 2006; and complete 71% of reimbursable disposals within 188 days by fiscal year 2006.

General Services Administration
PUBLIC BUILDINGS SERVICE
EXPENSES, DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY

FY 2004 - FY 2006 Obligations (Direct)			
$(Thousands)			
	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Obligations Categories:			
Salaries and Benefits	-	-	-
Contractual Services	5,911	11,230	13,030
All Other	77	350	350
Total Obligations	5,988	11,580	13,380
Outlays	4,113	11,348	13,112
Employment (FTE)	-	-	-

FY 2004 - FY 2006 Obligations (Reimbursable) $(Thousands)			
	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Obligations Categories:			
Salaries and Benefits	-	-	-
Contractual Services	513	520	520
All Other	1	80	80
Total Obligations	514	600	600
Outlays	-	-	-

General Services Administration
PUBLIC BUILDINGS SERVICE
EXPENSES, DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY

Explanation of Budget Changes (Direct)
$(Thousands)

	FTE	$
FY 2005 Request...	0	**11,580**
Increase contractual services		1,800
FY 2006 Request...	0	**13,380**

Explanation of Budget Changes (Reimbursable)
$(Thousands)

	FTE	$
FY 2005 Request	0	**600**
No Change		0
FY 2006 Request	0	**600**

General Services Administration
PUBLIC BUILDINGS SERVICE
EXPENSES, DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY

Obligations by Object Class (Direct)
$ (Thousands)

		FY 2004 Actual	FY 2005 Current	FY 2006 Request
24.0	Printing and reproduction	77	350	350
25.2	Other Services	5,911	11,230	13,030
	Total Obligations	5,988	11,580	13,380

Obligations by Program Activity (Direct)
$ (Thousands)

	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Disposal - Real Property:			
a. Appraisers, auctioneers, brokers fees, surveying	5,289	5,000	5,400
b. Advertising	260	1,000	2,300
c. Environmental Services	305	2,135	2,235
d. Historical Preservation Services	72	2,000	2,000
e. Highest and best use of property studies, Utilization of property studies and deed compliance inspections		930	930
Outleasing - Government-owned Space:			
a. Appraisers, auctioneers, brokers fees, surveying, advertising	53	500	500
b. Advertising	9	15	15
Total Obligations	5,988	11,580	13,380

General Services Administration
PUBLIC BUILDINGS SERVICE
EXPENSES, DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY

Obligations by Object Class (Reimbursable)
$ (Thousands)

		FY 2004 Actual	FY 2005 Current	FY 2006 Request
24.0	Printing and reproduction	1	80	80
25.2	Other Services	513	520	520
	Total Obligations	514	600	600

Obligations by Program Activity (Reimbursable)
$ (Thousands)

	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Disposal - Real Property:			
a. Appraisers, auctioneers, brokers fees, surveying	247	240	240
b. Advertising	17	50	50
c. Environmental Services	37	300	300
d. Historical Preservation Services	213	10	10
Total Obligations	514	600	600

General Services Administration
ACQUISITION WORKFORCE TRAINING FUND

INTRODUCTION

The Acquisition Workforce Training Fund was authorized by the Services Acquisition Reform Act of 2003 (SARA), Title XIV of the National Defense Authorization Act for fiscal year 2004 (P.L. 108-136) signed into law on November 24, 2003. Section 1412 of SARA amended section 37 of the Office of Federal Procurement Policy Act to establish the Acquisition Workforce Training Fund within GSA. The fund was created to ensure that the Government's non-defense acquisition workforce has sufficient training resources to adapt to the changing nature of Federal Government acquisition.

GSA will manage the fund through the Federal Acquisition Institute to develop training resources for the acquisition workforce of all executive agencies, except the Department of Defense. SARA authorized the fund to be credited with five percent of the fees collected from executive agencies (other than the Department of Defense) under the following contracts:

- Government-wide task and delivery-order contracts entered into under sections 303H and 303I of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h and 253i).
- Government-wide contracts for the acquisition of information technology as defined in section 11101 of Title 40, U.S.C., and multi-agency acquisition contracts for such technology authorized by section 11314.
- Multiple-award schedule contracts entered into by the Administrator of General Services.

Amounts credited to the fund shall remain available to be expended only in the fiscal year for which credited and the two succeeding fiscal years.

BUDGET AUTHORITY
$(Thousands)

	FY 2004 Actual	FY 2005 Current	FY 2006 Request	FY 2005/2006 Change
DIRECT PROGRAM:				
New Budget Authority (BA)	4,538	6,000	6,000	0
TOTAL DIRECT (Obligations)	1	6,000	6,000	0
PRIOR YEAR CARRYOVER	0	4,537	4,652	+115
TOTAL BUDGET AUTHORITY	4,538	10,537	10,652	+115
NET OUTLAYS	0	5,713	5,956	+243

EXPLAINATION OF ESTIMATES:

Operation of the Acquisition Workforce Training Fund commenced during fiscal year 2004 with revenues of $4.538 million.   The FY 2005 Budget request provided for full year operation of the Fund and an associated increase in revenue of $1.462 million above the FY 2004 level for a total of $6.0 million. The FY 2006 Budget Request remains constant at $6.0 million.

EXPLANATION OF BUDGET CHANGES
IN PRIORITY ORDER
$(Thousands)

FY 2005 Current Level……………………………………………………………….	**$6,000**
Increase/ Decrease ………………………………………………………………	+0
FY 2006 Total Budget Request………………………………………………	**$6,000**

Obligations by Object Class
$(Thousands)

		FY 2004 Actual	FY 2005 Current	FY 2006 Request
	Personnel Compensation:			
11.1	Full-time permanent	0	0	0
11.5	Other personnel compensation	0	0	0
11.9	**Total personnel compensation**	**0**	**0**	**0**
12.1	Civilian personnel benefits	0	0	0
21.0	Travel and transportation of persons	0	0	0
21.0	Motor pool travel	1	0	0
22.0	Transportation of things	0	0	0
23.1	Rental payments to GSA	0	0	0
23.3	Communications, utilities, and misc. charges	0	0	0
24.0	Printing and reproduction	0	0	0
25.2	Other services	0	6,000	6,000
25.3	Purchases of goods and services from Government accounts	0	0	0
26.0	Supplies and materials	0	0	0
31.0	Equipment	0	0	0
99.0	Subtotal direct obligations	1	6,000	6,000
99.0	Reimbursable obligations	0	0	0
99.9	**Total Obligations**	**1**	**6,000**	**6,000**

General Services Administration
PANAMA CANAL COMMISSION

INTRODUCTION

Panama Canal Revolving Fund

The Panama Canal Act of 1979 established the Panama Canal Commission to operate and maintain the interoceanic waterway. Pursuant to Public Law 104-106, the Commission was a wholly-owned government corporation and was funded by a revolving fund. In accordance with the Panama Canal Treaty, the United States transferred ownership of the Canal to the Republic of Panama on December 31, 1999. Public Law 108-309, Sec. 121, amended the Panama Canal Act to terminate the Panama Canal Commission on October 1, 2004, and transferred the Panama Canal Revolving Fund to the General Services Administration (GSA). GSA will use the funds to pay for outstanding liabilities and costs of terminating the Commission and the Office of Transition Administration. Costs include the settlement of remaining accident and contract claims against the Commission.

Office of Transition Administration

Pursuant to 22 USC 3714a., Sec. 1305.; there was established in the Treasury of the United States a fund known as the "Panama Canal Commission Dissolution Fund." The Fund, which became available on October 1, 1998, was used by the Commission to operate an Office of Transition Administration. This office managed the Commission's transfer-related obligations, such as severance pay and accident and contract claims. Public Law 108-309, Sec. 121, provided for the termination of the Office of Transition Administration on October 1, 2004, and designated GSA to pay any expenses associated with the termination of the Office, from the Panama Canal Revolving Fund.

BUDGET AUTHORITY
$(Thousands)

	FY 2004 Actual	FY 2005 Current	FY 2006 Request	FY 2005/2006 Change
Reimbursable Program	27,042	0	0	+ 0
Total Obligations	27,042	0	0	+ 0
Obligated Balance, End of Year	40,957	40,957	40,957	+ 0
Net Outlays	1,033	0	0	+ 0